



## WMCA Board

**Date:** Friday 16 December 2022

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

**Venue:** Council Chamber, Civic Centre, St Peter's Square, Wolverhampton, WV1 1SH

### Membership

#### Constituent Members

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

Councillor Mike Bird  
Councillor Ian Brookfield  
Councillor Rose Burley  
Councillor Kerrie Carmichael  
Councillor Steve Clark  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Patrick Harley  
Councillor Brigid Jones  
Councillor Abdul Khan  
Councillor Bob Piper  
Councillor Stephen Simkins  
Councillor Ian Ward

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

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

#### Non-Constituent Members

Anita Bhalla

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor Tony Jefferson  
Councillor Sebastian Lowe  
Councillor Olivia Lyons  
Councillor Jeremy Oates  
Councillor Lezley Picton  
Councillor Izzi Seccombe  
Tom Westley  
Councillor Kristofer Wilson  
Sarah Windrum  
Councillor David A Wright

Greater Birmingham & Solihull Local Enterprise Partnership  
Telford & Wrekin Council  
Redditch Borough Council  
Stratford-on-Avon District Council  
Rugby Borough Council  
Cannock Chase District Council  
Tamworth Borough Council  
Shropshire Council  
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> | 07824 547452   |
| <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<br>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 - 28 October 2022  | Chair  | 1 - 12        |
| 5.                              | Forward Plan   | Chair  | 13 - 16       |
| 6.                              | Regional Activity & Delivery Update  | Chair  | Verbal Report |
| <b>Economy &amp; Innovation</b> |  |  |               |
| 7.                              | Review and Funding of West Midlands Growth Company   | Councillor Ian Brookfield                      | 17 - 26       |
| <b>Finance</b>                  |  |  |               |
| 8.                              | Proposal for WMCA Acceptance of a Share of Unallocated Contingency Funding from Birmingham 2022 Commonwealth Games   | Councillor Bob Sleigh                          | 27 - 36       |
| 9.                              | Updated Single Assurance Framework   | Councillor Bob Sleigh                          | 37 - 88       |
| <b>Transport &amp; Finance</b>  |  |  |               |
| 10.                             | Transport for West Midlands Capital Pressures  | Councillor Ian Ward /<br>Councillor Bob Sleigh | 89 - 100      |
| <b>Minutes</b>                  |  |  |               |
| 11.                             | Overview & Scrutiny Committee - 20 October 2022  | Councillor Cathy Bayton                        | 101 - 104     |
| 12.                             | Investment Board - 14 November 2022  | Councillor Bob Sleigh                          | 105 - 110     |

|                                |   |  |           |
|--------------------------------|---|--|-----------|
| 13.                            | Transport Delivery Committee - 14 November 2022   | Councillor Richard Worrall                     | 111 - 118 |
| 14.                            | Housing & Land Delivery Board - 16 November 2022  | Councillor Mike Bird                           | 119 - 124 |
| 15.                            | Economic Growth Board - 2 December 2022   | Councillor Ian Brookfield                      | 125 - 132 |
| 16.                            | Young Combined Authority Update - December 2022   | YCA Representatives                            | 133 - 134 |
| 17.                            | Exclusion of the Public and Press<br>[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 2 of the Act.] | Chair  | None      |
| <b>Transport &amp; Finance</b> |   |  |           |
| 18.                            | Transport for West Midlands Capital Pressures<br>[Confidential appendix supporting agenda item no. 10]  | Councillor Ian Ward /<br>Councillor Bob Sleigh | 135 - 146 |
| <b>Date of Next Meeting</b>    |   |  |           |
| 19.                            | Friday 13 January 2023 at 11.00am   | Chair  | None      |





**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 28 October 2022 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 Steve Clark              | Dudley Metropolitan Borough Council           |
| Councillor Ian Courts               | Solihull Metropolitan Borough Council         |
| Councillor George Duggins           | Coventry City Council                         |
| Councillor Peter Hughes             | Sandwell Metropolitan Borough Council         |
| Councillor Brigid Jones             | Birmingham City Council                       |
| Councillor Abdul Khan               | Coventry City Council                         |
| Councillor Stephen Simkins          | City of Wolverhampton Council                 |
| Councillor Ian Ward                 | Birmingham City Council                       |

#### **Non-Constituent Members**

|                           |  |
|---------------------------|--|
| Councillor Matthew Dormer | Redditch Borough Council                   |
| Councillor Tony Jefferson | Stratford-on-Avon District Council         |
| Councillor Sue Markham    | Nuneaton & Bedworth Borough Council        |
| Tom Westley               | Black Country Local Enterprise Partnership |

#### **Observer Members Awaiting Membership**

|                       |                          |
|-----------------------|--------------------------|
| Councillor Andrew Day | Warwick District Council |
|-----------------------|--------------------------|

#### **In Attendance**

|                         |                                   |
|-------------------------|-----------------------------------|
| Councillor Cathy Bayton | Overview & Scrutiny Committee     |
| Maya Chung              | Young Combined Authority          |
| Yesmeen Singh           | Young Combined Authority          |
| Mark Smith              | Audit, Risk & Assurance Committee |

#### **Item Title**

##### **No.**

##### **37. Apologies for Absence**

Apologies for absence were received from Lee Barron (Midlands TUC), Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Mike Bird (Walsall), Councillor Greg Brackenridge (West Midlands Fire Authority), Councillor Ian Brookfield (Wolverhampton), Councillor Kerrie Carmichael (Sandwell), Councillor Shaun Davies (Telford & Wrekin), Councillor Patrick Harley (Dudley), Councillor Seb Lowe (Rugby), Councillor Bob Piper (Sandwell), Councillor Izzi Seccombe (Warwickshire), Councillor Kris Wilson (Nuneaton & Bedworth) and Sarah Windrum (Coventry & Warwickshire LEP).

**38. Minutes - 15 July 2022**

The minutes of the meeting held on 15 July 2022 were agreed as a correct record, subject to an amendment to minute no. 35 ('Metro Affordability') to reflect that funding had been allocated to the Arden Cross multi-storey car park project and this would be unaffected by funding issues related to the Wednesbury - Brierley Hill metro extension.

**39. Forward Plan**

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

**40. Regional Activity & Delivery Update**

The board received an update from the Chief Executive on recent activity of the WMCA, including highlights since the last meeting, and the latest regional trends relating to the economy and cost of living pressures.

Councillor Stephen Simkins sought further information regarding the WMCA's activity regarding the retro fitting of housing to improve energy efficiency. The Executive Director of Strategy, Integration & Net Zero explained that the WMCA was working on a collaborative regional bid for Government funding that was due to be submitted by 18 November. If this bid was successful, work would then be undertaken to align the funding with private investment and other Government funding to maximise the regional impact. Councillor Ian Courts welcomed this update and stressed the importance of highlighting the work being done in this key area.

Resolved:

The update be noted.

**41. Trailblazer Devolution Deal**

The board considered a report from the Executive Director of Strategy, Integration & Net Zero on recent developments with the Government regarding the emerging timetable for the negotiation and announcement of a Trailblazer Devolution Deal with the West Midlands.

Summary versions of all the proposals had been compiled into a single document. This document 'Getting Devo Ready' provided a summary of each proposal, the benefits (both regionally and locally) that was intended to unlock opportunities for 'double devolution', and which groups had been involved in its development. This has been prepared in close collaboration with local authority officers, and where feedback on the proposals had been provided, the WMCA had, in turn, provided responses to that feedback.

The Chair indicated that he considered the recent re-appointment of Michael Gove MP as Secretary of State for Levelling Up, Housing & Communities a positive indication that the Government was seeking a comprehensive devolution deal agreement with the West Midlands.

Resolved:

The proposed timetable and approach to further developing and negotiating the Trailblazer Devolution Deal be endorsed, subject to confirmation from the Government.

**42. UK Shared Prosperity Fund Investment Plan**

The board considered a report from the Executive Director of Economic Delivery, Skills & Communities seeking approval of the submission of the UK Shared Prosperity Fund Investment Plan to the Department for Levelling Up, Housing & Communities.

The UK Shared Prosperity Fund was a central pillar of the Government's levelling up agenda. Its primary goal was to build pride in place and increase life chances across the UK, with three key investment priorities around 'Community and Place', 'Supporting Local Business' and 'People and Skills' (including the adult numeracy programme 'Multiply'). The WMCA had been identified as the lead authority and accountable body for the Shared Prosperity Fund across the seven constituent authority area, with responsibility for developing its investment plan and for delivery of the fund thereafter. The WMCA had welcomed the opportunity to lead a strategic and joined-up approach, working with local authorities to identify local and regional investment priorities that supported the region's levelling up ambitions.

Councillor George Duggins expressed his disappointment that the levels of funding available were to be significantly less had been previously suggested. He considered that the region should continue to make the case that levelling up would only be achieved through a greater share of national funding being allocated to the West Midlands. Councillor Peter Hughes expressed his disappointment at the methodology used to determine the local allocation of funding, which he considered did not sufficiently recognise the need that existed within Sandwell.

Resolved:

- (1) The submission of the UK Shared Prosperity Fund Investment Plan to the Department for Levelling Up, Housing & Communities to secure the West Midlands' £88m allocation for the Shared Prosperity Fund for the next three years be approved, noting that the Investment Plan should be submitted as soon as possible given that all other authorities had already submitted their plans and that year one funds were to be spent by 31 March 2023.
- (2) Authority to accept any funding awarded as a result of the submission be delegated to the Executive Director of Economic Delivery, Skills & Communities, in consultation with the Portfolio Lead for Economy & Innovation and the s151 Officer.

- (3) Authority to carry out commissioning of UK Shared Prosperity Fund funding, including any procurement activity as required, be delegated to the Executive Director of Economic Delivery, Skills & Communities, in consultation with the Portfolio Lead for Economy & Innovation, the s151 Officer, Directors of Economic Development and Directors of Finance.
- (4) The final arrangements for the 4% administration allocation be delegated to the Executive Director of Economic Delivery, Skills & Communities, in consultation with the Portfolio Lead for Economy & Innovation, the s151 Officer, Directors of Economic Development and Directors of Finance, and that these arrangements be reported back to the Economic Growth Board for information.
- (5) The next steps to implement the Investment Plan be approved.

#### **43. Financial Monitoring 2022/23**

The board considered a report from the Executive Director of Finance & Business Hub on an update on the WMCA's finances as at 31 August 2022.

The position at the end of August showed a surplus of £2.177m, which was a favourable variance from budget of £1.288m. Within transport, there was a surplus at the end of August of £2.730m, which represented a favourable variance from budget of £1.376m. The most notable variances at this early stage of the year related to concessions where expenditure was less than budget due to lower patronage and fare levels, and within the metro budget where Local Transport Fund grant had now been received. Within the capital programme, actual costs totalled £142.4m, resulting in a favourable variance of £57.1m against budget.

Resolved:

- (1) The financial position as at 31 August 2022 be noted.
- (2) The latest forecast for 2022/23, including the change to the Value for Money criteria for Bus Access Standards to £4.10, be noted.
- (3) The update on Medium Term Financial Plan be noted.
- (4) The Levelling Up Fund bid submitted by the WMCA under delegations previously approved by the board be noted.
- (5) The grant award of £1.5m over three years from the Department for Levelling Up, Housing & Communities for rough sleeping be noted.
- (6) The award of £6.9m Made Smarter Phase 2 grant for 2023/24 - 2025/26 from the Department for Business, Energy & Industrial Strategy be noted.
- (7) The approval of the Multiply Investment Plan for £16.7m allocation and the award of £5.1m for 2022/23 activity be noted.

- (8) The recharge of 2022/23 Business Rates Growth monies be approved.
- (9) The West Midlands Co-Invest project update be noted and the setup of a new-wholly owned company for the fund, rather than using the existing West Midlands Development Capital structure, be approved.
- (10) The package of 'good will measures' offered by the contractor in relation to metro track replacement works on Corporation Street, Birmingham be noted.
- (11) The potential for the WMCA to bid to host the Intelligent Transport Systems World Congress in Birmingham in 2027, with the bid due to be submitted in early November, be noted.

[NB. Councillor Ian Ward declared an interest in this item in respect of Birmingham City Council's part-ownership of West Midlands Development Capital.]

#### **44. Confirmation of Director of Law & Governance Appointment**

The board considered a report from the Director of Finance & Business Hub on the appointment of the Director of Law & Governance and to formally confirm that the post would act as the WMCA's Monitoring Officer upon taking up the appointment.

The post of Director of Law & Governance was a key role in the organisation. It acted as the WMCA's statutory Monitoring Officer, and it was crucial that the WMCA had access to professional and timely legal and governance advice on a regular basis. The Employment Committee interviewed three candidates for the vacant post, and were able to recommend Helen Edwards for appointment to the permanent role of Director of Law & Governance and Monitoring Officer. Helen Edwards was currently Director of Law & Governance and Monitoring Officer at Norfolk County Council.

Councillor Bob Sleight noted that the committee interviewed three strong candidates, but had agreed that Helen Edwards had demonstrated the skills and experience required of the post. He also thanked Satish Mistry for covering the position in an interim capacity since May 2021.

Resolved:

- (1) The appointment of Helen Edwards as Director of Law & Governance and statutory Monitoring Officer for the West Midland Combined Authority be endorsed.
- (2) It be noted that the appointment would take effect upon her taking up duties in early January 2023.

#### **45. The Report of the Independent Remuneration Panel**

The board considered a report from the Interim Director of Law & Governance setting out the recommendations of the Independent Remuneration Panel on a review the allowances paid to the Mayor and members of the WMCA. At its meeting in March, the board agreed to set up an Independent Remuneration Panel to consider:

- the allowances that should be paid to the Mayor and the Deputy Mayor;
- whether allowances should be recommended for Portfolio Leads;
- the allowances paid to Transport Delivery Committee and whether allowances should be recommended to other members of the WMCA.

The panel carried out a thorough review of members allowances, including undertaking extensive interviews with key stakeholders and considering comparative data across the country. The board were required under the provisions of the West Midlands Combined Authority (Functions and Amendment) Order 2017 to determine the allowances payable to the Mayor and the Deputy Mayor “in accordance with the recommendations of the Independent Remuneration Panel”.

Members expressed some concern regarding the means by which the recommendations of the panel had been reached, particularly in respect of the relationship between the allowance proposed for the Deputy Mayor and those paid by constituent member authorities for their Leader position. There was also significant concern that existing legislation prevented the membership of a pension scheme for members, which was proving to be a considerable deterrent for younger councillors pursuing more senior leadership positions. There was recognition though of the considerable personal time that members were required to give to their roles, along with the wider democratic concerns should otherwise well qualified individuals be unable to continue being councillors due to the unavoidable financial impact on their existing careers.

Resolved:

- (1) The Independent Remuneration Panel’s recommendation to increase the Mayoral allowance from £79,000 to £95,000 be approved.
- (2) The Mayoral allowance be not backdated to May 2021, as had been recommended by the Independent Remuneration Panel.
- (3) An interim Deputy Mayoral allowance of £10,000 be agreed, and that the recommended allowance of £31,675 (less any basic and special responsibility allowances received) be referred back to the Independent Remuneration Panel for further explanation and clarification as to how the benchmarking of the role had been undertaken, particularly in respect of comparisons against the responsibilities of a Leader of a metropolitan local authority.
- (4) The Deputy Mayor’s interim allowance be backdated to May 2021.

- (5) The Independent Remuneration Panel's suggestion to recommend to constituent authorities that they set an additional responsibility allowance for Portfolio Leads in the sum of £9,500 be not pursued.
- (6) It be agreed that the Monitoring Officer should write to the Secretary of State for Levelling Up, Housing & Communities to request that the West Midlands Combined Authority Order 2016 be further amended to allow the payment of allowances to all members and co-opted members of the WMCA.
- (7) It be agreed, pending the outcome of the transport governance review, to retain the allowances paid to the Chair and members of the Transport Delivery Committee.
- (8) It be agreed that the Chair of the Audit, Risk & Assurance Committee should receive a Chair's allowance of £9,500.
- (9) It be agreed that the Chair of Overview & Scrutiny Committee should receive a Chair's allowance of £6,650 and that it be backdated to May 2021.
- (10) It be agreed that all allowances should be index linked and increased annually as proposed.
- (11) It be agreed that the current scheme of travel and subsistence allowances should continue to apply to all members of the WMCA.

[NB. Andy Street declared a personal interest in this item and left the meeting room during the discussion and voting on resolutions (1) and (2) above.

Councillor Bob Sleigh declared a personal interest in this item and left the meeting room during the discussion and voting on resolutions (3) and (4) above.

Mark Smith declared a personal interest in this item and left the meeting room during the discussion and voting on resolution (8) above.

Councillor Cathy Bayton declared a personal interest in this item and left the meeting room during the discussion and voting on resolution (9) above.

In accordance with paragraph 18.12 of the constitution, Councillor Ian Ward wished it to be recorded in the minutes that he abstained on the vote on resolutions (1) and (2) above.]

#### **46. Audit, Risk & Assurance Committee - 7 July 2022**

The board considered the minutes of the Audit, Risk & Assurance Committee meeting held on 7 July 2022.

In respect of minute no. 7 ('Draft Process for Accounts and Process for Finalisation'), Mark Smith reported that it was hoped that the WMCA's 2021/22 accounts would be ready to be signed off on 15 November 2022 following the finalisation of the external audit. In respect of minute no. 8 ('Update on Public Sector Audit Appointment Process'), he reported that he had now been informed that Grant Thornton had been appointed as the WMCA's external auditor for a further five years.

Resolved:

The minutes of the inquorate meeting held on 7 July 2022 be approved.

**47. Overview & Scrutiny Committee - 11 July 2022**

The board considered the minutes of the Overview & Scrutiny Committee meeting held on 11 July 2022.

Resolved:

The minutes of the meeting held on 11 July 2022 be noted.

**48. Transport Delivery Committee - 11 July 2022**

The board considered the minutes of the Transport Delivery Committee meeting held on 11 July 2022.

Resolved:

The minutes of the meeting held on 11 July 2022 be noted.

**49. Wellbeing Board - 13 July 2022**

The board considered the minutes of the Wellbeing Board meeting held on 13 July 2022.

Resolved:

The minutes of the meeting held on 13 July 2022 be noted.

**50. Investment Board - 18 July 2022**

The board considered the minutes of the Investment Board meeting held on 18 July 2022. Councillor Bob Sleigh reported that although this meeting had been inquorate, the recommendations of the meeting were subsequently approved by the Chief Executive under paragraph 5.3 of the Scheme of Delegation of Functions to Chief Officers contained within the constitution.

Resolved:

The minutes of the meeting held on 18 July 2022 be noted.

**51. Housing & Land Delivery Board - 20 July 2022**

The board considered the minutes of the Housing & Land Delivery Board meeting held on 20 July 2022.



Resolved:

The minutes of the meeting held on 20 July 2022 be noted.

**52. Investment Board - 15 August 2022**

The board considered the minutes of the Investment Board meeting held on 15 August 2022.

Resolved:

The minutes of the meeting held on 15 August 2022 be noted.

**53. Overview & Scrutiny Committee - 5 September 2022**

The board considered the minutes of the Overview & Scrutiny Committee meeting held on 5 September 2022.

Resolved:

The minutes of the meeting held on 5 September 2022 be noted.

**54. Wellbeing Board - 6 September 2022**

The board considered the minutes of the Wellbeing Board meeting held on 6 September 2022.

Resolved:

The minutes of the meeting held on 6 September 2022 be noted.

**55. Economic Growth Board - 23 September 2022**

The board considered the minutes of the Economic Growth Board meeting held on 23 September 2022. The Chair reported that although this meeting had been inquorate, the recommendations of the meeting were subsequently approved by the Chief Executive under paragraph 5.3 of the Scheme of Delegation of Functions to Chief Officers contained within the constitution.

Resolved:

The minutes of the meeting held on 23 September 2022 be noted.

**56. Environment & Energy Board - 28 September 2022**

The board considered the minutes of the Environment & Energy Board meeting held on 28 September 2022.

Resolved:

The minutes of the meeting held on 28 September 2022 be noted.

**57. Audit, Risk & Assurance Committee - 4 October 2022**

The board considered the minutes of the Audit, Risk & Assurance Committee meeting held on 4 October 2022.

Resolved:

The minutes of the inquorate meeting held on 4 October 2022 be approved.

**58. Housing & Land Delivery Board - 5 October 2022**

The board considered the minutes of the Housing & Land Delivery Board meeting held on 5 October 2022.

Resolved:

The minutes of the inquorate meeting held on 5 October 2022 be approved.

**59. Transport Delivery Committee - 10 October 2022**

The board considered the minutes of the Transport Delivery Committee meeting held on 10 October 2022.

Resolved:

The minutes of the meeting held on 10 October 2022 be noted.

**60. Investment Board - 17 October 2022**

The board considered the minutes of the Investment Board meeting held on 17 October 2022.

In respect of minute no. 57 ('WMCA Position Regarding Funding & Investment in Relation to Overseas or Offshore Companies'), Councillor Stephen Simkins expressed his concern that the WMCA was investing with offshore and/or overseas companies and the implications that this had on those companies' payment of taxes in the UK. The Chair noted the comments, but stressed that there had been no recent change to the WMCA's policy in this regard and that the Investment Board had only received a briefing on this matter for its information.

Resolved:

The minutes of the meeting held on 17 October 2022 be noted.

**61. Overview & Scrutiny Committee - 17 October 2022**

The board considered the minutes of the Overview & Scrutiny Committee meeting held on 17 October 2022.

Resolved:

The minutes of the inquorate meeting held on 17 October 2022 be approved.

**62. Young Combined Authority Update: Summer - October 2022**

The board received an update from Maya Chung and Yesmeen Singh setting out the activity of the Young Combined Authority between Summer - October 2022.

The YCA had engaged with the Mental Health Commission in respect of exploring mental health in education settings. The commission had invited the YCA to review their recommendations and to work together on an event to engage more young people about their priorities in this area. The YCA had also engaged with over 1,000 young people to better understand issues and concerns regarding public transport.

Resolved:

The update be noted.

**63. Date of Next Meeting**

Friday 18 November 2022 at 11.00am.

The meeting ended at 12.30 pm.

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## WEST MIDLANDS COMBINED AUTHORITY FORWARD PLAN: JANUARY 2023 - JULY 2023

| Title of Report                                | Summary of purpose and recommendations  | Lead Portfolio Holder | Lead Officer | Confidential | Category             |
|--|---|-----------------------|--------------|--------------|----------------------|
| <b>Meeting 13 January 2023</b>                 |   |                       |              |              |                      |
| <b>Regional Activity &amp; Delivery Update</b> | <b>Purpose:</b> To provide an update on the activity and delivery across the region since the last meeting.                             | n/a                   | Laura Shoaf  | No           | n/a                  |
| <b>Trailblazer Devolution Deal Update</b>      | <b>Purpose:</b> To approve the submission to Government of the WMCA's Trailblazer Devolution Deal.                                      | Cllr Brigid Jones     | Ed Cox       | No           | Levelling Up         |
| <b>Draft WMCA Budget 2023/234</b>              | <b>Purpose:</b> To approve the WMCA's draft 2023/24 budget for consultation.  | Cllr Bob Sleigh       | Linda Horne  | No           | Finance              |
| <b>Financial Monitoring 2022/23</b>            | <b>Purpose:</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA. | Cllr Bob Sleigh       | Linda Horne  | No           | Finance              |
| <b>LEP Integration Plan</b>                    | <b>Purpose:</b> To approve the proposed integration plan for LEPs.  | Cllr Ian Brookfield   | Julie Nugent | No           | Economy & Innovation |
| <b>Innovation Accelerator</b>                  | <b>Purpose:</b> To approve funding bids.  | Cllr Ian Brookfield   | Julie Nugent | Yes          | Economy & Innovation |

| Title of Report  | Summary of purpose and recommendations  | Lead Portfolio Holder  | Lead Officer | Confidential | Category              |
|--|---|------------------------|--------------|--------------|-----------------------|
| <b>Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures</b>    | <b>Purpose:</b> To consider the latest progress in securing the mitigation measures for addressing the funding gap identified for phase 1 of the project and to close the funding gap for the full scheme.  | Cllr Ian Ward          | Linda Horne  | Yes          | Transport             |
| <b>City Region Sustainable Transport Settlement - Metro Line 1 Business Case</b> | <b>Purpose:</b> To consider the business case for essential renewal work to core elements of the existing line, including sections of key systems to ensure they continued to function correctly and avoided interruption to the service on the current routes. | Cllr Ian Ward          | Anne Shaw    | No           | Transport             |
| <b>Meeting 10 February 2023</b>  |   |                        |              |              |                       |
| <b>Regional Activity &amp; Delivery Update</b>                                   | <b>Purpose:</b> To provide an update on the activity and delivery across the region since the last meeting.   | n/a                    | Laura Shoaf  | No           | n/a                   |
| <b>Review of the West Midlands Growth Company</b>                                | <b>Purpose:</b> To review the West Midlands Growth Company.   | n/a                    | Julie Nugent | No           | Governance            |
| <b>WMCA Budget 2023/234</b>  | <b>Purpose:</b> To approve the WMCA's 2023/24 budget.   | Cllr Bob Sleigh        | Linda Horne  | No           | Finance               |
| <b>Race Equalities Taskforce Action Plan</b>                                     | <b>Purpose:</b> To approve the action plan.   | Cllr Kerrie Carmichael | Ed Cox       | No           | Inclusive Communities |

| Title of Report                                   | Summary of purpose and recommendations  | Lead Portfolio Holder  | Lead Officer  | Confidential | Category              |
|---|---|------------------------|---------------|--------------|-----------------------|
| Local Transport Plan                              | <b>Purpose:</b>   | Cllr Ian Ward          | Anne Shaw     | No           | Transport             |
| <b>Meeting 24 March 2023</b>                      |   |                        |               |              |                       |
| Regional Activity & Delivery Update               | <b>Purpose:</b> To provide an update on the activity and delivery across the region since the last meeting.                             | n/a                    | Laura Shoaf   | No           | n/a                   |
| Financial Monitoring 2022/23                      | <b>Purpose:</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA. | Cllr Bob Sleigh        | Linda Horne   | No           | Finance               |
| Inclusive Communities Strategy                    | <b>Purpose:</b> To agree the scope and design of a programme.   | Cllr Kerrie Carmichael | Ed Cox        | No           | Inclusive Communities |
| <b>Meeting 9 June 2023</b>                        |   |                        |               |              |                       |
| Regional Activity & Delivery Update               | <b>Purpose:</b> To provide an update on the activity and delivery across the region since the last meeting.                             | n/a                    | Laura Shoaf   | No           | n/a                   |
| Appointment of WMCA Boards and Committees 2023/24 | <b>Purpose:</b> To approve consider the appointments to boards, chairs and meetings dates for 2023/24.                                  | n/a                    | Satish Mistry | No           | Governance            |
| Overview & Scrutiny Committee Annual Report       | <b>Purpose:</b> To consider a report setting out the activity of overview & scrutiny during 2022/23.                                    | n/a                    | Satish Mistry | No           | Governance            |



| Title of Report                                | Summary of purpose and recommendations  | Lead Portfolio Holder | Lead Officer | Confidential | Category |
|--|---|-----------------------|--------------|--------------|----------|
| <b>Financial Monitoring 2022/23</b>            | <b>Purpose:</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA. | Cllr Bob Sleigh       | Linda Horne  | No           | Finance  |
| <b>Meeting July 2023</b>                       |   |                       |              |              |          |
| <b>Regional Activity &amp; Delivery Update</b> | <b>Purpose:</b> To provide an update on the activity and delivery across the region since the last meeting.                             | n/a                   | Laura Shoaf  | No           | n/a      |
| <b>Financial Monitoring 2022/23</b>            | <b>Purpose:</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA. | Cllr Bob Sleigh       | Linda Horne  | No           | Finance  |





## WMCA Board

|                                      |  |
|--------------------------------------|--|
| <b>Date</b>                          | Friday 16 December 2022  |
| <b>Report title</b>                  | Review and Funding of West Midlands Growth Company   |
| <b>Portfolio Lead</b>                | Economy & Innovation - Councillor Ian Brookfield   |
| <b>Accountable Chief Executive</b>   | Laura Shoaf, West Midlands Combined Authority<br>email: laura.shoaf@wmca.org.uk  |
| <b>Accountable Employee</b>          | Dr Julie Nugent, Executive Director of Economic Delivery,<br>Skills & Communities<br>email: julie.nugent@wmca.org.uk   |
| <b>Report has been considered by</b> | Mayor & Portfolio Leads Liaison - 18 November<br>Economic Growth Board - 2 December<br>Review Sponsors' Group (Economic Growth Board Chair,<br>Mayor, Growth Company Chair) - 2 December |

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

- (1) To note the review of the West Midlands Growth Company, initiated by the Economic Growth Board on 23 September and whose Terms of Reference are attached (**Appendix A**). The findings of the review will report to the WMCA Board in February 2023 to support decisions over funding for 2023/24.
- (2) To approve an in-principle agreement to provide £4m of funding for the period 1 April 2023 to 31 March 2024 to West Midlands Growth Company (WMGC), subject to approval of the business case by the Investment Board on 12 December and the approval of all funding streams to be concluded by February 2023. This funding will be provided through paying the agreed service level agreement fee in return for the company fulfilling its contractual obligations to the WMCA for various services. The £4m funding is comprised of three income streams, namely:
  - £0.7m from WMCA core budget
  - £1.6m from UK Shared Prosperity Fund
  - £1.7m contribution from securing a share of the Commonwealth Games Legacy Funds (see agenda item no. 8).

All funding will be directed through WMCA and then paid to WMGC as part of a single commissioning process.

- (3) The WMCA received notification from Government on 5 December that its UKSPF Investment Plan has been approved, with confirmation of funding for 2022/23 and indicative allocations for 2023/24 and 2024/25. Further details are expected ahead of the WMCA Board meeting on 10 February 2023.
- (4) To note that the £1.7m Commonwealth Games Legacy Fund contribution is part of an overall larger package of funding that WMGC hopes to secure from the Legacy Fund subject to confirmation of receipt of the overall funding to WMCA and any external and/or local decision-making processes (as covered in agenda item no. 8).

## **1.0 Purpose**

- 1.1 To provide the WMCA Board with an interim update on the progress of the Review of the West Midlands Growth Company initiated by the Economic Growth Board on 23 September and to seek in-principle agreement for funding for 2023/24, subject to an approved business case and steps to ensure efficiency.
- 1.2 The report only provides in-principle assurance for £4m of funding for WMGC for 2023/24. It does not assure or prejudice any further investment which will be framed following the full Review of the Growth Company, to be reported to the WMCA Board in February 2023.

## **2.0 Background**

- 2.1 The Economic Growth Board (23 September) agreed to initiate a detailed options review for the West Midlands Growth Company (WMGC) to identify and secure funding to deliver agreed priorities. In doing so, this will take forward the recommendations of the West Midlands Business Support Review, where we will ensure the WMGC is fully embedded into the business support ecosystem, removing any duplication and ensuring activities are streamlined with appropriate governance and accountability.
- 2.2 WMGC is constituted as a company limited by guarantee, wholly owned by the seven metropolitan authorities and WMCA. In 2022/23, WMGC activity can be split into two elements:
  - deliver the Business and Tourism Programme (BATP) to reap the economic benefits of the 2022 Birmingham Commonwealth Games. This is funded by an agreement between the Department for Digital, Culture, Media, and Sport (DCMS) with £21.3m with match funding of £2.6m from WMCA.
  - deliver business as usual activity, which includes attracting businesses (foreign direct investment), capital, visitors, conferences and events to the region.
- 2.3 There are several factors that prompt the need for a review now to provide the sustainable foundation for the WMGC:
  - a) The successful Business and Tourism Programme is coming to its latter stages, but with significant activity required to realise the full benefits of the interest and leads generated.
  - b) There are other significant changes to economic institutions, including the integration of LEP functions into the WMCA. This provides opportunity to consider where and how various functions are best discharged so they are connected and efficient.

- c) Finally, there are potentially new or amended roles following discussions about the Trailblazing Devolution Deal and the suggestion in the West Midlands Business Support Review for strategic account management of large employers in the region and support for export - subject to securing appropriate funding.

Notwithstanding those prompts, the Economic Growth Board has previously committed to supporting the work of the Growth Company in boosting foreign direct investment, trade and tourism so the emphasis of the review is therefore about the scope, scale and sustainable funding of activity, rather than the whether the WMGC should exist.

- 2.4 The Review is overseen by a Sponsors Group of the Economic Growth Board Chair, Mayor and Chair of the WMGC. It is led by a leadership team of the WMCA Chief Executive, Chief Executive of the City of Wolverhampton Council and Chief Executive of WMGC. Support will be provided by the WMCA, City of Wolverhampton Council and WMGC, working in conjunction with Directors of Economic Development and the West Midlands Financial Directors.
- 2.5 Terms of Reference for the Review have been agreed (Appendix A) and there are three areas of focus: functions, funding and governance. While the Review will address them in turn (so form and funding follow function), there are three major milestones:
- **31 December 2022** – for WMGC to submit its accounts on an ongoing concern basis, with credible support for a minimum viable level of funding for 2023/4. The WMGC has secured a 3-month extension from Companies House, if required.
  - **27 January 2023** – for Economic Growth Board to determine the proposed functions and funding commissioning requirements of the WMGC for 2023/24.
  - **10 February 2023** – for WMCA Board to consider the Review’s recommendations and take final decisions about funding for 2023/24.
- 2.6 The West Midlands Growth Company **functions** are summarised below. The WMCA has convened local authority officers and Growth Company leads to learn more about the activity and how this relates to the work of other partners (eg. Visit Britain or the private sector) and local priorities. Other potential functions have also been noted:

|  |   |
|--|---|
| <b>Current WMGC functions</b>                                    | <ul style="list-style-type: none"> <li>i. Global promotion and awareness raising of the West Midlands and marketing and comms</li> <li>ii. Inward investment</li> <li>iii. Capital attraction</li> <li>iv. Tourism</li> <li>v. Business events</li> <li>vi. Sporting events</li> <li>vii. Corporate activities</li> </ul> |
| <b>Functions where the WMGC has little / no current activity</b> | <ul style="list-style-type: none"> <li>viii. Cluster leadership</li> <li>ix. Trade &amp; export</li> <li>x. Strategic relationship management</li> <li>xi. Facilitation of sponsorship of public assets</li> <li>xii. Facilitating mergers and acquisitions</li> </ul>  |

- 2.7 The Review’s aim is to put in place **sustainable funding** for the Growth Company to undertake the functions that its regional partners prioritise. The path to sustainable funding includes the following milestones:

- WMGC being assured as a going concern for 2023/24. This depends upon the WMCA Board confirming £4m funding in-principle, subject to an approved business case, agreement over efficiencies and further external funding, and agreement on the Review. The £4m will be comprised of:
  - £0.7m from WMCA core budget
  - £1.6m from the UK Shared Prosperity Fund
  - £1.7m contribution from CWG Legacy Fund
- WMCA and partners have secured agreement that around £60m from DCMS from the Commonwealth Games Legacy Fund will be invested in the region, with linked decisions in agenda item no. 8. Further detail is set out in para 2.8 below.
- The West Midlands came together to submit its UKSPF Investment Plan in October 2022 which includes provision for inward investment and trade activities in 2023/24 and 2024/25, providing two years of partial funding.
- Intensive work, led by local authority and WMCA Finance Directors with the WMGC to eliminate any duplication and ensure operations are as efficient as possible with focus areas including:
  - **Staffing**, reflecting the position on which functions are best undertaken by whom, and to what extent.
  - **Non pay expenditure** such as rent and facilities to secure value for money.
  - **Procured services** to remove duplication and secure efficiencies of scale.
  - **Income generation**, including from universities and commercial sources, noting the WMGC's legal status as a 'teckal company' limits commercial income to a maximum of 20% but WMCA and local authorities can procure its services without going through public procurement processes.

2.8 On 3 October, Government confirmed that around £60 million of underspend from the Birmingham 2022 budget will be invested in the West Midlands to enhance the Commonwealth Games legacy. The fund will aim to increase access to sport and culture, boost the West Midlands's reputation as a world-class host for major events and drive inward investment and tourism. The Department for Digital, Culture, Media and Sport (DCMS) will work with the West Midlands Combined Authority and Birmingham City Council to capitalise on the success of the Games and help more people engage with sport and culture in the region. The funding will also be allocated to boost inward business investment and tourism and help drive further economic growth in the West Midlands. Further details are set out in agenda item no. 8 and a report on the full Economy, Trade and Tourism Pillar will be made to the Economic Growth Board on 27 January. There is potential for further funding for WMGC functions over 2023/24 and 2024/25, and these will be considered alongside other regional and local economic priorities.

2.9 The Review will put in place a clear commissioning and accountability framework to capture the impact across the region. This will use leading and lagging measures of success, tailored to the functions. This framework will be overseen by partners, such as the Directors of Economic Development, to ensure activities are delivered in a cohesive way, along with delivering results.

- 2.10 Finally, the Review will make recommendations about the Growth Company's **governance**. Since its formation as the West Midlands Growth Company in April 2017, the WMCA has developed its economic leadership role and this Review is an opportunity to ensure the Growth Company is appropriately embedded in those arrangements and has strong organisational governance. The system now includes, for example, the decision-making Economic Growth Board established in February 2022 to strengthen democratic accountability; transition of LEP functions to the WMCA by March 2023 and steps to ensure the private sector voice is included in WMCA decision-making. The WMGC reports to the Economic Growth Board.
- 2.11 The Review is being undertaken at pace, taking input from partners and reporting to the Economic Growth Board on 27 January, with recommendations going to the WMCA Board and WMGC Boards.

### **3.0 Financial Implications**

- 3.1 The proposed financial funding solution for 2023/24 is set out in section 2.7. This requires WMCA Board to approve the in principle total funding amount for £4m but notes that the Commonwealth Games Legacy funding confirmation is still outstanding. This means that WMCG may be unable to sign off its financial statements for the year ended 31 March 2022 as a going concern by its filing deadline of 31 December 2022. WMGC have confirmed a 3-month extension with Companies House meaning they now have until 31 March 2023 to file their accounts once all funding has been confirmed.
- 3.2 The business case for the £4m funding request is subject to the Single Assurance Framework and is due to go to the Investment Board meeting on 12 December for approval. A verbal update on this decision will be provided at the Board meeting.
- 3.3 Section 2.7 sets out the high-level finance work that will be undertaken as part of the full review. This work is underway and will be reported in February as part of the full report.

### **4.0 Legal Implications**

- 4.1 There are no direct legal implications arising from this Report, but it is noted that a number of Members of the WMCA sit on the Board of Directors at WMGC. This has been considered by the Monitoring Officer who has concluded that as the matter for discussion by the Board is the continued grant funding of the company, this is deemed to be a disclosable pecuniary interest which would need to be declared. The Monitoring Officer considers that as the Members of WMCA Board have no personal financial benefit from their Directorship of the company, he considers that it would be appropriate for him, as Monitoring Officer, to grant a dispensation under section 31 of the Localism Act 2011 to enable all Members of the Board who are Directors of the company to speak and vote on the item. Members of the WMCA Board who are Directors of the company have been formally advised.

### **5.0 Equalities Implications**

- 5.1 There are no direct equalities implications arising from the report.

## **6.0 Inclusive Growth Implications**

6.1 There are no direct inclusive growth implications but clearer commissioning of the Growth Company and focus on its functions provides opportunity to harness its inclusive growth benefits.

## **7.0 Geographical Area of Report's Implications**

7.1 The report refers to the role of the Growth Company. The Review will need to consider the spatial reach, funding and governance implications across the 7 Met area and wider region.

## **8.0 Other Implications**

8.1 None

## **9.0 Schedule of Background Papers**

9.1 None

# Review of the West Midlands Growth Company – draft terms of reference

## Purpose

To review and make recommendations to the Economic Growth Board, and the WMCA Board, on the future scope, scale and sustainable funding of activity of the West Midlands Growth Company (WMGC).

## Scope

The review has assumed that there is a need for the West Midlands Growth Company to exist, however there is a need to review its scope and scale and to develop a sustainable and affordable model for these activities.

The review will consider what WMGC is best placed to deliver in the context of good practice, the role of the Combined Authority (post-LEP integration), the West Midlands Plan for Growth, and WMCA Board priorities, and how best it should be funded sustainably from resources within the region and from external sources.

The review will take place in the context of wider planning on the region's economic development ecosystem and will take account of that work to ensure there is no duplication, and latterly to optimise arrangements to ensure maximum efficiency and effectiveness.

## Objectives

There are 3 key elements to this work, each with specific objectives:

### **Functions:**

**What do we require the WMGC to do, that adds value to LA and WMCA activities?**

This will reflect good practice domestically and internationally with regards to investment promotion, investment facilitation, destination management and the attraction of conferences and events.

It will also reflect the role of WMGC in internationalising the West Midlands Plan for Growth and in supporting a more strategic relationship with key employers in the region.

The review will establish the proposed core functions, objectives and key results for WMGC, including leading the region's "business as usual" relationship with the Department for International Trade post-LEP integration.

This will also include a costed proposal for future core and additional activity.

## Governance:

### What is the right governance model for the WMGC?

To consider the role of the Economic Growth Board (EGB) and WMCA Board, the relationship with the WMCA, including all constituent members and their role as individual shareholders of the WMGC, and the need for more robust arrangements around future funding and accountabilities.

This will include a recommended framework for the WMCA, via the Economic Growth Board, to set out clear and transparent reporting arrangements to better evaluate the impact and benefits of WMGC, so that they are understood by all key stakeholders.

To consider the governance of the WMGC, including Board make up.

## Funding:

- (i) **Phase 1: how does the region provide assurance for the WMGC as a going concern for 2023/24; and**
- (ii) **Phase 2: what is the right sustainable funding model for the WMGC.**

This will set out options for a sustainable funding model, aligned with the inward investment lifecycle. It will include establishing the core funding required from within the region to discharge those functions, including from the West Midlands Combined Authority (WMCA), local authorities and universities.

It will also identify and reflect the use of external sources of funding, including from the region's UK Shared Prosperity Fund allocation, the Commonwealth Games' residual contingency, the region's trailblazing devolution deal and private sector income.

The Executive support team will maintain a detailed project plan covering all aspects of the review.

## Direction and leadership

- *Project Sponsors*: The Review will be overseen by the Economic Growth Board Chair (Cllr Brookfield), Mayor (Andy Street) and Chair of the WMGC (Matt Hammond). Meetings for direction will be set as required.
- *Executive Steering Group* - **Laura Shoaf (LS), Tim Johnson (TJ), Neil Rami (NR)** will lead the review and report key recommendations (and on-going weekly updates) to the Sponsors. A fortnightly meeting tempo has been set.
- *Officer Support* will be provided by the WMCA, City of Wolverhampton Council and WMGC, working in conjunction with Directors of Economic Development and the regional Financial Directors. A weekly meeting tempo has been set.

In the course of the Review, partners will provide substantive input. Updates and soundings will proactively be sought from collectively local authority groups such as West Midlands Chief Executives, Finance Directors and Directors of Economic Development. This includes discussion with Chief Executives over funding commitments, a workshop with Directors of Economic Development about functions (November) and future governance/ways of working (tbc).



## Key milestones, reporting arrangements and engagement

The project plan at Appendix one shows the flightpath to agreement by all parties. However, the key milestones are:

- **Economic Growth Board** (23<sup>rd</sup> September) - Review commissioned
- **Mayor and Met Leaders discussion** (18<sup>th</sup> November) - to discuss progress
- **Investment Panel** (21<sup>st</sup> November) - to discuss business case for £4m funding for 2023/24
- **WMGC Audit Committee** (22<sup>nd</sup> November)
- **WMGC Board (AGM)** (1<sup>st</sup> December)
- **Economic Growth Board** (2<sup>nd</sup> December) - to receive update of review
- **Investment Board** (12<sup>th</sup> December) - to agree business case
- **WMCA Board** (16<sup>th</sup> December) – recommendation of support of £4m for 23/24 FY subject to funding and conclusions of the review
- **Economic Growth Board** (27<sup>th</sup> January) – to take a view on the future functions needed in the region and longer-term sustainable funding
- **WMCA Board** (10<sup>th</sup> February) – WMCA sign-off of review and funding

Supported and guided by:

- Sponsors' meetings;
- Executive Steering Meetings;
- Officer Group;
- CXs and Finance Directors meetings;
- Directors of Economic Development (DoED) (21<sup>st</sup> October, 21<sup>st</sup> November)
- Mayor and Met Leaders (MML) 14/10, 16/12, 20/1,

The leadership team will ensure that all key stakeholders, including local authorities, the wider WMCA, universities and WMGC Board are engaged appropriately as the review progresses.

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## WMCA Board

|                                      |  |
|--------------------------------------|--|
| <b>Date</b>                          | 16 December 2022   |
| <b>Report title</b>                  | Proposal for WMCA Acceptance of a Share of Unallocated Contingency Funding from Birmingham 2022 Commonwealth Games |
| <b>Portfolio Lead</b>                | Finance - Councillor Bob Sleigh  |
| <b>Accountable Chief Executive</b>   | Laura Shoaf, West Midlands Combined Authority<br>email: laura.shoaf@wmca.org.uk                                    |
| <b>Accountable Employee</b>          | Ed Cox, Director of Strategy, Integration & Net Zero<br>email: ed.cox@wmca.org.uk                                  |
| <b>Report has been considered by</b> | Mayor & Portfolio Leads Liaison - 18 November 2022   |

### Recommendations for decision

#### The WMCA Board is recommended to:

- (1) **Approve** the acceptance by WMCA as the accountable body for the receipt of c.£70m resource grant funding from DCMS subject to agreement of suitable terms and conditions;
- (2) **Approve** the funding delegations to the WMCA Monitoring Officer and WMCA Section 151 Officer to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the programmes;
- (3) **Delegate** authority to carry out overall commissioning of the CWG Legacy Fund, including any procurement activity as required, to the Executive Director for Strategy, Integration and Net Zero in consultation with the WMCA Section 151 Officer;
- (4) **Agree** to 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 CWG Legacy Programme;
- (5) **Agree** to the funding allocations between the four programme pillars, based on the new higher quantum of funding that WMCA will receive as its share;

- (6) **Agree** to the principle of reallocation of funding between programme pillars in the event of in-year underspends arising within individual pillars, using WMCA's change control process enabled by the Single Assurance Framework;
- (7) **Agree** to the proposed decision-making and delivery processes for each pillar;
- (8) **Note** that the delivery timeline is 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;
- (9) **Agree** to the West Midlands Growth Company (WMGC) being allocated at least £1.7m of this funding in 2023/24, subject to confirmation of the full funding coming to WMCA, in line with the funding proposal set out in the separate WMGC paper on WMCA Board agenda.
- (10) **Note** the next steps and intended decisions to be brought to the January WMCA Board.

## 1. Purpose

- 1.1 This paper sets out key decisions for the Board to take on the scoping of the Commonwealth Games (CWG) Legacy Fund – a £70m resource investment that WMCA will be granted by DCMS from 75% of the unallocated contingency funding in the CWG budget.

## 2. Issue

### **CONTEXT**

- 2.1 There is unspent contingency funding from the Birmingham 2022 Commonwealth Games (CWG) which DCMS has indicated it will allocate to WMCA to spend on a CWG Legacy Programme across 2023/24 and 2024/25.
- 2.2 On 18 November, the Mayor and Portfolio Leaders considered a proposal to DCMS which set out:
  - a. The overall split of unspent contingency funding between WMCA and Birmingham City Council (BCC), being 75% and 25% respectively;
  - b. The principle of allocating the 75% WMCA share in line with the B2022 Legacy Programme, other existing strategies and with WMCA governance and decision-making processes;
  - c. Four thematic programme pillars and the indicative proportions to be shared between them;
  - d. The governance and decision-making process under which the 75% WMCA share will be managed.
- 2.3 The Mayor and Portfolio Leaders were clear at their meeting that the repair costs to Sandwell Aquatics Centre needed to be covered as a matter of priority for any legacy funds. This matter has now been addressed and agreed by the Organising Committee outside of this process.

- 2.4 While DCMS previously indicated that the portion of funding to be made available to WMCA (hereafter the 'CWG Legacy Fund') would be about £45m, they have since confirmed that the Secretary of State has agreed to the 75% portion being £70m.
- 2.5 The funding will be allocated over the next two financial years, i.e. 2023/24 and 2024/25. While we had originally asked for the funding to be spread over three years, HM Treasury requires it to be spent within this Spending Review period, which runs to 2024/25.
- 2.6 The delivery timeline for the CWG Legacy Fund is likely to be constrained, given the two-year spending profile and the limited time to work through programme development and assurance ahead of the funding coming on stream in financial year 2023/24. We will monitor this risk and update the Board in due course on a realistic delivery timeline, once we have confirmation from DCMS of their required assurance process and are able to map WMCA's assurance process in relation to that.
- 2.7 We also understand from DCMS that they are required to take an up to 1% deduction from the funding for their own costs relating to administration, monitoring and evaluation, although the exact amount is subject to ongoing discussions within the Department.
- 2.8 Once we know the final funding amount due to come to WMCA, we will deduct the standard 2% for administration costs applied to all government grant funding received by the WMCA. This will be used to cover programme development costs, including any temporary resource support required to design the programme and develop the necessary business cases.
- 2.9 We are working with DCMS on an appropriate and proportionate level of sign-off and oversight for DCMS to retain beyond the point of them giving us funding confirmation. This will be addressed in a more detailed grant funding letter to follow, which we expect to set out:
- a. What process of assurance and approval DCMS will require ahead of releasing the funding to WMCA, including what form of business case they will seek to approve;
  - b. Any ongoing monitoring requirements and/or gateway/review points.
- 2.10 As the Mayor & Portfolio Leaders paper set out, decisions on specific activities to be taken forward through the CWG Legacy Fund will be managed through a staged process. This paper and the Board's agreement to its recommendations constitutes Stage 1. The process and sequencing of these steps remain subject to live discussion with government and will need to sit alongside any additional sign-off requirements from DCMS. Stage 2 will involve each Legacy pillar bringing more detailed proposals to the WMCA Board in early 2023. Stage 3 will involve delivery programme business case approval by relevant thematic boards. Further details of approvals processes are set out in Table 2 below.

### ***CWG LEGACY FUND PROGRAMME PILLARS***

- 2.11 The four thematic pillars that form the foundation of the CWG Legacy Fund Programme, as endorsed in November, are:

- a. Economy, trade and tourism
- b. Culture and heritage
- c. Inclusive communities
- d. Wellbeing and sustainability

2.12 These pillars are based upon the original themes of the B2022 Games Legacy Plan (set out in Annex 1 of this paper). These pillars are interdependent and relate to existing regional and local strategies, such as the [West Midlands Plan for Growth](#) which supports and is in strategic alignment with the ‘Economy, trade and tourism’ pillar.

2.13 With the management, monitoring and evaluation costs deducted, there will be c.£68m to be spent across these pillars.

2.14 Table 1 below sets out the new proposed allocations between pillars.

*Table 1: Share of funding split between pillars*

| <b>Pillar</b>                | <b>Proposed value</b> |
|------------------------------|-----------------------|
| Economy, trade and tourism   | £38.9m                |
| Inclusive communities        | £20.8m                |
| Culture and heritage         | £4.07m                |
| Wellbeing and sustainability | £4.07m                |

2.15 In order to manage the programme effectively, we propose that we allow funding to be reallocated between programme pillars in the event of in-year underspends arising within individual pillars. This would be done in line with WMCA’s change control process, enabled by the Single Assurance Framework.

2.16 Beneath each ‘pillar’ we are anticipating the development of a small number of ‘delivery programmes. As part of the original Games Legacy planning, Games Partners have already undertaken significant development work on these programmes prior to the confirmation of any Legacy Fund. There is an expectation from DCMS that these delivery programmes will form the basis for Legacy Fund spending but that they will need to receive endorsement and accountability through regional governance structures.

2.17 While WMCA will be the accountable body for the CWG Legacy Fund, we anticipate that Legacy Fund programmes will be delivered through different means and by different organisations according to the requirements of the programme in question.

2.18 We expect that the organisations eligible to manage programmes on behalf of WMCA will be Games Partners, including non-constituent local authorities that hosted CWG events, but we are working with DCMS to understand what level of specificity they want to apply here and whether they will direct us or give us the flexibility to make local decisions on the type of organisation eligible to manage programmes.

2.19 Building on the illustrative delivery programmes worked up by Games Partners, the table below sets out some further detail on the proposed approach to each pillar.

*Table 2: Illustrative delivery programmes and process per pillar*

| Pillar and Leads   | Illustrative delivery programmes   | Decision-making and delivery process  |
|--|--|---|
| <p>Economy, trade and tourism (£38.9m)</p> <p>Portfolio Lead: Cllr Brookfield<br/>Cllr Duggins</p> <p>WMCA Exec Director: Julie Nugent</p> | <p>(i) Trade and Investment, to include maximising pipeline conversion of Business and Tourism Programme.</p> <p>(ii) Tourism strategy and campaigns.</p> <p>(iii) Intensive support for high-growth SMEs.</p> | <p>West Midlands Growth Company (WMGC) to deliver this programme.</p> <p>This will be part of the overall programme of business and tourism work commissioned by the WMCA (see separate WMGC Board paper). This will see at least £1.7m of CWG Legacy Fund invested in the WMGC for 2023/24, with potential for further monies to be determined through the overall WMGC Review, to report to the Economic Growth Board in January 2023.</p> <p>Paper on full Economy, Trade and Tourism Pillar to follow at the February WMCA Board alongside the WMGC Review.</p> |
|  | <p>(iv) Supporting major events in the West Midlands</p>   | <p>Further scoping needed to agree balance in this programme of:</p> <ul style="list-style-type: none"> <li>(i) Major events investment fund for bidding and hosting support</li> <li>(ii) Delivery of specific major events e.g. European Athletics Championship</li> </ul> <p>Paper on full Economy, Trade and Tourism Pillar to February Board with further decisions on scope and design of Major Events Programme to a subsequent meeting of the Economic Growth Board.</p>  |
|  | <p>(v) Wider jobs and skills legacy</p>  | <p>WMCA to lead further scoping work to agree the shape of this programme, bringing in relevant partners across the region.</p> <p>Paper on full Economy, Trade and Tourism Pillar to February Board with further decisions on scope and design of wider Jobs and Skills Legacy Programme to subsequent meetings of the Economic Growth Board.</p>  |
| <p>Inclusive communities (£20.8m)</p> <p>Portfolio Lead: Cllr Carmichael</p>   | <p>(i) Development of an Inclusive Communities Strategy</p>  | <p>WMCA to lead on the development of a West Midlands Inclusive Communities Strategy, working with partners across the region.</p> <p>Decision on scope and design of full Inclusive Communities programme to March WMCA Board.</p>   |
| <p>WMCA Exec Director: Ed Cox</p>  | <p>(ii) Supporting Legacy Trailblazer Projects that have already demonstrated impact</p>   | <p>Organising Committee (OC) Legacy Team to lead further scoping work and an assessment process for project selection.</p> <p>In order to receive funding, we will expect existing programmes to have a proven delivery model and a good potential for future demand.</p>   |

|   |   |   |
|---|---|---|
|   |   | Decision on scope and design of full Inclusive Communities programme and Trailblazer Projects to March WMCA Board.  |
|   | (iii) A Community Inclusion Fund grants programme for community-led Legacy activities | WMCA to lead further scoping work, in consultation with local authorities and wider regional parties, and to run procurement exercise to identify a regional grant distribution body who will deliver a grants programme to regionally agreed priorities. The subsequent grants programme will be open to bids from organisations across the region.<br>The grants programme should be used to leverage match-funding and some funded projects could receive grant funding and loan finance in order to extend the fund's benefit beyond the initial DCMS investment.<br>Decision on scope and design of full Inclusive Communities programme and grants programme commissioning process to March WMCA Board. |
| Culture and heritage (£4.07m)<br><br>Portfolio Lead: Cllr Harley                          | (i) Development of a Culture and Heritage Strategy                                    | WMCA to lead on the development of a Culture and Heritage Strategy, working with partners across the West Midlands including the Cultural Leadership Board.<br>Decision on scope and design of Culture & Heritage programme to March WMCA Board.  |
| WMCA Exec Director: Ed Cox  | (ii) Investment in a strategic pipeline of culture and heritage infrastructure        | WMCA to lead further scoping work on this programme and the delivery method. We anticipate that this will involve close engagement with local authorities and delivery will be undertaken through a range of regional partner bodies.<br>Decision on scope and design of Culture & Heritage programme to March WMCA Board.  |
| Wellbeing and sustainability (£4.07m)<br><br>Portfolio Lead: Cllr Seccombe<br>Cllr Courts | (i) Wellbeing programme to maximise legacy impact of Games                            | WMCA to work through Wellbeing Board to further scope work on this programme and the delivery method. We anticipate that delivery will be undertaken through a range of regional partner bodies and will complement other investment – eg through Sports England<br>Decision on scope and design of programme to March WMCA Board with subsequent decisions taken by Wellbeing thematic board.  |
| WMCA Exec Director: Julie Nugent & Ed Cox   | (ii) Community Green Grants programme extension                                       | WMCA to lead on this which is an extension of an existing successful programme.<br>Decision on scope and design of programme to March WMCA Board with subsequent decisions taken by Environment and Energy thematic board.  |



- 2.20 As set out in November, adherence to the [Single Assurance Framework](#) will apply across all programmes delivered through the CWG Legacy Fund. The SAF sets out how the WMCA, as the accountable body for this funding from government, spends or invests public money responsibly, in an open and transparent way to achieve value for money and social value or impact.

### **FUNDING CONFIRMATION FOR WEST MIDLANDS GROWTH COMPANY**

- 2.21 Alongside other funding sources for 2023/24, the West Midlands Growth Company (WMGC) is expecting to secure £1.7m pa. from CWG Legacy Fund in 2023/24. This is set out in detail in the separate WMGC paper on the WMCA Board agenda.
- 2.22 WMCA Board is asked to approve this allocation, subject to WMCA receiving confirmation that the full funding amount will be received. Confirmation of funding allocations will allow WMGC to file their accounts for the year ended 31 March 2022 on a going concern basis.

### **NEXT STEPS AND DECISIONS FOR JANUARY BOARD**

- 2.23 Subject to the Board's agreement to the recommendations in this paper (which constitute Stage 1 of the approvals process for the CWG Legacy Fund), we will seek to progress Stage 2 at meetings of the WMCA Board in meeting at the beginning of 2023 as per Table 2 above.
- 2.24 As set out in Table 2, the relevant WMCA Executive Directors, working closely with relevant Portfolio Leads, will bring forward more detailed proposals about the allocations for each delivery programme within their pillar. This will include specifications for commissioned programmes and services against each pillar, including procurement arrangements for each delivery programme and procedures for delegated decision-making at Stage 3.
- 2.25 These proposals will be developed with engagement from local partners and in consultation with WMCA procurement, finance and legal leads and will require WMCA Board approval. It is assumed that this will start to take place during Quarter 4 of 2022/23 ahead of the new financial year.
- 2.26 Under Stage 3, delivery programmes will be taken forward according to the processes identified and agreed at Stage 2 with authority delegated to the agreed bodies. We expect WMCA Thematic Portfolio holders and their relevant boards to play a key role in Stage 3 processes. Further reports will be submitted to the WMCA Board, detailing the outcomes of the procurement and commissioning processes.

## **3. Strategic Aims and Objectives**

- 3.1 The CWG Legacy Fund will support the following WMCA Strategic Aims and Objectives:
- c. Promote inclusive economic growth in every corner of the region
  - d. Ensure everyone has the opportunity to benefit
  - e. Develop our organisation and be a good regional partner

#### **4. Financial Implications**

- 4.1 The financial implications as currently understood are set out within the main body of this report. At the point of this report being issued, WMCA has not received written confirmation from DCMS of the funding including confirmation of the final amount. The Board is asked to approve that once this is received, the funding is accepted subject to suitable terms and conditions being agreed with DCMS. Furthermore the Board is asked to approve delegated authority to the Monitoring Officer and Section 151 Officer to enter into any funding agreements and contracts required to deliver activity under the grant terms.
- 4.2 As noted in paragraph 18, the CWG Legacy Fund will be subject to the Single Assurance Framework to provide assurance over financial spend plans and value for money. These will be developed as part of later stages of the process.
- 4.3 The Board is asked to approve one specific allocation from the overall fund to support immediate pressures, namely £1.7m for West Midlands Growth Company in 2023/24. The details of the funding requirements are set out earlier in this report.
- 4.4 It is proposed that 2% of the fund is retained by WMCA to cover the accountable administration costs of mobilising, administering and monitoring the fund for the region as set out in the recommendations.

#### **5. Legal Implications**

- 5.1 There are no immediate legal implications as a direct result of this report.
- 5.2 Any grant agreement entered into between the WMCA and the grant recipient/s will have to be drafted back to back to the DCMS Funding terms and conditions to ensure that all funding obligations placed on WMCA in relation to receipt of the funding is passed down to the grant recipients delivering the services. The funding agreements between WMCA and any recipient of grant funding should be agreed and signed by both parties before funding is released.

#### **6. Single Assurance Framework Implications**

- 6.1 It has been requested by WMCA SLT that the CWG Legacy Funding is treated as a proposed programme and utilises the Single Assurance Framework (SAF) to help articulate the options available to programme, understand proposed plans for implementation and associated risks. Utilising the SAF should provide confidence to decision makers that sufficient plans for delivery are in place. Any proposals can be updated once DCMS confirm business case requirements. The SAF is based on HM Treasury/ Cabinet Office project management best practice approaches.

## 7. Equalities Implications

- 7.1 A key objective of the CWG Legacy Fund is to create an inclusive legacy for CWG across the West Midlands. We anticipate that the fund will have positive equalities implications and will conduct more detailed assessments for each programme as they are developed.

## 8. Inclusive Growth Implications

- 8.1 The prioritisation for the CWG Legacy Fund around the four pillars will contribute to the region's inclusive growth framework fundamentals in the following ways:
- **Economy, trade and tourism pillar** - in line with our inclusive economy priority to ensure economic prosperity reaches into the homes across the WMCA area, and improving training and skills in line the education and learning fundamental;
  - **Inclusive communities pillar** - development of an inclusive communities strategy and community-led activities will help achieve our power, influence and participation fundamental;
  - **Culture and heritage pillar** - strengthen investments in our cultural and heritage infrastructure will increase pride in place, in line with our power, influence and participation fundamental; and
  - **Wellbeing and sustainability pillar** - physical activity programme and green grants will help reduce health inequalities in line with the health and wellbeing fundamental.

## 9. Geographical Area of Report's Implications

- 9.1 The implications of the CWG Legacy Fund will cover all of the West Midlands Combined Authority.

## 10. Schedule of Background Papers

B2022 Games Legacy Plan summary

Mayor and Met Leaders meeting paper on CWG Legacy Fund proposal, 18 November 2022

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## WMCA Board

|                                      |   |
|--------------------------------------|---|
| <b>Date</b>                          | 16 December 2022  |
| <b>Report title</b>                  | Updated Single Assurance Framework  |
| <b>Portfolio Lead</b>                | Finance - Councillor Bob Sleigh   |
| <b>Accountable Chief Executive</b>   | Laura Shoaf, West Midlands Combined Authority<br>email: laura.shoaf@wmca.org.uk             |
| <b>Accountable Employee</b>          | Linda Horne, Executive Director of Finance & Business Hub<br>email: linda.horne@wmca.org.uk |
| <b>Report has been considered by</b> | Strategic Leadership Team<br>Audit, Risk & Assurance Committee                              |

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

The WMCA Board is recommended to **approve** the attached refreshed Single Assurance Framework (September 2022) which has been updated in accordance with annual review requirements mandated by Government. The updated SAF now meets the National Local Growth Assurance Framework requirements, published by the Department for Levelling Up, Housing & Communities (DLUHC) in September 2021.

#### 1. Purpose

1.1 The report provides the background to the updated Single Assurance Framework, highlighting the key changes. The updated Single Assurance Framework is also attached.

#### 2. Background

2.1 WMCA is required to undertake an annual refresh of WMCA Single Assurance Framework document in accordance with Department for Levelling Up, Housing & Communities (DLUHC) document: The National Local Growth Local Growth Framework (September 2021). This framework sets out government's guidance for places that are required to develop their own local assurance framework. It applies to Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnerships.

2.2 It replaces the previous Local Enterprise Partnership national assurance framework and the Single Pot assurance framework and seeks to provide a common framework of understanding of the assurance required for local growth funding.

- 2.3 The National Local Growth Assurance Framework includes the requirement to outline the CA's approach to Housing, Transport, and the Adult Education Budget.
- 2.4 The Single Assurance Framework (SAF) ensures that the mandatory WMCA role has as an Accountable Body for funding and the assurance requirements WMCA needs to ensure are met. All Directorates are now on board with the updated SAF. Programmes and projects coming forward from these Directorates will follow a proportionate and flexible programme/project development route to approval.
- 2.5 The key changes are:
- a. There should be an Annual Review of the SAF and has introduced the requirement to outline the CA's approach to Housing, Transport, and the Adult Education Budget.
  - b. WMCA SAF was last updated in November 2021, a refresh has been undertaken as stated above and ensure that WMCA continues to remain compliant with this updated guidance. The SAF Implementation Project Manager has worked with all Delivery Directorates to ensure that the SAF Implementation approach being developed for each directorate reflects the mandated guidance. Enabling Services teams have been consulted and their requirements have been incorporated.
  - c. The Board are requested to note that in relation to the updated SAF version 2022 that, there should be no visible change or impact to delivery directorates. The approach for Transport and Adult Education Budget summarises how SAF has already been incorporated within these Directorates and applied to projects as new business cases have been developed and assured. The approach to Housing is aligned to the national guidance and incorporates the current Single Commissioning Framework requirements.
  - d. The table next summarises the changes made, most changes have been made from a Governance perspective and can be viewed as a 'Spring Clean', the revised SAF reflects more accurately the changes to governance policy. The Governance team provided commentary for that part of the SAF:

| <b>Index</b>   | <b>Description of Change</b>  |
|--|---|
| General  | Restructured to follow the requirements of the National Local Growth Assurance Framework (NGLAF) updated Sept. 2021   |
| General  | Removal of duplication throughout, e.g., the reasons why there is an Assurance process appears in several places.   |
| General  | Removal of historical information, e.g., when/why WMCA was formed   |
| Governance Section                                     | Content reviewed and updated by Governance, e.g. new NGLAF requirements: how Board members are recruited, trained etc.  |
| Inviting applications for funding                      | Inclusion of new NGLAF requirement  |
| Whistleblowing, Complaints, FOI etc.                   | Moved from the Assurance Section into Governance - better fit   |
| Single Assurance Framework                             | Structured to reflect stages of SAF, including introduction of pre-initiation, Annual Business Plan, Activity Register. Inclusion of all funding streams, not just Investment Programme |
| Single Assurance Framework                             | Simplification of flowcharts - to include who is responsible for each stage   |
| Head of Paid Service, S151 Officer, Monitoring Officer | New requirements: Headline Job Description  |
| Transport, Housing and Adult Education Budget          | New requirement of NGLAF to document how they are included in the SAF   |
| Change Control Process                                 | New inclusion   |
| State Aid  | Now known as Subsidy Control: information provided by Legal   |

- 2.6 As a result of compliance to the National Local Growth Assurance Framework, WMCA will be able to unlock funding more efficiently than if Central Government were reviewing and assuring all business cases directly. However, WMCA as an Accountable Body in turn needs to demonstrate that the terms and conditions of funding streams have been met. By following the SAF, WMCA is now in a better position to provide the documentary evidence that these requirements are being fulfilled.
- 2.7 There is already evidence that there have been improvements in the quality of the business cases, although there is still an opportunity to further strengthen them. Although SAF engagement with Programme Assurance & Appraisal has increased, the team will need to work closer with delivery teams further to plan reviews and improve business case quality prior to approval submission. The Programme Assurance & Appraisal team have supported WMCA in ensuring compliant assurance requirements are being met. There is an opportunity to now move to support WMCA into the 'value add' phase and support the increase in project management capability in the organisation, in turn placing the WMCA in a better position to secure confidence and funding for additional projects for the Region.

### **3. Financial Implications**

- 3.1 By adherence to the Single Assurance Framework, the Government Departments will have increased confidence in the ability of WMCA to manage funds. (CRSTS is an example where the Department of Transport has accepted the Single Assurance Framework as part of the Governance process).

### **4. Legal Implications**

- 4.1 The WMCA is required to maintain an assurance framework which ensures that investment and spending decisions are made in the light of relevant considerations and proper stewardship of public monies is provided. By adhering to the updated Single Assurance Framework, this overall objective continues to be met. This report outlines the key changes of the Single Assurance Framework which has been updated in accordance with annual review requirements mandated by Government which are necessary to ensure that the WMCA continues to operate legally in relation to investment and spending decisions.

### **5. Equalities Implications**

- 5.1 The Single Assurance Framework and supporting proforma have been written to ensure that equalities are part of the considerations when writing business cases.

### **6. Inclusive Growth Implications**

- 6.1 The Single Assurance Framework and supporting proforma have been written to ensure that Inclusive Growth is part of the considerations when writing business cases.

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

- 7.1 The Single Assurance Framework covers all areas of the West Midlands.

### **8. Other Implications**

- 8.1 None.

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

- 9.1 Single Assurance Framework: September 2022.



# Single Assurance Framework

September 2022



West Midlands  
Combined Authority

| Version No. | Date           | Approver | Update  |
|-------------|----------------|----------|---|
| V3.0        | September 2022 |          | Review to update SAF, to include Appendices on Housing, AEB, and Transport, removal of duplication. |

This Framework will be reviewed, as a minimum, annually as per requirements, and also amended in response to Government or organisational changes. Every effort will be made to ensure individual users of this Framework and other key stakeholders are made aware of changes when they occur. The next scheduled review is due to be completed in **September 2023**.

Advice and guidance regarding this policy Framework can be obtained from the West Midlands Combined Authority's Programme Centre of Excellence:

[ProgrammeAssuranceandAppraisal@wmca.org.uk](mailto:ProgrammeAssuranceandAppraisal@wmca.org.uk)

|           |   |
|-----------|---|
| <b>5</b>  | <b>1 - Introduction</b>                             |
| 5         | 1.1 - The Purpose of the Single Assurance Framework |
| <b>7</b>  | <b>2 - About the West Midlands</b>                  |
| 7         | 2.1 - The Mayoral Combined Authority                |
| 7         | 2.2 - Regional and Local Leadership                 |
| 7         | 2.3 - The Economic Strategy                         |
| <b>8</b>  | <b>3 - Governance and Decision Making</b>           |
| 8         | 3.1 - The Mayor                                     |
| 8         | 3.2 - The WMCA Board                                |
| 9         | 3.2.1 - Recruitment of New Members                  |
| 9         | 3.2.2 - Induction                                   |
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| 10        | 3.3 - Audit, Risk and Assurance Committee           |
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| 11        | 3.6 - Statutory Officers                            |
| 11        | 3.6.1 - Head of Paid Service                        |
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| 13        | 3.6.3 - Monitoring Officer                          |
| 13        | 3.7 - Related Processes and Procedures              |
| 13        | 3.7.1 - Inclusive Growth                            |
| 14        | 3.7.2 - Equality and Diversity                      |
| 14        | 3.7.3 - Whistleblowing                              |
| 14        | 3.7.4 - Complaints Process                          |
| 14        | 3.7.5 - Gifts and Hospitality                       |
| 14        | 3.7.6 - Registration and Declaration of Interests   |
| 14        | 3.7.7 - Freedom of Information                      |
| 15        | 3.7.8 - Treatment of Risk                           |
| 15        | 3.7.9 - Transparency                                |
| 15        | 3.7.10 - Inviting Applications for Funding          |
| 16        | 3.7.11 - Publishing Meeting Minutes                 |
| 16        | 3.7.12 - Publishing Decisions                       |
| <b>17</b> | <b>4 - The SAF: Project Lifecycle Process</b>       |
| 17        | 4.1 - Introduction                                  |
| 17        | 4.1.1 - A Corporate Project                         |
| 18        | 4.1.2 - A SAF Project                               |

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|-----------|---|
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| 19        | 4.3 - Pre-Initiation  |
| 19        | 4.4 - Purpose of The Annual Plan                                  |
| 19        | 4.5 - In-Year Proposals for the initiation of Projects/Programmes |
| 19        | 4.6 - New Funding Opportunities                                   |
| 20        | 4.7 - SAF Stage 1: Initiation                                     |
| 22        | 4.8 - Directorate Pipeline Meetings                               |
| 23        | 4.9 - SAF Stage 2: Development                                    |
| 25        | 4.10 - SAF Stage 3: Approvals (Governance)                        |
| 26        | 4.10.1 - Key SAF documentation                                    |
| 27        | 4.11 - Risk & Investment Appraisal                                |
| 28        | 4.12 - Approval Levels  |
| 28        | 4.12.1 - Approvals Up to £1million                                |
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| 33        | 4.13 - Subsidy Control  |
| 33        | 4.14 - Management of Contracts                                    |
| 34        | 4.15 - Monitoring and Evaluation                                  |
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| 37        | 4.17 - Evaluation/Project Closure                                 |
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| 44        | 5.5 - SAF Templates   |
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| 44        | 5.5.2 - Business Justification Case (BJC)                         |
| 44        | 5.5.3 - Programme Business Case (PBC)                             |
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| 45        | 5.5.7 - Full Business Case (FBC)                                  |
| 46        | 5.6 - External Funding Process                                    |

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

The aim of this document is to set out how the West Midlands Combined Authority (WMCA) will spend or invest public money responsibly, both openly and transparently, and achieve Value for Money (VFM). It provides a proportionate and consistent approach to the application and approval of all funding opportunities and the initiation, development and delivery of projects, programmes and activity that places a financial liability onto the WMCA that is not classed as Business as Usual (BAU).

## 1.1 - The Purpose of the Single Assurance Framework

This document outlines:

- The WMCA response to the **National local growth assurance framework Sept. 2021**
- The respective roles and responsibilities of the WMCA Mayor, the Mayoral Combined Authority (MCA) and other elements of the decision-making.
- The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money.
- How potential investments will be assured, appraised, prioritised, approved and delivered, and
- How the progress and impacts of these investments will be monitored and evaluated.

The Single Assurance Framework (SAF) sits alongside the following WMCA governance and policy documents:

- WMCA Constitution **WMCA Constitution**
- Financial Regulations **Financial Regs**
- Single Commissioning Framework **Investing with us (wmca.org.uk)**
- Strategic Risk Framework **Risk Management | WMCA**
- **WMCA Aims and Objectives | WMCA**
- Annual Business Planning
- West Midlands Plan for Growth **Plan for Growth (wmca.org.uk)**
- Inclusive Growth Framework. The Assurance Framework has been written to ensure that projects are developed to deliver inclusive growth in a more balanced West Midlands economy. **Health and Equity Impact Assessments | WMCA**

The SAF has been developed in response to the ‘National Local Growth Assurance Framework’ (**National local growth assurance framework**). It applies to all existing and new funding and projects that place a financial liability onto the WMCA. It provides consistency of approach, standards, assurance, appraisal and decision making. It allows for proportionality within the development of business cases.



The SAF is a set of systems, processes and protocols designed to provide an evidence base and independent assessment of the governance, risk management, and funding processes of a funding or grant application. It enables WMCA to monitor, measure and scrutinise how well Policy Aims are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance go into exception.

WMCA also operates according to:

- Local Government Financial Framework, as set out in the Department for Levelling Up, Housing and Communities' Local Government System Statement. **Local government finance settlements**
- HM Treasury Guide to developing the project business case **Guide**
- HM Treasury Guide to Assuring and Appraising Projects: **Green Book**
- **Orange Book** (Strategic Risk)
- **Magenta Book** (Evaluation)

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

Within WMCA, the Single Assurance Framework is a valuable tool to enable the Authority to deliver successful projects and explain the clear rationale through business cases on how objectives will be delivered.

### 2.1 - The Mayoral Combined Authority

West Midlands Combined Authority is a Mayoral Combined Authority and is an accountable public body established under **Section 103** of the Local Democracy, Economic Development and Construction Act 2009. WMCA was set up on 16 June 2016, with the mission of improving the quality of life for everyone who lives and works in the West Midlands. The functions of the WMCA were provided or delegated to it by the following Orders:

- The West Midlands Combined Authority Order 2016
- The West Midlands (Functions and Amendment) Order 2017
- The West Midlands Combined Authority (Business Rate Supplements Functions and Amendments) Order 2018
- The West Midlands Combined Authority (Adult Education Functions) Order 2018

As and when Government officially devolves further powers to the Combined Authority, in order to deliver against new policy and agenda, this will be reflected in the SAF at review periods.

### 2.2 - Regional and Local Leadership

The leadership of the WMCA disseminates from the Mayor and the seven constituent local authorities, who have full voting rights. These are:

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

There is also non-Constituent representation from Local Authorities outside of the West Midlands Constituent areas which can sign up for more than one Combined Authority. They are:

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

### 2.3 - The Economic Strategy

WMCA has adopted the 'Plan for Growth', **WMCA Aims and Objectives | WMCA** as a strategy to improve the quality of life for citizens of the West Midlands. Underpinning this strategy, and other strategies is the Inclusive Growth Framework, (**What we do (wmca.org.uk)**)

### 3.1 - The Mayor

The WMCA Mayor has a manifesto of commitments on which they were directly elected by the electorate across the West Midlands constituent areas. The Mayor executes certain powers and functions that are devolved to the WMCA by Central Government, to deliver their manifesto of commitments to constituents.

The Mayor is the Chair of the WMCA, and the WMCA Board. The Mayor provides leadership in terms of proposing a Mayoral budget and as part of the Board in agreeing the revenue and capital budgets for WMCA and ensuring the appropriate use of these budgets.

### 3.2 - The WMCA Board

The WMCA Board is the legal and accountable body for funding devolved to the WMCA. It is responsible for a range of functions including transport, housing, skills, economic development, and regeneration functions including post 18 education and training across the West Midlands region.

The WMCA Board exercises all its powers and duties in accordance with the law and the Constitution and agrees policies and delegated responsibilities to conduct its business.

#### WMCA Constitution

Appendix 2.6 (In the Constitution) details WMCA meetings and Boards, which have either decision-making powers or are advisory. Those with decision-making powers have their Terms of Reference which can be found within the Constitution.

The current Governance Review has produced a diagram showing the different Boards and this can be provided.



### 3.2.1 - Recruitment of New Members

Members of the WMCA Board are appointed by the Constituent and Non-Constituent Authorities designated by the Orders establishing the WMCA. Members must be elected Members of their appointing Authority and must be replaced if they are no longer elected Members.

Members of other Committees of WMCA are nominated by their Authority and appointed to Committees by the WMCA Board.

### 3.2.2 - Induction

New Board members will undergo Induction training covering the senior management structure and their roles, the governance structures including the SAF, how the combined authority is funded, risk, and the annual aims and objectives.

### 3.2.3 - Code of Conduct

The Code of Conduct for members is set out within the WMCA Constitution (**WMCA Constitution**), and reminds members that they act on behalf of the whole region's interest and not just their particular area of the region. The Nolan Principles of Public Life (**Nolan**) provides a framework for the members and officers of WMCA.

### 3.2.4 - Diversity

The Board is comprised of elected representatives appointed to the Board by the Constituent and Non-Constituent Authorities and so the composition of the Board is outside of the control of the Combined Authority. As of June 2022, the gender breakdown of the WMCA Board as a whole (Mayor, constituent authority representatives, non-constituent authority representatives) is 19 men (70%) and 8 women (30%). There is also currently one vacancy on the board.

### 3.2.5 - Remuneration

WMCA does not pay any allowances to the Board Members other than the Mayor and Deputy Mayor whose allowance is agreed by the Board following the recommendation of an Independent Remuneration Panel.

Members of the Transport Development Committee which has been carried over from the West Midlands Integrated Transport Authority also receive an allowance which is currently subject to review by the Independent Remuneration Panel.

### 3.3 - Audit, Risk and Assurance Committee

WMCA has established an Audit, Risk and Assurance Committee (ARAC) in accordance with the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017. The Authority has delegated to the Committee the following powers to deal with matters concerning internal audit and the Committee has the following role and functions:

- reviewing and scrutinising the Authority's and the Mayor's financial affairs.
- reviewing and assessing the Authority's and the Mayor's risk management, internal control and corporate governance arrangements.
- reviewing and assessing the economy, efficiency and effectiveness with which resources have been used in discharging the Authority's and the Mayor's functions.
- making reports and recommendations to the Authority and the Mayor in relation to reviews conducted under Standing Orders 11.1(a), 11.1 (b) and 11.1 (c).
- to promote and maintain high standards of conduct and ethical governance by the Mayor, Members, and co-opted Members of the Authority.
- to appoint Sub-Committees with delegated power to consider investigation reports; to conduct hearings (including the imposition of sanctions); at the request of the complainant, to review decisions of the Monitoring Officer to take no action on a complaint; and at the request of the subject member, to review findings of failure to comply with the Code of Conduct and action taken in respect thereof.
- to grant dispensations to the Mayor, Members and co-opted Members from requirements relating to interests set out in the Code of Conduct for Members and co-opted Members.
- to exercise any functions which the Authority and Mayor may consider appropriate from time to time.

### 3.4 - Overview and Scrutiny Committee

WMCA has also established an Overview and Scrutiny Committee in accordance with the Regulations with the powers to:

- review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor and/or the Authority.
- make reports or recommendations to the Mayor and/or the Authority on matters that affect the Authority area or the inhabitants of the area.
- make reports or recommendations to the Mayor and/or the Authority with respect to the discharge of any functions which are the responsibility of the Mayor and/or the Authority.
- Where a decision has been made by the Mayor, the Authority, or an Officer and was not treated as being a key decision and a relevant overview and scrutiny committee is of the opinion that the decision should have been treated as a key decision, that overview and scrutiny committee may require the decision maker to submit a report to the Authority within such reasonable period as the committee may specify.

The members of the Committee are nominated by the Constituent and Non-Constituent Authorities forming the Combined Authority. WMCA has established a Transport Scrutiny Sub-Committee which has the same powers and functions in relation to transport decisions of the WMCA.

### 3.5 - Investment Board

WMCA has established an Investment Board as a Sub-Committee of the WMCA Board chaired by the Portfolio Lead for Finance and Investment, which makes investment decisions in relation to proposals which are above the level of financial delegation to officers which is set at £5million for the Strategic Leadership Team and below the level of £20million above which all decisions are made by the WMCA Board.

The Committee has delegated authority to take decisions in relation to funding proposals as set out in its Terms of Reference.

### 3.6 - Statutory Officers

#### 3.6.1 - Head of Paid Service

It is the role of the Head of Paid Service, also known as the Chief Executive, to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management.

The duties and responsibilities of the post include:

- the statutory responsibilities of the Head of Paid Service to manage the budgets and funding allocations available to the Combined Authority, in partnership with the s151 officer
- leading the Strategic Leadership Team to deliver the strategic direction for the Combined Authority as outlined by West Midlands Combined Authority Board
- co-ordinate strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the West Midlands Combined Authority
- ensure the champion the delivery of the strategic priorities of the Combined Authority and put in place the resources necessary to achieve this. efficient and effective implementation of WMCA's programmes and policies across all services and the effective deployment of the authority's resources to those ends
- advise the Combined Authority, its Board meetings on all matters of general policy and all other matters upon which his or her advice is necessary, with the right of attendance at all Board meetings and other meetings as appropriate
- advising the elected Mayor on the delivery of strategic priorities
- represent the Combined Authority at local, regional and national level in partnership with the Mayor.
- Act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration.

### 3.6.2 - Section 151 Officer

The WMCA Executive Director of Finance and Business Hub fulfils the role of the Section 151 Officer, in accordance with Section 151 of the Local Government Act 1972, extended in Section 114 of the Local Government Finance Act 1988 – England and Wales.

The responsibilities of the Executive Director of Finance and Business Hub reflect those documented in the CIPFA published document 'The Roles of the Chief Financial Officer in Local Government' **The Role of the Chief Financial Officer in Local Government | CIPFA** It details five Principles:

- The Chief Financial Officer in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's Policy Aims sustainably and in the public interest.
- The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
- The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
- The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
- The CFO in a local authority must be professionally qualified and suitably experienced.

In WMCA the Executive Director of Finance and Business Hub is a member of the Strategic Leadership Team and has oversight of and an ability to influence all major decisions of the Authority. The Executive Director of Finance and Business Hub has ensured that the Authority has robust systems of internal controls and appropriate separation of duties to ensure the legality and probity of financial transactions.

These processes are set out in the Financial Regulations and Contract Standing Orders and other policies such as the Money Laundering Policy and the Anti-Fraud and Corruption Policy.

All reports to Boards and Committees include the financial, legal and risk implications of proposals. The Executive Director of Finance and Business Hub and the Finance Team review all reports before they are presented to the WMCA Board or other decision-making Committees.

### 3.6.3 - Monitoring Officer

The Director of Law and Governance has been appointed as the WMCA Monitoring Officer and discharges the functions in relation to WMCA as set out in section five of the Local Government and Housing Act 1989. Their responsibilities regarding the Assurance Framework are:

- Providing advice on, and maintaining an up-to-date version of the Constitution and ensuring that it is widely available for consultation by members, employees, and the public
- After consulting with the Head of Paid Service and Chief Finance Officer, report to the Authority if they consider that any proposal, decision, or omission would give rise to unlawfulness or maladministration or if any decision or omission has given rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposed decisions being implemented until the report has been formally considered by the WMCA Board
- Ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible
- Advising whether decisions are within budget and policy framework and whether any decisions or proposed decision constitutes a key decision
- Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, members and officers, and generally support and advise members and officers in their roles

Contributing to the promotion and maintenance of high standards of conduct, The Authority has delegated to the Monitoring Officer powers to deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011:

- Discharging the functions under any enactment (whenever passed) of a Monitoring Officer, proper officer, or responsible officer, concerning the Authority's legal affairs and arrangements, including compliance with the law.

The Monitoring Officer and the Legal Team review all reports to ensure that legal implications are correctly identified before they are presented to the WMCA Board or other decision-making Committees.

## 3.7 - Related Processes and Procedures

### 3.7.1 - Inclusive Growth

The Inclusive Growth Framework is in place to ensure that WMCA delivers inclusive growth, “a more deliberate and socially purposeful model of economic growth – measured not only by how fast or aggressive it is; but also by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.”

This requires all WMCA investments and activities to consider the **eight fundamentals of inclusive growth**, and to ensure that social achievements are not achieved at the expense of the environment, and vice versa.

### 3.7.2 - Equality and Diversity

A procedure is in place to ensure that WMCA will take into consideration section 149 of the Equality Act, ensuring that any project considers: **Policies (wmca.org.uk)**

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

### 3.7.3 - Whistleblowing

WMCA has adopted a **Whistleblowing Policy (wmca.org.uk)** to enable and encourage employees to raise concerns about wrongdoing by the Authority, the Mayor Officers or contractors without fear of reprisal or detriment.

### 3.7.4 - Complaints Process

A procedure is in place to ensure that any complaints relating to the arrangements, processes or decision making associated with a project is dealt with fairly and effectively. This can be found here: (**Complaints**)

### 3.7.5 - Gifts and Hospitality

A Gifts and Hospitality policy and a procedure is in place to ensure that no WMCA Member or WMCA officer receives remuneration or expenses in relation to its activities, other than their salary and in accordance with policy. It specifies that no gifts or hospitality shall be accepted by Members or Officers other than modest hospitality during their day-to-day business.

### 3.7.6 - Registration and Declaration of Interests

WMCA Board and Committee Members are required to make a declaration of any interest they have in an item of business at Meetings of the Board. Officers are required to declare any interests they have in contracts. The completed registration of Members' interest forms are accessible via the WMCA website: **Declarations of interest** In addition, elected Local Authority members will have completed their Local Authority's Register of Interest. Where Members have a prejudicial interest in an item of business the WMCA Members Code of Conduct requires that they should leave the meeting while the item is considered.

### 3.7.7 - Freedom of Information

A procedure is in place to manage Freedom of Information requests related to the activities of the WMCA. Appropriate data protection arrangements are in place within this process: (**FOI**)



### 3.7.8 - Treatment of Risk

A key role of the SAF is to ensure that risk is identified, monitored and managed appropriately, in accordance with HM Treasury Orange Book, both at a strategic level (the risks facing the WMCA as an organisation) and at a programme and project level. A revised Strategic Risk Framework has been developed to provide visibility of risk at strategic, operational, and Programme levels and to ensure consistency across Directorates in how risks are identified, managed, monitored, and escalated.

### 3.7.9 - Transparency

The WMCA is subject to the same Transparency Code that applies to Local Authorities.

**Transparency.** The WMCA website [wmca.org.uk](http://wmca.org.uk) contains a comprehensive set of information and there are links to key documents, referenced within this document.

A Mayoral update is distributed to stakeholders throughout the West Midlands informing them of current and planned WMCA activity and how they can get involved. WMCA has a continuous communications strategy, including using social media to provide the public and stakeholders with updates on activity. Stakeholders and the public can contact the WMCA via the website **Contact us ([wmca.org.uk](http://wmca.org.uk))** and by responding to social media posts. A **Calendar** of events is available on the WMCA website detailing the dates of all key meetings. Where there is a requirement as a condition of funding, WMCA will ensure that Government (and other funders) branding is used in any publicity material.

### 3.7.10 - Inviting Applications for Funding

WMCA publishes details of its tender opportunities on the **Procurement** section of its website. In addition, the Housing, Property and Regeneration Directorate has devolved housing and land funds to develop housing and regeneration projects in the West Midlands through equity, loan and grant. Developers and Investors who are interested can contact WMCA on [invest@wmca.org.uk](mailto:invest@wmca.org.uk) More details can be found on **Investing with us, Commercial Development Funding - WMCA CIF - FDC ([frontierdevelopmentcapital.com](http://frontierdevelopmentcapital.com))**. **West Midlands Innovation Programme – Innovation Alliance for the West Midlands ([innovationwm.co.uk](http://innovationwm.co.uk))** also offer opportunities, for Innovation Funding.

### 3.7.11 - Publishing Meeting Minutes

The schedule of meetings for the calendar year is published on the WMCA website. The notice of meetings, the agenda and the accompanying papers for formal Board and Committee Meetings are published five clear working days in the advance of the meeting. WMCA includes its Forward Plan in the Agenda of the Board and Overview and Scrutiny Committee Meetings.

Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government act 1972 Schedule 12A or the Freedom of Information Act 2000, they are categorised as a private item and are not published. The Monitoring Officer will give advice regarding whether the item should be classified as private, but Members have to make a decision to go into private session unless a confidential item has been declared confidential by the Government in which case it must be taken in private.

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

### 3.7.12 - Publishing Decisions

WMCA publish a Forward Plan of key decisions that will be taken by the WMCA at least 28 days before the decision is made to enable members of the public the opportunity to view and comment upon them. Details of all project decisions made by the WMCA are recorded within a log accessible at: [Decisions](#) The WMCA maintains a live Activity Register to support the Strategic Leadership Team, this is in addition to a Contracts register which provides details of all contacts and agreements signed by the WMCA.



### 4.1 - Introduction

The SAF is designed to be used as guidance to project developers and sponsors to understand the processes associated with the application and the route to approval of all external funding opportunities. Where financial liability is placed onto the WMCA, the SAF is applicable throughout the four stages of the project or programme lifecycle: initiation, development, approvals and delivery. The SAF provides consistency of approach for Assurance, independent Appraisal, and smart decision-making across all funding pots. Furthermore, it allows proportionality to be applied for the development of business cases via defined development routes. The SAF does not apply to projects or programmes that are defined as corporate, continuous improvement or Business as Usual (BAU) activity.

#### 4.1.1 - A Corporate Project

A corporate project is created to address an internal business need, benefitting the organisation, for example, a change to the operating systems of the organisation. Risk Management should be considered with risks reviewed as part of activity. Once a corporate project is completed, it may become 'Business as Usual' (BAU). A Corporate Project should aim to address Corporate Aim six. (Develop our organisation and be a Good Regional Partner). A Corporate project can go through the Change Gateway, a sub-group of CMT where specialists in Finance, Projects, Digital & Data and Human Resources where applicable will review and support the strengthening of the business case and the identified benefits including whether the resources, both financial and people, are in place to deliver.

## 4.1.2 - A SAF Project

Projects and Programmes which follow the SAF are focussed on achieving positive outcomes for the local community. They are typically funded by external sources such as devolution deals and bid applications/grant awards from Central Government, for example, the City Region Sustainable Transport Settlement (CRSTS) and the Investment Programme, where the WMCA is the accountable body. The SAF is applied flexibly and proportionately, dependent upon the level of risk associated with a Project or Programme. The SAF enables an independent assessment and appraisal of an investment opportunity. Programmes and Projects following the SAF route should aim to address one or more of the Corporate Aims (one to five).

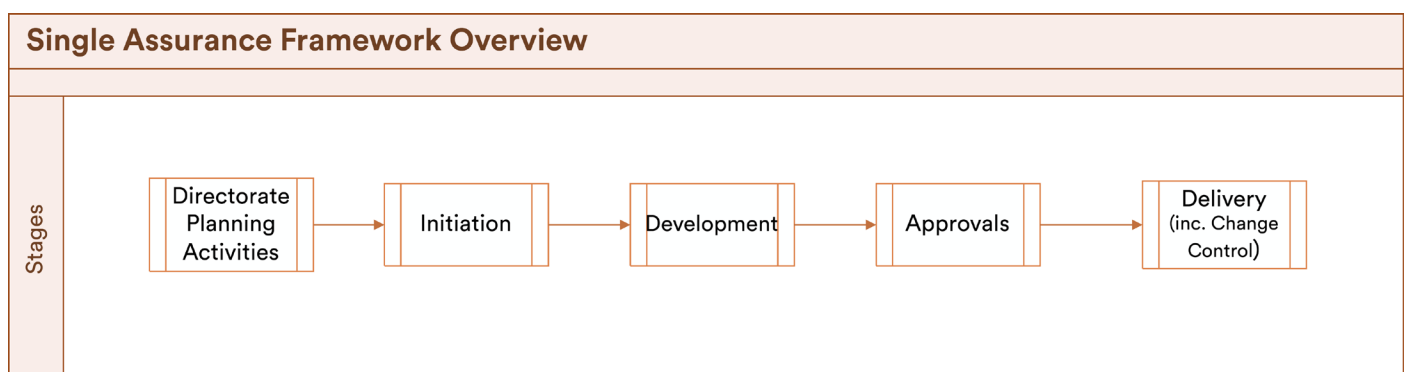
The SAF processes enables accountability, including public engagement, probity, transparency, legal compliance and Value for Money (VFM) to be applied, as well as the processes for oversight of projects, programmes and how the progress and impacts of these investments will be monitored, reported on and evaluated.

The SAF has been developed to ensure:

- significant financial and governance protections exist for the stewardship of public funds
- delivery of high standards of project development, approval, delivery and oversight
- trust is built in the organisation’s officer expertise
- that consistency, controls and clarity are embedded to deliver confidence in the WMCA’s decision-making and ability to deliver
- political and reputational risk is effectively managed
- additional funding is secured into the region, by driving continuous improvement of the quality of external funding applications/submissions

The SAF sets out the appropriate process for the risk and investment profile of a Project or Programme and incorporates guidance on business case and supporting project management documentation required together with the standards and criteria that need to be met to help drive effective project management. Out of Directorate second line of defence assurance and appraisal processes are also incorporated within SAF processes together with additional guidance, templates and templates to drive consistency of approach. These are available on [Single Assurance Framework \(wmca.org.uk\)](http://wmca.org.uk) and on the intranet [here](#).

The following diagram demonstrates the end-to-end impact the SAF process.



### 4.2 - Value for Money

A key objective of the Single Assurance Framework is to support the WMCA in making judgements about the Value for Money (VFM) of potential investment and projects etc. All business cases seeking approval are assessed through the SAF process are evaluated against the HM Treasury's 5-case business model highlighted within **The Green Book (2022)**.

### 4.3 - Pre-Initiation

The development of project ideas, and external funding opportunities are Directorate-led and co-ordinated/managed using Directorate Activity Registers and External Funding Application Register. Appendix 5.6 details the External Funding Application Process. This External Funding Application Process ensures that the Section 151 Officer and the Strategic Leadership Team are aware of all potential applications for funding ensuring risks, any conditions of funding, and the resources needed to deliver a project or programme of activity are considered, (with approval given to proceed) should the application be successful.

### 4.4 - Purpose of The Annual Plan

The WMCA Annual Business Plan articulates a 'golden thread' from its overarching economic strategies and priorities through to its organisational objectives to Directorate plans and programme and project activity. The purpose of the Annual Business Plan is to:

- articulate the WMCA priorities for the year so that partners and stakeholders are understand the key areas of focus
- provide a strategic context for the WMCA as an organisation so its plans and operational activity are aligned to the overall vision and priorities
- enable oversight and review of performance against priorities. It helps to demonstrate how High-Level Deliverables (HLDs) contribute towards delivering the overarching WMCA Policy Aims.

### 4.5 - In-Year Proposals for the initiation of Projects/Programmes

Partner organisations may submit in-year Project/Programme Project Initiation Documents that are not included within the current Annual Plan. These will still be considered by the appropriate delegated authority.

### 4.6 - New Funding Opportunities

During the year, there may be further unexpected funding opportunities that need to be pursued because of new or changes to existing Government initiatives and priorities or where there is a need to address emerging priorities. Initially, these opportunities will be discussed at Directorate level and progressed through the Strategic Leadership Team meetings. Where these instances emerge, they will be incorporated within the Directorate Activity Register and enter the SAF Initiation stage. Where necessary and appropriate, processes will be expedited to ensure that funding can be accessed quickly.

### 4.7 - SAF Stage 1: Initiation

The Initiation stage is the first step to developing a Business Case, a proposal, idea or ambition. All proposals will be required to complete a Project Initiation Document (PID) before they can progress to the project development stage.

Project initiation, like the project development process that follows, is a Directorate led process. The Project Initiation Document (PID) contains key information about the proposal including its strategic fit, development route to be followed, affordability/funding requirements and equality assessment. Directorates should engage the following subject matter experts when developing a PID:

- Finance Representative/Business Partner
- Legal Business Partner
- Procurement Business Partner
- Programme Assurance & Appraisal Team Representative

When a PID is developed, the project is also added to Directorate Activity Registers for discussion at Directorate Pipeline Meetings. The decision to proceed is made according to the delegated authorities.

The PID/project proposal will either:

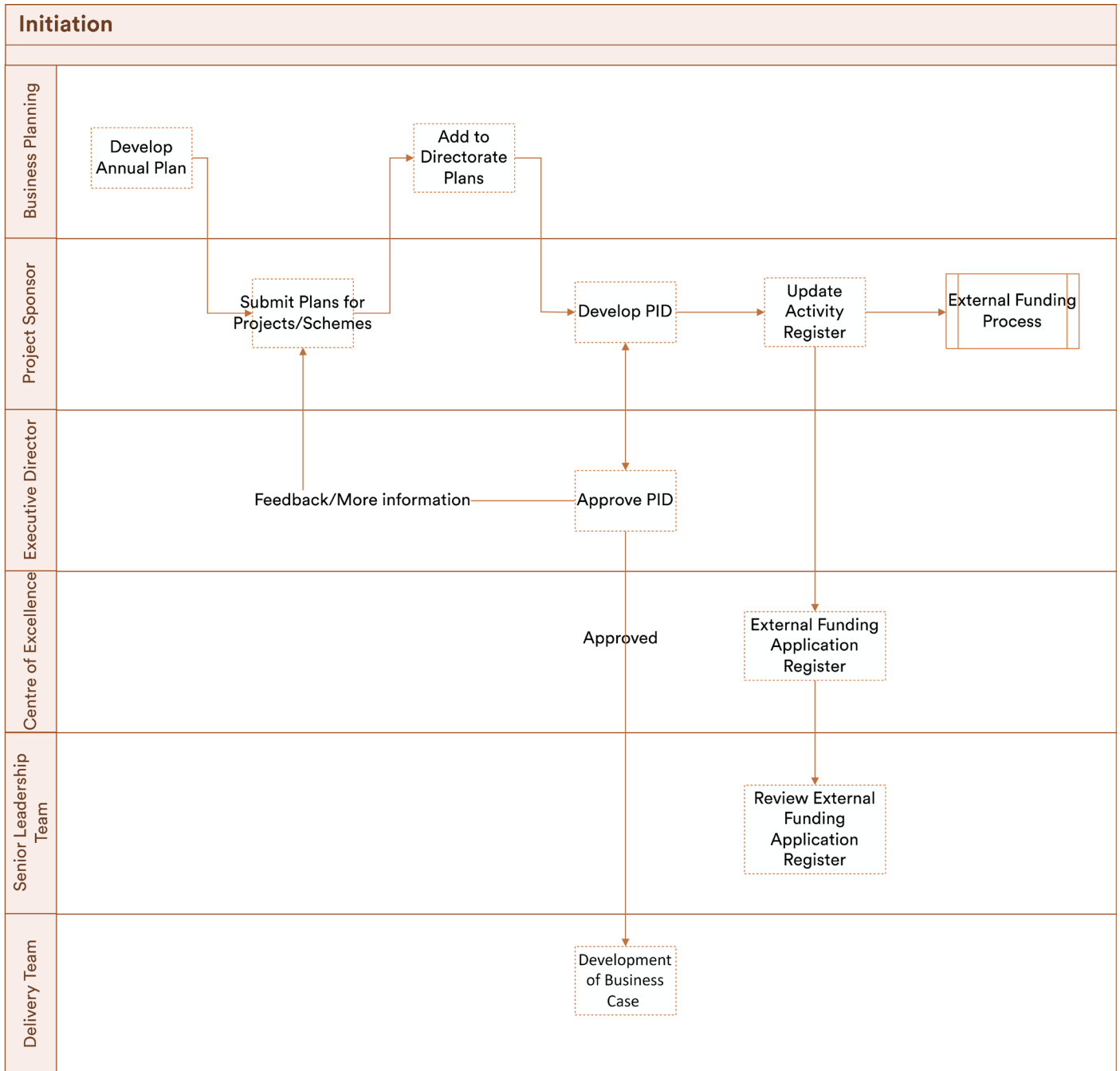
- enter the strategic planning stage, if it is an in-year submission not included in the Annual Business Plan. In such a circumstance the Executive Director can accept the principle of the proposal and submit it to the strategic planning process for consideration for inclusion in future Annual Plans, or,
- be rejected/deferred

A decision to reject will be taken if:

- it is decided that an Annual Business Plan item is no longer deliverable
- or a strategic fit exists due to changes that have occurred since it was added to the Annual Plan.
- if an in-year submission is not deemed to fit strategically with the WMCA's Strategic Objectives

The PID must be completed and have received Finance (S151) approval, before moving to the development stage. The decision to proceed, also mandates any initial (seed) funding to complete any feasibility study and/or development of the project.

# 4 - The SAF: Project Lifecycle Process



### 4.8 - Directorate Pipeline Meetings

Each Directorate records its project activity on the Directorate Activity Register. The purpose is to log projects that are in one of the stages of development and delivery and, whether external funding is being bid for, or being offered by the sponsoring Government Department. At a Directorate Meeting with the Programme Assurance and Appraisal's Centre of Excellence (CoE), External Funding Applications, grants or projects are reviewed to ensure that the project developers have the information/templates they need to develop the project. The CoE will also provide indicative dates of the stages that the project will go through to approval.

The CoE monitors the progress of projects through the stages:

- in SAF Stage 1: Initiation
- in SAF Stage 2: Development
- in SAF Stage 3: in or going through Approval
- in SAF Stage 4: Delivery: if there is a Change Control request

The Strategic Leadership Team receive a weekly External Funding Application Register for review and approval during their scheduled meetings, and with the appropriate Executive Director held accountable for all Initiation decisions they make.

If a business case crosses several Directorates/Portfolios, then CoE should advise on who the lead Directorate is.

### 4.9 - SAF Stage 2: Development

The Development Phase follows Initiation; this is the stage where the relevant business case(s) is/are developed, and where out of Directorate assurance activity takes place prior to the business case progressing onto the approvals stage. This stage needs to be repeated whenever a business case is developed and requires approval. Support and guidance through this stage is provided by the Programme Assurance and Appraisal team. The CoE will provide guidance on the business case development route of a project is, i.e., the number and type of business cases to be completed.

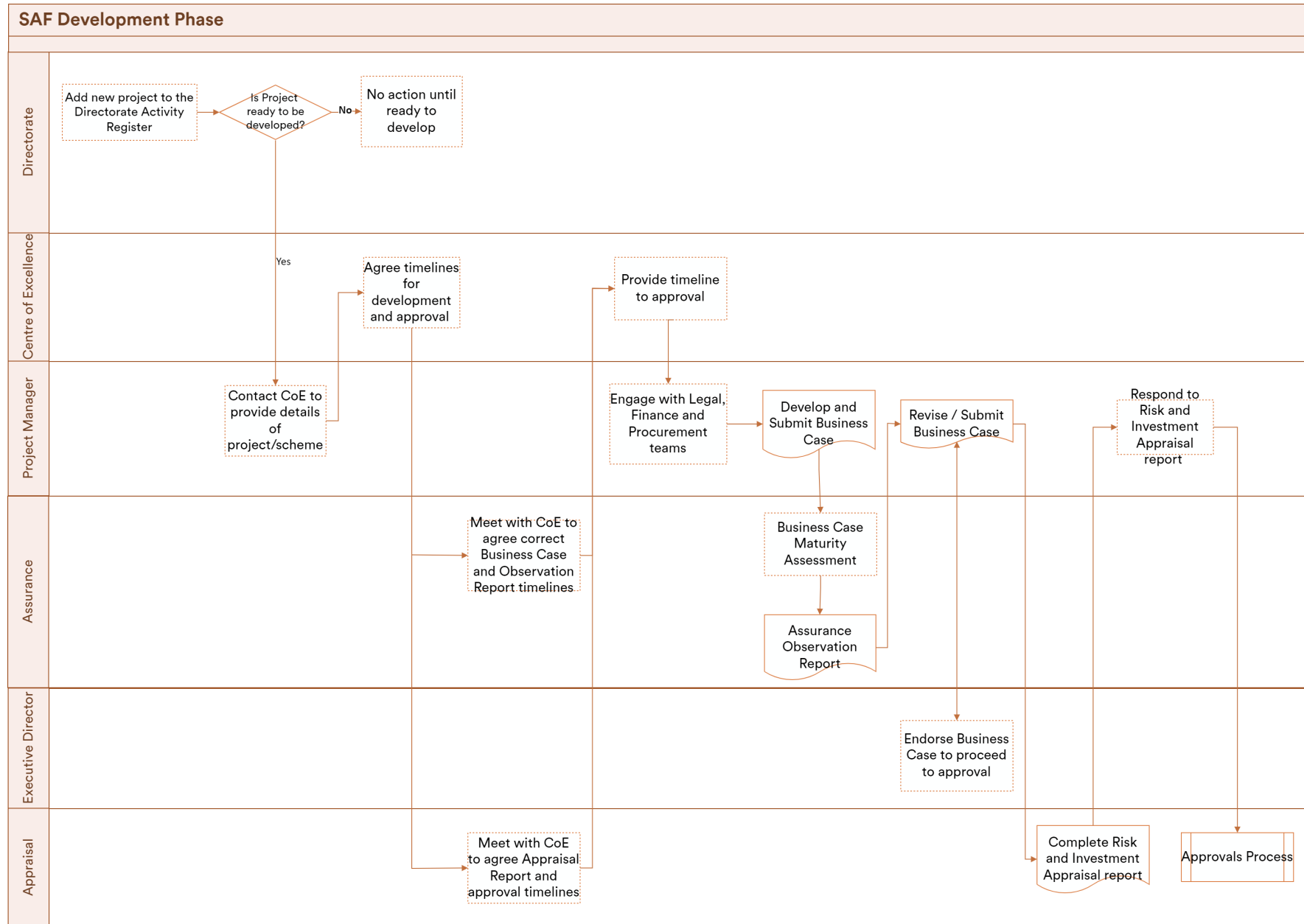
The business case is developed by the sponsoring Directorate, ensuring that its content, meets the required standard defined within WMCA guidance in addition to meeting the requirements of the SAF, HM Treasury's five case model is **Green Book** compliant as well as meeting WMCA specific requirements on Inclusive Growth and alignment to Policy Aims and Objectives, whilst meeting any funding requirements and/or other milestone dates/requirements. Where the sponsors/delivery partners are external to the WMCA. they will be supported through the process by the lead Directorate within the WMCA. The sponsor will involve the appropriate business case guidance and templates provided. Subject Matter Experts (SMEs) and technical appraisers, using the appropriate proforma. SMEs to be engaged in the development stage include Programme Assurance and Appraisal, Finance, Legal and Procurement Business Partners who should all input into the business case, and it's review prior to approval.

The lead Directorate is responsible for ensuring they, any partners, or the sponsor meet deadlines, engage the appropriate subject matter experts and technical appraisers and adhere to required formats when developing a business case. The Programme Assurance and Appraisal team can provide advice on the requirements of the SAF if needed, at the start of and during the Business Case development stage. Sponsors must ensure their business case is developed and is aligned with any external development and assurance requirements (driven by Government Departments), with the aim to eliminate duplication of effort. Where projects are funded through multiple funding streams, the proportionate SAF approach will be agreed by the appropriate delegated authority and implemented.

Early engagement with the Programme Assurance and Appraisal Team is key to ensure any recommendations will be addressed and business cases can be updated within the timescales agreed.

# 4 - The SAF: Project Lifecycle Process

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### 4.10 - SAF Stage 3: Approvals (Governance)

In order to achieve better decision making, the SAF looks to enable:

- appropriate initiation process that drives strategic fit
- proportionate business case development process that meets national and WMCA standards of best practice development
- expertise within Directorates to be used develop required business cases
- utilises out of Directorate/second line of defence assurance principles and processes to assess the maturity of business cases and undertake risk & investment appraisal
- panel support to focus Board considerations and inform the decision-making process.

In addition to an Assurance Observations Report being produced following the maturity assessment and subsequent update of business cases, and a summary Investment Risk and Appraisal will be produced to the decision-making process of the key risks and opportunities associated with the business case.

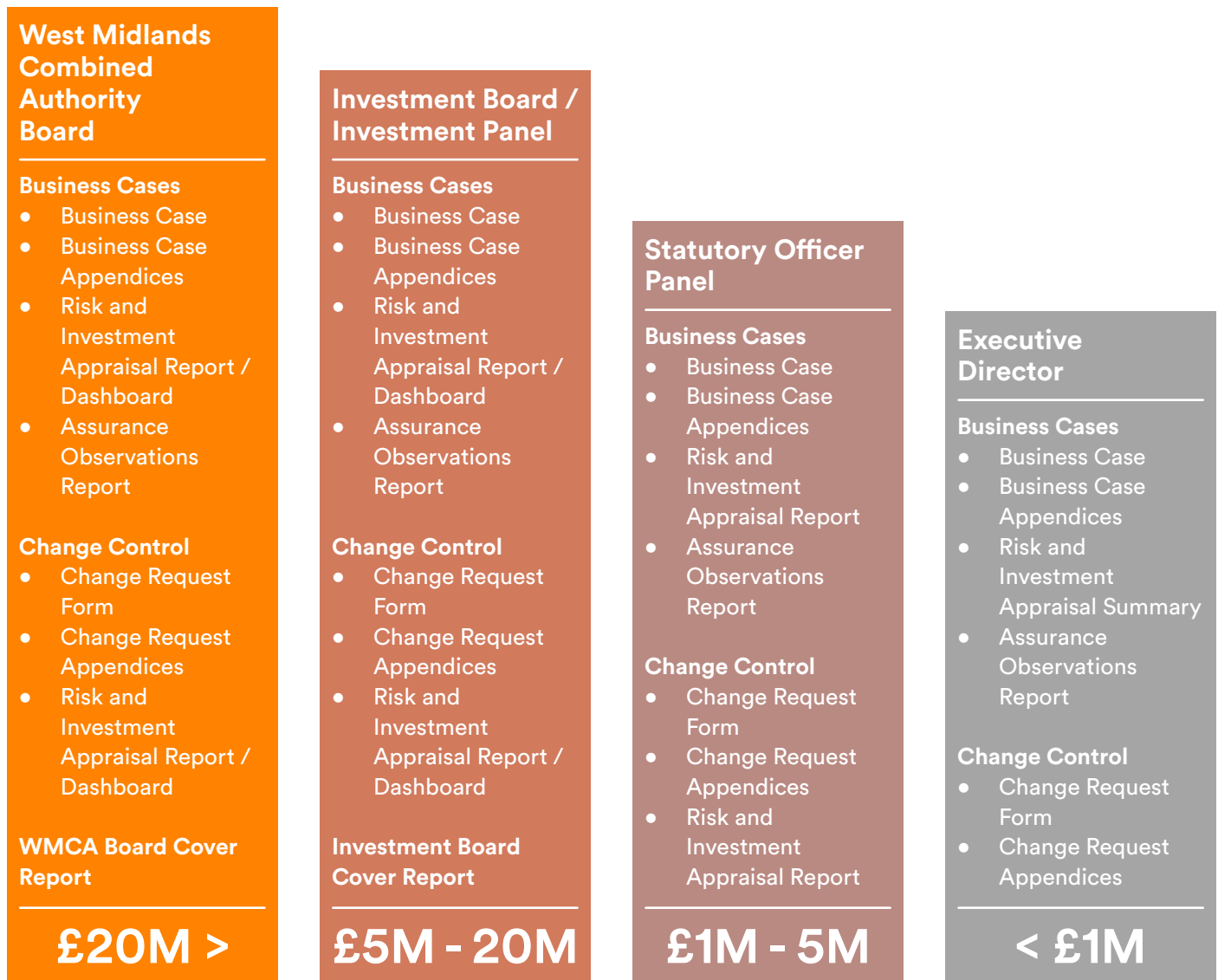
The process enables:

- decision-makers at all levels to base their decisions upon objective, evidence-based out of Directorate findings and recommendations- in turn driving better decision-making
- increased Executive Director ownership and delegation
- increased Statutory Officer ownership and oversight
- increased levels of Assurance and Appraisal team support to Panels and Boards
- approvals based on proportionate financial delegation i.e., a request of £50,000 will not scrutinised to the same level of a request for £5million.
- The time taken to reach an approval decision being reflective of the level of financial ask.

The business case route is dictated by delegated approval authority/Approval level or the value of the Project. The approval process begins following successful progression through WMCAs Development stage.

## 4.10.1 - Key SAF documentation

The level of approval required is determined by the level of financial commitment, The following diagram provides an overview of the documentation is needed depending on the approval route:



Further details regarding the purpose of each template can be found in Appendix 5.5

### 4.11 - Risk & Investment Appraisal

All approvals are required to undergo an independent Risk & Investment Appraisal of a business case that is designed to provide the sponsor/Directorate assessment. The independent Risk & Investment Appraisal is undertaken by Programme Investment Appraisers within the Programme Assurance & Appraisal team, its purpose is to provide a report identifying the risk and opportunities profile to help inform decision-makers. A proportionate approach is applied to the level of Appraisal completed in lieu of the financial ask; a one-day Summary Appraisal is completed for items under £1million whereas a five-day comprehensive Appraisal Report is created for items over £1million.

The Risk & Investment Appraisal involves analysis of information within a business case, providing an objective perspective on:

- analysis of content across HMT's 5-case model as outlined within the Green Book
- validation of the evidence base/ content of the Economic Case
- analysis of Net Present Social Value and Social Impact
- analysis of risks and opportunities associated with delivery/ cost/ time / funding
- analysis of financial, regulatory, investment, reputational and other risks and proposed risk mitigations as outlined within the WMCA's Strategic Risk Framework

The report will set out:

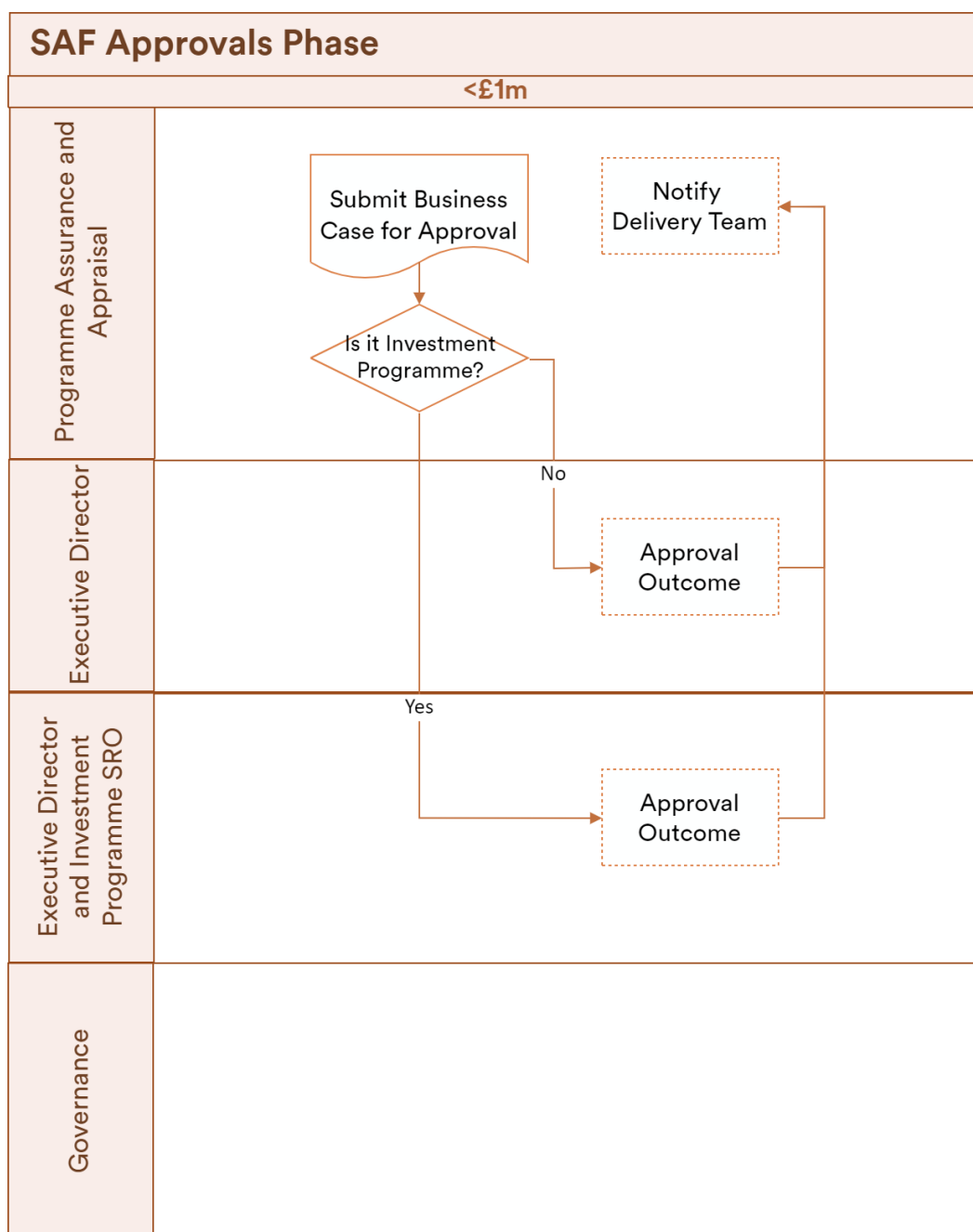
- an assessment of the level of risks and opportunities in approving that Business Case
- observations on how the level of risk could be mitigated, including cost, including the post mitigation risk level.

## 4.12 - Approval Levels

### 4.12.1 - Approvals Up to £1million

For Project / Programme approvals, the relevant Executive Directors have delegated approval for business cases up to the value of £1million.

For Investment Programme approvals, the relevant Executive Director will also require the approval of the Investment Programme Senior Responsible Officer (SRO). The Programme Assurance & Appraisal team will submit the required papers to the Investment Programme SRO for consideration. At this point, the Investment Programme SRO can request a comprehensive Risk & Investment Appraisal Report to be undertaken and/or that the item is considered by the Investment Panel to provide additional advice, if it is required by the Investment Programme SRO.

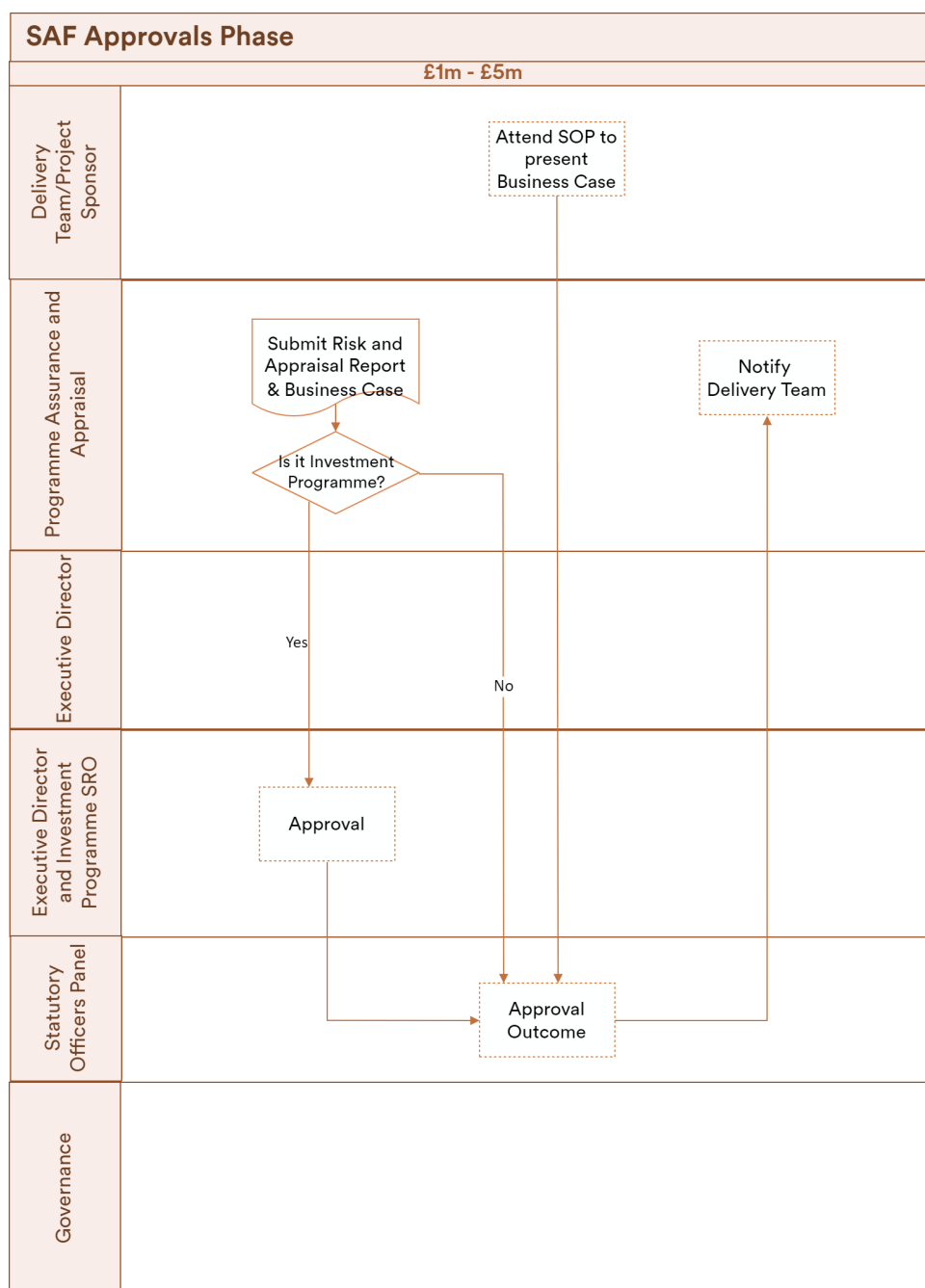


## 4.12.2 - Approvals Between £1million - £5million

Approvals between £1million and £5million are reviewed and approved by the Statutory Officer Panel, this consists of the following WMCA Officers:

- Chief Executive
- Director of Finance (Section 151 Officer)
- Head of Governance (Monitoring Officer)

Non-Investment Programme funded business cases and approvals only require Statutory Officer Panel consideration: however, Investment Programme funded business cases and approvals also require the involvement of the Investment Programme Senior Responsible Officer who, in such circumstances, will sit on the Panel to provide input into the decision-making process. The Risk and Investment Appraisal report and the Assurance Observations Report highlight the key risks for consideration.



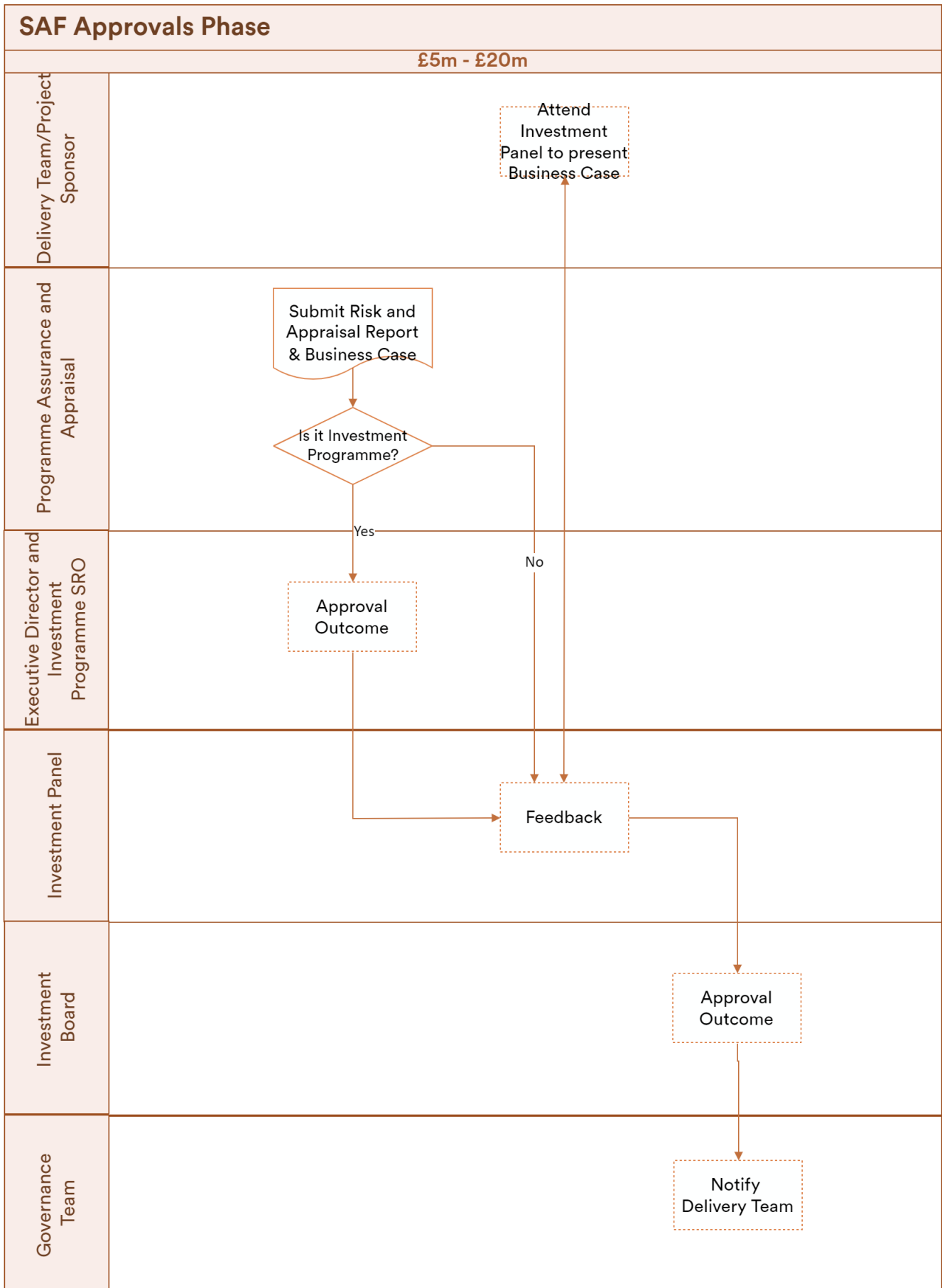
### 4.12.3 - Approvals of £5million and above

Approvals above £5million are above the levels of officer approval delegations and must therefore be considered and approved by Boards consisting of regional political representatives. Decision-makers are asked to consider the Business Case, Assurance Observations Report, and the Risk & Investment Appraisal report when making a decision.

To support decision-making Boards, advisory support panels will review a business case and supporting documentation and meet with the Sponsor/Executive Director before Board consideration. The Investment Panel supports the Investment Board by reviewing proposals and will support effective decision-making by:

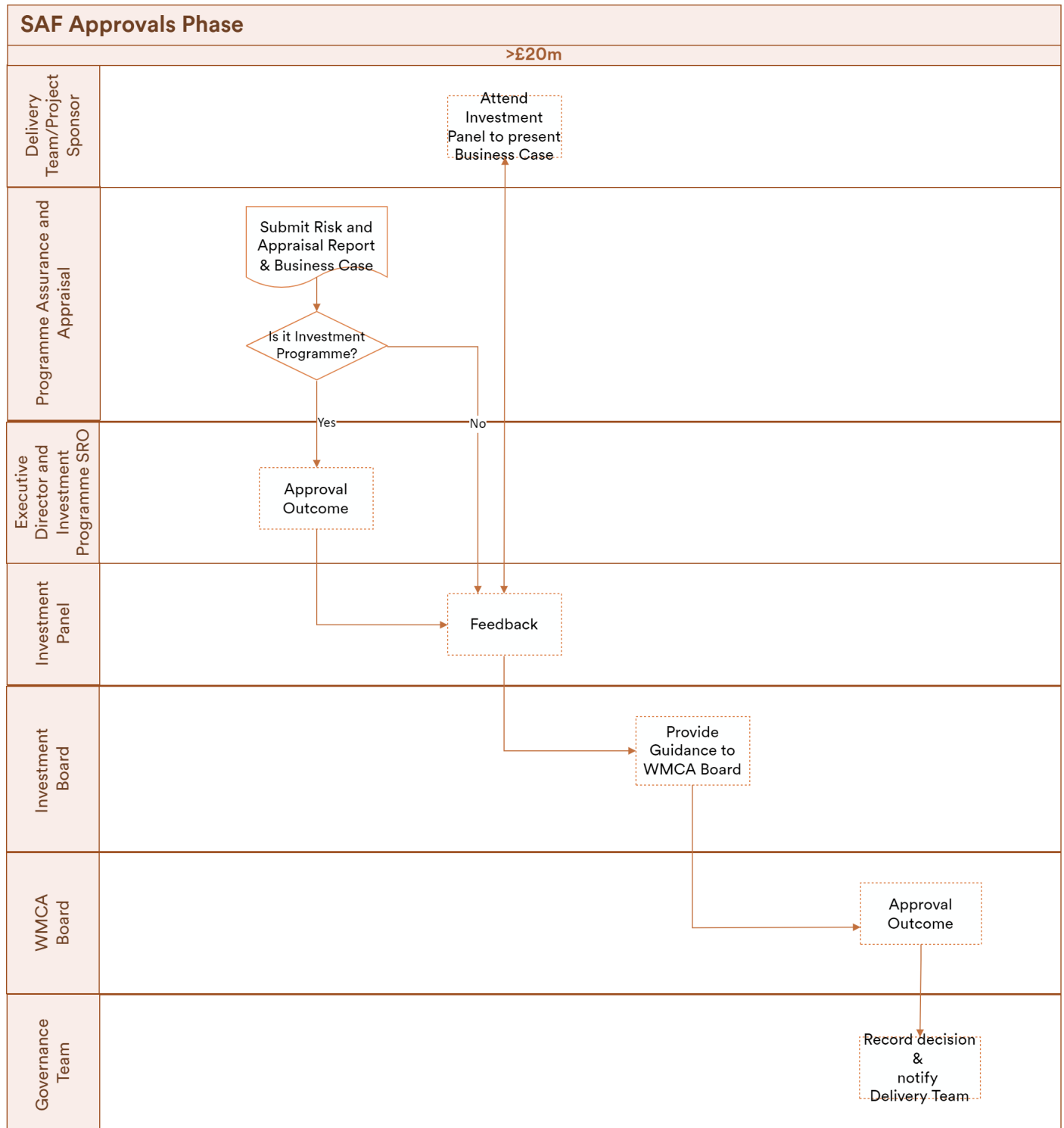
- identifying key lines of enquiry for the Investment Board to focus on
- validating and challenging business case content
- validating and challenging external review of the business case
- validating and challenging the quality and robustness of business case content
- ensuring a consistent approach to challenging HM Treasury's 5 case elements within Business Cases
- examining Assurance Observations Reports produced during development that incorporate an assessment of business case maturity against HM Treasury Green Book and WMCA requirements
- examining key risks and investment appraisal considerations and recommendations

The Investment Panel will provide the Investment Board with a recorded discussion for each proposal, noting observations to consider, including the strengths and weaknesses of a proposal, observations on the level of investment risk and providing any recommendations for improvement or to mitigate risks. This may lead to additional conditions to be added to funding agreements, conditions for withdrawal of support, additions to M&E plans.



## 4.12.4 - Approvals of £20million and above

Additionally, there is a further role for WMCA Board in approving Investment Programme approvals that are above £20million. For these, the proposal will first be considered by the Investment Board who will then make recommendations to the WMCA Board.





### 4.13 - Subsidy Control

WMCA will ensure that all projects meet Subsidy Control law. Formerly termed as State Aid is at present primarily governed by the United Kingdom's commitments as set out Chapter 3 of Title XI of Part 2 of the Trade and Co-operation Agreement between the European Union and the European Atomic Energy Community and the United Kingdom as given effect by the European Union (Future Relationship) Act 2020, including commitments on subsidies arising from the UK's membership of the World Trade Organisation (including but not limited to the Agreement on Subsidies and Countervailing Measures, the Agreement on Trade-Related Investment Measures, the General Agreement on Trade in Services and the Agreement on Agriculture).

### 4.14 - Management of Contracts

Following Approval, the Legal Team will send out a Funding Offer Letter, which includes the following: Project Name, Applicant, Maximum Funding Contribution (£), with details regarding when payment was to be issued. (Usually connected to milestones), what is Eligible Expenditure, Commencement and Completion dates. (Example is in Appendix 5.4.) Contracts are managed within the individual Directorates to provide a link to the outputs and outcomes of the projects/ programmes.

### 4.15 - Monitoring and Evaluation

The WMCA Monitoring and Evaluation Framework has been developed in accordance with HM Treasury's Magenta (Guidance for Evaluation) and Green (Guidance on Appraisal and Evaluation) Books. The overall approach to monitoring and evaluation is underpinned by the following key principles:

- Reporting requirements are locally defined and reported to our Strategic Leadership Team in a consistent fashion
- Evaluation is meaningful and proportionate
- Data is collected once and used many times to inform other critical documents, such as the Annual Business Plan
- Baseline information is consistent across key initiatives
- Monitoring and evaluation is a core part of all activities
- Lessons learned are used to inform future projects and programmes, especially at the pre-initiation stage

All projects that go through our SAF, will have an effective monitoring and evaluation plan in place which will form a key part of the business case. This will help assess the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery. The monitoring plan will guide the collection of data from individual projects and will be designed to ensure that it meets the requirements of WMCA and the Government.

This framework aims to ensure that these commitments are delivered by setting out the approach, principles, role and responsibilities for the monitoring and evaluation of projects and programmes both in the Devolution Deal and within any wider Combined Authority activity.

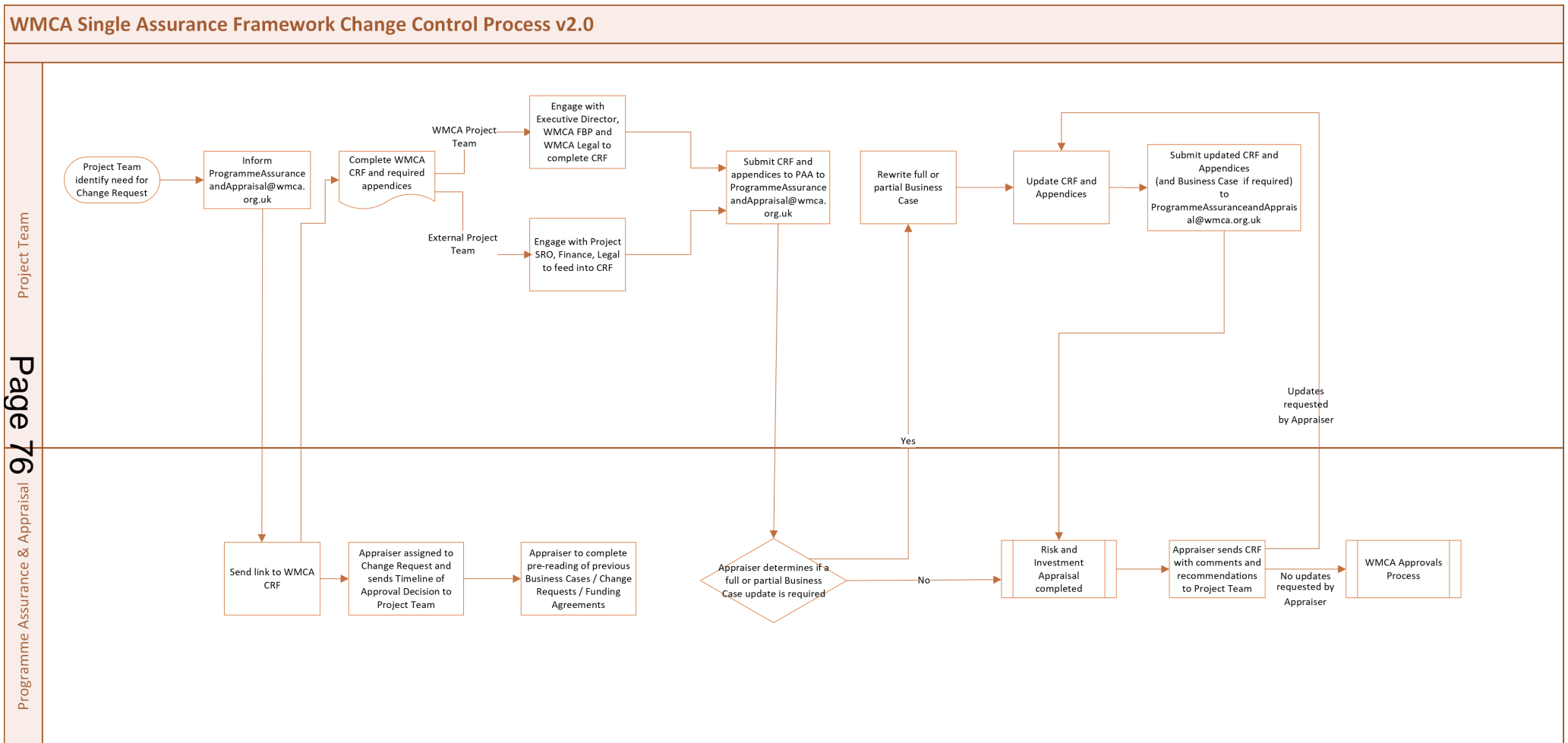
To manage the Investment Programme, AKA West Midlands Investment Fund, WMCA has a Commercial and Investment Monitoring and Evaluation team to perform portfolio monitoring, in accordance to HM Treasury's Green Book and **Magenta Book**; Team liaising with the relevant Programme Management Offices of our constituent authorities. Monitoring activities are conducted using the Project Development Plan, Annual Delivery Update and the subjacent M&E plans.

The Investment Programme Monitoring and Evaluation Team also liaises with Project Sponsors, our Appraisal and Assurance, Legal and Finance Teams to develop relevant, actionable information to help us monitor, evaluate, and react to changes on any projects funded through the investment programme.

### 4.16 - Change Requests

Approval routes should always be led by the delegation amount; therefore, Change Requests do not need to be approved by the 'original approver' i.e., if it was WMCA Board it does not need to go back to Board. The reason for this is that for example, there is a Change Request for a minor time extension and no additional funds have been requested. Although the original OBC was approved by Board, there is no need for Board to be sighted on a 'minor' change as this could delay project progress and cause further time delays whilst awaiting the bi-monthly Board meeting. Rarely the change is deemed contentious, for example, the scope of the approved initiative has changed dramatically or more than 10% of the original funding is being requested these may need to be reviewed by Board.

# 4 - The SAF: Project Lifecycle Process



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| Key        |                                      |
|------------|--------------------------------------|
| CRF        | Change Request Form                  |
| PA&A       | Programme Assurance & Appraisal Team |
| Finance BP | Finance Business Partner             |
| SRO        | Senior Responsible Officer           |

### 4.17 - Evaluation/Project Closure

Investment Programme Projects are evaluated in two stages. The first stage is led internally by the WMCA's Investment Programme Monitoring and Evaluation Team and comprises the production of a Project Closure and Lessons Learnt Report in accordance with HM Treasury's Green and Magenta Books. It reviews the milestones and success factors of the project vis-à-vis its proposed Delivery Plan.

- confirm outstanding issues, risks and mitigations, recommendations, and proposed course of action to resolve them.
- outline outstanding tasks and activities required to close the project, and
- identify project highlights and best practice for future interventions.

As part of the funding agreement, the WMCA is required to undertake 5-year Gateway Reviews to assess the impact delivered by our investments led by an independent National Evaluation Panel.

The purpose of the National Evaluation Panel is to evaluate the impact of locally appraised interventions on economic growth in each locality to inform the Gateway Review and Ministerial decision-making on future funding.

The Programme Assurance and Appraisal Team have developed a Post Implementation Review tool which is being tested with Performance Monitoring and Evaluation leads to ensure a consistent approach is implemented following the closure of a project. The intention of the Post Implementation Review process is to ensure lessons are learnt and applied across the organisation regarding project and programme management practice and that at the end of a project lifecycle, effective systems and controls are implemented to ensure the successful delivery of stated benefits and outcomes.

### 5.1 - Transport Projects

For the CRSTS programme (and other transport led projects, regardless of funding streams) there is a requirement that all schemes follow the WMCA SAF. For the CRSTS fund there is a further requirement that an annual review and report to the WMCA Board is completed of the Programme Business Case. This will be informed by a series of quarterly monitoring and evaluation reports undertaken throughout the year and submitted to DfT, Investment Board, Strategic Transport Board and others groups as required. Similar quarterly reporting is expected of other transport capital grant programmes such as Transforming Cities, Active Travel Fund and Bus Service Improvement Plan.

Once a funding programme benefits from a developed and agreed Programme Business Case approved through the SAF process, most schemes will also require a standalone Transport Analysis Guidance (TAG) business case to be developed. This document(s) should provide any necessary context and evidence required to support approval, clearly addressing the key questions within the Transport Specific Additional WMCA SAF Appendix. This WMCA SAF appendix provides as a 'checklist' of information which should be provided either with the WebTAG compliant business case, or as separate documents.

This business case will produced in a format and structure which is appropriate to the individual scheme, but should then be used as the basis from which to complete the appropriate Board templates or additional documentation checklists.

The Programme Assurance and Appraisal Team will apply a flexible and proportionate approach, enabling transport business cases to retain the benefits of local assurance in terms of speed of decision making.

To ensure that the scope of the business case meets the requirements of relevant funding streams, the Transport for the West Midlands (TfWM) will acting as subject matter experts (and advise when further expertise should be bought in for peer review) to support the Programme Assurance and Appraisal Team. Working will ensure that the project meets strategic and funding requirements.

The Business Case will clearly articulate how the project/programme will be monitored and evaluated, following WMCA guidance relevant to transport schemes and in collaboration with the national fund evaluator (noting that DfT typically appoint an independent evaluator for its grant funding programmes).

It is expected that a transport project will usually have both a TAG business case and a WMCA Board-friendly summary document, plus the required supplementary appendices. Within the WMCA SAF Transport Appendix, there is a table showing the questions to be addressed at each stage of the business case cycle. This does not preclude earlier completion of these if the information is available. Information entered in previous stages should be retained and updated where necessary for subsequent stages.

### 5.2 - Housing Projects

For the Housing Property and Regeneration Programme (and other Housing, Property and Regeneration led projects, regardless of funding streams) the programmes and projects will be required to develop an Annual Programme Business Case. This Programme Business Case will be subject to local assurance arrangements – in WMCA’s case, the SAF. The Programme Business Case will also be updated when new funds become available and individual projects will also be aligned to the Programme Business Case will be required to produce a Project Case, which will be subject to the SAF<

Individual Housing, Property and Regeneration projects will also be subject to the **Single Commissioning Framework ([wmca.org.uk](http://wmca.org.uk))** Expressions of Interest will be assessed by housing and development internal experts, external advisers and legal and finance business partners to ensure they meet key WMCA priorities and suitability criteria, before being invited to submit an application. Applications are also subject to scrutiny by the same team, to ensure that the project meets funding and strategic requirements, including a Red Book valuation, development appraisal and other supporting studies, for example, cost assessment, remediation studies. Project cases going forward will be subject to a maturity assessment against HM Treasury Green Book requirements and Assurance Observations Report will be produced with the aim of driving improvements to the maturity of a business case prior to a risk and investment appraisal prior to approval. The Project Case should be clear about how the scheme will be monitored and evaluated. It will then be subject to Approval at the appropriate level, as outlined above.

### 5.3 - Adult Education Budget Programme

The Adult Education Budget (AEB) will be subject to independent bi-annual assurance health checks (target dates of March and September) undertaken by the Programme Assurance and Appraisal team. The health check process is an objective, evidence-based review and will:

- give confidence to senior managers and decision-makers on AEB programme performance
- share best practice, insight, and information
- help drive continuous improvement across the AEB programme
- provide evidence of compliance with ESFA requirements and inform annual Assurance letter(s) contents

A customised health check tool has been developed for AEB utilising the Association of Project Managers (APM) Measures for Assuring Projects, APM Conditions for Project Success and bespoke lines of enquiry taken from Department for Education (DfE) Devolution of adult education functions, from Academic Year 2019/20 Memorandum of Understanding.

The first health check undertaken will be a comprehensive review of the full lifecycle of AEB. The findings will help to establish a more proportionate, efficient and lean process for subsequent health checks, which will include a review of progress against any recommendations previously raised. In addition the Skills Directorate will develop a Programme Business Case detailing all funding streams and delivery arrangements for adult education provision across the region. This Programme Business Case will be subject to local assurance arrangements – in WMCA's case, the SAF., (as detailed above). It is expected that monitoring and evaluation arrangements will be implemented across the Skills Directorate to ensure outcomes and benefits are effectively monitored with performance reported through to the realisation of benefits.



### 5.3.1 - Health Check Format and Approach

An introductory meeting will be held with the AEB Lead/representative and the Programme Assurance Specialist to run through the health check process, agree timings and gain an understanding of the programme and processes in place.

During the health check the Programme Assurance specialist will conduct:

- desk-based reviews of documentation and background evidence, including the skills three-year planning proposal approved by WMCA Board. (Updated annually to reflect Government Policy, and local need).
- stakeholder engagement meetings

Documentation to be reviewed and names of Stakeholders to meet will be identified and agreed during the introductory meeting with the AEB Lead/representative. Should any additional evidence or stakeholders be required during the process of the health check, the Programme Assurance Specialist will inform the AEB Lead/representative.

- Client and Scope
- Organisational Capability & Culture
- Governance
- Supply Chain
- Stakeholder Engagement & Communication
- Solution
- Risks & Opportunities
- Finance
- Planning & Scheduling
- Performance
- Health & Safety, Social Responsibility, Sustainability

### 5.3.2 - Governance

Findings and recommendations following the health check will be detailed within a draft Assurance Observations Report for consideration and agreement by the AEB Lead/representative. There will be no finding/comment attributed to specific individuals and all recommendations made will be in the spirit of ensuring continuous improvement.

The AEB Lead/representative will be required to review the draft Assurance Observations Report and confirm their agreement with it within a suitable timeframe (usually one week), with the aim being to agree a final Assurance Observations Report.

If findings and recommendations cannot be agreed, there will be an opportunity for the AEB Lead/representative to record their response(s) and rationale.

The final/agreed Assurance Observations Report, following each Health Check, will be an agenda item presented to Economies Skills & Communities Payments and Performance Meeting(s). The purpose of the Health Check process is to drive continuous improvement across all AEB project and programme activities.

### 5.3.3 - Timescales

Dates and timings of health checks will be agreed with the AEB Lead/representative and the Programme Assurance Specialist as part of the process. It is expected that the health check will take approximately two weeks to complete.

### 5.4 - Typical Funding Letter

Applicant Address

Dear Sirs,

Project Name:

Applicant:

Maximum Funding Contribution:

Tranche 1 Payment Payable within 28 days of completion of Milestone 1

Tranche 2 Payment Payable within 28 days of completion of Milestone 2

Tranche 3 Payment Payable within 28 days of completion of Milestone 3

Tranche 4 Payment Payable within 28 days of completion of Milestone 4

Tranche 5 Payment Payable within 28 days of completion of Milestone 5

Eligible Expenditure: See attached Business Justification Case & Schedule 1

Project Details: See attached Business Justification Case & Schedule 1

Availability Period: The period starting on the Funding Commencement Date and ending on the:

Funding Completion Date:

Funding Commencement Date:

Funding Completion Date:

I write to confirm that West Midlands Combined Authority (WMCA) will provide the Funding Contribution for the above Eligible Expenditure for the Applicant to conduct the activities in accordance with the Business Justification Case and the Terms and Conditions overleaf.

To drawdown the Funding you will be required to submit your claim to [email address] with evidence of the milestone delivery and details of expenditure.

Yours sincerely

Authorised Signatory

For and on behalf of

West Midlands Combined Authority

I can confirm that [Applicant] will use the Funding Contribution in accordance with the Terms & Conditions stipulated within this letter.

Authorised Signatory: .....

Name: .....

Position: .....

### 5.5 - SAF Templates

#### 5.5.1 - Project Initiation Document (PID)

The PID is a high-level planning document that will be completed and approved during the Initiation Stage to gather outline information which validates the strategic fit of the intended intervention such as alignment to WMCA Objectives and Aims, potential risks and target benefits. The document will also be used to agree the Business Case development route and provide assurance that key stakeholders at the WMCA have been sighted on the proposal from the outset (Finance, Legal, Procurement and Executive Director).

#### 5.5.2 - Business Justification Case (BJC)

The BJC is a single stage business case that is available for schemes that require less development. To use a BJC, projects must not be novel or contentious so options analysis is reduced, where firm fixed prices are available, they should be evidenced from historical delivery. A specific procurement phase is not required as pre-competed procurement arrangement can be utilised.

#### 5.5.3 - Programme Business Case (PBC)

The PBC is produced when a strategically linked series of projects requires authorisation to progress. A programme is a series of planned measures, related events and co-ordinated activity in pursuit of an organisations long term goals. The PBC will outline the programme projects dossier including the indicative timeline, costs and the overarching management strategies.

#### 5.5.4 - Project Case (PC)

The PC is produced for projects seeking lower level of spend and follow on from a previously approved Programme Business Case. There should be clear alignment to the PBC within the Project Case in terms of how the outputs contribute to the Programme benefits and outcomes.

#### 5.5.5 - Strategic Outline Case (SOC)

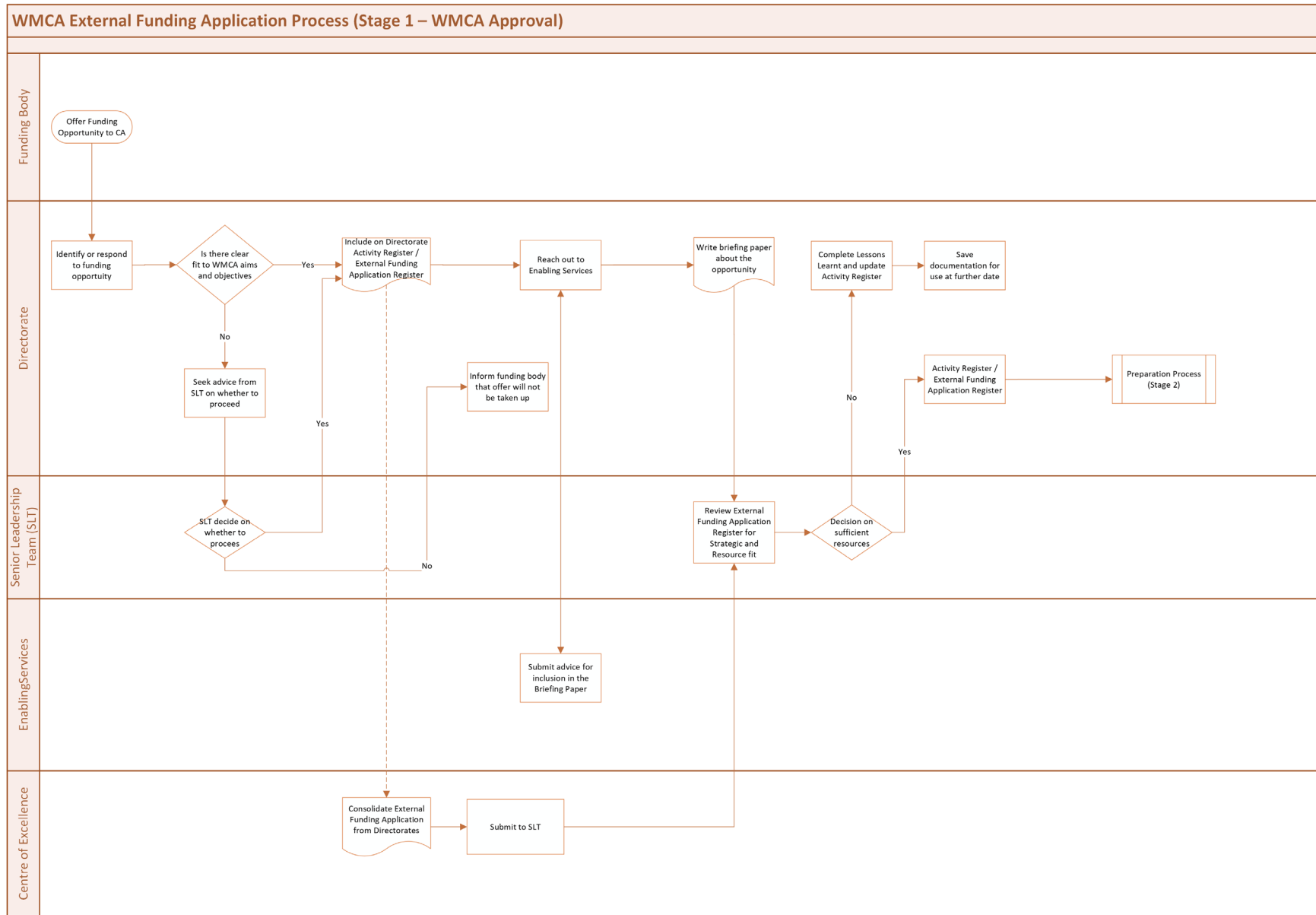
The SOC or the Strategic Outline Business Case provides the strategic rationale for the intervention and identifies the critical success factors. The preferred option is derived via an options analysis to demonstrate how optimum VFM and social value will be achieved. Stakeholders will understand the robustness of the proposal and the future direction of travel including an updated whole life cost estimation.

### 5.5.6 - Outline Business Case (OBC)

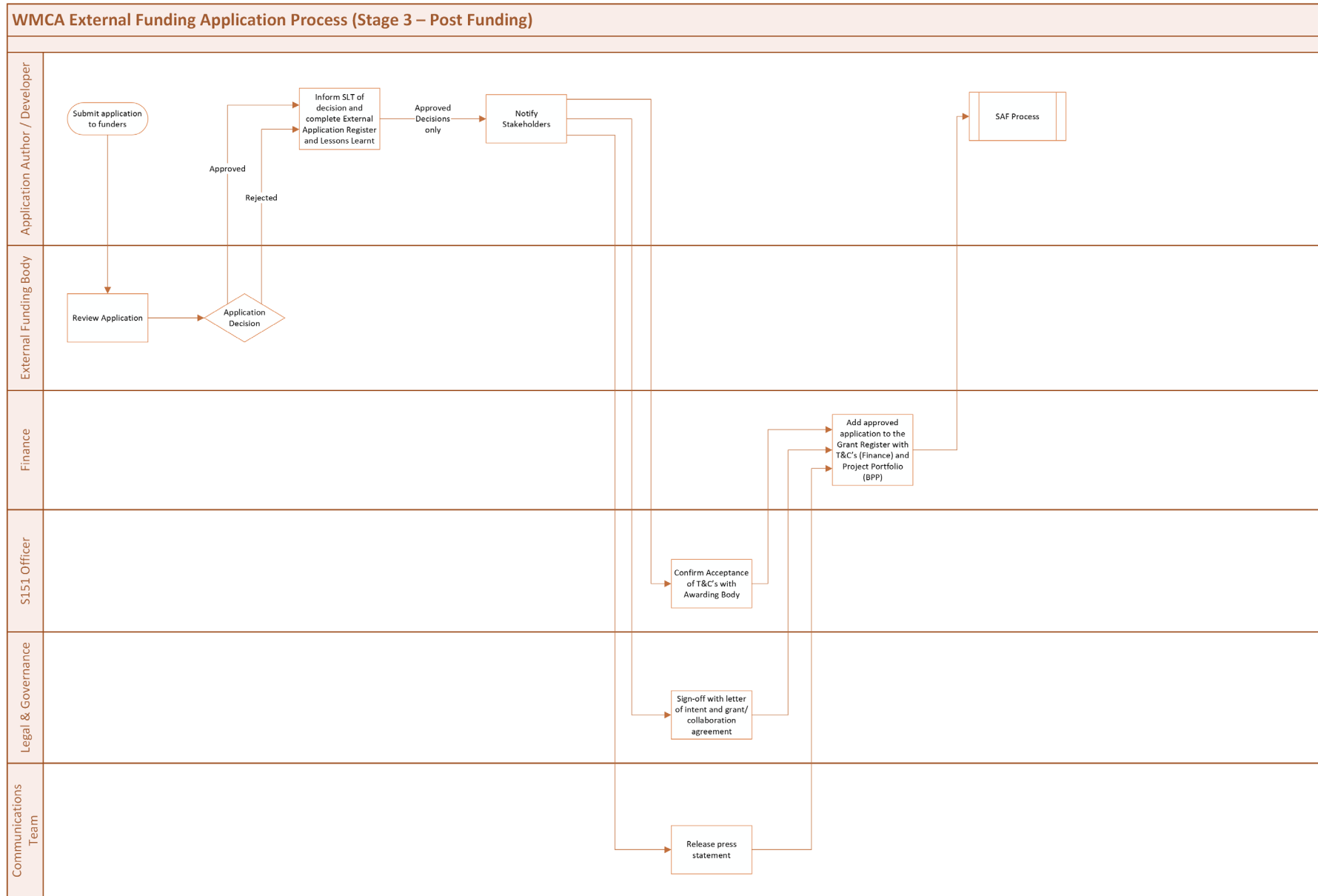
The OBC determines VFM and prepares for the potential procurement by ascertaining affordability, the procurement proposal and funding requirement. At the conclusion of the OBC stage consent should be able to be established for the procurement phase of the project to go ahead or not.

### 5.5.7 - Full Business Case (FBC)

The FBC enables the procurement of the VFM solution, contracting the appropriate deal and planning for successful delivery. At the conclusion of the FBC all dimensions of the five-case model will have been completed and be fully matured including a finalisation of all management arrangements. Key to this is firm fixed and accurate costs, Monitoring & Evaluation arrangements and delivery capability.



# 5 - Appendices





**West Midlands  
Combined Authority**





## WMCA Board

|  |  |
|--|--|
| <b>Date</b>  | 16 December 2022   |
| <b>Report title</b>  | Transport for West Midlands Capital Pressures  |
| <b>Portfolio Leads</b>   | Transport - Councillor Ian Ward<br>Finance - Councillor Bob Sleigh   |
| <b>Accountable Chief Executive</b>                                   | Laura Shoaf, West Midlands Combined Authority<br>email: laura.shoaf@wmca.org.uk  |
| <b>Accountable Employees</b>   | Anne Shaw, Executive Director of Transport for West Midlands<br>email: anne.shaw@tfwm.org.uk<br><br>Linda Horne, Executive Director of Finance & Business Hub<br>email: linda.horne@wmca.org.uk  |
| <b>The issues covered within this report have been considered by</b> | Mayor & Portfolio Leads Liaison - 18 November 2022<br>Strategic Leadership Team - 23 November 2022<br>Strategic Transport Board - 25 November 2022<br>Strategic Transport Officers Group - 28 November 2022<br>West Midlands Finance Directors - 1 December 2022 |

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

1. Note the extent to which the WMCA Transport Capital Programme has been impacted by cost pressures as documented within this report.
2. Note that in respect of one scheme, the cost control issues have resulted in a breach of financial regulations as detailed in Section 8.
3. The Board is recommended to commission a formal independent investigation through the Authority's Chair of Audit, Risk and Assurance Committee in respect of the scheme referred to in recommendation 2 above.
4. Note the limited funding options open to WMCA to meet these additional pressures as set out in Section 5.
5. Approve the approach towards dealing with the most urgent budgetary pressures detailed in Section 5, including the release of capital funding allocated within the Transforming Cities Fund programme.

6. Note that approval for immediate budget increases to three specific project budgets (totalling up to £17.8m) is requested within the Private Appendix to this report.
7. Approve that, subject to DfT approval and following the WMCA SAF process, a number of projects previously funded by TCF and WMCA Capital Investment programme (as detailed in the separate private report) should subsequently be funded from the CRSTS programme.
8. Note the early warning of further capital pressures as documented within this report.
9. Delegate authority to the Section 151 Officer and Executive Director of TfWM (in consultation with the Mayor and WMCA Portfolio Lead for Transport) to make a formal change control application for the CRSTS programme to the DfT in parallel to the WMCA SAF process, in line with the approach set out in Section 6.
10. Note and accept the risk that in a worst-case scenario where no funding alternatives can be identified or costs avoided, a levy increase or corresponding transport budget savings to the value of circa £11m to £20m would be required to meet the full extent of the capital cost pressures detailed within this report. Any precise Levy increase, should this be required, would be subject to a further report to this Board.
11. Note the work being committed, as outlined in Section 7, to enhance the robustness of management and reporting of capital projects in the WMCA Transport Capital Programme.

## **1. Purpose**

- 1.1 The purpose of this report is to update the WMCA Board on the current budget pressures being experienced on transport capital projects in delivery, the reasons for these and to advise on potential solutions to ensure that they can be completed successfully within a managed way which prevents any revenue cost exposure to WMCA and the Local Authorities.
- 1.2 It also considers the impact that the WMCA Board need to be aware of arising from ongoing pressures on capital projects that are under development and heading towards delivery.

## **2. Background**

- 2.1 The Combined Authority, together with the Local Authorities, have been successful over the years in attracting substantial funding for transport projects. In addition to annual settlements from Government on the integrated transport block, other sources of funding include Local Growth fund via the Local Enterprise Partnerships, Transforming Cities Funds as part of devolution deals, Rail Investment Programmes and other grants, examples including Future Transport Zone, Active Travel, zero emission funds for bus infrastructure and retrofit and other innovation programmes.

- 2.2 This has enabled the delivery of a number of substantial projects including bus infrastructure, metro extensions, rail enhancements including Perry Barr Station, public realm, cycling infrastructure, road and traffic signal upgrades and innovation projects including CAV testbeds and other sensor technologies. The majority of these have been delivered successfully on time and within budget, many were completed to support the successful transport arrangements for the Commonwealth Games, ensuring that the region delivers on outcomes in relation to sustainable connectivity on the transport system.
- 2.3 City Regional Sustainable Transport Settlement (CRSTS) has provided further longer-term sustainable funding for WMCA and the Local Authorities enabling the development of a pipeline of further investments on road, rail, bus, active travel, and further innovation such as VLR. A number of projects are now moving forward into the development and delivery stages with some due to be delivered within this 5-year settlement period, and others having their business case developed for delivery in an anticipated second investment period.

### **3. Budget Pressures**

- 3.1 Over the last couple of years', we have seen a number of projects increase in costs due to scope changes and construction challenges which have emerged on site. It has been possible to manage these costs on a project-by-project basis within existing capital resources. Project teams have consistently responded to cost and scope creep pressures, minimising the WMCA's exposure, applying mitigation through commercial strategies which have avoided prolongation (acceleration and recovery) and achieved more efficient ways of working. Residual cost pressures have then been managed through contingency budget allocations as part of the project risk management and through additional budget allocations, including securing additional external funding all noted or approved by WMCA Board. Despite the residual budget pressures detailed within this report, there are examples which demonstrate WMCA have managed to reduce exposure to more excessive cost escalations through management of scope, negotiations with stakeholders and re-evaluations of delivery methods.
- 3.2 These kinds of increases are not uncommon in transport projects, particularly in large complex projects where site conditions have thrown up challenges which cannot be found until works start and significant dependencies exist on other projects (affecting programme delivery timelines, scope change requests or cost inflations during the lifetime of the project). Standard practice is to allow for programme and budget contingencies to accommodate these pressures and this has been the case in all TfWM projects. However, the last few years have thrown up a number of extraordinary further challenges, notably in relation to hyperinflation that we are now facing, and which is a national and global issue. The potential scale means that we are unable to contain this within the existing capital resources and are therefore required to take some actions to mitigate any cost exposure to the Authority.

- 3.3 We are seeing sharp rises in the cost of construction due to national and global events (Brexit, covid, international unrest). The prices and shortage of materials and labour together with rising energy prices is having a major impact on projects in contract and due for completion during 2023. A small practical illustration is that due to metal prices; issues in the raw materials supply chain; and a spike in demand as countries seek to reduce fossil fuel reliance, the cost of electricity sub-stations (which are involved in all our metro and rail projects) have more than tripled in the last 9 months and are taking longer to source. It should also be noted that as we are predicted to enter into a further recession and with interest rates rising this will continue to have an impact for those projects due to complete later in the programme or are in the development pipeline and are yet to enter into construction.
- 3.4 The construction industry is historically one of the first sectors to be negatively impacted by a change in market conditions brought on by recession and inflation, in the last few years labour shortages and corresponding wage inflation has also been an extraordinary factor. This has been particularly evident given the demands of competing mega projects such as HS2 projects in the West Midlands as well as the various time limited programmes currently underway nationally.
- 3.5 The worldwide supply chain was slowly recovering following the pandemic, with a steady rise in output and cost somewhat above general inflation levels. Since October 2021 costs have significantly increased for materials and fuels. By way of example, average material costs have risen significantly since this date from a predicted index of 2.5% to 17%.
- 3.6 These external factors have all added to the financial and / or resource pressure to transport investment programmes. The result is that costs have, and continue to, increase in all transport programmes whilst funding levels remain the same. This is adding greater risk into those projects in flight overspending against budgets agreed and set before a number of these global factors were understood. Therefore, our ability to finish these projects without further budget allocation is also compromised.
- 3.7 WMCA are not exclusively impacted by the adverse delivery conditions. The Chair of the Chartered Institute of Public Finance Accountants recently reported that the costs of excessive inflation were now causing several Authorities nationally to review and trim their investment programmes, and West Yorkshire Combined Authority recently agreed to pause and move to their pipeline over £200m of CRSTS investments as a result of similar concerns.

#### **4. Impacted projects**

- 4.1 The appendix to this report summarises the projects which are exposed to the issues highlighted and is to be discussed within the private section of the Board meeting so as not to compromise commercially sensitive contractual negotiations. In summary, three inflight schemes will require an immediate uplift in budget totalling £17.8m. In addition to this most immediate issue, there are a number of cost escalation 'early warnings' which are considered highly likely to mature into an actual cost pressure to some degree over the short to medium term.
- 4.2 The total value of the immediate and early warning matters equates to £171.1m. It is expected this maximum exposure can be mitigated to £85.9m subject to the effectiveness of specific mitigations WMCA intend to deploy.

4.3 The sums outlined above excludes the costs to address the Dudley to Brierley Hill element of the Wednesbury to Brierley Hill Metro extension which will be the subject of a specific report in the February's WMCA Board. This report will address the funding position for the Extension following an earlier report which agreed a number of funding options which would be pursued to support this scheme's delivery in full. Once the Board has determined its preferred way forward for this scheme and further work is completed on the early warnings a fuller picture of total financial pressures can be presented.

## **5. Cost Pressure Funding Strategy**

5.1 WMCA is heavily constrained in terms of the discretion it can exercise over its capital funding. Whilst the overall programme is substantial, many projects are funded on a project specific basis (e.g. ZEBRA / Land Fund) where the funding is for specific outputs, and diverting that funding to other priorities would result in the funding being clawed back. Local decisions around Gainshare (Investment Programme) funds mean that funding is fully allocated with legally binding funding agreements in place.

5.2 Transforming Cities Fund (TCF) is the only pot of funding which was fully devolved to the region for local leaders to make the ultimate investment decisions. Whilst the City Region Sustainable Transport Settlement (CRSTS) is also a devolved pot, DfT and HMT do retain some influence in how the funding is used to deliver clearly documented deliverables and outcomes.

5.3 In light of the above and to ensure WMCA are able to meet its imminent contractual obligations on the three most urgent schemes, it is recommended that TCF allocations of £17.43m which are not contractually committed for projects within that programme are released to cover the immediate budgetary pressure. This funding reallocation can take place with the approval of WMCA Board.

5.4 The delivery of the projects funded through TCF remains a key regional priority for WMCA and is integral to the success of wider transport investment i.e., the Metro extension. To protect the timely delivery of the scheme, WMCA has ensured adequate development and design funding remains assigned to it, which will be met through TfWM's Local Network Improvement Plan funding. Delivery funding is to be secured through the CRSTS programme through a change control request to DfT, discussions being advanced in this regard.

5.5 The approach to using the Transforming Cities Funding detailed above will, it is considered, provide adequate time to consult and seek agreement from DfT to enacting the change control arrangements within the CRSTS programme. This in turn should allow the inclusion of projects funded through TCF for delivery and also some of the wider early warnings of other projects into the CRSTS programme, should these budget risks crystalise into budget issues.

5.6 As such, the recommendations within this report seek to obtain approval from WMCA Board to the release of capital funding allocated to the value of £17.8m within the Transforming Cities Fund and to endorse the subsequent inclusion of the TCF project within the CRSTS programme following consent to do so by DfT.

- 5.7 In terms of the strategy for the early warnings, as detailed above, WMCA are in advanced discussions with DfT on flexibilities within the CRSTS programme and further details on how WMCA intend to manage the CRSTS programme are detailed below.
- 5.8 It is important to note that WMCA Financial Regulations will require WMCA Board approval to any budget increase either in excess of 10% and / or those which are unfunded. As such, decisions exceeding these tolerances will not be made without full approval from the Board, and funding decisions within these tolerances will be reported to Board for noting, ensuring full transparency of all funding decisions.
- 5.9 Recommendations to import costs into CRSTS would only occur where a thorough commercial and technical appraisal has taken place to the satisfaction of the TfWM Executive Director and WMCA Section 151 Officer, which will include an evaluation of alternative delivery methods where appropriate.
- 5.10 It should be noted that in the event WMCA are unsuccessful in obtaining approval to use CRSTS funding for TCF projects, and the early warnings for projects highlighted in the table crystallise into actual pressures, the only immediately viable funding option would be to fund from borrowing, supported through the WMCA Transport Levy. If the WMCA Board remain committed to the completion of those projects, this would require a maximum additional capital sum of £171.1m to be identified. As detailed within the financial comments below, if funded solely by WMCA borrowing this would require between £11m to £20m of additional funding to be identified annually to meet the capital financing costs. This would be in addition to the current Medium Term Financial Plan estimates. At this point the cost of exit from these schemes has not been appraised, but it is anticipated that with the potential of claw back of other government funding this will far out-way the costs of completion further compounding the issue. This is being analysed to confirm together with an assessment of the impact pausing schemes may have whilst solutions are developed.

## **6. CRSTS Programme Implications**

- 6.1 In order to accommodate the emerging cost pressures, it is proposed to formally introduce specific schemes into the CRSTS programme, subject to the formal WMCA SAF and DfT change control processes the detail of which is yet to be confirmed by DfT.
- 6.2 It is proposed that the new schemes entered into the programme would be provisioned for under the CRSTS soft contingency mechanism. This mechanism was agreed by the WMCA Board in January 2022 as part of the overall CRSTS programme approval.
- 6.3 Under this mechanism, it means that at this stage no schemes that are already within the existing core CRSTS programme would be removed, and none of the associated indicative funding allocations would be reduced. Instead, the financial pressure created by the new schemes being entered into the core programme would be treated as over programming.
- 6.4 The soft contingency mechanism will ensure that until circa year 3 of the programme the total financial commitments made through the WMCA SAF process will be limited to ensure that a total contingency layer of £100m is always retained.

- 6.5 As all schemes are progressed it is expected that as well as some negative financial pressures, some schemes currently in the programme will either be delivered under budget; or be delayed; or potentially be proven unviable as the business cases mature.
- 6.6 In such an event then the associated released budget would be used to off-set the additional cost pressures arising from the entry of the new schemes; and/or to allow schemes from the formal scheme reserve list (already agreed locally and by DfT) to be entered into the core programme.
- 6.7 If by year 3 of the CRSTS programme all schemes appear to be on track to deliver on-time and to budget, then the soft contingency provision will need to be formally triggered. This means some schemes currently in the programme would be slipped into the next delivery period. Those schemes would be identified at the time based on a full review of the programme and a further WMCA Board report and decision.
- 6.8 It is proposed that all schemes in the current programme receive sufficient development and design funding to enable them to be ready to deliver. This means in all cases the schemes in the programme will benefit from at least an Outline Business Case level of approval.

## **7. Project Delivery Governance and Lessons Learned**

- 7.1 The delivery teams have been successful in protecting the authority from compensation events and other risks through commercial and formal risk management arrangements as referred to in para 3.2. However, there are some performance issues (such as managing land acquisitions and CPO's in a timely way to maintain the delivery schedule), and inconsistencies in delivery approach that need to be addressed. Consequently, TfWM is changing the way in which it manages, organises and delivers capital projects. Currently the delivery functions are dispersed across TfWM and sat within modal teams. This creates some discrepancies in management and reporting as well as missing opportunities to integrate designs and delivery across modes and with other scheme promoters. A maturity assessment has been undertaken by Arcadis to review TfWM's capability and capacity with respect to the development and delivery of a portfolio of transport programmes. This has provided TfWM with a baseline and a number of recommendations to improve in this area.
- 7.2 There has also been a number of lessons learnt from the various programmes to understand where and why issues have occurred. Suggested improvements have been incorporated into other projects and programmes as they come forward.
- 7.3 The Executive Director for Transport for West Midlands is in the process of reviewing and will soon be consulting with staff on the changes proposed to deliver against these recommendations and improve performance going forward.

- 7.4 Whilst this will address some areas, it will not necessarily address the impacts of inflation and other external factors that impact on delivery costs. It will however better equip TfWM to manage programmes more effectively, have oversight of a single programme brought together from across the various funding streams, and greater transparency of delivery including better reporting to Transport Delivery Committee which currently has the responsibility to monitor TfWM's performance. This will result in a better set of reporting products and provide greater visibility at a Member and Officer level across the WMCA and its constituent Authorities.
- 7.5 Any findings and recommendations from the Audit being recommended on the technical breach will also be incorporated into these plans.
- 7.6 A further independent Internal Audit of TfWM Capital Delivery Management, Risk, Monitoring and Reporting will be commissioned by the Authority Monitoring Officer to inform the recommendations from the above work.
- 7.7 Additionally, TfWM are working with the DfT's acceleration unit where we are seeing specific challenges in decision making, scope changes and approvals with national partners such as Network Rail. This is aiming to remove some of the risks of working on rail assets, including those illustrated by the interfaces in the metro extension and the various rail packages. The aim is to smooth out the process and get timely and consistent responses from all parts of organisations such as Network Rail that need to be involved in signing off designs and delivery in order to mitigate these risks further.

## **8. Financial Implications**

- 8.1 The issues regarding cost escalation and the strategies to be deployed to ensure delivery of the projects (which includes thorough commercial and technical challenge, assessing options around scope and delivery, with potential utilisation of devolved Transport grants for any unavoidable cost increases) are documented within the report.
- 8.2 Whilst WMCA intend to thoroughly exhaust all practical alternatives before budget cover for further cost increases are considered, the Section 151 Officer is obliged to highlight to the Board the full extent of the risk which could crystallise if the delivery environment continues to present unmanageable issues. In a scenario where, the cost exposures arise, WMCA could not identify grant funding to absorb those costs, and the schemes needed to be completed; additional WMCA debt would need to be taken out and met from Transport resources (i.e. additional Levy or savings), as follows:



| LEVY IMPACT FROM BUDGET PRESSURES                  | Un-mitigated Exposure | Mitigated Exposure |
|--|-----------------------|--------------------|
| Cost Pressure / Exposure As Detailed Within Report | £171.1m               | £85.9m             |
| <b>If Funded by New Levy or Transport Savings:</b> |                       |                    |
| Minimum Likely Annual Cost & Levy Impact*          | £11.1m<br>9%          | £5.6m<br>5%        |
| Maximum Likely Annual Cost & Levy Impact*          | £19.7m<br>16%         | £9.9m<br>8%        |

\*Subject to the prevailing rate of interest at the time of confirming loans.

- 8.3 Assuming costs of borrowing remain stable, it is currently anticipated that there would be a requirement for a marginal levy increase of £2m commencing from the 2024/25 financial year, increasing to £11m by 2026/27 (to fund the pre-mitigated impact). Members are reminded that the Transport Levy is funded by population split and that any increase over the annual increase in council tax would impact individual Authority core spending power. The priority is however to seek a solution via the use of the £1bn CRSTS funds. This is not strictly an affordability challenge therefore but one of regional approach to transport investment priority.

| Estimated Levy Impact (Value & Timing)      |                               | Estimate of Additional Levy Required |             |             |
|---|-------------------------------|--------------------------------------|-------------|-------------|
|   |                               | 2024 / 2025                          | 2025 / 2026 | 2026 / 2027 |
| Total Cost of Finance to the Transport Levy | Pre-mitigated (4% Interest)   | £2m                                  | £8m         | £11m        |
|   | Post Mitigation (4% Interest) | £1m                                  | £5m         | £6m         |

*Note : Values above assume TCF is used to address the imminent impact of the three urgent schemes*

- 8.4 A further update on the overall cost exposure to the complete set of schemes indicating cost overruns will be reported to WMCA Board in early 2023 to ensure full consideration of the implications for the CRSTS programme and aligned to the Boards consideration of the Wednesbury to Brierley Hill Scheme post Dudley.

WMCA Financial Regulations state that; any proposal to increase an approved capital budget by a variance of more than 10% of the existing budget shall require a report to be submitted to the WMCA Board. Variances within these parameters are delegated to the appropriate Chief Officer within the agreed scheme of delegations and will be reported to the WMCA Board in Financial Monitoring Reports. With respect to the three projects where additional funding requirements have been identified, a summary by project is included within the Private Appendix to this report.

- 8.5 With respect to how the crystallisation of early warning pressures will be reported and approved, decisions regarding adjustments to budgets over 10% will not be made without full approval from the Board, and funding decisions within this tolerance will be reported to Board for noting, ensuring full transparency of all funding decisions and in line with WMCA Financial Regulations.

## Financial Breach

- 8.6 With respect to the Wolverhampton Interchange scheme, the accrued value of works instructed and undertaken has recently exceeded the approved budget. Not only does this indicate a weakness in cost control practices, it also represents a breach of financial regulations.
- 8.7 The value of the breach as of 16 December 2022 has been calculated as £9.680m and represents actual sums paid in excess of the approved budget, plus estimates for the full extent of WMCA's expected contractual liability under a range of scenarios, including potential abortive costs if the scheme was placed on hold to avoid further exposure to cost. The approved budget for the scheme totals £39.7m and the calculated breach value represents 24.3% of that figure.
- 8.8 The Mayor of the West Midlands, and The Finance Portfolio Holder and the Chair of Audit Risk and Assurance Committee (ARAC) have been alerted and briefed. The breach was also brought to the attention of the Leaders at the meeting on 21 November 2022. An urgent independent investigation will be undertaken into this specific matter to identify and correct any control failures. The specific findings and points of action will be reported back to ARAC once the investigation has concluded.

## **9. Legal Implications**

- 9.1 As detailed in Section 8, a project exceeding the approved capital budget by a variance of more than 10% is a breach of the Authority's Financial Regulations, paragraph 3.2. As such, this should have been subject to a Report to Board before such expenditure was incurred. To remedy such a breach, this Report is now bringing the matter to Board's attention with the funding for this additional expenditure having been identified at paragraph 5.3. In addition, it is suggested that there be an investigation commissioned through ARAC as referred to in paragraph 8.8. The findings and points of action will ultimately be reported to ARAC once the investigation has concluded.
- 9.2 In terms of the overall budget issues identified in this Report, this is being kept under review in accordance with the planned actions as provided for in Section 7, taking into account the lessons learned. A further update will be reported to Board in the new year on the overall cost exposure to the complete set of schemes indicating cost overruns. Any further legal implications will need to be considered at that time.

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

- 10.1 The TCF and CRSTS programmes both make a significant contribution to delivering critical infrastructure required to further the LTP policies. This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **11. Equalities Implications**

- 11.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **12. Inclusive Growth Implications**

- 12.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

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

- 13.1 This report only concerns the financing and delivery management of schemes and as all key outcomes and impacts as originally planned are expected to be delivered no implications arise from this report.

## **14. Other Implications**

- 14.1 No other implications identified.

## **15. Schedule of Background Papers**

None

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## West Midlands Combined Authority

### Overview & Scrutiny Committee

Thursday 20 October 2022 at 10.00 am

#### Minutes

##### Present

|                                 |   |
|---------------------------------|---|
| Councillor Cathy Bayton (Chair) | Association of Black Country Authorities        |
| Councillor Andrew Burrow        | Solihull Metropolitan Borough Council           |
| Councillor Ian Kettle           | Dudley Metropolitan Borough Council             |
| Councillor Nigel Lumby          | Shropshire Non-Constituent Local Authorities    |
| Councillor Martin McCarthy      | Solihull Metropolitan Borough Council           |
| Councillor Lauren Rainbow       | Birmingham City Council                         |
| Councillor Mike Sutherland      | Staffordshire Non-Constituent Local Authorities |
| Councillor Jamie Tennant        | Birmingham City Council                         |
| Amanda Tomlinson                | Black Country Local Enterprise Partnership      |
| Councillor Vera Waters          | Walsall Metropolitan Borough Council            |

##### In Attendance

|  |                             |
|--|-----------------------------|
| Councillor Naeem Akhtar (joined via teams) | Coventry City Council       |
| Dan Essex                                  | Governance Services Manager |
| Lyndsey Roberts                            | Scrutiny Officer            |
| Laura Shoaf                                | Chief Executive             |
| Andy Street                                | Mayor of the West Midlands  |

##### Item No. Title

##### 97. Welcome and Introductions

The Chair welcomed the Mayor and members of the committee to the first mayoral question time of 2022/23 that would be focussing on WMCA policy-related matters.

##### 98. Apologies for Absence

Apologies for absence were received from Councillor Mike Chalk (Worcestershire Non-Constituent Local Authorities), Councillor Ellen Fenton (Association of Black Country Authorities), Councillor Paul Sweet (City of Wolverhampton Council) and Amanda Tomlinson (Black Country LEP).

##### 99. Questions to the Mayor from Members of the Committee

The committee pursued a number of general lines of enquiry with the Mayor, including the cost of living pressures, economy, local enterprise partnerships, environment, skills and transport.

The committee questioned the Mayor on the impact of the Government's economic policies on businesses, individuals and families within the region. The Government's action to help address the cost of living pressures by providing energy support to individuals and small businesses was welcomed by the Mayor, but he expressed his disappointment at the wider impacts of the uncertainty caused within financial markets. In addition, he highlighted the WMCA's activity to help support the region through negotiations with transport operators on the cost of fares and the decision not to impose a precept. The WMCA also continued to lobby the Government for sustainable local funding.

In terms of the WMCA's 'ambitions versus resource', the impact on the capital programme due to inflationary pressures was recognised and with regards to the Trailblazer Devolution Deal, the WMCA had made it clear to Government that resources would be required in order to achieve successful outcomes.

The committee commended the WMCA on the work undertaken to help address rough sleeping within the region. It was recognised that, as a region, further improvement needed to be made to the sufficient supply of affordable and social homes, and as part of the Trailblazer Devolution Deal the WMCA would be seeking the devolution of further funding for this.

Members explored questions regarding the economy, including the introduction of the West Midlands Investment Zones and the future of a Gigafactory facility at Coventry Airport. The Mayor emphasised the Government's commitment for this proposal and the search for a private operator continued. In addition, he shared his thoughts on planning and environmental regulations and the potential funding mechanism for future Investment Zones.

In response to a question raised regarding the Levelling Up & Regeneration Bill and future plans for the Police & Crime Commissioner and the West Midlands Fire Authority, the Mayor shared his personal view on the benefits of a combined role, although he had previously indicated to the WMCA Board that he did not consider that this issue would arise during his current term of office.

In terms of the region's local enterprise partnerships, there were many ways in which the business community could influence and input into the WMCA's decision making processes through its membership on the Economic Impact Group, Regional Business Council and on other WMCA boards and committees. The committee noted the collaboration work currently ongoing to ensure that the business voice continued to be heard within the WMCA's decision making processes.

The committee enquired about the withdrawal of bus services, in particular school services in Coventry, which was believed to be because of driver shortages. The Mayor explained that public consultation on changes to services on 1 January 2023 was currently underway that may lead to potential changes on routes, however this was due to the financial sustainability of services and not driver shortages. In terms of subsidised services, social issues were also taken into consideration.

In relation to the delivery of the Wednesbury - Brierley Hill metro extension, the committee sought clarification as to whether the funding was available to deliver the extension. Whilst there was a funding challenge, earlier in the year the WMCA Board had reiterated its commitment to deliver the Wednesbury - Brierley Hill metro scheme in full, and funding solutions to achieve this were currently being explored. Members explored questions around other funding options, including the use of transport levies. A report would be submitted to the WMCA Board in January 2023 regarding a funding solution.

The committee sought the views of the Mayor on the effectiveness of the current schemes in holding bus operators to account and the use of shares in order to improve bus driver retention. The Mayor supported the principle of employee share ownership schemes and considered that the Enhanced Bus Partnership Scheme to be effective, but expressed some disappointment with the operational performance of National Express West Midlands.

The committee emphasised the importance of achieving modal-shift for the West Midlands to achieve its target of becoming net-zero by 2041 and noted the number of schemes that were being trialled or delivered throughout the West Midlands that contributed towards meeting this net-zero target.

Members discussed the pace at which funding was allocated to deliver improvements to help alleviate congestion that had an impact on the mobility of labour.

Members explored the views of the Mayor with regard to building on Greenbelt or brownfield land. The Mayor supported a 'brownfield first' approach and reflected on previous builds within the region in which a majority of homes had been built on brownfield sites. However, the challenges on future locations and builds was recognised.

In terms of retrofitting and energy efficiency solutions, the Mayor reported on the introduction of the Smart Hub that was a community based scheme. In addition, members explored questions and discussed the processes to match the needs of employers with students' aspirations and ensuring colleges met the demands, place shaping, the creation of predictable demand, sustainable good quality employment and building confidence in young people.

Recommended:

The following observation be shared with the WMCA Board for consideration and response as appropriate:

**(1) Adult Education Budget, Skills and Job Opportunities**

The overall impact of higher education spend and the likelihood that any sub-regional disparity in this would affect the future of the region as individuals would seek employment and training opportunities outside of their boroughs.

Access to learning and employment and how to change the mind set of individuals to take up the opportunities that were on offer was vitally important.

**(2) Investment and pace of delivery**

Investment into the reliability and speed of investment to deliver the infrastructure and services needed to enable individuals to travel to work seamlessly and for businesses to operate effectively was highly important and remained a key challenge. The 2041 net zero target was also reliant on getting public transport right.

**(3) Resource vs Ambition**

Overview & Scrutiny Committee recognise that resource vs ambition had become a common theme and would be keeping a close eye on this throughout the year.

Risk of shared failure and the consequences of this was highlighted as an ongoing concern for members. Whilst the breadth and diversity of the WMCA's ambitions was welcomed along with the recognition of the challenges within the region, it was thought that focussing on those areas (housing, skills, transport and climate change) which caused the greatest concern for residents of the region should be the priority focus for the WMCA.

**(4) Investment Zones**

Overview & Scrutiny members to be kept abreast on the development of these Investment Zones.

**(5) Communication**

Members stressed the importance of a strong communications strategy to counteract negative stories.

**100. Date of Next Meeting**

Monday 7 November 2022 at 10.00am

The meeting ended at 12:00pm





**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 14 November 2022 at 11.00 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 Trevor Harvey      | Non-Constituent Authorities                                |
| Councillor Brigid Jones       | Birmingham City Council                                    |
| Councillor Bob Piper          | Sandwell Metropolitan Borough Council                      |
| Councillor Stephen Simkins    | City of Wolverhampton Council                              |
| Nick Abell                    | Coventry & Warwickshire Local Enterprise Partnership       |
| Sue Summers                   | West Midlands Development Capital                          |
| Gary Taylor                   | Greater Birmingham & Solihull Local Enterprise Partnership |

#### **Item No. Title**

##### **73. Apologies for Absence**

Apologies for absence were received from Councillor O'Boyle and Councillor Jefferson.

##### **74. Notification of Substitutes**

Councillor Harvey was nominated as a substitute for Councillor Jefferson.

##### **75. Declarations of Interests**

Councillor Brigid Jones reported that she had recently been appointed as a member of the board of Birmingham Airport Holdings.

##### **76. Minutes - 17 October 2022**

The minutes of the meeting held on 17 October 2022 were agreed as a true record.

##### **77. Investment Programme Update and Dashboard**

The board considered a report of the Director of Investment and Commercial Activities on the status of the Investment Programme to help set the context of any investment decision being made by the board.

Ian Martin, Director of Investment and Commercial Activities provided an update on the Investment Programme and Investment Dashboard.

He reported that the Investment Programme grants awarded and administered by the WMCA within the Regional Investment Programme, was unchanged from last month, and totals £858.7m as at 31 October 2022.

Resolved:

1. Approval under delegated authority by WMCA Officers of the business case submission disclosed at section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit as outlined in section 4 of the report be noted;
3. The Regional Investment Programme delivery update detailed within this report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 4) be noted;
4. An update of the City Region Sustainable Transport Settlement ('CRSTS') programme is scheduled for the December meeting of this board and subsequent quarterly reporting is proposed be noted.

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

The board considered a report of the Collective Investment Fund dashboard (public iteration) as at 1 November 2022.

Resolved: That the report be noted.

**79. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report of the Brownfield Land and Property Development Fund dashboard (public iteration) as at 1 November 2022.

Resolved: That the report be noted.

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

The board considered a report of the Revolving Investment Fund dashboard (public iteration) as at 1 November 2022.

Resolved: That the report be noted.

**81. 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 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).

**82. Blackswan (Bradford Works) Limited**

The board considered a report from West Midlands Development Capital

(WMDC) that sought approval for loan funding from the Revolving Investment Fund (RIF) for the sum specified in the report for up to 3 years, to the 'Company' to bring forward a new concept of 30 high-quality purpose built shared living accommodation within the Jewellery Quarter Conservation Area.

It was noted that the shared living development was a new concept for the West Midlands (but examples exist in London, and it is more common in parts of Europe) that meets an important gap in the property market for postgraduate students, young professionals, new workers in the region and freelance workers who can access lower rentals and would benefit from closer social networks.

The Director of Investment and Commercial Activities, Ian Martin, reported that the developer was experienced and has a substantial backer who would retain the units until fully rented and with regards to the RIF loan, this would represent no more than 70% total loan to cost.

Gary Taylor reported that he was hugely supportive of the concept but enquired whether the developer's numbers were right. He queried the capital values and yield figures stated in the report as he considered the values provided were higher than what he had calculated.

Gerald Gannaway (WMDC) advised that the nearest asset class for comparison purposes was student accommodation, but the accommodation proposed was superior to student accommodation. He advised that the yield figures had been provided by a professional valuer, but a more rigorous valuation would be undertaken by the likes of CBRE following the meeting and the building conversion costs would also be explored.

In relation to an enquiry from Councillor Simkins regarding whether the report would be re-submitted to the board following the due diligence work, Ian Martin advised that the report would not be re-submitted to the board. He stated that it was normal practice for the due diligence process to be undertaken with professionals. A cost report, valuation and legal work would confirm figures and the title situation approximated or assumed when the report was prepared. This ensured that there was no material difference in the risk and benefits that the Investment Board were presented with. A degree of such due diligence and consultation with professionals is undertaken before the Board, but final reports confirm what has been presented post approval being given.

The Chair added that the WMCA's Finance Director and Section 151 Officer, Linda Horne has ultimate 'sign-off' of the investment proposals.

Resolved: That a loan from the Revolving Investment Fund (RIF) to the 'Company', for the sum specified in the report, be approved to fund the development, subject to the terms and conditions outlined in the report.

The board considered a report from West Midlands Development Capital (WMDC) that sought approval from the Revolving Investment Fund (RIF) for loan funding for 3 years, for the sum specified in the report, to the 'Company' for 36 housing units with a minimum of 8 units/ 22% affordable on the site identified in the report at Pool Hill Road, Telford. The developer is well-established, with a good track record.

Grant funding from the Brownfield Land and Development Fund (BLPDF) was also sought for the sum specified in the report due to land remediation issues resulting in additional/abnormal costs.

The Director of Investment and Commercial Activities, Ian Martin advised the board that further to the update on the Brownfield Land and Property Development Fund at the last meeting, the BLPDF grant would be made from the Telford and Wrekin allocation and if approved, the whole BLPDF fund would be fully committed.

Nick Abell enquired whether WMCA grant element of the funding was needed because the Developer had overpaid for this site.

Gerald Gannaway (WMDC) reported that costs have increased significantly since the development proposal was agreed early in 2021 and the developer was being cautious. He advised that with regards to the grant, if costs were less or values more, the standard clawback conditions would ensure repayment of 50p for every additional £1 of profit.

In relation to an enquiry from Councillor Simkins regarding planning approval, Gerald Gannaway advised that full planning approval has been granted. However, the developer was appealing the section 106 agreement on viability grounds.

Councillor Bird reported that it was ridiculous that local authorities sought section 106 agreements where developments were only made viable as a result of WMCA funding. He considered councils should not seek section 106 agreements if financial assistance was provided by the WMCA or alternatively, the WMCA should reduce the funding (subsidy) accordingly.

The Chair commented that Councillor Bird had raised a good/valid point. Councillor Simkins considered the WMCA should look to cover the issue as part of a Devolution Deal with Government or draft a policy for this board to consider.

Resolved:

1. A secured, repayable loan from the Revolving Investment Fund (RIF) to the 'Company' for 3 years, for the sum specified in the report, be approved, subject to the key terms and conditions outlined in the report and
2. Grant funding from the Brownfield Land Property Development Fund (BLPDF) to the 'Company' for the sum specified in the approved.

[Gary Taylor declared a non-pecuniary interest in this item in knowing one of the Company's Directors]

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

The board considered a report of the Collective Investment Fund dashboard (private iteration) as at 1 November 2022.

Resolved: That the report be noted.

**85. WMCA Brownfield Land and Property Development Fund (BLPDF) - Dashboard**

The board considered a report setting out the dashboard for the Brownfield Land and Property Development Fund (private iteration) as at 1 November 2022.

Resolved: That the report be noted.

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

The board considered a report of the Revolving Investment Fund (private iteration) as at 1 November 2022.

Resolved: That the report be noted.

**87. Housing & Land Fund Dashboards**

The board considered the Housing and Land Fund dashboards that provided an update on the three funds (Brownfield Housing Fund, National Competitive Fund and Land Fund).

In relation to enquiry from Gary Taylor on the Land Fund and in particular the disposal options being prepared in respect of 2 projects in Sandwell, the Chair asked the Head of Strategy and Analysis (Housing, Property and Regeneration), Rob Lamond to provide an update to a future meeting.

Resolved: That the report be noted.

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

The board considered a report setting out the dashboard for the Black Country Land and Property Investment Fund as at 1 November 2022.

Resolved: That the report be noted.

The meeting ended at 11.43 am.

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**West Midlands  
Combined Authority**

## **Transport Delivery Committee**

**Monday 14 November 2022 at 1.00 pm**

### **Minutes**

#### **Present**

|  |                                       |
|--|---------------------------------------|
| Councillor Richard Worrall (Chair)       | Walsall Metropolitan Borough Council  |
| Councillor Timothy Huxtable (Vice-Chair) | Birmingham City Council               |
| Councillor Mary Locke (Vice-Chair)       | Birmingham City Council               |
| Councillor Pervez Akhtar                 | Coventry City Council                 |
| Councillor Robert Alden                  | Birmingham City Council               |
| Councillor Linda Bigham                  | Coventry City Council                 |
| Councillor Bill Gavan                    | Sandwell Metropolitan Borough Council |
| Councillor Robert Grinsell               | Solihull Metropolitan Borough Council |
| Councillor Shabrana Hussain              | Birmingham City Council               |
| Councillor Narinder Kaur Kooner OBE      | Birmingham City Council               |
| Councillor Saddak Miah                   | Birmingham City Council               |
| Councillor Josh O'Nyons                  | Solihull Metropolitan Borough Council |
| Councillor David Stanley                 | Dudley Metropolitan Borough Council   |
| Councillor Julie Webb                    | Sandwell Metropolitan Borough Council |

#### **Item Title**

#### **No.**

#### **33. Apologies for Absence**

Apologies for absence were received from Councillor Zaker Choudhry (Birmingham), Councillor Carol Hyatt (Wolverhampton), Councillor Anne Millward (Dudley), Councillor Gurmeet Singh Sohal (Walsall) and Councillor Karen Simm (Wolverhampton).

#### **34. Chair's Remarks**

##### **(a) Transport Governance Review**

The on-going transport governance review was now expected to report in January/February 2023. There would be a consultation with the Chair and the committee's vice-chairs before final recommendations were proposed to the WMCA Board.

##### **(b) Bus Service Petitions**

A petition regarding bus service no. 600 had been submitted by Councillor Mary Locke and a petition regarding bus service no. 65 had been submitted by Councillor Bill Gavan. These were currently being considered by Transport for West Midlands.

**(c) Administrative Arrangements for the Committee**

A number of administrative concerns raised by members regarding ID passes, car parking, paperless agendas and power supplies within meeting rooms would be considered further.

**35. Minutes - 10 October 2022**

The minutes of the meeting held on 10 October 2022 were agreed as a correct record.

**36. Matters Arising**

In respect of minute no. 22 ('Rail Programme Update'), Councillor Narinder Kaur Kooner asked whether a ramp could be installed at Perry Barr station so as to facilitate disabled access on both sides of the station. The Director of Integrated Transport Services undertook to pass this request on to the rail team for further consideration.

In respect of minute no. 26 ('Tram Naming Update'), Councillor Timothy Huxtable reported that the briefing note had been agreed at a recent meeting of the Rail & Metro Member Engagement Group.

**37. Forward Plan**

The forward plan of items to be reported to future meetings of the committee was noted. In respect of the review of school bus services, Councillor Narinder Kaur Kooner highlighted the importance of ensuring that members had an opportunity to consider the implications of this. Councillor Timothy Huxtable noted that the meeting of the Putting Passengers First Member Engagement Group in December may be best placed to consider the review before bus operators had made final decisions.

**38. Capital Programme Delivery Monitoring**

The committee considered a report from the Director of Strategic Partnerships & Delivery Integration on a progress monitoring update on the approved Transport for West Midlands-led 2022/23 programmes and projects.

The 2022/23 capital programme allocation was approved by WMCA Board as part of the capital and revenue budget in February 2022. The reporting considered by this committee had historically only focussed on schemes that had elements of funding allocated via the Integrated Transport Block. Further work was being undertaken by Transport for West Midlands on broadening the capital reporting for the committee to reflect the wider City Region Sustainable Transport Settlement programme, as well other capital funded schemes. This work would inform a proposed reporting framework which was to be shared with members. An update on this would be provided at the meeting of the committee on 9 January 2023.



Councillor Timothy Huxtable requested an update on the Dudley Interchange and Walsall Town Centre Interchange Feasibility Study projects. The Director of Strategic Partnerships & Delivery Integration indicated that a more detailed report on the Dudley Interchange scheme would be submitted to the next meeting of the committee. In respect of Walsall Town Centre Interchange, this project was dependent on the wider Walsall Masterplan and work was currently being undertaken to look at what could be achieved within available funds. In respect of the Dudley Interchange project, Councillor David Stanley requested a site visit be held with the Chair ahead of the meeting of this committee on 9 January 2023. The Chair agreed to undertake this visit and requested Transport for West Midlands to make appropriate arrangements.

Resolved:

- (1) The achievements since the October meeting of the Transport Delivery Committee be noted.
- (2) The progress of deliverables and outturn of the 2022/23 Capital Programme be noted.
- (3) The variations from the baseline programme be noted.

### **39. Bus Delivery Monitoring**

The committee considered a report from the Director of Integrated Network Services on the monitoring and delivery of the high-level deliverables and wider performance monitoring of bus services in the West Midlands.

The high-level deliverables within the Transport for West Midlands business plan directly relating to the delivery of bus services were:

- Delivering the bus vision to support growth, inclusion and reduced car dependency.
- Enhancing infrastructure and improving customer experience at Transport for West Midlands' passenger waiting facilities, bus stations and major interchanges.
- Creating and maintaining a world class system for accurate and reliable public transport travel information, including the requirements set out in the National Bus Strategy and regional Vision for Bus.

Councillor Robert Alden enquired as to potential variances in patronage numbers across the region. The Head of Network Transformation reported that senior citizen concessionary travel was seeing a slower return than commercial patronage. There was also a slower return in Birmingham city centre patronage, and evening and weekend levels were recovering at a faster pace than daytime journeys.

In respect of the Birmingham Cross City Network, Package 3 - South bus priority works, the Head of Network Transformation undertook to provide Councillor Timothy Huxtable with a fuller response as to the measures to be taken to mitigate against the required removal of shrubs and trees.

Resolved:

The report be noted.

[NB. Councillor Timothy Huxtable declared a personal interest in this item as a result of him representing the Mayor at meetings of the West Midlands Bus Alliance Board.]

**40. Network Resilience Update**

The committee considered a report from the Director Network Resilience providing an update on crime and anti-social behaviour, the Regional Transport Co-ordination Centre and wider network management and road safety.

The year-to-date crime figures for 2022/23 were: bus - 2,738, rail - 1,152 and metro - 44, making a total crime figure of 3,934. This figure represented a 25.1% increase from the 2021/22 total of 2,945. The crime types that were rising at the highest rate on the transport network were arson/criminal damage, theft, possession of weapons and violence against the person.

Councillor Robert Grinsell enquired as to whether reporting data was produced in a more granular level to better identify hotspots. The Head of Security & Policing reported that a monthly joint partnership tasking meeting was held to interrogate the data in more detail. He would see if it was possible to provide council level data to this committee. Councillor Narinder Kaur Kooner enquired as to whether the number of prosecutions undertaken was publicised in order to act as a deterrent to future criminality. The Head of Security & Policing undertook to look into whether this information was available.

Resolved:

The report be noted.

**41. Ring & Ride and West Midlands On Demand Co-Mingling Pilot**

The committee considered a report from the Director of Integrated Transport Services providing an overview of current operations of West Midlands On Demand and Ring & Ride and on a proposed merging the operations of these services on a trial basis in Coventry from January 2023.

Demand responsive transport, as being trialled through West Midlands on Demand in Coventry, was intended to address some of the deficiencies in the fixed route bus network, making a wider range of destinations more easily accessible, providing an attractive, affordable service for those who may be adverse or unable to use the buses. The region's long-established Ring & Ride service also addressed accessibility challenges, but was targeted at those who were unable to access public transport primarily due to physical or mental disability or other mobility impairments.

Both services were subject to different rules and operating criteria and it was considered that by merging the services together ('co-mingling'), the customer service could be improved, the current customer base expanded and a more efficient and economical fleet operation enabled.

Councillor Narinder Kaur Kooner reported that she was aware that many former customers of Ring & Ride had stopped using the service due them thinking it had been terminated. It was vital that the service continued to be promoted, including amongst groups that had not previously used it. The Head of Network Transformation indicated that work was being undertaken to see if improvements could be made to the way in which the service could be booked, but these improvements would always ensure that a telephone booking service was provided. Councillor Linda Bigham sought assurances that the payment system being used in the trial was robust enough to handle different payment methods. The Head of Network Transformation confirmed that cash and card payments would be accepted, and he would check to see how long personal payment information was retained by the software.

The Chair enquired as to when a report on the outcome of the trial could be expected. The Head of Network Transformation indicated that he expected an initial evaluation report to be prepared in Spring 2023, with a final report expected in July 2023.

Resolved:

- (1) The challenges faced by the bus market and the impact on/potential of Demand Responsive Transport in this context be recognised.
- (2) The likely opportunities of merging ('co-mingling') of West Midlands On-Demand and Ring & Ride services in Coventry be recognised.
- (3) The proposal to conduct a co-mingling trial in Coventry from January 2023 be approved.
- (4) Given that much longer journeys would be possible, the proposed modification from a flat-fare to a distance-based charging regime for West Midlands On-Demand and Ring & Ride in Coventry be approved.
- (5) For the purposes of the trial, the setting of fares be delegated to the Director of Integrated Transport Services, on the understanding these would take into account affordability for passengers and the cost of providing the service and on the basis that single journeys up to 10 miles would be capped at £2 for those eligible for concessions on account of age or disability.

#### **42. West Midlands Cycle Hire Update**

The committee received an update from the Director of Strategic Partnerships & Delivery Integration on the last developments regarding the West Midlands cycle hire scheme.

Councillor Robert Grinsell enquired as to whether the cycle hire scheme had experienced any incidents of 'road rage' directed at cyclists. He was also interested as to whether any training was provided to bus drivers in respect of vulnerable road users such as cyclists. The Director of Strategic Partnerships & Delivery Integration undertook to check whether there had been any reports of anti-social behaviour directed at cycle hire users. He was also aware that bus drivers did receive specific training to ensure that they were able to share road space safely with cyclists. Where there were particularly difficult road layouts, highway authorities would seek to provide segregated road space to provide an additional layer of safety for cyclists.

Resolved:

The report be noted.

**43. Transport for West Midlands Drone Team**

The committee considered a report from the Head of Security & Policing on the formation of a drone team within Transport for West Midlands.

A PricewaterhouseCoopers study 'Skies without Limits 2.0' predicted that drones could contribute £45bn to the UK's economy by 2030, saving businesses £22bn, reducing carbon emissions and creating 650,000 jobs. The Regional Transport Co-ordination Centre had established itself as the one true source of transport information utilising the existing fixed CCTV network supported by local authorities across the West Midlands. The technology now existed to stream live drone images into the centre, and this would give excellent real time CCTV coverage across the West Midlands.

Local authorities and partner agencies would be able to take advantage of the drone team's services for still aerial imagery, video footage and thermal imagery via an online tasking request form.

Councillor Pervez Akhtar enquired as to the funding available to support the use of drones across the region. The Head of Security & Policing reported that a drone typically cost a third of that of a fixed CCTV camera, and therefore this relative cheapness enabled their potential use in significantly more roadside locations to provide situational awareness to the network duty manager. The 12 month trial would enable their usefulness to be assessed in a number of different situations and whether a wider business case could be established.

Resolved:

The report be noted.

**44. Park & Ride Update**

The committee considered a report of the Director of Integrated Network Services on Park & Ride matters within the region, as well as the continued impacts COVID-19 was having on car park operations and development.

Transport for West Midlands currently operated 9,186 Park & Ride spaces on the region's public transport network. These were located in 65 car parks, serving 39 railway stations and five metro stops. As a result of the previous high demand there was a focus by Transport for West Midlands, in conjunction with local authorities, on expanding Park & Ride at the locations that were most beneficial to the region strategically, economically and, fundamentally, for customers and communities.

The aftermath of COVID-19 restrictions and lockdowns had a significant impacts on demand for Park & Ride. This had provided uncertainty on whether the sites previously prioritised for expansion were still the correct ones to take forward, or whether the pandemic had changed people's travel habits in such a way that other locations or initiatives were more appropriate for focus in the future. With this in mind, alongside other changes impacting rail and car park use such as reduced frequencies, strike action etc., a review was to be undertaken into the existing Park & Ride strategy to understand how best to approach future Park & Ride development and, fundamentally, improve access to sites by other modes.

Councillor Timothy Huxtable noted that there was no plan to provide Park & Ride along the Camp Hill line. The Head of Park & Ride explained that the policy of Transport for West Midlands was not to provide Park & Ride sites within three miles of Birmingham city centre. In addition, other nearby stations already had Park & Ride facilities available.

Councillor David Stanley noted problems with car parking at Coseley station. The Head of Park & Ride indicated that she had met with officers from Dudley Metropolitan Borough Council to discuss this issue, and had undertaken monitoring to assess the impact of station-related parking on local residents.

Resolved:

The report be noted.

#### **45. Transport Services Recovery Update**

The committee received an update from the Director of Integrated Transport Services on the latest activity related to the recovery of the transport network and services from the effects of the COVID-19 pandemic.

Bus patronage was currently around 86% - 88% of pre-pandemic levels, showing a slow but steady recovery. Costs of operation were now around 120% of pre-pandemic levels (including fuel and driver pay etc) and set to increase further. Government funding for January to March 2023 had now been clarified and would be devolved to Transport for West Midlands. In respect of the Government's £2 fare cap for January to March 2023, further clarification was being awaited, but it was expected that this would be paid directly to bus operators and was being agreed with them.

Resolved:

The report be noted.

**46. Notice of Motion**

The committee considered a Motion submitted by Councillor Richard Worrall.

Resolved:

The motion, as set out below, be adopted:

“The Transport Delivery Committee wished to express its urgent concerns to the WMCA Board about the prospect nationally and regionally of large-scale:

- closures of railway booking offices and de-staffing of stations; and
- losses of main bus services and network coverage, should pandemic-related support cease in the coming weeks and months.

We urgently recommended to West Midlands Combined Authority to make urgent representations to the Department for Transport, for example through the Mayor and the Portfolio Lead for Transport, to take early steps to avoid the foregoing.”

**47. Member Engagement Groups Update**

The committee considered a report of the Governance Services Officer setting out the recent developments and meetings of its six Member Engagement Groups.

Resolved:

The recent activities of the committee’s Member Engagement Groups be noted.

**48. Date of Next Meeting**

Monday 9 January 2023 at 1.00pm.

The meeting ended at 3.30 pm.



## West Midlands Combined Authority

### Housing & Land Delivery Board

Wednesday 16 November 2022 at 10.00 am

#### Minutes

##### Present

|                                |                                       |
|--------------------------------|---------------------------------------|
| Councillor Mike Bird (Chair)   | Walsall Metropolitan Borough Council  |
| Councillor Adrienne Fitzgerald | Cannock Chase District Council        |
| Councillor Andy Mackiewicz     | Solihull Metropolitan Borough Council |
| Councillor Charn Padda         | Sandwell Metropolitan Borough Council |
| Councillor Stephen Simkins     | City of Wolverhampton Council         |
| Jo Nugent                      | Homes England                         |
| Suzanne Ward                   | Environment Agency                    |
| Councillor David Welsh         | Coventry City Council                 |

##### In Attendance via MS Teams

|                             |                                     |
|-----------------------------|-------------------------------------|
| Councillor Bhupinder Gakhal | City of Wolverhampton Council       |
| Councillor Richard Smith    | Nuneaton & Bedworth Borough Council |

##### Item No.

##### 30. Apologies for Absence

Apologies for absence were received from Councillor Butlin (Warwickshire), Sarah Middleton (Black Country LEP) Councillor Overton (Telford & Wrekin), Kevin Rogers (WM Housing Association Partnership) and Dawn Ward (Greater Birmingham & Solihull LEP).

##### 31. Notification of Substitutes

Councillor Gakhal (City of Wolverhampton Council) had nominated Councillor Simkins to attend the meeting in person on his behalf.

##### 32. Minutes - 5 October 2022

The minutes of the meeting held on 5 October 2022 were agreed as a true record.

##### 33. Investment Zones & Devolution Deal: Update

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an update on the development of Investment Zone proposals in the West Midlands and the subsequent progress made following the submission of Expressions of Interest on 14 October 2022.

The Head of Strategy & Analysis, Rob Lamond, summarised the proposals and reported on the lack of clarity with regards to Investment Zones and Levelling Up following the many changes in Government and to Government policy in recent weeks.

Councillor Simkins commented on the intensive work undertaken by Wolverhampton for the Investment Zones bid instead of other planned work and reported that he did not want the work to be abortive work as this would impact on the authority and partners.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford concurred it had been a very intense nine days to submit the bid but reassured Councillor Simkins that the extensive evidence produced for the Investment Zones submission would enable the WMCA to utilise the data to unlock Government funding and put the region in a very strong position working with local authorities.

Councillor Mackiewicz reported of the need to give consideration to the key issues of employment (getting more people into work/utilising existing resources) and productivity (linked to other policies such as AMC etc.) if the Investment Zones are taken forward.

The Chair reported the employment issue was a 'two-way street'; the Government was not tackling the issue and as a result many people were better-off not working as a consequence of the benefit system. He proposed the Mayor of the West Midlands write to the Secretary of State for Levelling Up, Homes & Communities seeking certainty on Investment Zones.

The board agreed the Executive Director of Housing, Property and Regeneration requests the Mayor writes to Secretary of State for Levelling Up, Homes & Communities seeking clarity on Investment Zones so the region can be catalyst for economic growth.

The Executive Director of Housing, Property and Regeneration also advised the board that the WMCA was also continuing to lobby Government for flexibility on devolved housing and land funds to progress the difficult to deliver sites as well as looking at levelling up areas that were not included in the Investment Zone proposals.

Resolved:

1. The submission of the WMCA's Expression of Interest for Investment Zones on behalf of the region, submitted via the Government's online portal by the deadline of 14 October 2022 be noted;
2. The collaborative approach and collective effort of local authority teams and WMCA in developing Investment Zone proposals be noted; and
3. The next steps for Investment Zone proposals and the Trailblazer Devolution Deal outlined in Section 5 of the report be noted.

#### **34. Housing & Land Portfolio Funds: Update**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an update on the devolved Housing & Land funds in the region and a reminder of the purpose and requirements of these funds devolved in the region and the restrictions that come with them.



The Head of Strategy and Analysis, Rob Lamond, presented details of the Housing and Land Funds, the Housing and Land Fund conditions as applied by HM Government, applications for funding and performance updates.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford explained the main reason for schemes not being taken forward was because they cannot prove market failure rather than the intervention rate and he would look at providing a training session for board members that explains this in further detail.

Councillor Simkins reported on the need to deliver the worst sites first and to look at how local authorities could work with housing associations as arms-length companies to deliver new housing as well as improving the collaboration between this board and the Investment Board.

Gareth Bradford concurred with the need to give visibility to this board on housing/land fund schemes approved by Investment Board and undertook to provide the information going forward. With regards to the difficult to deliver sites, he reported some difficult schemes have been unlocked and would look to highlight to the board how the prioritisation process is applied to schemes in the pipeline including the difficult sites. He agreed there was a need for more partnership funding to deliver schemes similar to The Marches scheme.

In relation to an enquiry from Councillor Padda as to whether there is a mechanism in place for prioritising housing where the need is greatest, such as Sandwell, the Chair advised there was a lack of available land in Sandwell and so consideration needs to be given to obtaining redundant land and office space and looking at permitted development to provide meaningful accommodation.

The Chair asked the Executive Director Housing, Property and Regeneration to explore the permitted development route and look to extend the Help to Own scheme to generate more housing for the region. He also asked that the board receive information on a quarterly basis that identifies the housing intervention rate for approved schemes and also those projects that do not qualify for WMCA funding.

Resolved:

1. The update on devolved Housing and Land Funds secured by WMCA since 2018 be noted;
2. The conditions set by HM Government relating to regional deployment of these funds be noted; and
3. The performance reporting mechanisms in place for WMC Boards and HM Government audiences be noted.

**35. Future Homes Strategy: Progress Report**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an update on progress in developing the Future Homes Strategy and an aligned technical standard.

Projects Officer, Rachel Atterbury, outlined the report and in particular the work being undertaken to develop a future homes technical standard.

In relation to an enquiry from Suzanne Ward as to whether water usage would be considered for housing development as well as materials, Rachel Atterbury confirmed this would be picked up with the carbon consultants as part of a 2025 route map.

[Councillor Mackiewicz declared a non-pecuniary interest in this item in working directly with a modular building company and working with another contractor]

Resolved:

1. The work to date to develop a Future Homes Strategy including specialist consultancy support and input from the Future Homes Taskforce and local authority partners across the region be noted;
2. The proposed content of the emerging strategy, the research findings to date and the technical issues summarised in the report be noted; and
3. The proposed technical basis of an aligned WMCA Future Homes Standards be endorsed.

**36. Plan for Growth: Update**

The board considered a report of the Executive Director for Housing, Property and Regeneration on the WMCA's Plan for Growth produced by the Economy, Skills and Communities Directorate that was launched July 2022 and highlighted the opportunities for alignment with the work of the Housing and Land Delivery Board.

The Head of Economic Development, Paul Edwards, presented the report and outlined the focus of the Plan for Growth including how the plan would be used and the opportunities for aligning workstreams with those areas where there is potential for high value growth. He reported that dialogue was welcomed with local authorities and partners on employment land, placemaking and town centre regeneration.

The Chair reported that the WMCA needs to look at where it can make a difference and in particular considered the re-purposing of town centres/ regeneration needs to be top of the agenda.

Councillor Simkins reported of the need for a pipeline of projects that are taken forward with local authorities.

Gareth Bradford advised that the WMCA's Investment Prospectus could help in this regard.

Resolved:

1. The purpose and content of the West Midlands Plan for Growth be noted; and
2. The WMCA's Economic Growth Board identified the need for interventions to be aligned and streamlined to catalyse additional growth in key clusters be noted.

**37. Exclusion of the Press and Public**

Resolved:

That in accordance with Section 100A4 of the Local Government Act 1972, the press and public be excluded from the meeting during 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).

**38. Housing & Land Fund Dashboards**

The board considered the Housing and Land dashboards on the Brownfield Housing Fund, National Competitive Fund and Land Fund along with a dashboard summary of all the funds.

Resolved: That the report be noted.

The meeting ended at 11.22 am.

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## West Midlands Combined Authority

### Economic Growth Board

Friday 2 December 2022 at 10.00 am

#### Minutes

##### Present

Andy Street (Chair)

Lee Barron

Councillor Ian Courts

Corin Crane

Councillor Matthew Dormer

Matthew Hammond

Councillor Peter Hughes

Councillor Simon Phipps

Councillor Bob Sleigh

Councillor Ian Ward

Mike Wright

Mayor of the West Midlands

Midlands Trades Union Congress

Solihull Metropolitan Borough Council

Coventry & Warwickshire Chamber of  
Commerce

Non-Constituent Authorities

West Midlands Growth Company

Sandwell Metropolitan Borough Council

Dudley Metropolitan Borough Council

Portfolio Lead for Finance & Investments

Birmingham City Council

West Midlands Innovation Board

##### In Attendance

Councillor Cathy Bayton

Overview & Scrutiny Committee

##### Item Title No.

##### 21. Apologies for Absence

Apologies for absence were received from Councillor Adrian Andrew (Walsall), Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Ian Brookfield (Wolverhampton), Stuart Croft (Higher Education sector), (Councillor George Duggins (Coventry), Tom Westley (Black Country LEP) and Sarah Windrum (Coventry & Warwickshire LEP).

##### 22. Appointment of Chair

In the absence of the Chair, the board agreed that Andy Street be appointed to chair this specific meeting.

##### 23. Inquorate Meeting

The Chair noted that this was an inquorate meeting and therefore the recommendations agreed would be submitted to the WMCA Board on 16 December 2022 for approval.

##### 24. Minutes - 23 September 2022

The minutes of the meeting held on 23 September 2022 were agreed as a correct record.

**25. Economic Conditions in the West Midlands**

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities providing a summary of national economic policy developments, long-term economic forecasts for the West Midlands, the latest quantitative economic and regional labour market intelligence, a summary of energy costs, and recent feedback from West Midlands' businesses via the Regional Business Council and the Economic Impact Group.

Councillor Ian Ward stressed that a number of the region-wide statistics were likely to disguise particularly local level issues and it was important to ensure that these local areas of difficulty were not being hidden by more encouraging regional data. Corin Crane noted that this was particularly likely to be the case in respect of unemployment levels, where very localised interventions were likely to be most successful. The Executive Director for Economic Delivery, Skills & Communities reported that localised work with partners was being undertaken and she would bring a report to a future meeting of the board setting this out in more detail.

Recommended to the WMCA Board that:

The current economic conditions in the West Midlands, including insight from the region's businesses, be noted.

**26. West Midlands Growth Company Review**

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities on the proposed terms of reference for the West Midlands Growth Company review and the status and phasing of this review.

The board commissioned a review of the West Midlands Growth Company at its last meeting. In commissioning the review, members had felt that whilst there was a clear need for the West Midlands Growth Company to exist, there was, simultaneously, a need to review its scope and scale and to develop a sustainable and affordable future funding model for these activities. It had also become apparent that the West Midlands Growth Company needed to secure £4m funds to remain as a going concern for 2023/24. The review would therefore also deal with responding to this short-term pressure.

Matthew Hammond considered this to be an opportune time to carry out a review of the functions, funding and structure of the West Midlands Growth Company to ensure that it was fit for purpose for future challenges. Mike Wright stressed the importance of undertaking a benchmarking exercise with comparable organisations, along with establishing a series of measurable key performance indicators that enabled funding authorities to measure its outputs by.

The Chair indicated that he was keen to ensure that local authorities signed off on the findings of the review. He expected final recommendations to be presented to the WMCA Board at its meeting on 10 February 2023.

Recommended to the WMCA Board that:

The approach to the review of the West Midlands Growth Company, including approving the terms of reference for the review and noting the status of activity and key milestones in early 2023, be endorsed.

[NB. Matthew Hammond and Councillor Ian Ward declared personal interests in this item due to them being board members of the West Midlands Growth Company.]

**27. UK Shared Prosperity Fund - Business Support in the West Midlands**

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities on the proposed approaches to the local delivery of business support utilising the UK Shared Prosperity Fund and West Midlands-wide commissioned approaches.

Following approval by the WMCA Board of the UK Shared Prosperity Fund allocation, officers from the seven constituent authorities and the WMCA had been working to develop a coherent West Midlands approach to business support, with an initial focus on the UK Shared Prosperity Fund and designing it in such a way that it enabled engagement across a wide range of business support services in both the public and private sectors. As part of this work, at a regional level, there was a need to commission some activity that the task & finish working group recommend commencing in April 2023. In order for this to happen, the commissioning needed to start mobilisation in December 2022 and January 2023 (ie. before the next meeting of this board). The report set out those activities to begin the commissioning process, and the Executive Director for Economic Delivery, Skills & Communities undertook to circulate a list of the chairs and lead officers for these work areas.

Councillor Ian Ward noted that the division of the flat rate 4% administrative allocation to each constituent authority would result in Birmingham being disadvantaged comparable to its size. The Executive Director for Economic Delivery, Skills & Communities noted that this had been a decision of Finance Directors, but she undertook to report Birmingham's concerns back to their next meeting.

Councillor Simon Phipps noted the work being undertaken at pace to provide much needed business support. The Executive Director for Economic Delivery, Skills & Communities indicated that the need for business support had been flagged with the Government. She expected some funding flexibility during this financial year as it was proving difficult to get funding streams in place before 1 April 2023.

Recommended to the WMCA Board that:

- (1) The progress of the task & finish working group since the approval of the UK Shared Prosperity Fund business support funding by WMCA Board on 28 October in beginning the process of mobilising UK Shared Prosperity Fund funded business support activity from April 2023 be noted.

- (2) The proposed headline approach of local authorities in delivering local approaches to business support be approved, and the further development of West Midlands-wide programmes, with a view to commencing commissioning of these activities in Q4 2022 and Q1 2023, be agreed.
- (3) It be noted that commissioning responsibility was delegated by the WMCA Board to the Executive Director for Economic Delivery, Skills & Communities, in consultation with the s151 Monitoring Officer and in discussion with the Portfolio Lead for Economy & Innovation.

**28. West Midlands Plan for Growth Update - including a focus on the Creative Content & Production Growth Cluster**

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on an update on progress around the Plan for Growth, with a particular focus on cluster leadership, success measures and reporting, and how the Plan for Growth cluster-based activity would dock with the wider business support activity.

As part of the work on LEP integration, the recently appointed Head of Economic Development & Delivery was currently determining how interventions that drove cluster development were best taken forward. This built on and developed work undertaken by partners, including the Local Enterprise Partnerships, West Midlands Growth Company, the private sector and membership-led organisations. In working with clusters and, where appropriate, organisations that represented those clusters locally, the Head of Economic Development & Delivery was focusing on clear short-term success measures aimed at boosting the growth of the West Midlands economy. As part of this, he was developing a regular reporting structure focused on opportunities for cluster growth, risk analysis and quarterly action reporting.

The West Midlands Plan for Growth had access to finance and investment as a key cross-cutting intervention. Access to finance had been a concern across the wider economy in the West Midlands for some time, and to address this, the WMCA and its partners were seeking to create a forum to address issues within the market. The Chair noted the importance of access to finance within the Plan for Growth and requested a specific item on this at a future meeting of the board.

Ed Shedd and Suzie Norton from Create Central gave a presentation on the activity of the Creative Content & Production growth cluster, which was formed in late 2019 as a response to the comparative lack of a functioning creative content cluster as identified in a WMCA-commissioned report following the region's failed bid to host Channel 4's national HQ. As a cluster organisation model, Create Central had been hugely successful. Core funding from WMCA was currently around £100,000 per year to support the cluster, and in the last three years that initial investment had leveraged significant outcomes for the West Midlands economy. Work was now being undertaken by Create Central members to develop a commercial income model to secure the long term future of the cluster.



Recommended to the WMCA Board that:

- (1) Progress on the monitoring of the Plan for Growth, with the Creative Content & Production growth cluster (led by Create Central) as a proposed model for future reporting into the Economic Growth Board, be noted.
- (2) The opportunity for the West Midlands provided by the Government's changes to the Investment Zone programme be noted.

**29. Trailblazer Devolution Deal Update & West Midlands International Strategy**

The board considered a report of the Executive Director for Strategy, Integration & Net Zero on progress with the Trailblazer Devolution Deal, the latest timeline following the Government's Autumn Statement and the status of negotiations. The report also highlighted an associated opportunity to capitalise on potential for a West Midlands International Strategy.

Working in conjunction with partners and the political oversight arrangements put in place across the region, the WMCA continued to drive negotiations forward at pace, and the Department of Levelling Up Housing & Communities had recently confirmed its preferred timeline and process to conclude the deal. The Secretary of State for Levelling Up, Housing & Communities was prioritising a growth-focused set of policy areas for the Trailblazer Devolution Deal focussed around housing, transport, skills, fiscal devolution and funding simplification, net zero and retrofit, and international trade.

With international trade a priority of ministers and partners within the region, there was an opportunity to capitalise on the direction of discussions on the region's trade, tourism and investment ambitions to rewire the existing relationship between Whitehall and the West Midlands across these key functions in order to secure more foreign direct investment, exports and major international conferences and events. Shehzad Chaudhry, Department for International Trade, stressed the value to the Government of working closely with the WMCA and the West Midlands Growth Company on international strategy. In respect of working with small businesses, he indicated that the Department for International Trade was seeking to build the expertise within this sector to enable it to grow into international markets.

Recommended to the WMCA Board that:

- (1) The progress made to date and the revised commitment and timeline arising from the Government's Autumn Budget Statement be noted.
- (2) The development of a West Midlands International Strategy be agreed, with the West Midlands Growth Company to develop the strategy in partnership with local and national stakeholders.

### **30. West Midlands Innovation Accelerator**

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities seeking endorsement of the progress made on the £33m West Midlands Innovation Accelerator, announced in the Levelling-Up White Paper and being co-designed with Innovate UK.

The aim of the West Midlands Innovation Accelerator was to accelerate growth of clusters of excellence in health/medical technologies and cleantech, and to increase commercial benefits of cross-sectoral innovation capacity and capability. The Innovation Accelerator programme was overseen by the Innovation Board, which itself reported into this board.

Councillor Ian Courts noted that Solihull was not listed as an area of high concentration of health/medical technologies, which he considered a mistake. He also drew attention to the importance of demonstrating the innovation linked to HS2 construction within the region. Mike Wright highlighted the benefit of there being a single narrative that the region could use to demonstrate its innovation opportunities. The Executive Director for Economic Delivery, Skills & Communities confirmed that work was currently being undertaken on a narrative and this would be submitted to a future meeting of the board.

Recommended to the WMCA Board that:

- (1) The status of the West Midlands Innovation Accelerator project selection, following the deadline for final project proposals and ahead of the project selection process, be noted.
- (2) The final details on the project selection decision-making, consistent with the criteria agreed by the Economic Growth Board on 23 September 2022, be endorsed.
- (3) The steps to exploit the wider strategic power of the Innovation Accelerator, including connections with business support, skills, inward investment and land development, be agreed.

### **31. Economic Growth Board Work Programme**

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on updates to the board's future work programme.

Recommended to the WMCA Board that:

The updated work programme was noted.

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

Recommended to the WMCA Board that:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information as specified in paragraph 2 of the Act.

### **33. LEP Integration Update**

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on progress in developing the LEP Integration Plan ahead of its submission to the Department of Business, Energy & Industrial Strategy early next year.

On 31 March, the departments for Levelling Up, Housing & Communities and Business, Energy & Industrial Strategy issued a joint letter and accompanying guidance to the chairs of the LEPs in England and to the mayors of combined authorities setting out their proposals for the roles and functions of LEPs to be integrated into local democratic institutions. The Government's intention was that specific functions of the three LEPs in the West Midlands were integrated into the WMCA, which would receive the 'core' funding made available to LEPs and their Growth Hubs from 1 April 2023 to ensure the discharge of key functions. The report set out the latest position in respect of this transitional work.

The Executive Director for Economic Delivery, Skills & Communities stressed that the immediate priority was to address the implications for staff affected by these changes, along with ensuring that the WMCA did not take on additional functional responsibilities without funding being provided for this. Further detailed information was expected to be provided to LEPs early next week, which should address many of the concerns currently being expressed.

Recommended to the WMCA Board that:

- (1) Progress in developing the LEP Integration Plan ahead of submission to the Department of Business, Energy & Industrial Strategy by 27 January 2023 be noted.
- (2) It be noted that the report had been prepared in advance of the receipt of written legal guidance, and was therefore presented subject to that guidance and without prejudice.
- (3) Progress against the following key areas be noted:
  - Embedding a strong, independent and diverse local business voice;
  - Transfer of key functions and the potential TUPE implications thereof;
  - Key risks.
- (4) Authority be delegated to the Executive Director of Economic Delivery, Skills & Communities to develop the formal plan ahead of submission to the WMCA Board on 13 January 2023.

### **34. Date of Next Meeting**

Friday 27 January 2023 at 10.00am.

The meeting ended at 12.00 pm.



# Young Combined Authority

## Young Combined Authority (YCA) Board update, December 2022

### Update

The YCA have had another busy couple of months! Their meeting in November was chaired by Hamaam and focused on the cost of living crisis and an update on the YCA stocktake. Simren chaired the YCA Board meeting in December, which included a session to plan the YCA's workshop with the Mayor in January and updates on the YCA's transport and Mental Health activity.

### Cost of Living

In November, the YCA held a conversation about the cost of living crisis and how it is impacting young people across the region.

During the meeting, the YCA heard from John O'Shea, who is the WMCA's senior programme manager for Inclusive Growth, about their work to understand the cost of living crisis, how it is affecting the region and what the WMCA could do in response.

YCA members also developed their own ideas for how young people could be supported to get through and then get out of the crisis.

"Young people are thinking about the cost of living crisis..."

"People are not using the hob, not able to go out, unable to buy text books and train passes..."

"It's quite hard seeing how careful everyone has to be..."

### YCA Stocktake

Liz Harding, the external expert who is doing a stocktake on the way the Young Combined Authority works, joined the YCA's meeting in November to share their findings. Liz thanked the YCA for their input (which was 'spot on!') and is going to give advice on how the YCA can have a bigger impact on WMCA decision making and better connect with other youth councils and groups.

### Transport – National YCA

The West Midlands YCA has been busy working with the National Youth Combined Authority on a shared research project about young people's use of public and active travel.

More than 1000 responses to the survey were received nationally, with many calling for a more accessible, affordable and safe network for young people.

National YCA members are now working to review the data ahead of sharing it with Metro Mayors in the new year.



### Mental Health

The YCA have continued to work with the WMCA Mental Health team to plan a youth engagement event for 2023. The aim of the event is to give under 25's a say on the Mental Health Commission's ideas.

A date has now been set: **Saturday 21 January 2023.**

Look out for more details and the Eventbrite link on the YCA's social media channels! @wmyoungboard

### Coming up: meeting with the Mayor

The YCA agreed a set of key topics that they want to focus on during their meeting with the Mayor on Wednesday 4 January 2023. These are:

- Transport – including the findings of the National YCA survey
- Cost of Living – including immediate and longer term skills support
- Mental Health – in the run up to the youth event.

The group are looking forward to exploring these challenges with the Mayor and sharing their ideas about how the West Midlands can be improved for the young people who live here!

Any questions, please email: [Lucy.Gosling@wmca.org.uk](mailto:Lucy.Gosling@wmca.org.uk)

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

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