



WMCA Board

Friday 13 January 2023 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 Mike Bird	Walsall Metropolitan Borough Council
Councillor Ian Brookfield	City of Wolverhampton Council
Councillor Kerrie Carmichael	Sandwell Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Bridgid Jones	Birmingham City Council
Councillor Ian Ward	Birmingham City Council

Non-Constituent Members

Councillor Matthew Dormer	Redditch Borough Council
Councillor Trevor Harvey	Stratford-on-Avon District Council
Tom Westley	Black Country Local Enterprise Partnership

Co-Opted Member

Lee Barron	Midlands Trades Union Congress
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In Attendance

Councillor Cathy Bayton	Overview & Scrutiny Committee
Mark Smith	Audit, Risk & Assurance Committee
Councillor Richard Worrall	Transport Delivery Committee

Item No. Title

82. Apologies for Absence

Apologies for absence were received from Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Greg Brackenridge (West Midlands Fire Authority), Councillor Patrick Harley (Dudley), Councillor Tony Jefferson (Stratford-on-Avon), Councillor Abdul Khan (Coventry), Councillor Izzi Seccombe (Warwickshire), Councillor Kristofer Wilson (Nuneaton & Bedworth) and Sarah Windrum (Coventry & Warwickshire LEP).

83. Chair's Remarks

(a) Martin Reeves, Chief Executive, Coventry City Council

The Chair noted that this was the last meeting for Martin Reeves before he took up a new post of Chief Executive of Oxfordshire County Council. He had also been Chief Executive of the WMCA between 2016-17 and had been instrumental in its establishment. Councillor George Duggins led the board in expressing his thanks to Martin Reeves and wishing him well in his new role.

(b) Helen Paterson, Chief Executive, Walsall Metropolitan Borough Council

The Chair noted that this was the last meeting for Helen Paterson before she took up a new post of Chief Executive at Northumberland County Council. Councillor Mike Bird led the board in expressing his thanks to Helen Paterson and wishing her well in her new role.

(c) Kim Bromley-Derry, Managing Director Commissioner, Sandwell Metropolitan Borough Council

The Chair noted that this was the last meeting for Kim Bromley-Derry before he stood down as Managing Director Commissioner at Sandwell Metropolitan Borough Council. Councillor Kerrie Carmichael expressed her thanks for the support he had given to Sandwell and looked forward to continuing to work with him in the future.

(d) Helen Edwards, Director of Law & Governance

The Chair welcomed Helen Edwards, the WMCA's recently appointed Director of Law & Governance and Monitoring Officer to her first meeting.

84. Minutes - 16 December 2022

The minutes of the meeting held on 16 December 2022 were agreed as a correct record.

85. Forward Plan

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

86. Regional Activity & Delivery Update

The board received an update from the Chief Executive on recent activity of the WMCA, including the Apprenticeship Levy now exceeding £40m which had enabled over 3,000 people across the region get their first introduction to work, further activity to support house building that meant the region was on target to deliver the 215,000 new homes needed by 2031, and a £3.5m boost for cycling to support the design, planning and development of cycling, wheeling and walking schemes.

The board was also informed of regional trends, including the expectation that inflation and interest rates would stabilise, a fall in the percentage of business start-ups that had survived their first three years, and subdued business activity linked to lower sales, high stock volumes and market confidence.

Resolved:

The update be noted.

87. WMCA Draft Budget 2023/24

The board considered a report of the Executive Director of Finance & Business Hub presenting the draft 2023/24 budget for consideration, to allow for feedback to inform the final 2023/24 budget to be approved by this board at its meeting on 10 February.

This report represented the first part of the formal process to determine the WMCA's budget, levy and precept levels for 2023/24. The draft budget aligned with the WMCA's aims and objectives and underpinned the delivery of its vision, and had been subject to rigorous internal review, challenge and scrutiny led by the s151 Officer to ensure that it was robust, deliverable and aligned with planned activities in 2023/24.

Councillor Ian Ward noted that the medium term financial plan included an assumed annual increase in the transport levy through to 2027/28. The Executive Director of Finance & Business Hub explained that this formed part of financial planning assumptions that had not yet been formally agreed by the WMCA. Discussions on the medium term financial plan would continue during the year, which would help further shape the financial position of the authority. The Portfolio Lead for Finance confirmed that the board would only be agreeing the transport levy for 2023/23 at its next meeting.

Resolved:

- (1) The draft 2023/24 WMCA consolidated revenue budget be approved for consultation, which included:
 - (a) The budget requirement for transport delivery in 2023/24 comprising three elements:
 - (i) £119.4m to be funded from the existing transport levy mechanism;
 - (ii) Use of £4.7m business rates retention income;
 - (iii) Transfer from earmarked reserves of £9.2m.
 - (b) The budget requirement for portfolio delivery in 2023/24 of £170.4m comprising of six elements:
 - (i) £140.6m Adult Education (including level 3) spending to be funded from Adult Education Budget funding devolved by the Department for Education;
 - (ii) £16.1m to be funded from devolution deal grants;

- (iii) £1.3m to be funded from other income, notably investments;
 - (iv) £4.6m to be funded from constituent authority fees (fees to remain at the same level as 2022/23);
 - (v) £400,000 to be funded from non-constituent authority and observer fees (fees to remain at the same level as 2022/23);
 - (vi) Use of £7.3m business rates retention income.
- (2) The Mayoral office budget for 2023/24 of £900,000, to be funded from additional Mayoral Capacity Funding, be approved for consultation and scrutiny.
 - (3) The draft 2023/24 capital programme of £805.1m be approved for consultation.
 - (4) The planned spend on the Investment Programme over the period be noted.
 - (5) It be agreed to review the Mayor's budget and set out in a report to the Mayor whether it was approved in its current form, including any recommendations, before 8 February 2022.
 - (6) It be noted that there would be no Mayoral precept during 2023/24.
 - (7) The WMCA's on-going commitment to work with the Mayor and leaders of constituent authorities to discuss future funding for the WMCA during 2023, including the need to review local choice transport policies, be noted.
 - (8) The matters identified by Overview & Scrutiny Committee that arose out of the Mayoral Q&A on 15 December 2022 be noted.
 - (9) Authority be delegated to the Executive Director of Finance & Business Hub and the Executive Director of Economic Delivery, Skills & Communities to accept any funds awarded for the careers enterprise and LEP integration into the WMCA.

88. Financial Monitoring Report 2022/23

The board considered a report of the Executive Director of Finance & Business Hub providing an update on the WMCA's finances as at 30 November 2022.

The position at the end of November showed a surplus of £1.136m which was a minor favourable variance from budget of £26,000. Within transport, there was a surplus of £1.804m, which represented an adverse variance from budget of £600,000. The most notable variances 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.

Resolved:

- (1) The financial position as at 30 November 2022 be noted.
- (2) The latest full year forecast for 2022/23 be noted.
- (3) The Bus Service Improvement Plan funding update and receipt of the first payment of £18.4m be noted.
- (4) The grant award of £320,000 from Innovate UK (part of UK Research & Innovation) for Innovation Accelerator be noted.
- (5) It be noted that the Government had now approved the WMCA's plans for the investment of the £88m UK Shared Prosperity Fund, covering the three years to 2025.
- (6) Authority be delegated to the s151 Officer, in conjunction with the Executive Director of Economic Delivery, Skills & Communities and the Monitoring Officer, to accept any funds awarded as a result of the Bootcamp Wave 4 bid and to enter into the various funding agreements and contracts required to enable delivery of the programme.
- (7) The Adult Education Budget rate uplift of 10% that had recently been approved by the Executive Director of Finance & Business Hub (s151 Officer) in accordance with WMCA's approved scheme of delegation, and that the rate uplift could be contained within the existing approved budget for 2022/23, be noted.

89. Trailblazer Devolution Deal Update

The board received an update from the Executive Director for Strategy, Integration & Net Zero on the latest developments regarding the development of the Trailblazer Devolution Deal submission to Government.

Two meetings had recently been held with the Parliamentary Under-Secretary of State for Levelling Up, who was very clear on the region's level of ambition. Further ministerial meetings would be held in the coming weeks, and the Government had indicated that it was seeking to announce a devolution deal before the commencement of the pre-election period ahead of May's local elections. Councillor Ian Courts welcomed the intention to take forward the work previously undertaken on levelling up zones into five new investment zones, as these could plan a significant role in joining up public services.

Councillor Ian Ward stressed his hope that any trailblazing devolution deal included provision for double devolution, allowing those local authorities that wished to take on greater powers the opportunity to have them devolved down to them.

Resolved:

The update be noted.

90. Very Light Rail Regional Package Strategic Outline Business Case

The board considered a report from the Executive Director of Transport for West Midlands seeking approval of the Very Light Rail Regional Package strategic outline business case, which was critical to enable the UK to develop an economic growth strategy centred around net zero.

The project would deliver a new manufacturing sector, creating jobs and skills primarily in the West Midlands, which could extend to other areas of the UK. In order to realise this potential, Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands were seeking to deliver the Very Light Rail Regional Package that required £36.8m funding from the City Region Sustainable Transport Settlement allocation for this project. This funding would support the completion of the Coventry Very Light Rail Research & Development programme, equip the Very Light Rail National Innovation Centre in Dudley and enable Transport for West Midlands to carry out feasibility studies to assess the viability of Coventry Very Light Rail to deliver extensions to current Midland Metro services.

Councillor Ian Ward welcomed the report and thanked Councillor George Duggins and Councillor Jim O'Boyle who had been early champions of this innovative proposal. Councillor George Duggins indicated his strong support for the proposals within the report and thanked officers from Coventry City Council for the efforts in getting the project to this key stage. Councillor Bob Sleigh confirmed that at its meeting on 12 December 2022, Investment Board had endorsed the recommendations contained within the report to this board.

Resolved:

- (1) The Very Light Rail Regional Package strategic outline business case, at a total cost of £36.8m following the assurance work which had taken place, including endorsement of the case by Investment Board, be approved.
- (2) It be agreed that the WMCA submit the business case to the Department for Transport (which was expected to result in the Department for Transport relaxing the retained status for this element of the programme).
- (3) Funding be approved for draw-down within phase 1 of the business case delivery as follows (subject to the necessary Department for Transport consents):

- Costs totalling £8.988m for Coventry City Council, being the sum required to complete Phase One of the Very Light Rail project.
- Costs totalling £1.20m for Dudley Metropolitan Borough Council.
- Costs totalling £600,000 being the sum required to complete the initial works to be undertaken by Transport for West Midlands.

(4) The financial conditions to apply to the capital grant as agreed between officers of the WMCA, Coventry City Council, Dudley Metropolitan Borough Council and Transport for West Midlands be endorsed.

91. Wellbeing Board - 5 December 2022

The board considered the minutes of the Wellbeing Board meeting held on 5 December 2022.

Resolved:

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

92. Environment & Energy Board - 7 December 2022

The board considered the minutes of the Environment & Energy Board meeting held on 7 December 2022.

Resolved:

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

93. Investment Board - 12 December 2022

The board considered the minutes of the Investment Board meeting held on 12 December 2022.

Resolved:

The minutes of the meeting held on 12 December 2022 be noted.

94. Overview & Scrutiny Committee - 15 December 2022

The board considered the minutes of the Overview & Scrutiny Committee meeting held on 15 December 2022.

Resolved:

The minutes of the meeting held on 15 December 2022 be approved.

95. Young Combined Authority Update - January 2023

The board considered a report setting out the activity of the Young Combined Authority during January, including YCA members meeting with the Mayor on 4 January and participation in Mental Health Commission focus groups planned for later in the month.

Resolved:

The report be noted.

96. Exclusion of the Public and Press

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they were likely to involve the disclosure of exempt information as specified in paragraphs 1, 2 and 3 of the Act.

97. LEP Integration: Submission of West Midlands LEP Integration Plan

The board considered a report of the Executive Director of Economic Delivery, Skills & Communities seeking approval for the submission of the West Midlands LEP Integration Plan to the Government.

On 31 March 2022, 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 region's three LEPs were integrated into the WMCA. The WMCA was required to submit an overarching integration plan to the Government by 27 January covering the integration of LEP functions by April 2023.

Tom Westley stressed the importance of ensuring that Small and Medium Enterprises remained engaged with the activities of the WMCA going forward. He noted that the Back Country economy was characterised by smaller businesses, and the voices of these businesses continued to be needed to be heard. He also stressed the importance of the WMCA continuing the work done to date to address energy issues affecting the region's businesses. The Chair acknowledged the work the Black Country LEP regarding energy issues in the region and confirmed that the WMCA would take this work forward using the same team.

Councillor Ian Ward noted that the WMCA was in discussions with the Government over the potential for additional funding for any further costs incurred as a result of transferring LEP functions. Given that constituent authorities were also taking on LEP functions, he asked that the leaders of constituent authorities be consulted on final West Midlands LEP Integration Plan prior to its submission to Government by 27 January. The Executive Director of Economic Delivery, Skills & Communities confirmed that the transition plan recognised that any funding should follow new delivery responsibilities.

Resolved:

- (1) Authority be delegated to the Executive Director of Economic Delivery, Skills & Communities, in consultation with the leaders of constituent authorities and on the advice of the statutory officers, to finalise and submit the West Midlands LEP Integration Plan by 27 January 2023, including the transition plans of the Black Country, Coventry & Warwickshire and Greater Birmingham & Solihull LEPs.
- (2) The integration of LEP roles and functions into the WMCA (subject to confirmation of Government funding) and based upon the operating models co-designed with local authorities be approved.
- (3) The arrangements for the continuing 'business voice' on committees and boards of the WMCA be approved.
- (4) The transfer to WMCA of those staff from the LEPs entitled to transfer under TUPE be agreed, and the Chief Executive as Head of the Paid Service be approved to determine the staff to transfer.
- (5) It be agreed that Walsall Metropolitan Borough Council, Birmingham City Council and Coventry City Council as the Accountable Bodies for the Black Country LEP, the Greater Birmingham & Solihull LEP and the Coventry & Warwickshire LEP respectively, should be responsible for the on-going delivery and monitoring of LEP legacy programmes, including the Black Country Enterprise Zone and the Greater Birmingham & Solihull Enterprise Zone, and the WMCA would be accountable for providing assurance that the Accountable Bodies remained responsible for all future monitoring and reporting activities.
- (6) Following feedback from the Government, the Monitoring Officer be authorised to make any minor administrative changes to the WMCA's constitution that were necessary pursuant to the integration and winding up of the LEPs.

[NB. Councillor Mike Bird, Councillor Ian Brookfield, Councillor Kerrie Carmichael and Tom Westley all declared personal interests in this item due to their membership of the Black Country LEP Board.

Councillor Ian Courts, Councillor Matthew Dormer and Councillor Ian Ward all declared personal interests in this item due to their membership of the Greater Birmingham & Solihull LEP Board.]

98. West Midlands Innovation Accelerator

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities seeking formal endorsement of recommendations from the Innovation Board's Selection Panel for the allocation of the £33m West Midlands Innovation Accelerator. This would be embedded into the £100m national Innovation Accelerator programme led by Innovate UK and was expected to secure full agreement from HM Treasury in late January 2023.

Three Innovation Accelerators were announced in the Levelling Up White Paper to empower local leaders in the West Midlands, Greater Manchester and Glasgow city region to lead “private-public-academic partnerships which will aim to replicate the Stanford-Silicon Valley and MIT-Greater Boston models of clustering research excellence and its direct adoption by allied industries”. The aim of the West Midlands Innovation Accelerator was to accelerate the growth of clusters of excellence in health/medical technologies and CleanTech, and to increase cross-sectoral innovation capacity and capability to create commercial benefits.

Mike Wright, Chair of the Innovation Board, outlined the process that had been followed to evaluate the 60 expressions of interest that had been received for funding and to invite 35 of these projects to submit fully costed business plans. He confirmed that the Innovation Board was meeting with those unsuccessful bidders to see whether alternative sources of project funding was available to them.

Councillor Ian Courts noted the challenges in transforming these projects into new jobs and increased productivity. Mike Wright acknowledged this, and confirmed that work was to be undertaken to look at how the successful projects could be scaled up to achieve this.

Resolved:

- (1) The recommendations of the West Midlands Innovation Board’s Selection Panel for the allocation of £33m for five projects to form the West Midlands Innovation Accelerator to be delivered between April 2023 and March 2025 be endorsed.
- (2) It be noted that the Innovation Accelerator projects were subject to final due diligence by Innovate UK and HM Treasury approval of the final business case in January covering all three regional Innovation Accelerators, meaning final funding confirmation and disclosure of projects was under strict embargo until the end of January.
- (3) The steps be agreed to exploit the wider strategic potential of the Innovation Accelerator by:
 - Ensuring the Economic Growth Board and Innovation Board played a core role in connecting Innovation Accelerator projects with associated work on business support, skills, inward investment and land development/infrastructure.
 - Further developing the relationships with Innovate UK and UK Research & Innovation to maximise investment in research and development across the West Midlands. As well as having a quality-assured pipeline of projects to go, there was also opportunity to use Innovate UK’s commitment to a co-designed action plan to proactively level-up innovation capacity and capability across the region, particularly in the Black Country which saw fewer proposals.

- 99. Date of Next Meeting**
Friday 10 February 2023 at 11.00am.

The meeting ended at 12.15 pm.