



## WMCA Board

**Date:** Friday 23 July 2021

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

**Venue:** Council Chamber, Wolverhampton Civic Centre, St Peter's Square, Wolverhampton. To ensure Covid compliance within the meeting venue, members of the public and press are asked not to attend in person but to observe the meeting online. Use the contact details overleaf for viewing instructions.

### 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 Stephen Simkins  
Councillor Rajbir Singh  
Councillor David Vickers  
Councillor Ian Ward

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

#### Non-Constituent Members

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor Tony Jefferson  
Councillor Sebastian Lowe  
Councillor Olivia Lyons  
Councillor Jeremy Oates  
Councillor Lezley Picton  
Tim Pile

Councillor Izzi Seccombe  
Tom Westley  
Councillor Kristofer Wilson  
Sarah Windrum

Councillor David A Wright

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

**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  
Simon Foster

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:

<b>Contact</b>	Dan Essex, Governance Services Manager
<b>Telephone</b>	0121 214 7505
<b>Email</b>	<a href="mailto:dan.essex@wmca.org.uk">dan.essex@wmca.org.uk</a>

# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Chair's Remarks (if any)	Chair	None
4.	Minutes - 25 June 2021	Chair	1 - 10
5.	Forward Plan	Chair	11 - 16
<b>Finance</b>			
6.	Financial Monitoring 2021/22	Councillor Bob Sleigh	17 - 32
7.	West Midlands Co-Investment Fund	Councillor Bob Sleigh	33 - 40
8.	City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre Business Case	Councillor Bob Sleigh	41 - 50
<b>Economy &amp; Innovation</b>			
9.	West Midlands Business Support Review	Councillor Ian Brookfield	51 - 56
<b>Inclusive Communities</b>			
10.	Race Equalities Taskforce	Councillor Brigid Jones	57 - 62
<b>Governance</b>			
11.	HS2 Regional Enterprise Board	Chair	63 - 68
12.	Appointment of Audit, Risk & Assurance Committee Independent Member	Chair	69 - 72

<b>Minutes</b>			
13.	Audit, Risk & Assurance Committee - 28 June 2021	David Lane	73 - 74
14.	Transport Delivery Committee - 28 June 2021	Councillor Kath Hartley	75 - 78
15.	Investment Board - 29 June 2021	Councillor Bob Sleight	79 - 86
16.	Environment & Energy Board - 1 July 2021	Chair	87 - 90
17.	Employment Committee - 9 July 2021	Chair	91 - 92
<b>Items of Private Business</b>			
18.	Exclusion of the Public and Press [In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business as it is likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.]		None
<b>Finance</b>			
19.	Financial Monitoring 2021/22 (private appendix)	Councillor Bob Sleight	93 - 94
<b>Date of Next Meeting</b>			
20.	Friday 17 September 2021 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 25 June 2021 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Bob Sleight (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Ian Brookfield	City of Wolverhampton Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor Patrick Harley	Dudley Metropolitan Borough Council
Councillor Brigid Jones	Birmingham City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Rajbir Singh	Sandwell Metropolitan Borough Council
Councillor David Vickers	Dudley Metropolitan Borough Council
Councillor Ian Ward	Birmingham City Council

#### **Observer Members**

Councillor Greg Brackenridge	West Midlands Fire Authority
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The following participated in the meeting remotely via Microsoft Teams:

Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Cathy Bayton	Overview & Scrutiny Committee
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Andrew Day	Warwick District Council
Councillor Matt Dormer	Redditch Borough Council
Councillor George Duggins	Coventry City Council
Simon Foster	West Midlands Police & Crime Commissioner
Councillor Peter Fowler	Overview & Scrutiny Committee
Councillor Kath Hartley	Transport Delivery Committee
Kashmire Hawker	Young Combined Authority
Councillor Matt Jennings	Stratford-on-Avon District Council
Rob Johnston	Midlands Trades Union Congress
Councillor Abdul Khan	Coventry City Council
David Lane	Audit, Risk & Assurance Committee
Councillor Olivia Lyons	Cannock Chase District Council
Councillor Jeremy Oates	Tamworth Borough Council
Tim Pile	Greater Birmingham & Solihull Local Enterprise Partnership
Councillor Izzi Seccombe	Warwickshire County Council
Tom Westley	Black Country Local Enterprise Partnership

**144. Apologies for Absence**

Apologies for absence were received from Lee Barron (Midlands TUC), Councillor Tony Jefferson (Stratford-on-Avon) and Councillor Sebastian Lowe (Rugby).

**145. Chair's Remarks**

**(a) Former Members of the WMCA Board**

The Mayor noted that Nick Abell (Coventry & Warwickshire LEP), Councillor George Adamson (Cannock Chase), Councillor Julie Jackson (Nuneaton & Bedworth), David Jamieson (West Midlands Police & Crime Commissioner) Councillor Peter Nutting (Shropshire) and Councillor Qadar Zada (Dudley) were no longer members of the board and thanked them for their contributions to the work of the WMCA whilst they had been members.

**(b) Deborah Cadman, Former Chief Executive, WMCA**

The Mayor reported that Deborah Cadman had now taken up her role as Chief Executive of Birmingham City Council and thanked her for all the work she had done on behalf of the WMCA whilst she had been its Chief Executive.

**146. Minutes - 19 March 2021**

The minutes of the meeting held on 19 March 2021 were agreed as a correct record.

**147. Forward Plan**

The forward plan of items to be reported to future meetings of the board was noted.

**148. Confirmation of Statutory Officer Appointments**

The board considered a report from the Interim Head of HR on the appointments of an Interim Chief Executive and Interim Director of Law & Governance, and their statutory roles for the WMCA.

Following the resignations of both the Chief Executive and the Director of Law & Governance, recruitment processes had been undertaken in order to appoint to these roles on an interim basis. Both of these roles performed statutory functions for the WMCA in accordance with the Local Government & Housing Act 1989. The Chief Executive role had the statutory responsibility as Head of Paid Service and the Director of Law & Governance had statutory responsibility for the role of Monitoring Officer for the Authority.

Resolved:

- (1) The appointment of Laura Shoaf as Interim Chief Executive and the WMCA's Statutory Head of Paid Service be endorsed.
- (2) The appointment of Satish Mistry as Interim Director of Law & Governance and the WMCA's Statutory Monitoring Officer be endorsed.

**149. Annual Delivery 2020/21: End of Year Update on High Level Deliverables**

The board considered a report from the Director of Finance that provided an end of year summary of the progress against portfolio deliverables for 2020/21

As part of its business planning and performance reporting arrangements, the WMCA would normally publish an Annual Plan. However, on 5 June 2020 the WMCA Board agreed not to publish an Annual Plan for 2020/21 given the context of the COVID-19 pandemic and the likely need to review and repurpose planned activity to support response and recovery. The report provided a comprehensive summary of delivery and progress against 2020/21 WMCA portfolio activity. It enabled the board and other stakeholders to review the progress activity that supported the realisation of the WMCA vision of a healthier, happier, better connected and more prosperous region.

Councillor Ian Ward noted that the high level deliverables did not reference activity in respect of air quality or affordable housing policy and delivery, which were key issues across the region. Councillor Ian Courts indicated that it was important that the WMCA complemented and contributed to the work being done by constituent authorities and undertook to report back to a future meeting of the board on the work being done in this area. Councillor Mike Bird reported that the Housing & Land Delivery Board was working with a consortium of housing associations to develop a region-wide approach to delivering affordable housing, and he would continue to keep this board updated on progress in this regard.

Resolved:

The end of year summary of progress against portfolio deliverables for 2020/21 be noted.

**150. Appointment of WMCA Boards and Committees 2021/22**

The board considered a report from the Interim Head of Law & Governance, Clerk and Monitoring Officer setting out the appointments made by constituent, non-constituent and observer member authorities to the WMCA Board and its committees/sub-boards for 2021/22. The report also set out the timetable of meetings for the forthcoming year and the appointments made by the Mayor for the positions of Deputy Mayor and Portfolio Lead areas.

Councillor Ian Ward indicated that the role and membership of these boards should be included within the remit of the planned governance review and the Chair confirmed that this would be the case.

Resolved:

- (1) The members nominated by constituent, non-constituent and observer member authorities to sit on the WMCA Board and its committees/sub-boards be noted.
- (2) Councillor Cathy Bayton be appointed as Chair of the Overview & Scrutiny Committee, Tim Pile be appointed as Chair of the Strategic Economic Development Board and Councillor Kath Hartley be appointed as Chair of the Transport Delivery Committee.

- (3) The appointments made by the Mayor to the positions of Deputy Mayor and Portfolio Lead areas be noted.
- (4) The timetable of meetings for 2021/22 be agreed.
- (5) The intention to establish a new HS2 Board, and to submit the terms of reference of this board to the next meeting of the WMCA Board on 23 July, be noted.
- (6) Authority be delegated to the Interim Monitoring Officer to approve any subsequent minor changes to the individual appointments made to board/committees.

**151. Overview & Scrutiny Committee - Annual Report**

The board considered a report from the Interim Director of Law & Governance setting out the annual report of the Overview & Scrutiny Committee that highlighted its key achievements during 2020/21.

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

Councillor Cathy Bayton thanked the outgoing chair, Councillor Lisa Trickett, for the stewardship of the committee during the last two years and indicated that she wished to continue to provide constructive challenge to the WMCA decision making bodies to ensure the region's needs were recognised and addressed. She also thanked Governance staff that had ably supported the scrutiny function during the last year. The Chair expressed his own thanks to Councillor Lisa Trickett for leading the scrutiny function during the last two years.

Resolved:

The Overview & Scrutiny Committee 2020/21 annual report be noted.

**152. Young Combined Authority - Annual Review**

The board considered a report from the Head of the Chief Executive's Office setting out the annual report of the Young Combined Authority, highlighting its key achievements during 2020/21.

Kashmire Hawker thanked the board for providing young people with the opportunity and mechanism to express their voices, concerns and solutions to issues that impacted on the lives of the region's younger people. On behalf of the Young Combined Authority, he also expressed his condolences to the family and friends of Shakur Pinnock who had died in the previous week following an accident in Wolverhampton whilst riding on an e-scooter.

Councillor Brigid Jones thanked the members of the YCA for the commitment they had shown in advocating on behalf of their peers, and urged all portfolio leads to engage with the YCA as part of the work of their own boards during the coming year.

Resolved:

The Young Combined Authority 2020/21 annual review be noted.

**153. State of the Region 2021**

The committee considered a report from the Director of Strategy that detailed the main findings from the State of the Region executive summary, placing it into the wider context of developing the five regional challenges approved at Strategic Economic Development Board and WMCA Board during March 2021. The analysis directly influenced and reflected the region's shared priorities, which in turn were informing the development of the WMCA's corporate strategy.

WMREDI partners across the region had together developed the fifth annual State of the Region report. It was a high-level report in comparison to its predecessors due to the wealth of research and supporting reports published throughout the pandemic. As in previous years, the report highlighted the major challenges facing the region, its citizens and businesses and the challenge facing all bodies charged with improving the wellbeing, economy and environment of the region.

Councillor Ian Ward noted three key challenges for the region: improvements in air quality, provision of good quality jobs and the supply of affordable housing. In all three areas he expressed concern at the current situation in the region, stressing the need to achieve improvements across all these areas.

Resolved:

- (1) The executive summary of the State of the Region report, which fulfilled the WMCA's statutory responsibility to provide an assessment of regional economic conditions, be considered.
- (2) The executive summary be noted, and it be noted that a more detailed report was being prepared that would encompass a wide range of evidence produced by the WMREDI partners and the Office for Data Analytics over the last 12 months
- (3) The next steps to further develop the region's response to the five challenges endorsed by board in March 2021 be endorsed.

**154. Financial Monitoring Report 2021/22**

The board considered a report from the Director of Finance on the WMCA's finances as at the end of March 2021 (including the financial implications of COVID-19), subject to an external audit review.

An update on the latest position for the current financial year, the ongoing refresh of the Combined Authority's Medium Term Financial Plan and on the final 2022/21 position against all WMCA treasury activity in the line with CIPFA code best practice requirements was also provided.

Councillor Rajbir Singh noted the WMCA's projected budget deficits through to 2026/27 and sought assurances that measures were being undertaken to address these. The Director of Finance confirmed that the board had recognised these deficits when it set its 2021/22 budget earlier in the year, and work was now being undertaken as part of the strategic planning process to be able to present a balanced budget to the board at its meeting on 14 January 2022.

Resolved:

- (1) The draft outturn position for the financial year ending 31 March 2021, which was subject to external audit review be noted.
- (2) The final revenue and capital budgets for 2021/22 be approved.
- (3) The update on the COVID Bus Services Support Grant and Light Rail Revenue Restart Grant be noted.
- (4) The update on the Investment Programme, including the successful completion of the HM Treasury Gateway Review and the progression of schemes through the WMCA Assurance Framework to allocate the remaining headroom of £15.4m, be noted.
- (5) The initial Medium Term Financial Plan for 2022/23 to 2026/27 and the proposed next steps be noted.
- (6) The use of £0.8m of Investment Programme transport allocation to support Midland Metro capital costs be noted.
- (7) The Treasury Management out-turn position for 2020/21 be noted.

#### **155. Commonwealth Games Transport Plan**

The board considered a report from the Director of Network Resilience on the Commonwealth Games 2022 Transport Plan. Transport for West Midlands had now prepared a draft of the transport plan for consultation and engagement.

In 2019, the board had agreed the guiding principles for the Commonwealth Games transport provision in a draft Games Strategic Transport Plan, following an engagement exercise to gather feedback from residents, business and wider games partners. The guiding principles were clean and green, a 'public transport' games, safe, secure, efficient and reliable, long term benefits (creating a legacy for through transport) and to minimise disruption to users and access for all.

Councillor Ian Ward welcomed the work undertaken to prepare this plan, and urged members of the public, businesses and organisations across the region to submit consultation responses with their views.

Resolved:

The draft Commonwealth Games Transport Plan be approved for consultation and engagement commencing June to September 2021.

[Kashmire Hawker declared a non-prejudicial interest in this item in respect of his role as Administrator - Ceremonies, Culture & Queen's Baton Relay with the Birmingham 2022 Organising Committee.]

**156. Environment & Energy Board - 10 March 2021**

The board received the minutes of the Environment & Energy Board meeting held on 10 March.

Resolved:

The minutes of the meeting held on 10 March 2021 be noted.

**157. Strategic Economic Development Board - 11 March 2021**

The board received the minutes of the Strategic Economic Development Board meeting held on 11 March 2021.

Resolved:

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

**158. Transport Delivery Committee - 15 March 2021**

The board received the minutes of the Transport Delivery Committee meeting held on 15 March 2021.

Resolved:

The minutes of the meeting held on 15 March be noted.

**159. Investment Board - 22 March 2021**

The board received the minutes of the Investment Board meeting held on 22 March 2021.

Resolved:

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

**160. Investment Board - 19 April 2021**

The board received the minutes of the Investment Board meeting held on 19 April 2021.

Resolved:

The minutes of the meeting held on 19 April 2021 be noted.

**161. Audit, Risk & Assurance Committee - 19 April 2021**

The board received the minutes of the Audit, Risk & Assurance Committee meeting held on 19 April.

Resolved:

The minutes of the meeting held on 19 April 2021 be noted.

## **162. Exclusion of the Public and Press**

Resolved:

The public and press be excluded from the meeting for the remaining item of business in accordance with s100(A) of the Local Government Act 1972 as it is likely to involve the disclosure of exempt information as specified in the paragraphs of the Act.

## **163. Arden Cross Multi-Storey Car Park**

The board considered a report from the Managing Director of the Urban Growth Company on the full business case for the first phase of the proposed multi-storey car park at the Arden Triangle site. The report set out the findings and recommendations of the WMCA's Assurance Team, outlined the loan proposal which had been put forward to part fund the phase 1 cost of the car park and the observations of the Director of Finance's meetings held over the period April to June 2021.

Resolved:

- (1) The funding of a £50m loan from WMCA to Solihull Metropolitan Borough Council (up to £45m principal and up to £5m of interest rolled up) for a multi-storey car park and associated infrastructure at the Arden Cross Triangle which formed part of the wider growth plans for the UK Central Hub area be approved.
- (2) Note that the commitment and drawdown of the loan would be subject to:
  - (i) WMCA approval of the next iteration of the business case that was to be submitted in 2022/23.
  - (ii) Confirmation from the Department for Transport of the availability of the £50m grant for the multi-storey car park project.
  - (iii) Confirmation of the funding strategy for the wider infrastructure works needed to enable the development at the Arden Triangle site.
  - (iv) WMCA due diligence of the final signed Value Capture Agreement to ensure the obligations of the loan were passed through to Arden Cross Ltd.
- (3) The delegation of the WMCA Monitoring officer and WMCA Director of Finance to enter into the contract for the above, subject to the above conditions being met, their satisfaction with due diligence and having consulted with the Finance Directors Group, be approved.
- (4) That the conditions accompanying the £50m Department for Transport grant were yet to be made available be noted, and should these ultimately include any terms which were specifically onerous or present a significant risk of clawback, WMCA may need to review whether it was possible to enter into the agreement with the Department for Transport.

[Councillor Ian Courts declared a non-prejudicial interest in this item in respect of his membership of Solihull Metropolitan Borough Council.

Councillor Bob Sleigh declared a non-prejudicial interest in this item in respect of his membership of the board of the Urban Growth Company and his membership of Solihull Metropolitan Borough Council.

Councillor Ian Ward declared a non-prejudicial interest in this item in respect of Birmingham City Council's ownership of land connected to this development.]

**164. Date of Next Meeting**

Friday 23 July 2021 at 11.00am

The meeting ended at 12.30pm.

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## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: SEPTEMBER 2021 - MARCH 2022

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Final Corporate Strategy 2021/22 - 23/24</b>	To agree the WMCA's Corporate Strategy for 2021/22 - 23/24.	17 September 2021	Yes	n/a	Julia Goldsworthy	No	Policy
<b>Equalities Scheme</b>	To approve the draft Equalities Scheme for consultation.	17 September 2021	Yes	Cllr Brigid Jones	Julie Nugent	No	Inclusive Communities
<b>Mental Health Commission</b>	To provide an update on the work of the Mental Health Commission.	17 September 2021	Yes	n/a	Ed Cox	No	n/a
<b>Social Enterprise Growth Strategy</b>	To provide an update on the Social Enterprise Growth Strategy.	17 September 2021	Yes	Cllr Rajbir Singh	Ed Cox	No	Public Service Reform & Social Economy

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Agenda Item 5

<b>Title of Report</b>	<b>Description of Purpose</b>	<b>Date of Meeting</b>	<b>Key Decision (Y/N)</b>	<b>Lead Portfolio Holder</b>	<b>Lead Officer</b>	<b>Confidential</b>	<b>Category</b>
<b>Financial Monitoring 2021/22</b>	To consider the WMCA's latest financial position.	17 September 2021	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Local Transport Plan Consultation Approval</b>	To approve the draft local transport plan proposals for consultation.	17 September 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>Bus Service Improvement Plan</b>	To consider the latest position relating to the bus service improvement plan.	17 September 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>Intra-City Transport Fund</b>	To consider the latest position relating to the fund.	17 September 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>West Midlands Cycle Hire Scheme</b>	To consider the latest position regarding the West Midlands Cycle Hire Scheme.	17 September 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Department for Transport Zero Emissions Bus Fund</b>	To approve the full business case for the WMCA's bid for funding.	17 September 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>West Midlands Rail/Department for Transport Collaboration Agreement</b>	To seek approval to enter into a new collaboration agreement.	17 September 2021	Yes	Cllr Ian Ward	Malcolm Holmes	No	Transport
<b>2021/22 High Level Deliverables</b>	To consider the refreshed WMCA High Level Deliverables for 2021/22.	19 November 2021	Yes	n/a	Julia Goldsworthy	No	Policy
<b>Circular Economy Roadmap</b>	To consider proposals to develop a circular economy roadmap.	19 November 2021	Yes	Cllr Ian Courts	Ed Cox	No	Environment & Energy
<b>Financial Monitoring 2021/22</b>	To consider the WMCA's latest financial position.	19 November 2021	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance

Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Local Transport Plan Consultation Approval</b>	To consider the response received from the Local Transport Plan consultation.	19 November 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>Contactless Fare Payments Broker System Full Business Case</b>	To approve the full business case.	19 November 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>Bus Delivery Options</b>	To consider the outline business case consultation feedback.	19 November 2021	Yes	Cllr Ian Ward	Anne Shaw	No	Transport
<b>Draft Annual Business Plan 2022/23</b>	To consider a draft Annual Business Plan for 2022/23	14 January 2022	Yes	n/a	Julia Goldsworthy	No	Policy
<b>Net Zero Neighbourhood</b>	To consider proposals for a Net Zero Neighbourhood.	14 January 2022	Yes	Cllr Ian Courts	Ed Cox	No	Environment & Energy



Title of Report	Description of Purpose	Date of Meeting	Key Decision (Y/N)	Lead Portfolio Holder	Lead Officer	Confidential	Category
<b>Draft WMCA Budget 2022/23</b>	To consider the draft WMCA budget for 2022/23.	14 January 2022	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Financial Monitoring 2021/22</b>	To consider the WMCA's latest financial position.	14 January 2022	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Annual Business Plan 2022/23</b>	To approve the WMCA's Annual Business Plan for 2022/23.	11 February 2022	Yes	n/a	Julia Goldsworthy	No	Policy
<b>Final WMCA Budget 2022/23</b>	To agree the WMCA's budget for 2022/23.	11 February 2022	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance
<b>Financial Monitoring 2021/22</b>	To consider the WMCA's latest financial position.	18 March 2022	Yes	Cllr Bob Sleigh	Linda Horne	No	Finance

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## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	Financial Monitoring Report 2021/22
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Linda Horne, Director of Finance email: linda.horne@wmca.org.uk
<b>This report has been considered by</b>	WMCA Senior Leadership Team - 7 July 2021 WMCA Finance Directors - 8 July 2021 WMCA Programme Board

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

#### WMCA Board is recommended to:

- (1) Note the financial outturn position as at the end of 31 May 2021, detailed in Sections 2-4.
- (2) Note the earmarking of up to £0.5m reserves to support proposals subject to separate papers to WMCA Board.
- (3) Note the update on Medium Term Financial Planning Process, detailed in Section 5.
- (4) Approve a £12.2m Collective Investment Fund (CIF) loan following its approval by WMCA Investment Board, detailed in Section 6.
- (5) Approve the submission of the Phase 2 Business Case application to the Zero Emission Bus Regional Area (ZEBRA) scheme to DfT by 20 August 2021, detailed in Section 7.

## **1.0 Purpose**

- 1.1 To provide an update on the Combined Authority's finances as at the end of May 2021 (including the financial implications of Covid-19).

## **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.
- 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 May shows a £0.159m favourable variance from budget. This consists of a favourable variance within the Transport budget of £0.280m largely due to Child Concession savings during the pandemic as a result of lower patronage and no fare increases. Revision of the Accessible Transport contract and staffing variations have delivered further savings.
- 2.4 This is partly offset by an adverse variance of £0.121m within the Delivery budget as a result of retimed draw down of £0.200m reserves offsetting an underlying £0.079m favourable position. The underlying favourable position is driven by staffing variation and retiming of activities whilst the strategic priorities of WMCA are reviewed.
- 2.5 There is no change in the Revenue or Capital forecast at this early stage of the financial year. Risks within the budget regarding Transport operations and income losses remain and officers continue to work with government on post 19 July arrangements. A verbal update will be provided to board if applicable.
- 2.6 Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Delivery budget and the Mayoral office respectively.
- 2.7 At its February Meeting, WMCA Board approved the creation of a revenue reserve using WMCA's share of 20/21 Business Rates Growth monies. £4.8m of this reserve was earmarked to support the 21/22 Budget, comprising £3.6m to support the Mayoral election costs and £1.2m to support the Delivery Budget. WMCA Board are now asked to note that up to £0.5m of this one-off reserve is to be earmarked to support proposals which are subject to upcoming separate papers to be presented to WMCA Board. The first papers to be presented to WMCA Board will relate to the Business Support Review and Race Equality Taskforce. If those proposals are endorsed by WMCA Board, they will be funded by this one-off reserve for 21/22.

## **3.0 Mayoral Budget**

- 3.1 Appendix 4 presents the Mayoral budgets as at the end of May 2021.
- 3.2 The Mayoral Office budget remains broadly in line with budget at this early stage of the year.

## **4.0 Capital Programme**

- 4.1 Appendix 5 sets out the position on the Capital Programme as at the end of May 2021. Actual costs totalled £43.8m, resulting in a favourable variance of £14.7m against a budget of £58.5m. There has been no change in the forecast position at this early stage of the year.
- 4.2 The year to date variance is primarily contained within Transport (£13m), Housing (£1.6m) and the Grants to Local Authorities within the Investment Programme (£0.1m).
- 4.3 The Transport Programme has been categorised into five sub programmes. The largest of these is the Investment Programme with a budget of £217.5m, including all the Rail/Sprint & Metro extension schemes. At the end of May, actual costs totalled £12.9m, which was £8.2m below the budget of £21.1m. The main variances at the end of May were contained within the Metro Programme totalling £7.3m, further detail is available in Appendix 5.

## **5.0 Medium Term Financial Plan Update**

- 5.1 The latest view of WMCA's Medium Term Financial Plan was presented to Board in June 2021. This identified a deficit of £21.7m in 2022/23, rising to £52.0m in 2026/27. As detailed in the June 2021 Board report, this position represents a 'stand still' basis and does not include any additional initiatives that may arise from the ongoing review of WMCA's Corporate Strategy.
- 5.2 As detailed in the Draft and Final 2021/22 Budget reports presented to Board in January 2021 and February 2021 respectively, a funding gap for the next five years had previously been identified. It was noted that without a long-term funding solution, WMCA faced difficult choices about the services it can provide within the funding envelope currently available.
- 5.3 A balanced 2021/22 Budget was only achieved by one-off utilisation of reserves, including £7.5m of WMCA's share of 2020/21 Business Rates Growth monies. These monies would otherwise have supported WMCA's Investment Programme and emphasise that use of one-off funds to support the Revenue Budget is not a viable long-term option.
- 5.4 The WMCA's Corporate Strategic Planning process has now commenced and will continue over Summer 2021. This work will establish the core priorities of the WMCA, ensuring that all funding bids are optimised in order to meet these objectives, and will allow for a robust case to be submitted by WMCA as part of HM Government's Comprehensive Spending Review which is anticipated in 2021.
- 5.5 All the financial implications that arise as part of this work, will be incorporated into an updated view of the Medium Term Financial Plan that will be presented to WMCA Board in September 2021. This update will also include a detailed costing of all WMCA activities and will support the policy choice conversations which may be required in order to reduce the long-term funding deficit and arrive at a balanced 2022/23 Draft Budget for presentation at the January 2022 Board meeting.

5.6 With respect to WMCA's future capital expenditure plans, it should be noted that WMCA is currently in dialogue with DfT with respect to the Intracity Transport Settlement (ICTS). The ICTS will essentially form the basis for the majority of transport capital funding over the next five years from April 2022. Details are yet to be provided by DfT, but it is expected conversations regarding the settlement will take place towards the end of August. An appropriate update will be provided to the next WMCA Board in September.

## **6.0 Collective Investment Fund (CIF) Loan**

6.1 At its meeting of 29 July 2019, WMCA Investment Board agreed a concentration risk policy to be applied to its commercial and residential loan portfolio. The purpose of the concentration policy is to protect against WMCA being exposed to a single entity holding a significant proportion of WMCA loans, thereby presenting a higher risk to WMCA in the event of a default. Whilst the loan applicant has no other loans with WMCA at this point in time, the value of the loan exceeds £10m and therefore, requires supplementary approval by WMCA Board.

6.2 Details concerning the nature of the loan including the arrangements for loan security are included within Appendix 6 to be considered under the private agenda by virtue of the commercially confidential content.

## **7.0 Zero Emission Bus Regional Area submission to DfT**

7.1 Following a successful expression of interest, WMCA has been invited by DfT to submit an application to the second phase of the Zero Emission Bus Regional Area (ZEBRA) scheme. The scheme would support further decarbonisation of the bus fleet serving the WMCA region, supporting the WM2041 plan and net zero strategy and will be in the region of £55m.

The application will follow the process as set out by DfT with submissions for assessment by 20 August 2021. This remains a competitive process and WMCA continues to work with partners to identify and mitigate risks through development of the full business case prior to submission. If successful, the full business case will be presented to WMCA Board at its September 2021 meeting including risks and resourcing implications for approval prior to acceptance of grant funds.

## **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. As not all Local Authorities produce results for April, the first Investment Programme update for 2021/22 will be reported to the next WMCA Board meeting in September.

## **9.0 Balance Sheet**

9.1 A Balance Sheet for the first quarter will be provided to the next WMCA Board meeting in September.

## 10.0 Administered Funds

Funding Stream	2021/22 Full Year Grant Award £'000	2021/22 Spend to Date £'000	Purpose
Midlands Connect	6,238	455	Work is continuing on delivering the Midlands Engine 'Vision for Growth'.
Getting Building Fund	33,000	30,955	Investment in local infrastructure projects to stimulate jobs and support economic recovery. The WMCA is the accountable body with funding allocated to the 7 Mets and 3 LEPs.
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.
Highways Maintenance Block	9,043	9,043	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	17,755	13,548	Supporting delivery of the 7 Mets. Capital Programmes & WMCA's Minor Works Capital Programme
<b>Total</b>	<b>76,562</b>	<b>64,527</b>	

## 11.0 Financial Implications

11.1 The Financial Implications are set out in the report.

## 12.0 Legal implications

12.1 There are no legal implications.

## 13.0 Equalities implications

13.1 There are no equalities implications.

## 14.0 Inclusive Growth Implications

14.1 There are no Inclusive Growth implications.

## 15.0 Geographical Area of Report's Implications

15.1 The report encompasses the West Midlands region.

## 16.0 Appendices

- Appendix 1 – WMCA Consolidated Summary – May 2021
- Appendix 2 – WMCA Transport Revenue Summary - May 2021
- Appendix 3 – WMCA Delivery Budget Summary – May 2021
- Appendix 4 – WMCA Mayor Revenue Summary – May 2021
- Appendix 5 – WMCA Capital Transport Delivery Programme – May 2021
- Appendix 6 – PRIVATE APPENDIX CIF LOAN PROPOSAL

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – Year Ending 31 May 2021

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	19,120	19,120	0	114,720	114,720	0
Commonwealth Games	429	475	(46)	5,423	5,423	0
Revenue Grants & Other Income	1,234	2,416	(1,182)	9,348	9,348	0
Adult Education Funding	26,888	30,846	(3,958)	142,698	142,698	0
Share of Business Rates	0	1,500	(1,500)	9,000	9,000	0
Constituent Membership	763	774	(11)	4,644	4,644	0
Non Constituent Members	71	71	0	425	425	0
Investment Programme	1,191	527	664	36,500	36,500	0
Investment Income	150	150	0	898	898	0
Use of Reserves	3,777	4,639	(862)	9,495	9,495	0
<b>Total Funding</b>	<b>53,623</b>	<b>60,518</b>	<b>(6,895)</b>	<b>333,151</b>	<b>333,151</b>	<b>0</b>
Transport for West Midlands	18,924	19,869	945	119,415	119,415	0
Commonwealth Games	429	475	46	5,423	5,423	0
Economy & Innovation	497	616	119	3,381	3,381	0
Environment, Energy & HS2	86	120	34	598	598	0
Housing and Land	168	233	65	1,400	1,400	0
Wellbeing	146	258	112	1,502	1,502	0
PSR & Social Economy	103	386	283	1,563	1,563	0
Culture and Digital	8	17	9	174	174	0
Productivity & Skills	27,534	32,371	4,837	147,598	147,598	0
Inclusive Communities	0	0	0	68	68	0
Business Support	455	211	(244)	2,064	2,064	0
Investment Programme	1,209	2,044	835	45,605	45,605	0
Mayoral Office	123	136	13	760	760	0
Mayoral Election	3,600	3,600	0	3,600	3,600	0
<b>Total Expenditure</b>	<b>53,282</b>	<b>60,336</b>	<b>7,054</b>	<b>333,151</b>	<b>333,151</b>	<b>0</b>
<b>Net Expenditure</b>	<b>341</b>	<b>182</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transport	371	91	280	0	0	0
Delivery	(30)	91	(121)	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>341</b>	<b>182</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>0</b>

The full year position at the end of May shows a £0.159m favourable variance from budget.

This is made up of £0.280m within Transport as a result of Child Concessions savings during Covid-19 driven by lower patronage and no fare increases. Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings, alongside staffing variations. Variances in Revenue Grants & Other Income and Adult Education Funding represent where activities have been reprofiled within the year, and so there has been no associated grant drawdown. These adverse variances are therefore offset by favourable variances within expenditure.

This is offset by an adverse variance of £0.121m within the Delivery budget. This represents an underlying £0.079m favourable variance offset by retired draw down of £200k reserves.

## Appendix 2

### Transport for West Midlands full year revenue position – May 2021

<p><b>Headlines</b>                      As at the end of May 2021 there is a £0.280m favourable year to date variance against budget.                      This is primarily driven by Child Concession savings during the pandemic due to reduced services and patronage alongside no fare increases.                      Revision of the Accessible Transport contract, including bringing the Customer Service team in-house, has delivered further savings. Current savings on cleaning and maintenance, along with staffing variations have also contributed to the favourable variance.                      These variances are partly offset by lower than budgeted drawdown of reserves to support the overall budget as they have not yet been required.</p>									
	MAY 2021 YEAR TO DATE						YTD VARIANCE FAVOURABLE / (ADVERSE) £000	FULL YEAR 2021/22	VARIANCE EXPLANATION(S)
	ACTUAL £000			BUDGET £000				BUDGET £000	
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET		NET	
Specific resources:									
Transport Levy	19,120	0	19,120	19,120	0	19,120	0	114,720	Budgeted reserves to support the delivery of the cycle hire scheme have begun to be drawn down. However, reserves to support the overall budget have not yet been required.
Use of Reserves	177	0	177	839	0	839	(662)	4,695	
<b>TOTAL FUNDING</b>	<b>19,297</b>	<b>0</b>	<b>19,297</b>	<b>19,959</b>	<b>0</b>	<b>19,959</b>	<b>(662)</b>	<b>119,415</b>	
<b>Concessions</b>									
National Bus Concession	14	8,673	(8,659)	16	8,664	(8,649)	(11)	(50,472)	Driven by reduced services and patronage during the pandemic, with no fare increases further contributing to the variance.
Metro / Rail	0	762	(762)	0	760	(760)	(2)	(4,572)	
Child Concession	0	957	(957)	0	1,162	(1,162)	205	(7,029)	
<b>Bus Services</b>	14	10,392	(10,378)	16	10,586	(10,570)	192	(62,073)	
Bus Stations / Infrastructure	1,208	1,877	(669)	1,179	2,087	(908)	239	(5,152)	Favourable variance due to savings on cleaning and shelter repairs.
Subsidised Network	977	2,735	(1,758)	341	1,979	(1,638)	(120)	(11,478)	Adverse variance as a result of the timing of Subsidised Bus payments to operators. Over the full year there will likely be savings as contracts are extended rather than renewed in light of the ongoing Covid-19 impacts.
Accessible Transport	0	1,007	(1,007)	0	1,106	(1,106)	99	(6,637)	The Accessible Transport contract with National Express has been revised, thus driving savings. This also includes bringing the NEAT customer service team in-house.
<b>Rail and Metro Services</b>	2,185	5,619	(3,434)	1,520	5,172	(3,652)	219	(23,267)	
Metro Services	33	362	(329)	32	397	(365)	36	(2,628)	
Rail Services	195	703	(508)	229	718	(489)	(20)	(2,904)	
<b>Integration</b>	228	1,066	(837)	261	1,115	(854)	17	(5,532)	
Safety and Security	112	237	(125)	111	374	(262)	137	(1,274)	Driven by the scheduling of equipment purchases which will take place later in the year.
Passenger Information	1,634	2,544	(910)	132	1,165	(1,033)	122	(6,075)	Additional ticketing commission received.
Sustainable Travel	67	329	(262)	214	502	(288)	26	(1,401)	
<b>Network Resilience</b>	1,813	3,111	(1,297)	458	2,041	(1,583)	286	(8,750)	
Network Resilience	3	408	(405)	1	526	(526)	121	(3,181)	Primarily driven by staffing variations as recruitment takes place.
Commonwealth Games	429	429	0	475	475	0	0	(0)	
Business and Democratic Support	0	582	(582)	0	614	(614)	32	(3,809)	
Strategic Development	165	709	(545)	264	883	(620)	75	(3,798)	
Transport Governance	0	20	(20)	0	22	(22)	1	(131)	
Capital Finance Charges	0	1,427	(1,427)	0	1,427	(1,427)	0	(8,874)	
<b>TOTAL</b>	<b>4,837</b>	<b>23,763</b>	<b>(18,926)</b>	<b>2,994</b>	<b>22,862</b>	<b>(19,868)</b>	<b>942</b>	<b>(119,415)</b>	
<b>NET</b>	<b>24,134</b>	<b>23,763</b>	<b>371</b>	<b>22,953</b>	<b>22,862</b>	<b>91</b>	<b>280</b>	<b>0</b>	

### Appendix 3

#### West Midlands Combined Authority Delivery Budget – May 2021

FINANCIAL SUMMARY AS AT MAY 2021	MAY 2021 YEAR TO DATE			FULL YEAR 2019/20			
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000	
<b>Operational Income</b>							
Mayoral Capacity Funding	39	39	0	234	234	0	<p>(1) Efficiency target held centrally as part of Budgeting process, this adverse variance is offset by favourable variances within portfolios as the efficiencies are delivered.</p> <p>(2) Use of reserves to support the 21/22 budget haven't yet been required.</p>
Investment Interest Income	132	132	0	794	794	0	
Contribution - 7 Met Council's	763	774	(11)	4,644	4,644	0	
Contribution - Non constituent members	71	71	0	425	425	0	
Efficiency Savings Target (1)	0	111	(111)	665	665	0	
Use of Reserves (2)	0	200	(200)	1,200	1,200	0	
<b>Total Income</b>	<b>1,005</b>	<b>1,327</b>	<b>(322)</b>	<b>7,962</b>	<b>7,962</b>	<b>0</b>	
Enabling Services	455	322	(133)	2,729	2,729	0	
<b>Total Expenditure</b>	<b>455</b>	<b>322</b>	<b>(133)</b>	<b>2,729</b>	<b>2,729</b>	<b>0</b>	
<b>Operational Income Net Total</b>	<b>550</b>	<b>1,005</b>	<b>(455)</b>	<b>5,233</b>	<b>5,233</b>	<b>0</b>	
<b>Economy &amp; Innovation</b>							
Other Industrial Strategy Income	111	83	28	692	692	0	<p>(1) No Economic Intelligence work has yet been undertaken with the scope of the work to be reviewed.</p>
DDCMS - Creative Scale Up	25	36	(11)	217	217	0	
Create Central Projects	84	89	(5)	432	432	0	
Office of Data Analytics	34	26	8	252	252	0	
<b>Total Income</b>	<b>254</b>	<b>234</b>	<b>20</b>	<b>1,593</b>	<b>1,593</b>	<b>0</b>	
Industrial Strategy	180	147	(33)	1,098	1,098	0	
DDCMS - Creative Scale Up	25	36	11	217	217	0	
Create Central Projects	91	101	10	504	504	0	
Policy and Programme Development	50	48	(2)	370	370	0	
Office of Data Analytics	34	26	(8)	252	252	0	
Economic Intelligence (1)	0	141	141	240	240	0	
Funding For Growth	117	117	0	700	700	0	
<b>Total Expenditure</b>	<b>497</b>	<b>616</b>	<b>119</b>	<b>3,381</b>	<b>3,381</b>	<b>0</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(243)</b>	<b>(382)</b>	<b>139</b>	<b>(1,788)</b>	<b>(1,788)</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2</b>							
Energy Capital	39	54	(15)	240	240	0	
<b>Total Income</b>	<b>39</b>	<b>54</b>	<b>(15)</b>	<b>240</b>	<b>240</b>	<b>0</b>	
Environment	47	66	19	358	358	0	
Energy Capital	39	54	15	240	240	0	
<b>Total Expenditure</b>	<b>86</b>	<b>120</b>	<b>34</b>	<b>598</b>	<b>598</b>	<b>0</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(47)</b>	<b>(66)</b>	<b>19</b>	<b>(358)</b>	<b>(358)</b>	<b>0</b>	
<b>Housing and Land</b>							
Director of Housing & Regeneration (1)	168	233	(65)	1,400	1,400	0	<p>(1) Minimal spend on external advice YTD subject to confirmation of strategic priorities following Mayoral Election.</p>
<b>Total Income</b>	<b>168</b>	<b>233</b>	<b>(65)</b>	<b>1,400</b>	<b>1,400</b>	<b>0</b>	
Director of Housing & Regeneration (1)	168	233	65	1,400	1,400	0	
<b>Total Expenditure</b>	<b>168</b>	<b>233</b>	<b>65</b>	<b>1,400</b>	<b>1,400</b>	<b>0</b>	
<b>Housing and Land Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Wellbeing</b>							
Other Mental Health Income	40	26	14	158	158	0	<p>(1) Driven by staffing variations as recruitment takes place for the Midlands Engine programme, as well as marketing not taking place as anticipated. Offset by associated reduction in grant drawdown.</p>
IPS Programme	25	25	0	153	153	0	
Fiscal Incentive Programme (1)	26	119	(93)	664	664	0	
<b>Total Income</b>	<b>91</b>	<b>170</b>	<b>(79)</b>	<b>975</b>	<b>975</b>	<b>0</b>	
Wellbeing and Prevention	92	114	22	685	685	0	
Well Being	3	0	(3)	0	0	0	
IPS Programme	25	25	0	153	153	0	
Fiscal Incentive Programme (1)	26	119	93	664	664	0	
<b>Total Expenditure</b>	<b>146</b>	<b>258</b>	<b>112</b>	<b>1,502</b>	<b>1,502</b>	<b>0</b>	
<b>Wellbeing Net Total</b>	<b>(55)</b>	<b>(88)</b>	<b>33</b>	<b>(527)</b>	<b>(527)</b>	<b>0</b>	

FINANCIAL SUMMARY AS AT MAY 2021	MAY 2021 YEAR TO DATE			FULL YEAR 2019/20				
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000		
<b>Public Service Reform &amp; Social Economy</b>								
Homelessness (1)	16	248	(232)	581	581	0	<p>(1) Payments to charities as part of the Rough Sleeping Initiative have been rescheduled in line with updated timetable. Offset by associated reduction in grant drawdown.</p> <p>(2) No spend to date has yet been required on external advice budget for the Community Recovery project while the scope of the work is established.</p>	
<b>Total Income</b>	<b>16</b>	<b>248</b>	<b>(232)</b>	<b>581</b>	<b>581</b>	<b>0</b>		
Inclusive Growth and Public Sector Reform	42	42	0	250	250	0		
Inclusive Growth	17	32	15	358	358	0		
Public Service Reform (2)	28	64	36	374	374	0		
Homelessness (1)	16	248	232	581	581	0		
<b>Total Expenditure</b>	<b>103</b>	<b>386</b>	<b>283</b>	<b>1,563</b>	<b>1,563</b>	<b>0</b>		
<b>Public Service Reform &amp; Social Economy Net Total</b>	<b>(87)</b>	<b>(138)</b>	<b>51</b>	<b>(982)</b>	<b>(982)</b>	<b>0</b>		
<b>Skills and Productivity</b>								
Productivity and Skills	12	12	0	73	73	0		<p>(1) Lower delivery by providers than expected. Funding will be reallocated to ensure all funding is utilised by December 2021. Offset by associated reduction in grant drawdown.</p> <p>(2) Some delivery not commenced as expected, including for Covid support. Offset by associated reduction in grant drawdown.</p> <p>(4) Driven by staffing variations</p> <p>(3) Contracts not awarded as expected. Offset by associated reduction in grant drawdown.</p>
Employment Support (1)	181	254	(73)	1,379	1,379	0		
Technical Education	10	11	(1)	41	41	0		
Adult Education (2)	26,888	30,846	(3,958)	142,698	142,698	0		
Careers	11	10	1	72	72	0		
Digital Skills (3)	202	947	(745)	1,691	1,691	0		
Investment Programme (Skills)	90	68	22	308	308	0		
<b>Total Income</b>	<b>27,394</b>	<b>32,148</b>	<b>(4,754)</b>	<b>146,262</b>	<b>146,262</b>	<b>0</b>		
Productivity and Skills (4)	81	129	48	776	776	0		
Employment Support (1)	181	254	73	1,379	1,379	0		
Technical Education	10	11	1	41	41	0		
Adult Education (2)	26,888	30,846	3,958	142,698	142,698	0		
Careers	11	10	(1)	72	72	0		
Digital Skills (3)	202	947	745	1,691	1,691	0		
Investment Programme (Skills)	90	68	(22)	308	308	0		
Continuous Improvement & Change	58	62	4	371	371	0		
Learning and Development	13	41	28	246	246	0		
Building Our Future Workforce	0	3	3	16	16	0		
<b>Total Expenditure</b>	<b>27,534</b>	<b>32,371</b>	<b>4,837</b>	<b>147,598</b>	<b>147,598</b>	<b>0</b>		
<b>Skills and Productivity Net Total</b>	<b>(140)</b>	<b>(223)</b>	<b>83</b>	<b>(1,336)</b>	<b>(1,336)</b>	<b>0</b>		
<b>Culture and Digital</b>								
Culture	0	0	0	0	0	0		
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Culture	5	10	5	74	74	0		
Digital	3	7	4	100	100	0		
<b>Total Expenditure</b>	<b>8</b>	<b>17</b>	<b>9</b>	<b>174</b>	<b>174</b>	<b>0</b>		
<b>Culture and Digital Net Total</b>	<b>(8)</b>	<b>(17)</b>	<b>9</b>	<b>(174)</b>	<b>(174)</b>	<b>0</b>		
<b>Inclusive Communities</b>								
<b>Total Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Youth Combined Authority	0	0	0	68	68	0		
<b>Total Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	<b>68</b>	<b>0</b>		
<b>Inclusive Communities Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(68)</b>	<b>(68)</b>	<b>0</b>		
<b>Delivery Budget Net Total</b>	<b>(30)</b>	<b>91</b>	<b>(121)</b>	<b>0</b>	<b>0</b>	<b>0</b>		

**Appendix 4**

West Midlands Combined Authority Mayoral Budget – May 2021

	May 2021 YEAR TO DATE			FULL YEAR 2021/22		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000

**MAYORAL OFFICE**

Other Grants	123	136	(13)	760	760	0
<b>TOTAL INCOME</b>	<b>123</b>	<b>136</b>	<b>(13)</b>	<b>760</b>	<b>760</b>	<b>0</b>
Staff Costs	122	127	5	704	704	0
IT	0	2	2	11	11	0
External Advice	0	0	0	0	0	0
Travel & Subsistence	0	7	7	43	43	0
Other	1	0	(1)	2	2	0
<b>TOTAL EXPENDITURE</b>	<b>123</b>	<b>136</b>	<b>13</b>	<b>760</b>	<b>760</b>	<b>0</b>

No material variations year to date.

**MAYORAL ELECTION**

Use of Reserves	3,600	3,600	0	3,600	3,600	0
<b>TOTAL INCOME</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>
Mayoral Election Costs	3,600	3,600	0	3,600	3,600	0
<b>TOTAL EXPENDITURE</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>	<b>3,600</b>	<b>3,600</b>	<b>0</b>

<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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## Appendix 5

### West Midlands Combined Authority Transport Delivery Capital Programme – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Metro	11,894	19,236	7,342	188,545	188,545	0
Rail	908	1,413	505	24,326	24,326	0
Sprint	83	411	328	4,662	4,662	0
<b>TRANSPORT - INVESTMENT PROGRAMME</b>	<b>12,885</b>	<b>21,060</b>	<b>8,175</b>	<b>217,533</b>	<b>217,533</b>	<b>0</b>

#### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £8.2m lower than budget. The main variances are contained within the Metro Programme, these relate to the following:

##### ***Metro Wednesbury to Brierley Hill Extension £4.3m***

The timing of payments related to the Victoria Steelworks (£1.98m) makes up most of this variance. £1.14m variance relates to Special Tools and Capital Spares - these items are expected to arrive by the end of June 21.

##### ***Metro Birmingham Eastside £2.1m***

Due to the rescheduling of closing a subway; the Section 1 works for this project have not commenced as initially planned.

##### ***Metro Wolverhampton City Centre Extension £0.8m***

There has been re-timing in the acquisition of Pipers Row Car Park. The contracts for the acquisition are being finalised and should be signed imminently.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Highway	270	388	118	10,414	10,414	0
Other	0	0	0	23,000	23,000	0
Rail	6,579	7,613	1,034	52,954	52,954	0
Sprint	3,276	5,610	2,334	62,262	62,262	0
<b>TRANSPORT - COMMONWEALTH GAMES</b>	<b>10,125</b>	<b>13,611</b>	<b>3,486</b>	<b>148,630</b>	<b>148,630</b>	<b>0</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £3.5m lower than budget. The main variances are as follows:

#### ***SPRINT-A45 Birmingham to Airport & Solihull £1.55m***

Construction activity has begun along the Small Heath Highway, this will continue to increase throughout 21/22.

#### ***SPRINT-A34 Walsall to Birmingham £0.7m***

Construction work has begun on the A34 from Scott Arms to Birmingham City Centre to extend bus lanes, upgrade junctions and fit new shelters. The underspend to date is expected to close in the coming months.

#### ***University Station Improvement Project £0.69m***

Activity is expected to accelerate over the coming months bringing spend back in line with budget.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Bus	317	425	108	16,217	16,217	0
Highway	482	590	108	5,820	5,820	0
Other	405	1,015	610	10,074	10,074	0
Rail	77	58	(19)	250	250	0
Sprint	19	197	178	197	197	0
<b>TRANSPORT - OTHER MAJOR PROGRAMMES</b>	<b>1,300</b>	<b>2,285</b>	<b>985</b>	<b>32,558</b>	<b>32,558</b>	<b>0</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £0.99m below the budget. The main variances are as follows:

#### ***Future Mobility Zone – Transport Network Data £0.2m***

The timing of the construction of the survey system has impacted progress to date.

#### ***Autonomous Highway, Rural & Parking Test Facilities (Meridian 3) £0.12m***

A review of project scope has led to a rephrasing of the construction spend.

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Minor Work Programme	2,252	2,644	392	11,309	11,309	0
<b>TRANSPORT - MINOR WORKS</b>	<b>2,252</b>	<b>2,644</b>	<b>392</b>	<b>11,309</b>	<b>11,309</b>	<b>0</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was £0.39m below budget.

#### ***ADEPT Live Lab £0.28m***

Profiled spend for CCTV cameras has not yet materialised.

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

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Grants to Local Authorities	22	22	0	10,366	10,366	0
<b>Total Grants to Local Authorities</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>10,366</b>	<b>10,366</b>	<b>0</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was as per budget.

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

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	9,432	9,502	70	91,287	91,287	0
<b>Total Investment Programme Grants to Local Authorities</b>	<b>9,432</b>	<b>9,502</b>	<b>70</b>	<b>91,287</b>	<b>91,287</b>	<b>0</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of May 2021, actual expenditure was broadly in line with budget.

## West Midlands Combined Authority Housing Capital Programme – May 2021

	YEAR TO DATE			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	FORECAST £000	BUDGET £000	VARIANCE £000
Housing	7,792	9,404	1,612	58,578	58,578	0
<b>Total Housing</b>	<b>7,792</b>	<b>9,404</b>	<b>1,612</b>	<b>58,578</b>	<b>58,578</b>	<b>0</b>

### **ACTUAL V BUDGET VARIANCE COMMENTARY**

At the end of May 2021, actual expenditure was £1.6m below budget. The main variance is as follows:

#### ***Brownfield Land and Property fund BLPDF £1.45m***

This variance is largely due to the re-profiled draw down of £1m funds related to Dudley Institute of Transformational Technology, this is now expected in July 21. Other minor variances relating to the Nuplace Southwater and Redsun projects are expected to close in the coming months as progress accelerates.



**West Midlands  
Combined Authority**

## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	West Midlands Co-Investment Fund
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Ian Martin, Director of Investment & Commercial Activities email: ian.martin@wmca.org.uk
<b>Report has been considered by</b>	Investment Panel - 7 June 2021 WMCA FD's Meeting - 17 June 2021 Investment Board - 29 June 2021

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

#### The WMCA Board is recommended to:

- (1) Approve the setting up of the proposed WMCO, a Co-Invest Equity Fund designed to facilitate investment into Growth SME's to aid the recovery of the West Midlands economy. Note an FBC will follow before the Fund is launched.
- (2) Approve the initial grant funding request of £12.5m from the WMCA Investment Programme as set out in the Outline Business Case (OBC), subject to approval of a Full Business Case detailing the form of Delivery Vehicle. The request represents 50% of the funding required to deliver this proposal.
- (3) Note that the onward development of the proposal, Full Business Case, delivery options and financial modelling will be taken forward through detailed scrutiny and consultation of the West Midlands Finance Director group.
- (4) Note that WMCA have approached the British Business Bank (BBB) to pursue the potential to secure match funding of £12.5m from Central Government sources. If available, then BBB are likely to require a match funding contribution from WMCA as requested in the OBC. The next stage FBC will include detail of the full funding structure.

## 1. Purpose

- 1.1. This document provides the outline information regarding a proposal for a new business friendly investment fund, aligned to the strategy, ambition and needs of the West Midlands Region. Crucially, it is designed to promote economic growth post COVID.

## 2. Background

- 2.1. The June 2020 Recharge the West Midlands paper proposed an Enterprise Investment Growth Fund which sought to work with Central Government to co-develop a large-scale equity fund to a) recapitalise viable firms and b) inject equity into high-growth potential firms. Since that point, Government implemented several initiatives to address the recapitalisation of viable businesses on a national scale, ranging from recovery loan schemes to the Future Fund (convertible loan to equity matched by private sector).
- 2.2. Aside from the Future Fund, there are few new public funds or initiatives to address equity funding for SME's, fulfil the objective in the Recharge paper to "inject equity into high-growth potential firms". Where equity is available, it is in short supply, is not directly aligned to the specific regional strategy (e.g. Local Industrial Strategy) and cannot adapt investment criteria quickly enough in response to change in regional priorities.
- 2.3. SME's offer high growth potential and it is particularly important that this sector is in good health if the Region is to accelerate growth post COVID. Growth SMEs are positioned to be the fastest to gain momentum coming out of recessionary periods. They tend to be agile, adapting quicker to change than large corporates, particularly in terms of technology innovation, where SMEs come up with creative solutions to old problems, introducing new concepts or ways of doing things. Furthermore, SMEs account for 60% of the private workforce and around 50% of UK GDP.
- 2.4. Whilst the West Midlands performs well with the number of start-up businesses created here, it has fewer that go on to 'Scale Up' stage when compared to other regions. Scale Up's create remarkably high value for the regions they are based in, mainly in the form of jobs, technology development, and attracting investment from other regions/countries. This can be evidenced by Gymshark's recent growth journey. The West Midland's also has the 3rd worst record for equity deals into SMEs with only Northern Ireland and East Midlands behind. Note 2% equity deal share compared with North West at 6%<sup>1</sup>.
- 2.5. Many of this Region's active public sector equity interventions stem from the Midlands Engine Investment Fund (a Fund of Funds covering both East and West Midlands). Midven and Mercia are the two prominent equity Fund Managers operating both public sector and private sector funds within the region. The Midlands Engine funds they manage have investment criteria to assist growth and meet inclusive growth/ social impact aims. However, they are sector agnostic and not capable of being rapidly adjusted to reflect this Region's agreed priorities. This Fund is not designed to compete with these sources (which are welcomed) but seeks to reach further into the ecosystem and SME market to identify new companies in need of investment and support. This proposed Fund is of course not just a valuable additional source BUT also offers the additional benefits as set out in the four clear objectives as outlined below.

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<sup>1</sup> British Business Bank Small Business Equity Tracker 2020

2.6. The West Midlands financial ecosystem appears to have all the right ingredients, but they are not operating in harmony. Launching a West Midlands Co-Investment Fund offers an opportunity for unique insight of Investors and SME's to assist in understanding the ecosystem, where barriers exist, and how to make improvements. Establishing region specific co-investment funds to successfully support SMEs and the ecosystem is not a new idea, with many regions throughout the UK establishing such funds. Scotland, Wales, London, Greater Manchester and Northern Ireland have set up funds with other regions understood to be planning imminent launches.

### 3. West Midlands Co-Investment Fund

#### 3.1. Overview

3.1.1 This proposal for the West Midlands Co-Investment Fund ("WMCO" or "The Fund") provides a high impact intervention at a quantum calculated to be the minimal amount that sufficiently spreads risk. It would have £22.5m of funds to invest (excluding operating costs) and is designed to provide initial and follow-on equity funding alongside the private sector into 45 high-growth potential companies in the West Midlands region.

3.1.2 WMCO has recoverable investment characteristics, with the potential to recover the majority or all of the investment (depending on fund performance). However, if a loss arose, this is limited to the amount of the investment. Funds are requested from the Investment Programme, which is funded under the Devolution Settlement and there is therefore no further liability arising above this sum if there was a total loss of investment.

3.1.3 Operating over a ten-year period (industry standard for this type of fund), the Fund will target: 45 revenue-generating SMEs (those with fewer than 250 employees) with registered and trading address within the West Midlands, a demonstrable scalable business model; and sector alignment to regional strategy e.g. LIS, #WM2041. WMCO will appoint a professional investment team to meet its objectives.

3.1.4 WMCO is intended to operate a co-invest model which will invest alongside the public and private sectors. We expect as a minimum, **each £1 invested by WMCO will be matched by a minimum of £1 of private sector money** with a target to increase this as we successfully increase the pool of active West Midlands investors. This will lead to the additional benefits listed below.

3.1.5 A new Advisory Committee will be established allowing representation from Local Authorities, LEPs, WMCA and the Mayor. The Committee would ensure good governance and hold the investment team and Committee to account. Advisory Committee members would also have a role in taking soundings from industry bodies representing SME's and informing their members, whilst ensuring that other public initiatives gel with the activities of the Fund e.g. Innovation Board, WM5G, activities within #2041.

3.1.6 Establishing WMCO will enable WMCA to achieve **4 clear objectives**:

**(1) Lead SME post Covid recovery**

The Government has implemented several financial interventions to address the recapitalisation of viable businesses on a national scale. Interventions are however predominantly debt focused. An SME equity fund addresses a gap in the investment market and can boost regional economic performance that has been damaged by the pandemic. Equity finance can act as a stimulus to help the region's SMEs thrive.

## (2) **Provide support to the regions SMEs**

Equity provision will undoubtedly assist in growing good businesses and it's important to see this as additionality – adding to the equity available through other sources and not a replacement for it (it should be noted that Greater Manchester operates its own funds in addition to the Northern Powerhouse Investment Funds). The Fund will directly tackle growth challenges, working to connect investee companies with other relevant parts of the ecosystem to add further value/support.

## (3) **Improve the ecosystem**

We do have the ingredients needed for a successful ecosystem. Stakeholder engagement indicated that each element could be working more harmoniously with the next, albeit the mechanism to facilitate this was not immediately apparent. By operating a fund, we would have direct experience of where SMEs and Investors need help and first-hand feedback of what they believe should be enhanced. The co-invest nature of WMCO means the interactions will be honest and engaging, with open access to data that will be valued by all. We will also seek to activate investors inside and outside this region. We have few private sector Venture Capitalists investing here, and it appears many resident High Net Worth's are not active or not regularly active here (although they invest elsewhere).

## (4) **Build track record and capability**

Demonstrating track record and having an organisation that is already in operation, are considered critical factors in successful bids for funds that may be available in the future from Central Government. In the future, the Region may wish to consider other Access to Finance initiatives. By starting with this co-investment fund, we would build track record and recognised capability.

### 3.2. **Success and outputs**

3.2.1 Aside from focusing purely on generating a positive return, the additional measured outputs will be both socio-economic and financial. The report commissioned from Jerroms (expert consultant in this field) noted that we could expect to see the following outputs:

- Number of growth SMEs supported: **45**
- New to Company Product supported: **23**
- Indirect jobs created and safeguarded: **788** (estimated 563 are jobs created)
- Anticipated return to WMCA (Gross): **£19.7m - £31.2m** (dependent upon fund performance. NB the position prior to deducting the £25m funding outlay.)
- Private sector co-investment leveraged: **£33.75m** (£1.50 for every £1 deployed)
- GVA Gross: **£49m**
- GVA per £1 of public sector funds invested: **£1.96**

### 4. **Capital and Revenue Deployment**

4.1. The proposed Fund will utilise £28m and operate over 10 years (industry standard). Of this total funding, £3m will be generated through the investment period direct from SME's in fees and realisations, according to market practice. Therefore an investment of £25m is required (this paper is proposing half of this), with £22.5m being capital funding (the investment fund) and £2.5m revenue.

- 4.2 Operational costs were assessed by the consultant Jerroms, as being comparable with similar Active investor vehicles. Over 10 years these are budgeted at £2.5m from the Investment Programme and £3m generated from the investee companies. In response to queries raised during the Assurance process, the costs will be interrogated further to validate this further and assure it is best value for money, along with refining the exact form of the delivery vehicle, at the FBC stage.
- 4.3 In total, £22.5m will be invested into 45 high growth companies. The Fund will look to build its portfolio of investee companies within the first 5 years of operation, making follow-on investments up to year 7, by which time we anticipate some of the companies would be in a position to exit. Each SME will receive an average £250k initial investment, with 36 companies receiving an average £250k follow on investment, and a further 9 companies receiving a second follow on investment averaging £250k. 80% of investments will be in the form of equity, with 20% being in the form of convertible loans instruments at market rates of interest.
- 4.4 WMCO has recoverable investment characteristics, with the potential to repay the majority or all of the £25m outlay (depending on fund performance). A number of return scenarios have been modelled based on fund performance, demonstrating net results from -£5.3m to +£6.2m. A prudent base case is that the Fund returns a net gain of c.£2.4m (on top of returning the £25m funding) has been assumed. As the requested funding is from the Investment Programme via a Grant, this is a unique opportunity to deploy a Grant where in a downside scenario, the majority of the investment is expected to be returned.
- 4.5 This proposal has progressed through the assurance process with the following observations covered or to be addressed during FBC stage:
- 4.5.1 An assumption is made that, although match funding is to be secured and its terms are yet to be negotiated, if inputted the Investment Programme may be required to bear all of any loss, as this is the Grant element. As noted above, the modelled scenario planning demonstrates a net result from -£5.3m to +£6.2m. Any amount of loss would then form an irrecoverable element of the Grant already imputed and there would be no additional call on the Investment Programme.
- 4.5.2 That the use of the existing delivery vehicle, West Midlands Development Capital (WMDC), is considered as an option and a comparator when refining the proposal between this OBC and FBC. WMDC already manages the £210m of real estate debt funding on behalf of WMCA.
- 4.5.3 That the indicative fees included in the costs of running the Fund are appropriate for the type and scale of Fund as set in the FBC and that these are to be benchmarked against market fees to ensure value for money. This exercise to be conducted by FBC stage.
- 4.5.4 That the indicative Governance structure adds consideration of Independent Chair and External Industry Expert Members to the Investment Committee and that this is considered for the FBC stage.
- 4.5.5 Onward development of this proposal to include delivery options and financial modelling will be taken forward with detailed scrutiny by and consultation with the WMFD Group.

## 5. Financial Implications

- 5.1. **This OBC requests in principle approval to allocate £12.5m of grant funding from the WMCA Investment Programme subject to an FBC.** The funding will be in the form of a Grant as is usual from the Investment Programme. The Investment Programme is funded under the Devolution Settlement and there is no liability to the WMCA if there was a total loss of the £12.5m. However, it is noted that in this instance there is a likelihood that the majority of funds, possibly all, are capable of being recycled when the Fund closes.
- 5.2. WMCA is in dialogue with the British Business Bank (BBB) to secure match funding for the £12.5m. BBB are understood to look more favourably on support if match funding can be demonstrated and therefore this proposal is in advance of furthering dialogue. None of the £12.5m would be spent until an FBC has been approved by WMCA Board and this FBC will fully detail the funding source, any conditions and timing.
- 5.3. The overall financial requirement and funding can be summarised as follows:

Cost		Funded By
Development, set-up and operation	£2.5m	WMCA
Equity Investment	£10.0m	WMCA
	£12.5m	British Business Bank/ HMG
<b>Total</b>	<b>£25.0m</b>	

- 5.4. As noted above, equity investment carries a high level of risk and a positive return is not guaranteed. Professional advice has been obtained from Jerroms (Fund strategy and Investment) and Weightmans (Legal and Governance) as well as utilising in-house expertise at WMCA and reviewing this proposal via a Working Group of industry experts. However, as with any investments of this nature there is no absolute certainty that all or part of the investment will be returned.
- 5.5. The WMCA Board of March 2021 agreed a £70m extension to the Investment Programme affordable limit. This funding was mostly allocated (with a residual, unallocated sum of £15.4m earmarked for regional recovery priorities), albeit with £15m held provisionally for emerging WMCA capital / revenue budget risks and £29.5m being awarded as 'funder of last resort' to allow for development and delivery of the six rail stations, including Perry Barr.
- 5.6. Given the deferred Investment Programme spend in 2020/21, the projection for interest rates to remain at historically low levels and the fact that the Co-invest requirement is likely to be recyclable over the longer term, the WMCA Section 151 Officer is comfortable to recommend that both this proposal and the CoW Tech investment (subject to a separate report on the agenda) can be endorsed for consideration by WMCA Board, to be accommodated from within the overall Investment Programme affordable limit.
- 5.7. WMCA exposure is further mitigated by the nature of the request being to allocate (rather than contractually commit) the funding. At the point contractually binding commitments to incur expenditure are made, this will be subject to the WMCA S.151 officer being assured on the affordability of the proposal relative to the expected headroom within the Investment Programme financial model.

## **6. Legal Implications**

- 6.1. The West Midlands Combined Authority (WMCA) was statutorily created by virtue of the West Midlands Combined Authority Order 2016 (SI 2016/653) (Order) as enacted under the Local Democracy Economic Development and Construction Act 2009 (LDEDC 2009). This resulted in powers being inherited and transferred to the WMCA by virtue of the terms of the Order. This includes the general powers set out within s.113a LDEDC 2009 which were added by the Localism Act 2011; namely a combined authority can carry out *anything it considers appropriate for the purposes of the carrying out of any of its functions (its 'functional purposes')*; which could include matters relating to economic development and regeneration.
- 6.2. The proposal to set up WMCO or otherwise use an existing delivery vehicle to carry out the functions set out in the body of this report are permitted, in line with the contents of paragraph 6.1. above.
- 6.3. WMCA legal and externally appointed advisers (Weightmans LLP) will continue to advise and assist as necessary in respect to any legal implications, insofar as they relate to proposals forming part of the FBC.

## **7. Equalities Implications**

- 7.1. None from this paper.

## **8. Inclusive Growth Implications**

- 8.1. WMCO is committed to working with WMCA to identify where outputs can be tied to the region's inclusive and sustainable growth agenda, utilising oversight via the governance structure outlined in the OBC.

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

- 9.1. WMCO will operate across the whole WMCA area (three LEP geography), including non-constituent members.

## **10. Schedule of Background Papers**

- 10.1. Outline Business Case Submission and supporting Appendices including WMCA Co-Investment Fund Report (Jerroms Corporate Finance)

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## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre Business Case
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@tfwm.org.uk
<b>Accountable Employee</b>	Ian Martin, Director of Investment & Commercial Activity email: ian.martin@wmca.org.uk  Zareena Ahmed- Shere (City of Wolverhampton Council)

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

#### The WMCA Board is recommended to:

- (1) Note that, in accordance to the Single Assurance Framework, the City of Wolverhampton Council have submitted a Full Business Case (FBC) requesting funding WMCA to approve the capital funding request of £7.7 million to fund the development of a brand new City of Wolverhampton College Technical Centre (CoWTechC) that will be situated at the rear of the College's existing Wellington Road campus and forms Phase 1 of the wider City Learning Quarter (CLQ) Programme.
- (2) Note that the WMCA Programme Assurance & Appraisal team have undertaken both independent assurance and investment appraisal on the business case submission and their respective reports are attached to support the consideration of business case.

At the point of this appraisal activity, the key risks and opportunities highlighted by WMCA Appraisal team to City of Wolverhampton Council are:

The key risks which have been identified through reading the CowTechC business case are:

- a. A vast amount of the benefits associated with this intervention are from the wider CLQ Programme. Funding for this phase is not certain. It would be useful to establish how advanced discussions for funding are and the level of uncertainty around Programme delivery.
- b. If the market value of the current Paget Road site is not known, it is not clear what the scope of the proceeds will be used to fund upon its sale. There is uncertainty over the remaining balance which is required to pay down borrowing which will in turn improve the financial standing and stability of the college. If there is no remaining balance, will further funds be requested from WMCA or another funder and/or how will the future operation of the college be safeguarded?
- c. There were numerous omissions within the Financial Case which would be expected at FBC stage such as quantified cost breakdowns, cash flow statements and an assessment of capital/revenue costings. These have now been disclosed and WMCA Finance will need to review before Investment Board to make a fair financial judgement.
- d. It is not clear if Wolverhampton Council have contracted Turner & Townsend for projects before and if so, did this model prove successful for delivery? Examples would be useful to evidence this.
- e. Following on from what happened with Carillion, it would be useful to understand if financial due diligence been undertaken on Wates and/or the selected construction contractor and what their success rate for delivery of similar projects is.

The key opportunities which have been identified through reading the CowTechC business case are:

- a. The relocation to brownfield land just under 0.5 miles away from both Wolverhampton Railway Station and Wolverhampton Bus Station will increase accessibility for students. Additionally, the Midlands Metro is immediately adjacent with links to Birmingham and its surrounding areas.
- b. With a strong BCR of 6.7:1, this project will provide 5499 learner assists in the first 10 years of operation, some £46 million of economic benefit will also be delivered by 2041.
- c. With IC engines being phased out by 2030, there is a key opportunity for the college to work with upcoming projects across the region such as the UK Battery Industrial Centre and Very-Light Rail which focus on green technologies.
- d. The option to refurbish the existing site will cost £40m compared to the £7.7m needed to relocate to a new and improved site. In addition, the fruition of outputs would decrease which discounts refurbishment as a viable option.
- e. It is estimated that CoW Tech C construction and the first 10 years of operations could safeguard and generate a total of around £46m in cumulative GVA (£34m at present value) by 2040.

- f. Prior to the Covid-19 pandemic, unemployment in Wolverhampton remains stubbornly high (at 5.6% - the 3rd highest in England). This project provides a key opportunity to improve these figures by creating jobs, providing professional qualifications and linking with local businesses- all of which are vital for Covid-19 recovery.

## **1. Purpose**

1.1 The key purpose of this Full Business Case is to:

- Outline the justification for the CoWTechC facility
- Provide details of the proposal to build the new facility and associated costs and education, skills, employment and environment and regeneration benefits.
- Set out the project delivery programme with key tasks, output realisation and delivery dates.
- Seek approval for the allocation of £7.7m from WMCA Investment Programme to fully fund this project.

## **2. Background**

- 2.1 The City Learning Quarter (CLQ) Programme is being delivered in a partnership between the City of Wolverhampton Council (CWC), City of Wolverhampton College (CoW) and supported by external consultants Turner & Townsend. The programme includes consolidation of the College's three campuses (Paget Road, Wellington Road, and Metro 1) into two campuses (Wellington Road and Metro 1). The College's Paget Road campus is considerably outdated, requires high maintenance, has poor accessibility, is located on the outskirts of the City, and is in a prime location for housing. The College is unable to expand in its current location and without additional student numbers its financial viability is undermined. Releasing the Paget Road site enables consolidation of the College's facilities at multiple sites (Paget Road, Metro One and Wellington Road) into two highly accessible and connected Campuses at Wellington Road, Bilston and City Centre to provide long life education hubs.
- 2.2 CoWTechC is Phase 1 of the CLQ Programme that will create a new Technical Centre at the Wellington Road, Bilston Campus and Phase 2 (which is not part of this funding request) will deliver a new building at the City Centre campus. Upon completion of the wider CLQ programme, the surplus 1950's Paget Road Campus site will be released for the development of new homes.
- 2.3 The final Business Case and the Funding Strategy for the CLQ Programme was approved by CWC's Cabinet on 31<sup>st</sup> July 2019. At this meeting Cabinet also agreed that CWC will lead and co-ordinate external funding bids (on behalf of CoW) to deliver the CLQ Programme.
- 2.4 This Business Case is requesting £7.7 million from the WMCA Investment Programme to fully fund CoWTechC. As part this project the existing Motor Vehicle and Engineering departments will be relocated from their current location at Paget Road to the new CoWTechC building which will provide a fit for purpose, State of the Art bespoke learning / teaching spaces. The accommodation will include an engineering workshop, welding bay, motor vehicle workshop, fabrication workshop, paint spray bay, motor vehicle and engineering, CAD and robotics teaching spaces and associated external works.

- 2.5 As part of the vision to develop STEM Centre of Excellence, CoWTechC will allow development of high level technical skills in Advanced Engineering and Automotive Electric Vehicle (EV) Centre of Excellence at the College's Wellington Road, Bilston Campus. This is key following the Government's announcement cessation of new petrol and diesel cars by 2030.
- 2.6 The project is well advanced with site surveys, clearance and enabling works all completed. The project received full planning permission in October 2020. The design has been developed to RIBA Stage 3, tender documents for the procurement of building contractors have been prepared and are ready to be issued to an established OJEU compliant local Contract Framework Panel following confirmation of funding. If this request for funding is approved, the implementation of the project will begin with activities leading to the procurement of a building contractor during early Autumn 2021. The project is expected to complete in November 2022 with the facility in full operational use by February 2023.
- 2.7 Post completion, the new facility is expected to enable an increase in the number of learners and apprenticeships, deliver significant skills improvement, better educational outcomes for learners assisted. It will also provide significant economic benefits by safeguarding existing jobs and creating new jobs, assisting businesses and improving skills. CoWTechC benefits the environment by providing a facility that meets educational requirements, improves efficiency of the campus, is easily accessed by public transport (bus and tram) reducing reliance on private transport and easing traffic congestion. Staff, students and visitors will benefit from modern infrastructure and accommodation that will provide an improved experience for all and redress inequalities created by an outdated campus.
- 2.8 CoWTechC will respond to key sector employers to ensure that Post 16+ training meets local business needs and provides the skills required for economic growth. This will address challenges local employers face in recruitment of multi skilled workers by providing a pipeline of talent candidates. The improved status and image of the College with employers and learners will enable better College / industry collaboration.
- 2.9 The CoWTechC curriculum provision is heavily influenced by the specific skill requirements of local employers and offers learners a pathway into obtaining high level technical skills in Advanced Manufacturing and Automotive Electric Vehicle Centre of Excellence under the Work Academy Programmes (SWAPs). The College is partnering with KIA Motors UL, Lucas-Nulle GmbH and the Institute of Motor Industry (IMI) which will target learners and local residents into employment and enable students to progress into high value and better paid jobs.

2.10 CoWTechC will deliver the following direct outputs:

<b>Jobs Created and Safeguarded</b>	137
<b>Learner Assists</b>	2,444 (by Year 5), 5,499 (By Year 10)
<b>Apprenticeships</b>	458 (by Year 5), 954 (by Year 10)
<b>GVA</b>	£46 million
<b>Benefit Cost Ratio</b>	6:7:1
<b>Business Assists</b>	15 (over a 10 year period)
<b>Regenerated Brownfield Area (ha)</b>	0.6758
<b>New Build / New Learning Floorspace m2</b>	2415

2.11 As part of the funding application for CoWTechC, CWC and CoW have provided a Business Case and subsequently following the WMCA's gap analysis and assessment, supplied the supporting documents and clarifications required to complete the Full Business Case.

**3. Financial Implications** – please note, the financial and legal implications have been written by the Wolverhampton project team however, within the Risk & Appraisal report, all WMCA finance's queries have been responded to.

3.1 This Business Case is requesting £7.7 million from WMCA Investment Programme to fund CoWTechC (Phase 1 of the CLQ Programme) which will enable the project to proceed in line with the delivery plan and programme set out in the Business Case.

3.2 The Project Budget of £7.7 million was informed by feasibility, design and costing work and includes construction of the new facility, ICT, fixtures and fittings and equipment and professional fees. This total expenditure is profiled over financial years 2021/22 and 2022/23.

3.3 If this funding requested of £7.7 million is approved, the CoWTechC project will be fully funded and will not be reliant upon third party capital funding for delivery.

3.4 Phase 2 of the CLQ programme focuses on works at the City Centre Campus and is outside the scope of the CoWTechC project. This scheme (subject to successful outcome of grant applications to Government) will be funded through a combination of Towns Fund, Further Education Capital Transformation Fund and Levelling Up Fund.

**4. Legal Implications**

4.1 If the funding for the CoWTechC project is approved, City of Wolverhampton Council, City of Wolverhampton College and WMCA may be required to sign a legal funding agreement to formalise arrangements and terms for the receipt of these funds and ongoing reporting to WMCA on the physical and financial progress of works undertaken.

## **5. Equalities Implications**

- 5.1 Equalities implications have been considered throughout the development of the programme. CoWTechC will provide learning / apprentice opportunities to people of all ages and backgrounds. It will not negatively impact groups such as children, young people, care leavers, veterans, BAME communities, women and people with disabilities. New pathways will be forged that take people from low skills and low aspirations to high value jobs and higher education.
- 5.2 The CoWTechC facility will advance equalities for a range of learners including better learning facilities and improved access for disabled students.
- 5.3 CoWTechC is more easily reached by public transport and therefore provides an opportunity for individuals (who may have struggled to access an out-of-city centre course) to take up learning opportunities offered
- 5.4 The CLQ programme will deliver a growth in Post 16 student numbers by 50% in 5 years, providing seamless opportunities for individuals to work, learn and professionally progress throughout their careers. The project aims to address gender and equal opportunity issues by aiming to reduce the number of Black Country adult residents with no qualifications, increase the number of residents participating in apprenticeships, increase the number of adult residents qualified to Level 4 or above and reduce the number of NEETs by 15%.
- 5.5 The four most deprived wards with respect to unemployment claimants (St Peters, East Park, Ettingshall and Bushbury South Low Hill) have double the national average unemployed. These wards will be targeted as part of the marketing for the new workshops.

## **6. Inclusive Growth Implications**

- 6.1 The CoWTechC project directly contributes to WMCA Strategic Objectives and responds to Inclusive Growth aims of A healthier West Midlands, A happier West Midlands, A better-connected West Midlands, A more prosperous West Midlands, A greener West Midlands and A fairer West Midlands all of which are illustrated in the Business Case and supporting documents.

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

- 7.1 The new CoWTechC facility will be constructed at the rear of the College of Wolverhampton Wellington Road, Bilston Campus. Provision of the Motor Vehicle and Engineering curriculum is best suited at this location as it offers ample space as opposed to the City Centre campus.

## **8. Other Implications**

- 8.1 These are detailed in the Business Case and supporting documents.

## 9. Schedule of Background Papers – click link to access

- [CoWTechC Full Business Case](#)
- [WMCA Gap Analysis. The document includes the following Appendices:](#)
  - Appendix A Benefits Realisation
  - Appendix B Risk Management Strategy
  - Appendix C Communications Strategy
  - Appendix D1 Procurement Strategy
  - Appendix D2 Additional Procurement Strategy Paper
  - Appendix E CoWTechC Rebaselined Programme
  - Appendix F Project Execution Plan
  - Appendix G Risk Register
  - Appendix H Change Management Strategy
  - Appendix I WMCA Plan on a Page
- [WMCA Assurance Observations Report](#)
- [WMCA Risk and Appraisal Report](#)

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## CowTechC Expenditure to Date

14th May 2021

The Council has so far spent circa £6m on the City Learning Quarter project to date. This was largely for phase 2 and included site assembly and acquisitions, demolitions and site clearances, design costs, survey costs, enabling works costs, and associated management fees.

Of the total spend to date, we have spent only £357k on Phase 1 CoWTechC which is included in this grant application. A breakdown of the expenditure to date for Phase 1 is as follows.

Surveys	Actual Costs
Ecology survey including bat survey	£1,995.00
Arboriculture & TPOs	£1,650.00
EA Flood Risk Assessment including Outline Drainage Strategy	£3,000.00
Drainage CCTV and Utilities Survey Estimate	£1,495.00
Archaeology	£1,235.00
Noise and Vibration Survey	£3,200.00
UXO Survey Estimate	£200.00
Air Quality Assessment Quote	£2,180.00
Junction Assessment Quote	£1,200.00
Transport Assessment	£2,375.00
<i>Update to transport assessment (approved by RC on 23/04/2020)</i>	£700.00
Desk based Culvert Assessment	£500.00
Allowance for additional surveys in the event that the existing surveys require further development.	£1,000.00
<i>Transport Statement (requested by CWC Planning May 2020)</i>	£2,000.00
<i>Drainage Survey (requested by Design Team May 2020)</i>	£5,000.00
<i>Coal mining Risk Assessment (requested by CWC Planning May 2020)</i>	£1,500.00
<i>Utilisation study</i>	£7,000.00
Ground Investigations Survey and Report	£31,200.00
Underground Services	£5,500.00
Topographical Survey	£6,900.00
AHR - Scan to BIM for Innovation Centre	£9,700.00
AHR - Scan to BIM for Estates and Modular Buildings	£9,700.00
AHR - Scan to BIM for Construction Innovation Centre	£13,000.00
Gas main exploration - via College	£1,350.00
<b>Sub-total</b>	<b>£113,580.00</b>
Design / Fees	Actual Costs
Architect Led Design team: RIBA Stage 2	£42,550.00
Architect Led Design team: RIBA Stage 3	£81,950.00
Project Management Fee for RIBA Stages 1, 2 and 3	£51,006.84
Cost Management Fee for RIBA Stages 1, 2, and 3	£41,769.84
Principal Designer for RIBA Stage 2	Inc already
Principal Designer for RIBA Stage 3	£3,000.00
Client's Health & Safety Advisor	£7,325.11
Specialist Planning Fees	£15,708.00
<b>Sub-total</b>	<b>£243,309.79</b>
<b>Overall Total</b>	<b>£356,890</b>

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## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	West Midlands Business Support Review
<b>Portfolio Lead</b>	Economy & Innovation - Councillor Ian Brookfield
<b>Accountable Chief Executives</b>	Laura Shoaf, West Midlands Combined Authority email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Julia Goldsworthy, Director of Strategy email: <a href="mailto:julia.goldsworthy@wmca.org.uk">julia.goldsworthy@wmca.org.uk</a>  LEP Chief Executives
<b>Report has been considered by</b>	SED Board Black Country LEP Coventry & Warwickshire LEP Greater Birmingham & Solihull LEP

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

- (1) Endorse the recommendations of the review into the West Midlands business support ecosystem, which are that the West Midlands should make 4 major changes:
  - Put in place a modern, customer journey, built around the user not the provider.
  - Implement a new approach to account management, covering the largest firms, investors *and* SMEs, with the LEP Growth Hubs, LA teams and Growth Company operating as a fully integrated support ecosystem.
  - Replace the current large number of schemes which are coming to an end with new premium products aimed at specific sectors, supply chains and issues – delivered region-wide at scale.
  - Carry out a campaign to drive up demand and usage
- (2) Agree the recommendations and commit to a shared implementation and funding plan, overseen by the SED Board with delivery off each element carried out by a lead organisation on behalf of the region. This will enable and support local priorities and build upon existing local strengths.

- (3) Ensure that the Governance Review covers the need for the SED Board to hold individual programmes and agencies to account on behalf of the West Midlands as a whole. This is key to delivery.
- (4) Agree that the three LEPs and CA commission the next stage of work to implement the recommendations so that early work on delivery planning can get under way, to coordinate with the Growth Company's review of account management.

## **1.0 Purpose**

- 1.1 This paper summarises the recommendations and findings of recent work commissioned by the SED Board and led by the 3 WM LEPs and the CA, working with the Recovery Forum, to design a fit for purpose business support system for the West Midlands to support an inclusive economic recovery post pandemic and post EU funding. The final report is attached at Annex 1 and has been considered in detail by the SED Board on 9 July.

## **2.0 Background**

- 2.1 The review was designed to develop robust proposals for a fit-for-purpose business support system for a post-pandemic, zero-carbon, technically enabled world. It was structured to build on what works but be ambitious and honest - focussing on what modern businesses expect. The aim was to act on the latest evidence - nationally, locally, and globally, whilst engaging with business users, councils, Chambers of Commerce, universities, and providers. The commission was to design an approach that was supported by both the evidence and the economic geography of the West Midlands and our diverse business community.
- 2.2 The review was commissioned in recognition of the significant changes underway in many of the drivers that influence the current system:
  - West Midlands, UK and global economies
  - Business needs and expectations
  - Technology and markets
  - Public funding
  - Policy context
- 2.3 The review team have worked over a concentrated 4-month period, including a range of one on one and workshop sessions with all LAs, Chambers, a range of businesses and private providers, LEPS / Growth Hubs, Universities, BEIS, the CA and comparator and competitor places and systems.

## **3.0 The case for change**

### **a) Supporting Recovery and a more inclusive economy:**

- 3.1 The West Midlands saw strong overall economic growth, inward investment and business start-ups in the years running up to the Covid 19 pandemic. But underlying indicators of overall business competitiveness were less strong. The West Midlands has had lower levels productivity and business survival, declining numbers of high growth firms and lower levels of innovation. Covid 19 has hit the region hard, with above average increases in unemployment, the loss of around 100,000 jobs and higher than average insolvency rates.

3.2 There is strong evidence (e.g. BEIS Productivity Review 2018), that firms which access effective business support do better in terms of turnover and growth and that firms that export and grow into new markets similarly do better. If the West Midlands is to replace lost jobs and increase wages and opportunities then we need our business to succeed. Investing in Business Support should be part of our strategic intervention in jobs and skills and a core part of delivering the Recharge West Midlands and WM2041 goals.

**b) Responding to changing business needs and feedback:**

3.3 Feedback from businesses, public and private providers and business representative groups is universally clear that the current system has major flaws. There are two related reasons of these issues. Firstly, the requirements and cycles of different DIT/ BEIS and EU funding programmes. Secondly, the tendency of a range of partners to add new projects and schemes without enough strategic coordination. It is striking that both providers and users have very similar and clear concerns:

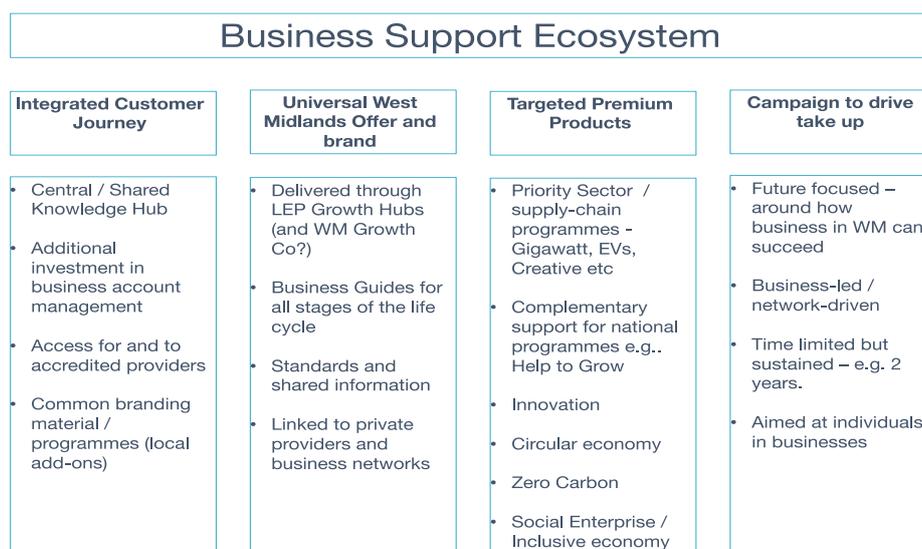
- **Quite traditional and difficult to see the shared offer:** Most programmes claim to be a response to fragmented, antecedent arrangements but limited evidence of progress towards cohesion.
- **Limited information sharing:** Lots of intelligence is but collected not used. Much information on business base locally, particularly through Covid support, but hard to share or 'hand off' from one organisation to another.
- **A fragmented offer, not genuinely customer-centric:** Limited evidence of a 'business approach' to the customer journey, e.g. people focussed sales cycle or funnel, and instead reflects a public-sector philosophy with signposting, eligibility checks and managing demand on limited resources.
- **Focusing on people and networks is increasingly seen as a better approach than treating businesses just as entities:** increasingly important and how people get advice.
- **Specific programmes well regarded and well-respected people:** no shortage of commitment and energy, with some protectionism.

3.4 Businesses are run and staffed by people, and whilst the evidence is clear that it is human behaviour that drives the business journey, it is striking how little of the business support system is designed to proactively build relationships with, or meet the needs of, those individuals. A common business criticism (not just in the West Midlands) is that "advice" particularly from the public sector is rarely as important for businesses as either money or a specific skill or technological development. In comparator places, including Greater Manchester, Scottish Enterprise, and Denmark, for example, significant recent investment has occurred to both strengthen people focussed account management and to create new support products, that are less output focussed and better able to flexibly respond to the needs of people in client businesses.

**c) A modular approach**

3.5 Funding for existing programmes ends at various points over the next 18 months. It is also not yet clear exactly when and in what form Government investment to replace EU funding will be available. We have therefore recommended a modular and phased approach, so the region can be clear on the direction of travel, make progress immediately in some key areas and work up the case for future Government investment. The review is clear that these should not be additions to the current system, but a new approach, with many current programmes not being replaced or continued.

3.6 The review recommends four areas of change and investment. These are summarised below:



**d) Doing nothing is not cost free**

3.7 There are many reasons for the West Midland’s underperformance in some major business indicators, exacerbated by Covid 19. Whilst it is not possible to quantify the precise impact of the current system the evidence of engagement with a wide range of partners and users is clear both that the system is not delivering what the economy and businesses need and also that other places are investing in significantly stronger account management and relationship management. There is therefore real-world cost in terms of loss of investment opportunities and less GVA and jobs growth by failing to address these weaknesses.

**e) Implementation and Governance**

3.8 The review recommends that CA Board agree the overall approach, including the implications for the current system and a phased approach to funding and delivery. It recommends that the CA Board should then charge the SED Board to oversee implementation, through a delivery plan. Individual LEP and Growth Company Boards should commit to delivering the elements which require their leadership or input.

3.9 A lead Growth Hub, the Growth Company, or other organisation should be appointed by the SED Board to lead each specific recommendation, with the SED Board holding them to account for programme and organisational performance on behalf of the region. This is important, as some of the changes recommended (for example in relation to the Growth Company, Growth Hubs or existing LA led EU funded schemes) are outside the current remit of the SED Board.

3.10 Whilst this need not hold up implementation, it also recommends that the wider Governance Review considers both SED Board and e.g. Innovation Board / Business Advisory Groups.

#### **4.0 Financial implications**

- 4.1 The review has developed detailed costing estimates for a new approach to account management, customer journey and campaign that total circa £4m over a 4 year period.
- 4.2 WMCA has earmarked £100k of one-off reserves in 2021/22 to support the first year CRM system costs, subject to approval in the financial monitoring report. The funding request for this item in subsequent years will be incorporated into the Corporate Strategic Planning process and updated Medium Term Financial Plan that will be presented to Board in September.
- 4.3 Funding for the other costs would need to be identified through existing funding sources such as regional funding pots and LEP / Growth Hub funding. It is recommended that this should happen through the phasing and prioritisation of the delivery plan agreed by the SED Board.
- 4.4 Costs for targeted programmes for supply chains and priority issues such as zero carbon will need to be developed as part of bids for future funding from e.g. the Shared Prosperity Fund (or equivalent).

#### **5.0 Legal implications**

None

#### **6.0 Equalities implications**

None

#### **7.0 Other implications**

None

#### **8.0 Schedule of background papers**

Annex 1 – Business Support Review – final report.

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## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	Race Equalities Taskforce
<b>Portfolio Lead</b>	Inclusive Communities - Councillor Brigid Jones
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Ed Cox, Director of Inclusive Growth & Public Service Reform email: ed.cox@wmca.org.uk  Claire Dhami, Head of Public Service Reform & Prevention email: claire.dhami@wmca.org.uk  Lucy Gosling, Programme & Projects Lead email: lucy.gosling@wmca.org.uk
<b>Report has been considered by</b>	WMCA Strategic leadership Team - 30 June WMCA Programme Board

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

#### The WMCA Board is recommended to:

- (1) Endorse the establishment of a Taskforce focussing on race equalities.
- (2) Note the proposed approach including scope, composition, and timetable.

## 1. Purpose

- 1.1 To seek the endorsement and support of the WMCA Board to the establishment of a Race Equalities Taskforce.
- 1.2 To set out a proposed approach including scope of the Taskforce, its composition, immediate next steps, and the envisaged timescale for its work.

## 2. Background and rationale

- 2.1 The nature of inequality in the West Midlands is both wide and deep. Inequalities are inter-related but different communities are affected in different ways. A more sophisticated understanding of key regional inequalities and their impact – informed by citizen experience as well as data and analysis – will enable us to refine our priorities and programmes of activity, to realise our vision of Inclusive Growth and ensure all communities are able to share in the region’s success.
- 2.2 The mayoral manifesto included a pledge to: *“Set up an Equalities Taskforce, with representatives of all communities, to make sure all communities share in the region’s success and specifically to look at the issues facing under-represented communities in Combined Authority policy areas like transport, skills, jobs and housing.”* This would align with the existing work of the WMCA Inclusive Communities Portfolio, which was established to coordinate activity across portfolios to enable the organisation to plan, decide and deliver in a more inclusive way.
- 2.3 The proposed ‘Race Equalities Taskforce’ would focus on improving equality of opportunity – looking at the extent to which different ethnic groups (including White groups) experience different social and economic outcomes and concentrate on developing policy solutions in areas which the WMCA has roles and responsibilities in delivering, enabling and influencing (see **Paragraph 3.3**).
- 2.4 A focus on what leads to different racial and ethnic groups to have different social and economic outcomes (for example, higher rates of unemployment amongst some ethnic minority groups and not others, or lower levels of educational attainment amongst some White working-class groups) would support the region in addressing key strategic challenges and extending opportunity to more people. The WMCA and its partners have influence over policy areas which contribute to racial disparity, such as health outcomes, educational outcomes, crime and income – many of which were highlighted in the WMCA Health of the Region Report which demonstrated the relationships between ethnicity, health and economic opportunity.

## 3. Scope of the Taskforce

- 3.1 This is intended to be an an initiative that is likely to lead to some quite **difficult and challenging issues**. It will embrace and address equalities issues with openness, honesty and humility.
- 3.2 It is important that the Taskforce needs to be **action-orientated**. While it is important that it is founded upon a strong evidence base, the onus will be on the WMCA and its partners taking action to address key aspects of race inequality. The Taskforce will need to be able to enable, influence and deliver activity to address the challenges and issues identified.

3.3 If the Taskforce is going to have traction and impact it needs to have a clear scope and focus for its action. It is proposed that:

- a) The primary focus will be on race inequalities, the extent to which different ethnic groups living and working in the West Midlands experience different social and economic outcomes. The Taskforce will take an inclusive and sophisticated approach to understanding race, and will recognise the important nuances between the experiences of 'Black, Asian and Minority Ethnic' groups and consider the experiences of White British and White Other groups. The Taskforce will also need to account for issues of intersectionality in its work.
- b) The Taskforce should concentrate its efforts on those policy areas over which the WMCA has roles and responsibilities in delivering, enabling and influencing - namely: jobs and the economy; education and skills; transport and connectivity; housing and homelessness; health and wellbeing; and also criminal justice with the cooperation of the Police and Crime Commissioner as chair of the Local Criminal Justice Board.
- c) As an early activity, the Taskforce will commission a 'Baseline Report' looking at social and economic outcomes for different ethnic groups. The Report will be used as an opportunity to map existing activity in the region, to ensure the Taskforce will add value to work being led by local authorities and other partners.

#### **4. Proposed approach**

4.1 We propose that the approach to a Race Equalities Taskforce draws heavily on the experiences and learning from similar initiatives, notably the Homelessness Taskforce.

4.2 It is proposed that the Taskforce has a long-term remit and a cross-sector membership, similar to the existing Homelessness Taskforce. This will enable it to articulate an approach or 'theory of change' that mobilises a wide cross-section of partners to take action to address its primary goals and influence the right people in the right way. These goals will need to be developed and 'owned' by Taskforce members themselves and will take time to develop.

4.3 It is important to recognise that there is a lot of activity already being led by local authorities, their partners and other public bodies to address these issues – for example, the ongoing work around equalities being led by Birmingham City Council and Sandwell Council. The Race Equalities Taskforce must complement and add value to the existing work taking place across the region. Its work will not be to take on anything that local authorities and their partners are doing already, rather it is to bolster and support it.

4.4 It will be critical to the Taskforce's work to build trust and credibility with those communities it seeks to empower. It will need to develop a clear and coherent programme of community and stakeholder engagement. We propose this has three elements:

- a) Regular engagement with the range of networks that the Combined Authority already has that can provide advice and support on inequalities issues. This would include the Faith Strategic Partnership Group; the Leadership Commission; the Young Combined Authority; the Health of the Region roundtable; and the forthcoming Life Chances Commission.

- b) A series of working groups and one-off activities engaging with a wide range of groups and organisations focused on key issues raised by the Taskforce. This will include activity focused on engaging and influencing the private sector.
- c) A range of mechanisms for allowing diverse communities to share their own lived experience to guide and inform the deliberations and action plans of the Taskforce on a regular basis.

## **5. Composition of the Taskforce**

### **5.1 We propose:**

- a) A diverse Taskforce of around 25-30 'strategic doers' representing local authorities and other public, private and voluntary sector organisations from across the region – strategic doers - people who can take action to address the Taskforce 'goals' and can then hold one another to account. We propose these are selected by the Chair (see below), the Mayor and the Portfolio Lead Member (Inclusive Communities) following a short recruitment campaign.
- b) A high profile, influential chairperson who can work closely with the Mayor and Portfolio Lead Member (Inclusive Communities) to mobilise activity in a range of contexts, including in central government but who also has an air of independence and the ability to speak truth to power. The Chair, and possibly a deputy chair, will be appointed by a small panel comprising the Mayor, Portfolio Lead Member (Inclusive Communities), Mayoral Policy Advisor (Faith and Communities) and a representative from the Police and Crime Commissioner's office.
- c) A Members Advisory Group co-chaired by the Portfolio Lead Member (Inclusive Communities) comprising political representatives from local authorities that can represent a bridge between the Taskforce, local authority activity and wider WMCA activity.
- d) A significant and on-going programme of community engagement involving a diverse range of perspectives that can shape and influence the Taskforce's agenda.
- e) An on-going programme of stakeholder engagement including focused work with different sectors and groups, for example: engaging with or influencing the private sector around its role in advancing equality of opportunity. Such activity will be supported by the cross-sector makeup of the Taskforce.
- f) A series of local authority officer led task-and-finish / working groups on specific themes or issues identified by the Taskforce. The Taskforce has the ability to hear evidence from activity in specific sectors to address race inequalities, for example health, criminal justice and broader public services.
- g) A small secretariat or 'virtual team' linking together officers from a number of different WMCA directorates and headed-up by a lead officer.

## 6. Timetable for establishing the Taskforce

6.1 We propose the following steps for setting up the Taskforce:

<b>Date</b>	<b>Activity</b>
July 2021	WMCA Board discussion and approval; Announcement of chair, taskforce recruitment and preparation of Baseline Report; Launch recruitment process for Programme Manager.
August 2021	Recruitment of initial cohort of Taskforce members; Development of draft Baseline Report; Recruitment of Programme Manager
September 2021	First formal meeting of the Taskforce – consideration of the first draft Baseline Report and commence exploration of priority areas and community engagement plans; First meeting of Members Advisory Group.
Sept 2021 & Oct 2021	121 engagement with Taskforce members to discuss priorities.
October 2021	Second formal meeting of the Taskforce – finalise baseline report, confirm priorities, theory of change and community engagement plans; Second meeting of members Advisory Group; Publication of Baseline Report
Nov 2021 onwards	Regular programme of meetings, reporting on work programme etc. proceeds thereafter with a view to publishing an initial work programme in early 2022

## 7. Financial Implications

7.1 The costs associated with establishment of the Taskforce to support the proposed approach are not within the agreed budget for 21/22.

7.2 It is anticipated at high-level that the Taskforce will require a dedicated Programme Manager combined with external advice budget and this is expected to cost c.£143k in 2021/22. This will be funded by one-off use of reserves as noted in the financial monitoring report.

7.3 The funding request for subsequent years will be incorporated into the Corporate Strategic Planning process and updated Medium Term Financial Plan that will be presented to Board in September.

## 8. Legal Implications

8.1 There are no legal implications at this stage, the work of the Taskforce will be compliant and indeed exemplify Equalities legislation.

## 9. Equalities Implications to update

9.1 This paper sets out plans to lead a Race Equalities Taskforce which will be inclusive of, and adherent to broader equalities agendas. The Taskforce will consider the WMCA Corporate Strategy and WMCA Equalities Scheme (due to be presented to WMCA Board in September 2021) when shaping its priorities and work programme.

## 10. Inclusive Growth Implications

10.1 The notion of a Race Equalities Taskforce aligns with our inclusive growth ambitions through tackling inequalities.

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

- 11.1 The Race Equalities Taskforce will focus its energies initially on those policy areas where the WMCA has the most leverage; transport, education and skills and housing. The Race Equalities Taskforce therefore covers all of the constituent and non constituent authorities

## **12. Other Implications**

- 12.1 As part of the Theory of Change, the Race Equalities Taskforce will work to secure the necessary support to deliver, enable and influence changes in the way their respective organisations and partners work. It is to be expected that this will have secondary implications across the policy areas which the Taskforce focuses upon.

## **13. Schedule of Background Papers**

- 13.1 None.



## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	HS2 Regional Enterprise Board
<b>Portfolio Lead</b>	Environment, Energy & HS2 - Councillor Ian Courts
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Craig Wakeman, Head of Transport Implementation email: craig.wakeman@tfwm.org.uk
<b>Report has been considered by</b>	Strategic Leadership Team Programme Board

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

**The WMCA Board is recommended to:**

- (1) Approve the revised refresh and rebrand of the HS2 Regional Enterprise Board.
- (2) Approve the revised terms of reference for the HS2 Regional Enterprise Board (to be circulated separately).

## 1. Purpose

- 1.1 The purpose of this paper is to outline the proposed changes that will be taking place to enable the refresh and rebrand the HS2 programme managed on behalf of the West Midlands region, and to present a revised 'terms of reference' for the HS2 Regional Enterprise Board.

## 2. Background

- 2.1 In 2015, following the submission of the first HS2 Growth Strategy and the subsequent formation of the WMCA the HS2 Growth Delivery Board (GDB) was formed and used as the main means by which the challenges and opportunities that would be presented by HS2, were dealt with at a regional level.
- 2.2 Over the last couple of years, the main focus of the GDB has been to engage with key regional stakeholders in unlocking some of the major challenges faced in unlocking the development potential of the respective sites in the region.
- 2.3 However, as we enter the next phase of delivery of the HS2 programme, a more focused approach is needed to ensure that we embrace, fully, all of the opportunities that HS2, as a significant catalyst for growth, presents to this region.
- 2.4 It is therefore appropriate to take a fresh look at all aspects of this programme and to ensure that we focus on the key opportunities that this brings. So far, we are yet to really embrace the full and fruitful opportunities that HS2 provides. We are yet to see significant number of highly skilled and trained local people emerge from the training being put in place. We are yet to see significant numbers of local businesses truly benefit from the economic impacts provided by HS2 and we are yet to see any significant contribution to our regional environmental targets for WM2041.
- 2.5 We will therefore realign the HS2 Regional Enterprise Board to focus more directly on the following areas of activity:
- **Economic opportunity** – focus on business opportunities to help local and regional businesses to succeed
  - **Education opportunity** – focus on enhanced training and development of skills for local people
  - **Employment opportunity** – target key employment opportunities that are created not just by the construction of HS2 but as part of the wider regeneration aspirations of the region and by the attraction of new industry
  - **Environmental opportunity** – focus on the potential of 'natural capital' and how we can use this in partnerships with HS2 and partners to achieve our WM2041 targets
  - **Engagement opportunities** – linking both people and organisations to the wider opportunities presented by HS2 across this region and help change the narrative of what HS2 really means to people of this region
  - **Energy opportunity** – looking at how we can capitalise on renewable energy and decarbonisation presented by HS2

- 2.6 To deliver on this, a review of the current and future membership of the HS2 Regional Enterprise Board has also been undertaken and will look to bring together both elected members and senior officers to help us maximise the opportunities that are outlined above. To ensure that we are not only focussed on the delivery of the key opportunities above, the configuration of the REB will also be expansive across the region to ensure that everyone across the entire West Midlands region is able to benefit from the HS2 programme, be that individuals, communities and businesses.
- 2.7 We will look to ensure that we not only link to regional but also national initiatives and priorities, such as 'Levelling Up' and 'COVID recovery'. We will look to focus more on the horizon for emerging opportunities so as to align our region to be best placed to embrace and deliver for people and businesses within this region.
- 2.8 A key activity will be to significantly increase the level of engagement we have with both partners and stakeholders across the region to maximise the opportunities presented by HS2, such as innovation to help us realise the potential in such areas as Health, science and energy as outlined above
- 2.9 We will also work with HS2 and its delivery partners to ensure that the project is constructed in an environmentally sustainable way and is respectful of both the people and communities of this region. We will look to ensure that where possible, all means of mitigation for such things as 'haul routes' across the region are fully examined to minimise disruption and disturbance to the residents of this region, all of which will be based on evidence-based research.

### **3. Financial Implications**

- 3.1 There are no financial implications in relation to this report. All projects and programmes that are being delivered by the HS2 programme are funded accordingly via individual funding strategies as identified within the respective project & programme business cases.

### **4. Legal Implications**

- 4.1 There are no legal implications in relation to this report.

### **5. Impact on Delivery of Strategic Transport Plan**

- 5.1 As part of the wider development of the HS2 Growth Strategy, and most recently the refresh that took place in 2021, alignment with the Strategic Transport Plan (STP) was undertaken as many of the schemes that are within the STP are also contained within the 'HS2 Wider Connectivity' section with the HS2 Growth Strategy ensuring synergies across respective documents.

### **6. Equalities Implications**

- 6.1 Each of the individual projects and programmes contained within the overall HS2 programme are required to undertake equalities impact assessments as part of their standard project development and for these to be reviewed and revised as part of the standard regular project and programme reporting cycles that are currently in place.

## 7. Inclusive Growth Implications

7.1 The proposed revisions to the focus of the HS2 REB bring it into alignment with several of the inclusive growth 'fundamentals' which comprise the Inclusive Growth Framework. Taking each focal point in turn:

- **Economic opportunity:** ensuring that local businesses can enter the supply chain for HS2 aligns with the Economy fundamental of the Inclusive Growth Framework. This is a chance to contribute to the region's objective for social economy growth – and it will be important to ensure that co-operatives, mutuals, social enterprises and community businesses are among the local businesses that are able to benefit from the investment.
- **Employment opportunity:** this focal point also aligns to the Economy fundamental of the Inclusive Growth Framework. Ensuring that the wider benefits and opportunities of HS2 are considered alongside the jobs within construction is key to ensuring that a broad section of the population can benefit from the investment. As with all aspects of inclusive growth, collaboration between sectors and partners will be required to ensure that our education and skills offer can prepare people for opportunities that will be there when they qualify.
- **Education opportunity:** ensuring that local people are given opportunities to develop new, relevant skills, both in and out of work, aligns with the Education and Learning fundamental of the Inclusive Growth Framework. The skills required to build HS2 are more broadly relevant to the future of the region – be that in construction, energy infrastructure or retrofit – so as with the 'employment opportunity' focal point, the onward step that people will make should be factored into the skills provision.
- **Environmental opportunity:** this aligns to the Climate Resilience fundamental of the Inclusive Growth Framework. The natural capital example highlighted earlier in the paper is particularly important – whilst HS2 is far less disruptive to the natural environment than new roads, it will nonetheless be important to achieve biodiversity net gain in order to align with the region's aspirations. However, there are other elements of WM2041 that HS2 could also benefit – notably delivery against the soon to be published Circular Economy Roadmap, and by creating additional passenger capacity on the heavy rail network.
- **Energy opportunity:** this also aligns to the Climate Resilience fundamental of the Inclusive Growth Framework. Alongside the decarbonisation opportunity within the transport network, HS2 also presents an opportunity to increase our generation and storage of renewable energy, as well as to upgrade our regional energy systems more broadly. The REB should consider how the disruption inherent in construction could also be an opportunity to achieve the objectives within the Regional Energy Strategy.
- **Engagement opportunity:** this aligns to the People, Power and Participation fundamental of the Inclusive Growth Framework. There are myriad benefits to HS2, and these benefits are the bridge between the people of this region and the infrastructure – communicating this well will make it more likely that these benefits are realised. The REB could also look into the broader picture of local influence and where the opportunities for that could be found – whether that is achieved through co-design of natural capital schemes, or the involvement of local organisations in the delivery of skills and employment support.

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

- 8.1 HS2 and the potential benefits from both the construction and the 'legacy' of the project, stretch across the breadth of the West Midlands region. It is proposed therefore that under the proposed revision, all members from the WMCA will be represented in some capacity to ensure that these opportunities are maximised.

## **9. Other Implications**

- 9.1 No other implications have been identified.

## **10. Schedule of Background Papers**

- 10.1 None.

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## WMCA Board

<b>Date</b>	23 July 2021
<b>Report title</b>	Appointment of Audit, Risk & Assurance Committee Chair
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: <a href="mailto:laura.shoaf@tfwm.org.uk">laura.shoaf@tfwm.org.uk</a>
<b>Accountable Employee</b>	Satish Mistry, Interim Head of Governance, Clerk and Monitoring Officer email: <a href="mailto:satish.mistry@wmca.org.uk">satish.mistry@wmca.org.uk</a>
<b>Report has been considered by</b>	Strategic Leadership Team - 30 June 2021 Programme Board

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

#### The WMCA Board is recommended to:

- (1) Make an appointment to the Chair of Audit, Risk & Assurance Committee for a four year period, to expire in June 2025.
- (2) Thanks David Lane for undertaking the role of Chair of the committee for the past five years.

## **1. Purpose**

To appoint the Chair of the Audit, Risk & Assurance Committee (ARAC) for the next four years.

## **2. Background**

2.1 The WMCA's constitution requires that the membership of ARAC includes at least one 'independent person' (defined as someone who for the preceding five years has not been a member or officer of the WMCA, nor is a relative or close friend of any such person). The constitution also requires that the chair of ARAC should be the (or one of the) independent person(s).

2.2 David Lane has undertaken this role since October 2016, initially for a four year period but with a year's extension in September 2020 due to the uncertainties of recruiting during the COVID-19 pandemic. His appointment will now expire on 18 September 2021.

2.3 The position of Chair was recently advertised and a number of applications have been received for the position. It is intended to schedule interviews for suitably qualified candidates ahead of the WMCA Board involving the committee's Vice-Chair, Interim Director of Law & Governance and the Director of Finance.

2.4 It is intended that the interview panel's recommendation for the position of Chair will be circulated to the members of the WMCA Board ahead of the meeting, along with a summary of the skills and attributes that the candidate will bring to the post.

## **3. Financial Implications**

3.1 There are no direct financial implications arising out of the recommendations within this report. The position of independent member/chair is unremunerated, except for the reimbursement of travel expenses to and from meetings.

## **4. Legal Implications**

4.1 The WMCA's constitution requires ARAC to have at least one independent member, who will also chair the committee. David Lane's appointment expires on 18 September 2021 and, as there are no other independent members sitting on the committee, it would be necessary to appoint a replacement independent member.

## **5. Equalities Implications**

5.1 There are no direct equalities implications arising from this report. The advertising and recruitment process referred to above will be designed with the objective of securing a wide and diverse field of applicants.

## **6. Inclusive Growth Implications**

6.1 There are no direct inclusive growth implications arising out of the recommendations within this report.

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

- 7.1 ARAC contains members from constituent and non-constituent authorities, along with local enterprise partnership representatives. There are no geographical requirements placed upon any successfully appointed independent member.

## **8. Other Implications**

- 8.1 There are no other significant implications arising out of the recommendations contained within this report.

## **9. Schedule of Background Papers**

Reports to WMCA Board - 28 October 2016 and 18 September 2020

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## **Audit, Risk & Assurance Committee**

**Monday 28 June 2021**

### **Actions from an Informal meeting held on 28 June 2021 via Teams**

#### **Members in attendance:**

David Lane (Chair)  
Councillor Ram Lakha (Coventry City Council)  
Councillor Dave Borley (Dudley MBC)  
Councillor Alan Butt (City of Wolverhampton Council)  
Councillor Charna Padda (Sandwell MBC)  
Councillor Tom Baker- Price (Worcestershire)  
Councillor Chris Schofield (Shropshire)  
Councillor Hayden Walmsley (Warwickshire)

**Apologies:** Councillor Carl Rice (Birmingham City Council), Councillor Gary Flint (Walsall MBC), Councillor Ken Meeson (Solihull MBC)

#### **1. Chair's Remarks**

The Chair reported that he had invited the new interim Chief Executive, Laura Shoaf to attend this meeting before it was changed to a 'virtual meeting' and he hoped she would be able to attend the next meeting on 26 July.

#### **2. Minutes - The minutes of the meeting held on 19 April were agreed.**

#### **3. Matters Arising – Recruitment of Independent Chair**

Dan Essex reported that interviews for the Independent Chair would be held week commencing 19 July to allow for a transitional handover to the new Chair in time for 21 September meeting of ARAC and for the appointment to be agreed by the WMCA Board on 23 July. It was hoped that the new Chair would be able to attend ARAC on 26 July.

It was agreed that the nominations for the position of the Vice- Chair would be added to the agenda for 26 July.

#### **4. Forward Plan - noted.**

#### **5. Introduction to the annual accounts**

Louise Cowen and Linda Horne provided an update on the annual accounts for 2021/22. A report had been circulated for information.

**6. Presentation: Audit Process and Accounts**

Grant Patterson (Grant Thornton) gave a presentation on the external audit process. This included the reasons why an external audit is undertaken, key highlights from 2020/21 Audit Plan and the purpose of an audit committee. A copy of the slide presentation was circulated to the committee following the meeting.

**6. Internal Audit Update**

Peter Farrow and Sandra Kalyan (Internal Audit) outlined the key audit recommendations in relation audits undertaken on risk management and a digital retraining Fund. Both audits had a final status that was rated satisfactory.

**7. WMCA Strategic Risk Register**

Victoria Harman presented the Strategic Risk Register that provided an update on the high level risks as of mid-June.

The Chair asked to be notified of all risks rated amber and for these to be included in future reports.

**8. WMCA Strategic Risk Management Framework V.01**

Victoria Harman presented the new WMCA Strategic Risk Management Framework that would be submitted to the next meeting of ARAC on 26 July for formal approval.

**9. Equalities Statistics and General Equalities Update**

Anna Sirmoglou outlined a report that provided an annual update on equalities and equalities statistics.

It was noted that update on Equalities Scheme would be submitted to ARAC following approval by the WMCA Board in January.

**10. Health and Safety Ways of Working (Post Covid-19) and Data Security and Post Protection Lone Working Update**

Ben Gittings presented a report that provided an update on health and safety ways of working post- Covid-19 Update. Gurmit Sangha provided an update on data security and post protection lone working.

**11. Presentation: Annual Delivery Plan**

Fiona Bebbington provided an update on the process for developing the Annual Business Plan and Corporate Strategy for 2021-24. It was noted that a Plan was not published for 2020/2 due to the pandemic. However, the end of year delivery report to the WMCA Board on 25 June indicated that most milestones and targets for last year had been met

The Chair asked that an update on the resource to support the business planning process/ organisation be submitted to ARAC in November.

**12. Terms of Reference - Whistleblowing Panel**

Loraine Quibell outlined a report that set out the draft terms of reference to the recently created Whistleblowing Panel and Fraud Panel.



## West Midlands Combined Authority

### Transport Delivery Committee

Monday 28 June 2021 at 1.00pm

### Informal Minutes

#### Present

Councillor Kath Hartley (Chair)	Birmingham City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Linda Bigham	Coventry City Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Councillor Robert Grinsell	Solihull Metropolitan Borough Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Celia Hibbert	City of Wolverhampton Council
Councillor Chaman Lal	Birmingham City Council
Councillor Chris Burden	City of Wolverhampton Council
Councillor Mark Parker	Solihull Metropolitan Borough Council
Councillor Mohammed Idrees	Birmingham City Council
Councillor Morriam Jan	Birmingham City Council
Councillor Robert Alden	Birmingham City Council
Councillor Ziaul Islam	Birmingham City Council
Councillor Tim Huxtable	Birmingham City Council
Councillor Richard Worrall	Walsall Metropolitan Borough Council
Councillor Samiya Akhter	Sandwell Metropolitan Borough Council
Councillor Rizwan Jalil	Sandwell Metropolitan Borough Council

#### In Attendance

Pete Bond	Transport for West Midlands
Dan Essex	West Midlands Combined Authority
Graham Jones	Transport for West Midlands
Kate Taylor	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Sandeep Shingadia	Transport for West Midlands
Angela Hosford	Transport for West Midlands

#### Item Title

#### No.

- Apologies for Absence**  
No apologies for absence were received.

## **2. Chair's Remarks (if any)**

The chair made the following remarks:

- Congratulated Andy Street on his re-appointment of Mayor of the West Midlands
- Following Overview & Scrutiny's review of the effectiveness of Transport Delivery Committee work continued on the implementation of those recommendations.
- The chair noted that the Lead Member Reference Groups had been renamed to Member Engagement Groups and would now formally report back to each committee.
- WMCA would be undertaking a Governance review being led by Satish Mistry, Interim Director Law & Governance and Councillor Bob Sleigh.
- Following Laura Shoaf's appointment as Interim Chief Executive of the WMCA it was noted that Pete Bond, Director of Integrated Transport Services would now be the accountable Director responsible for supporting TDC going forward.
- The committee were shown picture of the completion of Coventry Pool Meadow to support Coventry in their role of City of culture.
- Longbridge the first multi storey park and ride had been completed during the pandemic but was never formally opened, it is hoped that the re-opening of the site will occur on the 16 August subject to the Government road map.
- TfWM had been notified by the Department of Transport that they had been shortlisted for a further zero emission bus scheme for 230 buses including over 200 hydrogen buses through National Express. TfWM would be working closely with partners to develop a full business case.

## **3. Matters Arising**

The Chair confirmed the following appointments to each of the Member Engagement Groups:

Air Quality, Congestion & environmental Impact: Councillor Lal, Councillor Bigham, Councillor Hibbert and Councillor Alden

Finance & Performance: Councillor Akhtar, Councillor Akhter and Councillor Andrew

Putting Passengers First: Councillor Hartley, Councillor Jalil, Councillor Idrees and Councillor Stanley

Rail & Metro: Councillor Worrall, Councillor Burden, Councillor Hibbert, Councillor Taylor and Councillor Huxtable

Safe & Sustainable Travel: Councillor Grinsell, Councillor Jalil, Councillor Islam and Councillor Jan

Sprint: Councillor Huxtable, Councillor Idrees and Councillor Parker.

Councillor Celia Hibbert did express her concern that the committee did not reflect as gender balanced.

**4. Terms of Reference & Role Profiles Refresh**

The committee noted the refreshed terms of reference for the and the refreshed role profiles.

**5. Forward Plan**

The committee noted the items to be reported to future meetings. It was recognised that the forward plan reflects more focus of the capital delivery monitoring ensuring that the committee take a broad respective look at those TfWM activities across the business plan, it also includes Member Engagement Group updates.

The chair also requested that a schedule of policy briefing's continued to be held on the morning of committee and requested that the meeting scheduled in September focused on the Commonwealth Games Transport Plan Consultation.

**6. Financial Monitoring Report 2021 / 22**

The committee received a report outlining the final 2020/21 position against the Transport revenue budget which showed a marginal total saving of £0.189m which was broadly in line with the final forecast for the year, despite the challenges of the previous 12 months. The out-turn was also in line with estimates following close financial manager and action during the year.

Councillor Timothy Huxtable queried as to whether due to pandemic construction of schemes costs would be increased due to inflation or additional costs due to supply and demand. The Director of Development and Delivery reassured the committee that scheme's were still within budget, and to mitigate those risks early contractor engagement is undertaken. He also noted that organisation worked closely with contractors to ensure sites remained COVID secure. Councillor Adrian Andrew suggested that a useful exercise be undertaken to review the potential cost increases against capital projects.

**7. Capital Delivery Monitoring Report**

The committee received a report outlining the progress monitoring against approved TfWM led 2021/2022 programmes and projects. It was highlighted that in regards to Perry Barr Rail Station and Bus Interchange demolition of the old station had completed during May and in regards to university station the piling works had been completed. The Director of Development and Delivery also noted the positive start of the West Midlands Cycle Hire scheme noting around 50,000 recorded journeys since the launch.

Councillor Timothy Huxtable expressed concern on the delivery of work being undertaken on Perry Barr Railway Station and suggested that any slippage to the scheme may affect the readiness for the Commonwealth Games. He also requested further information on delivery would pick up on Park and Ride expansion.

**8. Commonwealth Games Transport Plan**

The committee received a report outlining the draft Games Transport Plan for consultation and engagement commencing June to September 2021. The guiding principles of the plan included: clean and green a public transport games, safe, secure efficient and reliable, long term benefits (creating a legacy for through transport, minimise disruptions to users and access for all.

The plans purpose is to inform the public and businesses of the approach being taken to transport planning and provided guidance and information on the arrangements during the games. The chair requested that the committee be informed on the results of the feedback of the consultation at a future meeting.

**9. Sprint Progress Update**

The committee received a report updating them on the progress of the Sprint programme and the cabinet decision required to support the delivery of the schemes. The report highlighted progress on key deliverables for the first two route (A34 and A45). It was noted that both schemes had been contracted and work to deliver the schemes had commenced. The committee highlighted the need to encourage the facility of bikes of the Sprint vehicle.

**10. Birmingham Outer Circle Bus Service Changes**

The committee received a briefing note information them of the changes to the Birmingham outer circle bus route, service 11 from Sunday 4 July 2021. The changes were to be implemented by National Express West Midlands with the support for TfWM, to mitigate the impact of congestion on the route and thereby improve the service for around 96% of customer. It was noted that this was a temporary change.

**11. COVID-19 Recovery Update**

Pete Bond shared the following points

- Continuing to provide the latest travel advice via the website and work closely with operators to ensure operations continue in a safe and secure way.
- Highways England data shows that traffic levels are 1% lower that equivalent weeks in 2019
- There continues to be an increase in patronage on both rail and metro.
- Work is being undertaken with bus operators on a full return to network however the operator Diamond have informed TfWM that they would be withdrawing from the bus partnerships within the Black Country.

**Date of Next Meeting:** Monday 19 July 2021 at 1.00pm



**West Midlands  
Combined Authority**

## **Investment Board**

**Tuesday 29 June 2021 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Tony Jefferson	Non-Constituent Authorities
Councillor Jim O'Boyle	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Tony Minhas	Coventry and Warwickshire Local Enterprise Partnership

#### **Present via Teams**

Gary Taylor	Greater Birmingham and Solihull Local Enterprise Partnership
Sue Summers	West Midlands Development Capital

#### **In Attendance**

Sarah Middleton	Black Country Local Enterprise Partnership
Sarah Windrum	Coventry & Warwickshire Local Enterprise Partnership
Liam Davies	West Midlands Combined Authority
Richard Lawrence	City of Wolverhampton Council
Martin Clayton	Solihull Metropolitan Borough Council
Richard Hodge	Coventry City Council
Simon Dancer	Amion
Aanisha Begg	West Midlands Combined Authority
Isha Bhatt	West Midlands Combined Authority
Gareth Bradford	West Midlands Combined Authority
Linda Horne	West Midlands Combined Authority
Ian Martin	West Midlands Combined Authority
Carl Pearson	West Midlands Combined Authority
Nick Oakley	West Midlands Development Capital
Gerald Gannaway	West Midlands Development Capital

- | <b>Item No.</b> | <b>Title</b>  |
|-----------------|---|
| <b>1.</b>       | <b>Apologies for Absence</b><br>Apologies for absence were received from Nick Abell, Paul Brown and Councillor Chatfield.   |
| <b>2.</b>       | <b>Notification of Substitutes</b><br>Tony Minhas had been nominated as a Substitute Member for Nick Abell (Coventry and Warwickshire Local Enterprise Partnership).  |
| <b>3.</b>       | <b>Declarations of Interests</b><br>The following members declared non-pecuniary interests in the following:<br><br>Agenda Item no.6 Business and Tourism Programme Update – Councillor Tony Jefferson, Member of the Growth Company Board.<br><br>Agenda item no. 11 UK Central Programme: Councillor Bob Sleigh- Director of Urban Growth Company, Councillor Karen Grinsell- Member of Solihull Metropolitan Borough Council, Councillor Stephen Simkins, Member of West Midlands Trains Board.  |
| <b>4.</b>       | <b>Minutes of last meeting</b><br>Resolved: That the minutes of the meeting held on 19 April be confirmed as correct record.  |
| <b>5.</b>       | <b>Investment Programme Update and Dashboard</b><br>Ian Martin, Investment and Commercial Activities Director outlined a report that provided an update on the status of the Investment Programme delivery to assist the board in setting out the context for any investment decisions to be made by the board.<br><br>In relation to the Devolution Deal Gateway Review, it was noted that the WMCA had passed the first gateway review period in May 2021 which guarantees a £36.5m payment to the WMCA for the five years until the next Treasury Gateway review in 2026. The Chair thanked everyone involved in the successful Gateway Review that would enable the WMCA to continue to explore future funding opportunities with Government.<br><br>Resolved:<br><br>1. That the status of the Investment Programme delivery as detailed in the report be noted;<br><br>2. That the successful completion of the first Devolution five-year gateway review be noted and<br><br>3. That the Investment Programme funding status be noted. |

**6. Business and Tourism Programme Update**

Ian Martin presented a report that provided an update on the Business and Tourism Programme previously known as Trade Tourism and Industry Programme (TTI) that is being delivered by the West Midlands Growth Company.

The report set out the summary of the programme to date including an update on milestones and outputs.

In relation to an enquiry from the Chair regarding the only issue flagged as red; the Pass Form which has not been approved by the Cabinet Office, Ian Martin reported that he hoped this would be resolved shortly, as the DIT were a partner in delivering the programme.

In relation to future update reports to this board, it was agreed these would be submitted every six months rather than quarterly.

Resolved: That the report be noted.

**7. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (public iteration) as at 1 June 2021.

Resolved: That the Dashboard be received and noted.

**8. WMCA Brownfield Land and Property Investment Fund (BLPDF) - Dashboard**

Nick Oakley presented the Brownfield Land and Property Fund (BLPDF) Dashboard (public iteration) as at 1 June 2021.

Resolved: That the Dashboard be received and noted.

**9. WMCA Revolving Investment Fund (RIF) - Dashboard**

Nick Oakley presented the Revolving Fund Investment (RIF) Dashboard (public iteration) as 1 June 2021.

Resolved: That the Dashboard be received and noted.

**10. 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).

## **11. UK Central Programmes Update**

Martin Clayton presented a report which explained the reasons to reduce the Investment Programme funding approved for the Birmingham International Station project and the Roundabout Over-Trace project which related to the affordability of the UK Central Package Programmes. He reported that the Birmingham International Station project would be temporarily paused whilst funding discussions continued with the Department for Transport.

Resolved:

1. That the status of the UK Central HS2 Interchange and UK Central Infrastructure Package programme be noted;
2. That approval be given to formally reduce the Investment Programme funding approved for the Birmingham International Station project and the Roundabout Over-Trace project;
3. That the formal notification within the report of the paused status of the Birmingham International Station project, pending funding discussions with the Department for Transport be noted;
4. That approval be given to ring-fence the sum stated in the report for the UK Central HS2 Interchange and UK Central Infrastructure Package programmes within the current Investment Programme affordable limit be noted and
5. That in approving the recommendations 1 to 4 above, Investment Board is not endorsing any changes to project deliverables, outputs or project completion dates be noted.

## **12. City Learning Quarter (Phase 1) College of Wolverhampton Technical Centre (CoW Tech C) Phase 1 - Full Business Case**

Councillor Stephen Simkins introduced a report that set out the justification for the College of Wolverhampton Technical Centre facility and reported the facility was a key regeneration project for the city.

Richard Lawrence outlined the report including the background, context for the facility and the benefits it would deliver for the city, its residents and region.

Resolved:

That the capital funding request to fund the development of a brand new City of Wolverhampton College Technical Centre (CoW Tech C) to be situated at the rear of the College's existing Wellington Road campus that forms Phase 1 of the wider City Learning Quarter Programme be endorsed for approval by the WMCA Board.

**13. West Midlands Co-Investment Fund Outline Business Case**

Ian Martin outlined a report that set out the proposal for a new business friendly investment fund aligned to the specific strategy and needs of the West Midlands Region and designed to promote economic growth post COVID.

The report set out the background and overview to establishing a West Midlands Co-Investment Fund that would enable the WMCA to achieve four clear objectives; 1) lead SME post Covid-recovery, 2) provide support to the regions SMEs, 3) improve the financial ecosystem and 4) build track record and capability to attract new funds from Central Government.

Linda Horne reported that greater detail on the governance and delivery vehicle for the fund would be addressed as part of the full business case.

Resolved

1. That the setting up of the proposed WMCO, a Co-Invest Equity Fund designed to facilitate investment into Growth SMEs to aid the recovery of the West Midlands economy be agreed subject to the approval of the WMCA Board (noting the full business case would be submitted before the fund is launched).

2. That the initial grant funding request from the WMCA Investment Programme as set out in the Outline Business Case to progress WMCO to Full Business Case, representing 50% of the full funding required to deliver this proposal post FBC approval be agreed subject to the approval of the WMCA Board;

3. That the WMCA have approached British Business Bank to pursue the potential to secure match funding from Central Government sources be noted and

4. That the WMCO has the potential to recycle the majority of the funding (subject to fund performance) be noted.

**14. Brewers Yard - Cullwell Street -Site Fleet and relocation and re-development, Wolverhampton**

Gareth Bradford introduced a report that had been co-developed by the WMCA with the City of Wolverhampton Council which sought a WMCA grant from the Land Fund to support a regionally significant regeneration project. The grant would 'match fund' the Towns Fund allocation recently committed by the Wolverhampton Towns Board to the project.

Simon Dancer presented the report on the Brewers Yard- Culwell Site Fleet relocation and re-development which sought grant approval to support phase 1 of a strategic regeneration project that would facilitate the delivery of up to 780 housing units in phase 2. He advised that 300 units could be provided without further grant.

It was noted that Avison Young had provided advice to the City of Wolverhampton Council on the residential housing market in the city and that key funding conditions would be attached to the grant.

Gary Taylor and Councillor Bird reported of the need for reports seeking investment to include details of any WMCA funding previously provided to organisations and what had been delivered.

Gareth Bradford reported that he was happy to include the track record of organisations seeking investment funding in future reports.

Resolved:

1. That a WMCA grant from the land fund for the sum stated in the report, to support a strategic regeneration project in Wolverhampton City Centre that facilitates the delivery of up to 780 housing units in phase 2 including 20% affordable be approved;

2. That phase 1 relates to the relocation of the Council's Fleet Services that will deliver new floorspace, land remediated and enable the delivery of the residential scheme in phase 2 be noted;

3. That any value engineering or cost calculation in the project post Investment Board approval would benefit the WMCA to reduce the total investment ask from the devolved Housing and Land Funds be agreed;

4. That the funding is fully compliant with the WMCA's Single Commissioning Framework approved by this Board, the Housing and Land Board and the WMCA Board in March 2019 be noted and

5. That the report has been co-developed with the officers from the City of Wolverhampton Council which is the landowner and local planning authority for the scheme be noted.

**15. Wood End, Henley Manor, Coventry**

Gareth Bradford introduced a report that was seeking grant investment from the WMCA's Brownfield Housing Fund to unlock a strategic development project at Henley Manor, Coventry. The scheme had planning permission and would enable the scheme to proceed providing much needed new homes to the local area.

Isha Bhatt presented the report and provided an overview of the project.

In relation an enquiry from Gary Taylor regarding the profit margin for the developer which seemed higher than normal and whether there was a benchmark for profit, Gareth Bradford advised that due diligence had been undertaken by Thomas Lister who had indicated the profit level was appropriate for the development. He added that the WMCA would look to pursue benchmarking going forward.

The board noted that funding approval was subject to the developer satisfying the 6 conditions set out in the report which included the provision of appropriate clawback and overage clauses within the funding agreement.

Resolved:

1. That grant investment up to the amount set in the report to unlock strategic brownfield regeneration site in Coventry that delivers at least 94 new homes, 21% of which will be affordable and is aiming to start on site in July 2021 be approved;
2. That the project has gone through the key decision making and appraisal stages of the WMCA Single Commissioning Framework prior to consideration by this board be noted;
3. That funding is fully compliant with the WMCA Single Commissioning Framework approved by this board and, the Housing and Land Board and the WMCA Board in March 2019 be noted.
4. That the report has been co-developed with the project promoter be noted and
5. That Coventry City Council, as the Local Planning Authority are fully supportive of this application which forms part of the wider development project for 3,328 homes in this area be noted.

**16. Abbey Street- Nuneaton**

Gerald Gannaway presented a report that sought approval of investment funding from the WMCA's Brownfield Land and Property Development Fund for Abbey Street, Nuneaton for phase 1 of the scheme to help regenerate a key regional town centre/ brownfield site.

It was noted that Investment Board had previously approved BLPDF grant funding for the scheme on 21 October 2019 but the scheme has subsequently been revised down as a result of Covid which has impacted development plans. The delivery timescales for the development have also been extended by around 18 months.

Resolved: That the revised grant from the Brownfield Land and Property Development Fund be approved subject to the key terms, security and conditions of sanction as outlined in the report.

**17. Coventry Arena -Hampton by Hilton**

Nick Oakley presented a report that sought approval for a loan from the WMCA's Collective Investment Fund (CIF) to facilitate the development of new hotel, Hampton by Hilton, at Coventry Arena in time for the 2022 Commonwealth Games.

The loan would be subject to the key terms, conditions and security outlined in the report.

Tony Minhas reported that Coventry and Warwickshire Local Enterprise Partnership supported this project as the Arena was a community and regional asset.

Resolved: That the CIF loan be endorsed for WMCA Board approval.

**18. WMCA Collective Investment Fund (CIF) - Dashboard**

Nick Oakley presented the Collective Investment Fund (CIF) Dashboard (private iteration) as at 1 June 2021 and provide a general update on the projects.

He advised the board that the CIF & RIF portfolio performance remained robust during Covid-19 with good income being paid to WMCA and there had been no losses or provisions, at this stage he did not anticipate any adverse trends or losses within the portfolio. The CIF/RIF loan funds had delivered or were in the course of delivering on 32 individual projects across the Region with approved funding totalling £138m as at 1/6/21.

He also commented generally on the construction sector advising that the sector was experiencing challenges relating to substantial cost inflation and supply issues on some raw materials which may slow down site completion. He reassured the board that all WMDC projects were subject to close management by Investment Directors and independent project cost quantity surveyor management.

Resolved: That the Dashboard be received and noted.

**19. 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 June 2021 and updated the board on the current position of some schemes.

Resolved: That the Dashboard be received and noted.

**20. WMCA Revolving Investment Fund (RIF) - Dashboard**

Nick Oakley presented the Revolving Investment Fund (RIF) Dashboard (private iteration) as at 1 June 2021.

Resolved: That the Dashboard be received and noted.

**21. Land and Property Investment Fund (LPIF)**

The board received the Land and Property Investment Fund (LPIF) Dashboard as 1 June 2021.

Resolved: That the Dashboard be received and noted.

The meeting ended at 11.54 am.



West Midlands  
Combined Authority

## Environment & Energy Board

Thursday 1 July 2021 at 10.00am

### Minutes

#### Present

Councillor Ian Courts	Portfolio Lead for Environment, Energy & HS2
Councillor Oliver Butler	Walsall Metropolitan Borough Council
Councillor Andy Mackiewicz	Solihull Metropolitan Borough Council
Matthew Rhodes	Energy Capital
Suzanne Ward	Environment Agency

#### In attendance

Councillor Peter Fowler	Overview & Scrutiny Committee
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#### 1. Apologies for Absence

Apologies for absence were received from Councillor Maria Crompton (Sandwell), Councillor Jim O'Boyle (Coventry), Councillor Simon Phipps (Dudley) and Councillor Waseem Zaffar (Birmingham).

#### 2. Net Zero Neighbourhood

The board considered an update from the Head of Environment on the allocation of £2m to help to explore opportunities for achieving net zero living through technology shift. In addition, financial models and community appetite for net zero living would also be explored.

The Chair emphasised that the selection of neighbourhoods would be key to the success of any project, and stressed the importance of ensuring a broad range of difference localities were selected. He suggested that this work be undertaken with local authorities. In terms of the selection of neighbourhoods, the chair asked that the WMCA worked with local authorities to help to identify potential areas. It was noted that additional work needed to be undertaken on the financial model and timescales.

The Chair undertook to meet with Cheryl Hiles from Energy Capital to discuss these ideas further.

Resolved that the update be noted.

#### 3. WM2041 Behaviour Change

The board considered a report from the Director of Public Service Reform and the Head of Environment that provided an update on the behaviour change work that would support the WM2041 programme. The WMCA was currently working with the Behavioural Insights Team on initial priorities for action and campaigns.

The board received a presentation from Lourdes Valencia from the Cabinet Office's Behavioural Insights Team that considered the role of behaviour change in achieving a reduction in carbon emissions.

Councillor Andy Mackiewicz welcomed the presentation, noting how the COVID-19 pandemic had resulted in a shift in public behaviour motivated by a desire to achieve a positive outcome, and wondered what lessons could be learnt from this to help achieve carbon reduction targets. The Chair stressed the importance of clear and specific messaging that the public could understand and buy in to. He particularly thought that messaging that had a local resonance was more likely to capture people's attention and prompt behaviour change.

Resolved:

- (1) The work being undertaken on behaviour change by the Behavioural Insights Team be noted.
- (2) The comments made by the board on the progress and focus of the work be fed back to the Behavioural Insights Team.
- (3) It be noted that the WMCA was in the process of recruiting an Environment Behaviour Change Project Officer.

#### **4. Update on WM Circular Economy Routemap**

The board considered a report from the Director of Public Service Reform and the Head of Environment that provided an update on the progress of the West Midlands' Circular Economy Routemap.

In June 2020, the WMCA Board approved 'WM2041: A Programme for Implementing an Environmental Recovery' that included a recommendation to establish a Circular Economy Taskforce to support the production of a Routemap for the region. Following a stakeholder workshop and public survey to develop understanding of the regional circular economy activity and stakeholders, a Circular Economy Taskforce was formed in November 2020, made up of public, private, academic and third sector partners in the region. The taskforce provided input to a specification which was used to publish a WMCA tender for consultancy support to produce the Routemap. Useful Projects were appointed in January 2021.

Dan Epstein and Laetitia Pancrazi from Useful Projects provided further information on how a circular economy model could scale up across the region. The next steps in this process were to finalise and launch routemap and then prioritise projects to take forward. The Chair noted that much of this work linked in the behaviour change workstream and similarly needed to emphasise the 'local' benefits that could be achieved. He also considered that the financial benefits of transitioning to a circular economy needed to be emphasised in order to bring local businesses onboard.

Resolved:

- (1) The progress on the West Midlands' Circular Economy Routemap be noted.

- (2) The comments made by board to help inform the competition of the Routemap and next steps be noted.

**5. Briefing on WMCA-UK100 Summit & Conference and COP26**

The board considered a report from the Director of Public Service Reform and the Head of Environment that outlined the work that the WMCA had been leading on, in conjunction with other local, regional and national stakeholders, to favourably position the West Midlands in the run-up to COP26, as well as at the event itself in November. It also provided an update on the UK100 local leaders' summit and conference that was being delivered in partnership with the WMCA.

There are three objectives for the WMCA's engagement with COP26 and the associated local leaders' summit and conference planned by UK100: to shine a spotlight on the West Midlands' economy for trade and investment opportunities; to create a 'buzz' around net zero among local residents and businesses; and to work with central government in a new partnership to deliver net zero.

Resolved:

- (1) The activities planned for the UK100 summit and conference and COP26 be noted.
- (2) The details on how to register for the UK100 Conference be noted.

**6. Environment & Energy Programme Update**

The board considered a report from the Director of Public Services Reform and the Head of Environment that provided an overview of the Environment and Energy programme, including work on the net zero natural capital and circular economy. It also updated members on the enabling activity being put in place to ensure successful delivery, including behaviour change, business and community engagement, data and financing.

Resolved:

The Environment and Energy programme update be noted.

The meeting ended at 12.00pm

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## West Midlands Combined Authority

### Employment Committee

Friday 9 July 2021 at 10.45am

#### Minutes

##### Present

Andy Street (Chair)	Mayor of the West Midlands
Councillor Bob Sleigh	Deputy Mayor of the West Midlands
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Ian Brookfield	City of Wolverhampton Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Brigid Jones	Birmingham City Council
Councillor Rajbir Singh	Sandwell Metropolitan Borough Council
Councillor David Vickers	Dudley Metropolitan Borough Council

##### In attendance

Mel Ganderton	Interim Head of HR
Satish Mistry	Interim Director of Law & Governance

#### 1. Apologies for Absence

Apologies for absence were received from Councillor Patrick Harley (Dudley) and Councillor Ian Ward (Birmingham).

#### 2. Recruitment of Permanent Chief Executive and Director of Law & Governance

The committee considered a report on the proposed arrangements to appoint to the roles of Chief Executive and Head of Paid Service, and the Director of Law & Governance and Monitoring Officer.

To provide leadership and continuity to the WMCA, an Interim Chief Executive has been appointed following a short internal expression of interest process conducted by a small panel comprising the Mayor, Deputy Mayor and Councillor George Duggins. In addition, an interim Director of Law & Governance had been appointed in order to provide cover for the Monitoring Officer role.

It was proposed that responsibility for planning the arrangements for a permanent Chief Executive recruitment was delegated to a sub-committee panel comprising the Mayor and two members of this committee. This delegated panel would work directly with the external recruitment consultant and internal advisors to finalise job descriptions, develop the campaign, finalise the advertising approach, sign off the recruitment microsite and plan the arrangements for the assessment centre.

With regard to the Director of Law & Governance role, the role would be advertised directly and a recruitment agency would assist with the search. However, other recruitment activity would be managed internally.

Resolved:

- (1) The recruitment arrangements and timetable in respect of the recruitment of the permanent roles of Chief Executive and Director of Law & Governance be approved.
- (2) The associated role profiles be approved.
- (3) The use of external recruitment consultants to support the permanent recruitment process be approved.
- (4) It be agreed that a sub-committee comprising the Mayor, Deputy Mayor and Councillor George Duggins would be convened to carry out the preliminary recruitment activity up to the point of final interviews.

**2. Appointment of Interim Managing Director, Transport for West Midlands**

The committee noted that Anne Shaw, Director of Network Resilience, had been appointed Interim Managing Director, Transport for West Midlands, following the appointment of Laura Shoaf as Interim Chief Executive.

The meeting ended at 11.00am

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

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