

West Midlands Combined Authority – Decisions taken by the WMCA Board on Friday 16 December 2022

Agenda Item No	Item	Decision
1.	Apologies for Absence	Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Kerrie Carmichael (Sandwell), Councillor Ian Courts (Solihull), Councillor Shaun Davies (Telford & Wrekin), Councillor Brigid Jones (Birmingham) and Councillor Olivia Lyons (Cannock Chase).
2.	Chair's Remarks	<p>(a) Satish Mistry, Interim Director of Law & Governance The Chair noted that this was the final meeting that Satish Mistry would be attending before Helen Edwards commenced her employment as Director of Law & Governance on 9 January 2023. He thanked Satish Mistry for all of the advice and guidance he had provided to the board since May 2021 and wished him well for the future.</p>
3.	Minutes - 28 October 2022	Agreed as a correct record.
4.	Forward Plan	The plan was noted.
5.	Regional Activity & Delivery Update	<p>(1) The update was noted.</p> <p>(2) The Chair to write to the Secretary of State for Transport on behalf of the board to express its dissatisfaction with the operation of the Avanti West Coast franchise, including the belief that the franchise should be handed back if the service currently being provided did not substantially improve.</p>

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6.	Review and Funding of West Midlands Growth Company	<p>(1) The terms of reference of the review of the West Midlands Growth Company, initiated by the Economic Growth Board on 23 September 2022, were noted, including that the findings of the review would be reported to the WMCA Board on 10 February 2023 to support and agree activity to be undertaken by the West Midlands Growth Company in relation to the decision over funding for 2023/24 made at this meeting.</p> <p>(2) An agreement to provide £4m of funding for the period 1 April 2023 to 31 March 2024 to the West Midlands Growth Company, following the approval of the business case by the Investment Board on 12 December 2022 was approved, the funding to be provided through paying the agreed service level agreement fee in return for the West Midlands Growth Company fulfilling its contractual obligations to the WMCA for various services and the £4m funding being comprised of three income streams, namely:</p> <ul style="list-style-type: none"> (i) £700,000 from the WMCA core budget; (ii) £1.6m from the UK Shared Prosperity Fund; (iii) £1.7m contribution from securing a share of the Commonwealth Games Legacy Funds; <p>and all funding being directed through the WMCA and then paid to the West Midlands Growth Company as part of a single commissioning process.</p> <p>(3) It was noted that the WMCA received notification from the Government on 5 December 2022 that its UK Shared Prosperity Fund Investment Plan had been approved, along with the confirmation of funding for 2022/23 and indicative allocations for 2023/24 and 2024/25, with further details expected ahead of the</p>

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		<p>WMCA Board meeting on 10 February 2023.</p> <p>(4) It was noted that the £1.7m Commonwealth Games Legacy Fund contribution was part of an overall larger package of funding that the West Midlands Growth Company hoped to secure from the legacy fund under item 7, and it was noted that the formal confirmation letter of receipt of funding was still awaited by the WMCA from the Government.</p>
7.	<p>Proposal for WMCA Acceptance of a Share of Unallocated Contingency Funding from Birmingham 2022 Commonwealth Games</p>	<p>(1) The acceptance by the WMCA as the accountable body for the receipt of approximately £70m resource grant funding from the Department for Digital, Culture, Media & Sport was approved subject to agreement of suitable terms and conditions.</p> <p>(2) The funding delegations to the Monitoring Officer and s151 Officer to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the programmes were approved.</p> <p>(3) Authority to carry out overall commissioning of the Commonwealth Games Legacy Fund, including any procurement activity as required, was delegated to the Executive Director for Strategy, Integration & Net Zero, in consultation with the s151 Officer.</p> <p>(4) The WMCA retaining 2% of the funding for accountable body costs in accordance with standard policy, including covering the costs for temporary resourcing support to design and manage the Commonwealth Games Legacy Programme was agreed.</p>

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		<p>(5) The funding allocations between the four programme pillars, based on the new higher quantum of funding that the WMCA would receive as its share, was agreed.</p> <p>(6) The principle of the reallocation of funding between programme pillars in the event of in-year underspends arising within individual pillars, using the WMCA’s change control process enabled by the Single Assurance Framework, was agreed.</p> <p>(7) The proposed decision-making and delivery processes for each pillar were agreed.</p> <p>(8) That the delivery timeline was likely to be constrained given the two-year spending profile and the limited preparation time ahead of the funding coming on-stream in financial year 2023/24 was noted, subject to the WMCA making further representations to the Government with the aim of securing an extension to this time period so that the underspend could be maximised to deliver a long-term legacy programme, and a draft letter of consent being requested from the Department for Digital, Culture, Media & Sport so that constituent members could satisfy themselves on the conditions being set.</p> <p>(9) The West Midlands Growth Company being allocated at least £1.7m of this funding in 2023/24, was agreed subject to confirmation of the full funding coming to the WMCA, in line with the funding proposal set out in the separate West Midlands Growth Company report (item no. 6 above).</p> <p>(10) It was noted that the next steps and intended decisions would be brought to the WMCA Board meeting on 13 January 2023.</p>

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8.	Updated Single Assurance Framework	The refreshed Single Assurance Framework, which had been updated in accordance with annual review requirements mandated by the Government, and which now met the National Local Growth Assurance Framework requirements published by the Department for Levelling Up, Housing & Communities in September 2021, was approved.
9.	Transport for West Midlands Capital Pressures	<p>(1) The extent to which the WMCA’s transport capital programme had been impacted by cost pressures was noted.</p> <p>(2) It was noted that in respect of one scheme, the cost control issues had resulted in a breach of financial regulations.</p> <p>(3) A formal independent investigation was commissioned through the Chair of the Audit, Risk & Assurance Committee in respect of the scheme referred to in (2) above, and the results of this investigation would be reported to the WMCA and constituent authority Leaders.</p> <p>(4) The limited funding options open to the WMCA to meet these additional pressures were noted.</p> <p>(5) The approach towards dealing with the most urgent budgetary pressures, including the release of capital funding allocated within the Transforming Cities Fund programme, was approved.</p> <p>(6) It was noted that approval for immediate budget increases to three specific</p>

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		<p>project budgets (totalling up to £17.8m) was requested within item 17 below.</p> <p>(7) Subject to the Department for Transport’s approval and following the WMCA’s Single Assurance Framework process, it was approved that a number of projects previously funded by the Transforming Cities Fund and the WMCA’s capital investment programme should subsequently be funded from the City Region Sustainable Transport Settlement programme.</p> <p>(8) The early warning of further capital pressures was noted.</p> <p>(9) Authority was delegated to the s151 Officer and Executive Director of Transport for West Midlands (in consultation with the Mayor and the Portfolio Lead for Transport) to make a formal change control application for the City Region Sustainable Transport Settlement programme to the Department for Transport in parallel to the WMCA’s Single Assurance Framework process.</p> <p>(10) The risk was noted that in a worst-case scenario where no funding alternatives could be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of approximately £11m to £20m would be required to meet the full extent of the capital cost pressures, and that any precise levy increase, should this be required, would be subject to a further report to this board.</p> <p>(11) The work being committed to enhance the robustness of management and reporting of capital projects in the WMCA’s transport capital programme was noted.</p>

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10.	Overview & Scrutiny Committee - 20 October 2022	The minutes were noted.
11.	Investment Board - 14 November 2022	The minutes were noted.
12.	Transport Delivery Committee - 14 November 2022	The minutes were noted.
13.	Housing & Land Delivery Board - 16 November 2022	The minutes were noted.
14.	Economic Growth Board - 2 December 2022	The minutes were approved.
15.	Young Combined Authority Update - December 2022	The report was noted.
16.	Exclusion of the Public and Press	The public and press were excluded for the remainder of the meeting.
17.	Transport for West Midlands Capital Pressures	(1) The requirement for this private item, which was intended to protect the WMCA's commercial interests in any subsequent negotiations with its contractors, was noted.

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		<p>(2) Following consideration of item no. 9 above, increases to project budgets up to the following maximum values were approved:</p> <ul style="list-style-type: none"> • University Station (£5m) • Wolverhampton Metro (£10.8m) • Westside Metro (£2m) <p>with the power to agree these adjustments delegated to the s151 Officer, following adequate assurance that a thorough commercial and technical challenge had taken place and the value for money remained appropriate.</p>
18.	Date of Next Meeting	Friday 13 January 2023 at 11.00am.