



**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 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 - 13 January 2023	Chair	1 - 12
5.	Forward Plan	Chair	13 - 20
6.	Regional Activity & Delivery Update	Chair	Verbal Report
<b>Finance</b>			
7.	WMCA Budget 2023/24	Councillor Bob Sleight	21 - 94
<b>Environment, Energy &amp; HS2</b>			
8.	HS2 Growth Delivery Programme	Councillor Ian Courts	95 - 100
<b>Transport</b>			
9.	West Midlands Local Transport Plan 'Reimagining Transport in the West Midlands' - Final Core Strategy and draft Big Moves and draft Area Strategy Guidance	Councillor Ian Ward	101 - 198
<b>Minutes</b>			
10.	Investment Board - 9 December 2023	Councillor Bob Sleight	199 - 204
11.	Skills Advisory Board - 9 January 2023	Councillor George Duggins	205 - 208
12.	Transport Delivery Committee - 9 January 2023	Councillor Richard Worrall	209 - 216
13.	HS2 Regional Enterprise Board - 10 January 2023	Councillor Ian Courts	217 - 222

14.	Overview & Scrutiny Committee - 12 January 2023	Councillor Cathy Bayton	223 - 228
15.	Housing & Land Delivery Board - 23 January 2023	Councillor Mike Bird	229 - 234
16.	Audit, Risk & Assurance Committee - 24 January 2023	Mark Smith	235 - 244
17.	Exclusion of the Public and Press [In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it is likely to involve the disclosure of exempt information as specified in paragraphs 2 and 3 of the Act.]	Chair	None
<b>Finance</b>			
18.	Update on Investigation into Financial Breach - Wolverhampton Interchange Project	Mark Smith	Verbal Report
<b>Date of Next Meeting</b>			
19.	Friday 17 March 2023 at 11.00am	Chair	None





**West Midlands  
Combined Authority**

## **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 Sleight 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.

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# West Midlands Combined Authority

## Forward Plan

## Forthcoming key decisions

Title of key decision:	Decision to be taken by and date:	Open or Exempt:	Portfolio Lead	Employee to contact:
<b>HS2 Growth Delivery Programme</b> To provide an update of the actions and activities undertaken over the last twelve months by the HS2 Regional Enterprise Board and the workstreams that support the delivery of the WMCA's HS2 programme.	WMCA Board 10 February 2023	Open	Councillor Ian Courts Environment, Energy & HS2 Portfolio Lead	Craig Wakeman Head of Transport Implementation
<b>Investigation into financial breach - Metro City centre extension, Wolverhampton</b> To update the board on the findings of the investigation.	WMCA Board 10 February 2023	Fully exempt	Councillor Bob Sleigh Finance Portfolio Lead	Helen Edwards, Director of Law and Governance
<b>Local Transport Plan</b> To seek approval of the latest draft of the Local Transport Plan for further public and stakeholder engagement.	WMCA Board 10 February 2023	Open	Councillor Ian Ward Transport Portfolio Lead	David Harris Transport Strategy and Place Manager - TfWM
<b>Regional Activity &amp; Delivery Update</b> To provide an update on the activity and delivery across the region since the last meeting.	WMCA Board 10 February 2023	Open	Andy Street Mayor	Ed Cox Executive Director of Strategy, Integration & Net Zero
<b>WMCA Budget 2023/2024</b> To approve the WMCA Budget 2023/2024	WMCA Board 10 February 2023	Open	Councillor Bob Sleigh Finance Portfolio Lead	Sally Truman Lead Financial Planning Accountant

<p><b>City Region Sustainable Transport Settlement - Metro Line 1 Business Case</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.</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Councillor Ian Ward Transport Portfolio Lead</p>	<p>Anne Shaw Executive Director of Transport for West Midlands</p>
<p><b>City Region Sustainable Transport Settlement and Capital Pressures</b> Setting out the formal annual return to Department for Transport on the City Region Sustainable Transport Settlement and addressing the formal Change Control Submission submitted to Department for Transport.</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Councillor Ian Ward Transport Portfolio Lead</p>	<p>Anne Shaw Executive Director of Transport for West Midlands</p>
<p><b>Commonwealth Games Legacy Fund</b> To consider a report in relation to the Commonwealth Games Legacy Fund.</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Councillor Bob Sleigh Deputy Mayor</p>	<p>Ed Cox, Executive Director of Strategy, Integration &amp; Net Zero,</p>
<p><b>Financial Monitoring 2022/23</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Councillor Bob Sleigh Finance Portfolio Lead</p>	<p>Linda Horne Executive Director of Finance &amp; Business Hub</p>
<p><b>Race Equalities Taskforce Action Plan</b> To approve the action plan.</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Councillor Kerrie Carmichael Inclusive Communities Portfolio Lead</p>	<p>Claire Dhami Head of Systems Change and Inclusion</p>
<p><b>Regional Activity &amp; Delivery Update</b> To provide an update on the activity and delivery across the region since the last meeting</p>	<p>WMCA Board 17 March 2023</p>	<p>Open</p>	<p>Andy Street Mayor</p>	<p>Laura Shoaf Chief Executive of the West Midlands Combined Authority</p>

<p><b>Review of the West Midlands Growth Company</b> To Review the West Midlands Growth Company</p>	WMCA Board 17 March 2023	Open	Andy Street Mayor	Dr Julie Nugent Executive Director of Economy, Skills & Communities
<p><b>Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures</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.</p>	WMCA Board 17 March 2023	Fully exempt	Councillor Ian Ward Transport Portfolio Lead	Anne Shaw Executive Director of Transport for West Midlands
<p><b>Appointment of WMCA Boards and Committees 2023/24</b> To approve consider the appointments to boards, chairs and meetings dates for 2023/24.</p>	WMCA Board 9 June 2023	Open	Andy Street Mayor	Helen Edwards Director of Law and Governance
<p><b>City Region Sustainable Transport Settlement Annual Report</b> A report setting out the progress over the first year of the City Region Sustainable Transport Settlement programme and key matters and decisions arising for the remainder of the programme.</p>	WMCA Board 9 June 2023	Open	Councillor Ian Ward Transport Portfolio Lead	Mike Waters Director of Policy, Strategy and Innovation - TfWM
<p><b>Financial Monitoring 2022/23</b> To outline the latest financial position of WMCA and provide an update on any current financial matters affecting WMCA.</p>	WMCA Board 9 June 2023	Open	Councillor Bob Sleigh Finance Portfolio Lead	Linda Horne Executive Director of Finance & Business Hub
<p><b>Overview and Scrutiny Annual Report</b> To consider a report setting out the activity of overview &amp; scrutiny during 2022/23.</p>	WMCA Board 9 June 2023	Open	Councillor Bob Sleigh Deputy Mayor	Helen Edwards Director of Law and Governance



<p><b>Supported Travel Policies Review</b> A report setting out the WMCA's existing policies for directly supporting public transport and other sustainable travel options, including recommendations for options to refine these in the context of wider policy considerations.</p>	<p>WMCA Board</p>	<p>Open</p>	<p>Councillor Ian Ward Transport Portfolio Lead</p>	<p>Helen Davies, Mike Waters Principal Policy and Strategy Officer - TfWM, Director of Policy, Strategy and Innovation - TfWM</p>
<p><b>Transport Governance Review</b> To consider the recommendations arising out of the review of the WMCA's transport governance.</p>	<p>WMCA Board 9 June 2023</p>	<p>Open</p>	<p>Councillor Bob Sleigh Deputy Mayor</p>	<p>Helen Edwards Director of Law and Governance</p>

## The Forward Plan

This document sets out known 'key decisions' that will be taken by the West Midlands Combined Authority (WMCA) over the coming months.

Forthcoming key decisions are published online to meet the statutory 28 day notification rule for each meeting where a key decision will be taken. Where it has not been possible to meet the 28 day rule for publication of notice of a key decision or an intention to meet in private, the relevant notices will be published as required by legislation as soon as possible.

### Page 18 What is a key decision?

A 'key decision' means a decision of the Mayor, WMCA or officer which is likely:

- (a) to result in the WMCA incurring expenditure, making savings or generating income amounting to £1m or more; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the WMCA

The report relating to a decision, together with any other documents being considered, will be available five clear working days before the decision is to be taken (unless the documentation contains exempt information).

The forward plan also provides notice of when the WMCA may decide to exclude the press and public during consideration of a particular matter due to the potential for disclosure of confidential or exempt

information. The grounds upon which local authorities can exclude the press and public are specified by law and details of the exempt categories are available on request from the Governance Services team ([governance.services@wmca.org.uk](mailto:governance.services@wmca.org.uk)).

Councillors or members of the public wishing to:

- make a representation about why a matter should be heard in public, or
- submit information to the decision-making body about an item in the forward plan, or
- request details of relevant documents, or
- seek advice about the WMCA's decision-making arrangements,

should contact the Governance Services team: [governance.services@wmca.org.uk](mailto:governance.services@wmca.org.uk)

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## WMCA Board

<b>Date</b>	10 February 2023
<b>Report title</b>	WMCA Budget 2023/24
<b>Portfolio Lead</b>	Finance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk
<b>Report has been considered by</b>	SLT – 1 Feb 2023 WMFDs – 2 Feb 2023

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

#### The WMCA Board is recommended to:

1. Approve the West Midlands Combined Authority consolidated revenue budget summarised in Section 4. This includes:
  - a) the budget requirement for transport delivery 2023/24 comprising three elements:
    - i. £119.4 million to be funded from the existing transport levy mechanism;
    - ii. Use of £4.7m Business Rates retention income;
    - iii. a transfer from earmarked reserves of £9.2 million.
  - b) the budget requirement for Portfolio delivery in 2023/24 of £170.4 million 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;<sup>1</sup>

<sup>1</sup> The 2023/24 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2023 and an update provided to Board

- ii. £16.1 million to be funded from other devolution deal grants;
  - iii. £1.3 million to be funded from other income, notably investments;
  - iv. £4.6 million to be funded from Constituent Authority fees (fees to remain at the same level as 2022/23);
  - v. £0.4 million to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2022/23);
  - vi. Use of £7.3 million Business Rates retention income.
2. Approve the Mayoral Office budget for 2023/24 of £0.9m to be funded from additional Mayoral Capacity Funding.
3. Approve the first year (2023/24) of the indicative WMCA Capital Programme, totalling £805.1m, as set out in Appendices 4, 5 and 6, noting the indicative onward programme thereafter.
4. Note the planned spend on the Investment Programme over the period.
5. Note that there will be no Mayoral Precept during 2023/24.
6. Note West Midlands Combined Authority's ongoing commitment to work with the Mayor and Leaders to discuss future funding for the WMCA during 2023, including the need to review Local Choice Transport policies.
7. Delegate authority to the Director of Finance in consultation with the Portfolio Lead for Finance and Investments to make any final changes that may result from the Final Local Government Finance Settlement as set out in paragraphs 2.3 to 2.5.
8. Approve the following policies and strategies, which contain items as required by statute:
  - a) The West Midlands Combined Authority Treasury Management Policy Statement as set out in section 8 and Appendix 8
  - b) West Midlands Combined Authority Treasury Management Strategy including the 2023/24 Investment Strategy and criteria for specified and non-specified investments as set out in section 8 and Appendix 9
  - c) West Midlands Combined Authority Treasury Management Practice as set out in section 8 and Appendix 10
  - d) The West Midlands Combined Authority Capital Strategy and Minimum Revenue Provision Statement as set out in section 9 and Appendices 11 and 12 respectively:  
and
  - e) The West Midlands Combined Authority Pay Policy Statement as set out in section 11 and Appendix 13.

## **1.0 Purpose**

- 1.1 This report is intended to present the Final Budget for consideration by the West Midlands Combined Authority Board at its meeting on 10 February 2023. A Draft Budget was presented to and approved by the West Midlands Combined Authority Board on 13 January 2023.

## **2.0 Background**

- 2.1 This report represents the final stage of the Budget setting process for the West Midlands Combined Authority and incorporates the final Revenue and Capital Budget for 2023/24, as well as the associated policies as required by statute. There are no changes from the overall financial plans as included within the Draft Budget report as considered by West Midlands Combined Authority Board on 13 January 2023.
- 2.2 The Mayor and West Midlands Combined Authority have considered feedback on the Draft Budget report since 13 January 2023 Board meeting, from both Constituent Members of the Combined Authority and other key stakeholders.
- 2.3 This report incorporates assumptions based on the Provisional Local Government Finance Settlement for 2023/24. The Final Local Government Finance Settlement will be presented to the House of Commons in early 2023, which is likely to be after finalisation of this report. If there are any material changes, a verbal update on the Provisional Local Government Finance Settlement will be provided at the West Midlands Combined Authority Board meeting on 10 February 2023.
- 2.4 Delegation is requested to the Finance Director, in consultation with the Portfolio Lead for Finance, to make any final changes that result from the Final Local Government Finance Settlement should they be required
- 2.5 This report is also being prepared in advance of the Chancellor of the Exchequer's next Budget, setting out the government's tax and spending plans, which is scheduled to be held on 15 March 2023. The Combined Authority will continue to monitor any announcements made by central government in relation to any further funding made available to support the region.
- 2.6 Officers continue to work with Her Majesty's Government (HMG) to identify all additional funding opportunities open to WMCA, including agreement of the final terms and conditions and quantum of funding to flow to WMCA from the CWG Legacy Fund. The Trailblazer Devolution Deal (TDD) process is continuing with devolution proposals being taken forward to HMG. Proposals have a clear focus on drawing down powers and finance from Government and remain guided by the principle that the WMCA should not take on any additional responsibilities that are not properly resourced. Announcements on the TDD is anticipated within the first quarter of 2023, and as a matter of prudence, no assumptions have been made around resources in the final budget.

### **3.0 Forecast Outturn 2022/23**

- 3.1 The Financial Monitoring Report and Draft Budget Report which were both considered by West Midlands Combined Authority Board on 13 January 2023 included a 2022/23 forecast showing a surplus position of £0.7m.
- 3.2 Since the completion of this forecast, nothing has come to the attention of the Finance Director to suggest that any material change to this forecast position is required. The final detailed forecast for 2022/23 is currently being compiled and will be presented to West Midlands Combined Authority Board in March 2023.

### **4.0 Revenue Budget 2023/24**

- 4.1 The proposed revenue budget shows a balanced position for 2023/24, in line with statutory requirements. There have been no changes made to the Draft Budget as reviewed by West Midlands Combined Authority Board on 13 January 2023.
- 4.2 The proposed funding sources for the 2023/24 West Midlands Combined Authority Transport Budget are therefore confirmed as:
- i. £119.4m to be funded from the existing transport levy mechanism
  - ii. Use of £4.7m Business Rates retention income
  - iii. A transfer from earmarked reserves of £9.2m
- 4.3 The proposed funding sources for the 2023/24 West Midlands Combined Authority Delivery (Non-Transport) Budget are therefore confirmed as:
- i. £140.6m Adult Education spending to be funded from Adult Education Budget funding devolved from Department for Education<sup>2</sup>
  - ii. £16.1m to be funded from other devolution deal grants
  - iii. £1.3m to be funded from other income, notably investments
  - iv. £4.6m to be funded from Constituent Authority fees (unchanged from 2022/23)
  - v. £0.4m to be funded from Non-Constituent Authority and observer fees (unchanged from 2022/23)
  - vi. Use of £7.3m Business Rates retention income
- 4.4 The proposals for the Mayoral Office remain unchanged – operation of the Mayoral Office is to be funded by a Mayoral Capacity Fund grant, with total expenditure for the Mayoral Office of £0.9m.
- 4.5 The Investment Programme remains unchanged, with a proposed budget of £40.4m funded from the £36.5m annual devolution grant from Government plus £3.9m of investment income.
- 4.6 The final consolidated Revenue Budget for 2023/24 is set out in the following table:

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<sup>2</sup> The 2023/24 Adult Education Budget to be devolved from Department for Education will be confirmed in early 2023 and an update provided to Board



**Table 1: West Midlands Combined Authority 2023/24 Revenue Budget**

	Total	Transport	Housing & Rengeneration	Strategy, Integration and Net Zero	Economic Delivery, Skills & Delivery	Portfolio Central Funding & Support	Investment Programme	Mayors Office
	£m	£m	£m				£m	£m
Transport Levy	119.4	119.4						
Revenue Grants & Other Income	53.6		1.8	0.7	13.5	0.1	36.5	0.9
Adult Education Funding	140.6				140.6			
Share of Business Rates	12.0	4.7				7.3		
Grants from Constituent Members	4.6					4.6		
Grants from Non Constituent Members	0.4					0.4		
Investment Income	5.2					1.3	3.9	
Use of Reserves	9.2	9.2						
<b>Total Income</b>	<b>345.0</b>	<b>133.2</b>	<b>1.8</b>	<b>0.7</b>	<b>154.0</b>	<b>13.8</b>	<b>40.4</b>	<b>0.9</b>
Transport Delivery	133.2	133.2						
Housing & Rengeneration	1.8	-	1.8					
Strategy, Integration and Net Zero	5.5	-		5.5				
Economic Delivery, Skills & Communities	159.4	-			159.4			
Portfolio Support	3.7	-				3.7		
Investment Programme	40.4	-					40.4	
Mayoral Office	0.9	-						0.9
<b>Total Expenditure</b>	<b>345.0</b>	<b>133.2</b>	<b>1.8</b>	<b>5.5</b>	<b>159.4</b>	<b>3.7</b>	<b>40.4</b>	<b>0.9</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>- 4.8</b>	<b>- 5.3</b>	<b>10.1</b>	<b>-</b>	<b>0.0</b>

A full breakdown of the revenue budgets can be found in Appendices 1 and 2 of this report.

- 4.7 The budget has been set in the context of agreed Aims and Objectives, specifically:
- Promote inclusive economic growth in every corner of the region
  - Ensure everyone has the opportunity to benefit
  - Connect our communities by delivering transport and unlocking housing and regeneration schemes
  - Reduce carbon emissions net zero and enhance the environment and boost climate resilience
  - Secure new powers and resources from Central Government
  - Develop our organisation and our role as a good regional partner

Appendix 3 of this report sets out the overarching business plan for the organisation at a summary level, using the financial resources outlined in this report. High Level Deliverables (HLDs) set out how services will deliver against the organisation's aims and objectives. The detailed Business Plan will be finalised and published in March 2023, with regular reporting to be undertaken on achievement throughout the year, allowing for demonstration of efficiency and value for money.

- 4.7 The final contributions from Constituent Authorities are as set out in the following table:

**Table 2: West Midlands Combined Authority 2023/24 Constituent Member contributions**

<b>Allocations</b>	<b>2022/23 £m</b>	<b>2023/24 £m</b>	<b>Net Change</b>
Birmingham	46.48	47.89	(1.41)
Coventry	15.74	14.76	0.98
Dudley	13.44	13.83	(0.39)
Sandwell	13.71	14.59	(0.88)
Solihull	9.20	9.38	(0.18)
Walsall	12.00	12.20	(0.20)
Wolverhampton	11.10	11.35	(0.26)
<b>Total</b>	<b>121.66</b>	<b>124.00</b>	<b>(2.24)</b>

4.8 The final contributions from Non-Constituent Authorities and Observers are as set out in Table 3 below and are set at £30,000 per annum for 2023/24. These will continue to be subject to annual review over the medium term.

**Table 3: West Midlands Combined Authority 2023/24 Non-Constituent Member contributions**

<b>Non-Constituent Member Allocations</b>	<b>2023/24 £</b>
<b><i>Non-Constituent</i></b>	
Cannock Chase District Council	30,000
North Warwickshire Borough Council	30,000
Nuneaton and Bedworth Borough Council	30,000
Redditch Borough Council	30,000
Rugby Borough Council	30,000
Shropshire Council	30,000
Stratford-on-Avon District Council	30,000
Tamworth Borough Council	30,000
Telford and Wrekin Council	30,000
Warwickshire County Council	30,000
<b><i>Observers</i></b>	
The Marches LEP	30,000
Fire partner contribution	30,000
Police partner contribution	30,000
Warwick District Council	30,000
<b>Total</b>	<b>420,000</b>

## **5.0 Medium Term Revenue Position**

5.1 The Medium Term Financial Plan (MTFP) was initially presented to the WMCA Board in May 2022 and subsequently revised during the summer including engagement with Mayor and Portfolio Leaders and Constituent Authorities.

5.2 Recognising the risks in the external economic climate, wider public sector funding challenges, risks associated with the transport network and importantly opportunity arising from the Trailblazer Devolution Deal (TDD), it was agreed that a one-year funding solution would be proposed to deliver a balanced budget for 2023/24. This would leave financial pressure in the medium term, ranging from £28.8m in 2024/25 to £49.7m by 2027/28, depending on HMG negotiations. For prudence, no assumptions have been made in the MTFP around the outcome of the TDD, and the Transport Levy has been assumed to be cash flat across the medium term.

5.3 The West Midlands Combined Authority commits to work with the Mayor and Leaders to discuss future funding for the WMCA during 2023, including the need to review Local Choice Transport policies.

5.4 The medium term position is summarised in Table 4 below.

**Table 4: Medium Term Financial Plan**

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Transport Levy	117.0	119.4	119.4	119.4	119.4	119.4
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Investment Programme	36.5	36.5	36.5	36.5	36.5	36.5
Adult Education Budget	140.6	140.6	140.6	140.6	140.6	140.6
Share of Business Rates	0.0	12.0	11.6	10.6	14.7	11.1
Revenue Grants & Other Income	6.4	17.1	3.7	2.1	2.2	2.3
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.5	0.4	0.4	0.4	0.4	0.4
Investment Income	1.4	5.2	1.4	1.4	1.4	1.4
Mayoral Precept	0.0	0.0	0.0	1.0	1.0	1.1
Use of Reserves	14.1	9.2	0.7	0.7	0.7	0.7
<b>Total Funding</b>	<b>339.8</b>	<b>345.0</b>	<b>318.9</b>	<b>317.3</b>	<b>321.6</b>	<b>318.1</b>
Transport for West Midlands	125.0	133.2	148.8	154.8	172.5	171.1
Commonwealth Games	18.7	0.0	0.0	0.0	0.0	0.0
Housing & Regeneration	1.5	1.8	1.3	1.4	1.4	1.4
Strategy, Integration and Net Zero	5.2	5.5	4.8	4.5	4.7	4.9
Economic Delivery, Skills & Communities	148.5	159.4	147.6	147.7	147.9	148.1
Portfolio Support	3.6	3.7	3.6	3.6	3.6	3.7
Investment Programme	36.6	40.4	36.6	36.6	36.6	36.6
Mayoral Office	0.8	0.9	0.9	1.0	1.0	1.1
Mayoral Election	0.0	0.0	4.0	1.0	1.0	1.0
<b>Total Expenditure</b>	<b>339.8</b>	<b>345.0</b>	<b>347.7</b>	<b>350.6</b>	<b>368.7</b>	<b>367.8</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0</b>	<b>-28.8</b>	<b>-33.3</b>	<b>-47.2</b>	<b>-49.7</b>

## 6.0 WMCA Indicative Medium-Term Capital Programme

5.1 The West Midlands Combined Authority indicative Capital Programme is summarised in Table 5 and set out in further detail within Appendices 4 to 6. Table 7 below summarises the current planned capital investment between 2022/23 and 2026/27 with the 2022/23 values based on latest forecasts. The actual capital budget for 2023/24 will be influenced by financial performance in 2022/23. As such, the final 2023/24 Capital Budget will be presented for approval to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

**Table 5: Summary West Midlands Combined Authority Capital Programme**

WMCA CAPITAL PROGRAMME (£M)		Appendix	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Expenditure	TfWM Expenditure	4	295.8	356.9	170.4	115.8	65.2	1,004.1
	Housing and Regeneration Expenditure	5	43.5	68.0	61.9	61.1	23.6	258.1
	Investment Programme Grants to Local Authorities	6	65.8	142.5	161.2	167.5	104.0	641.0
	City Region Sustainable Transport Settlement	7	63.8	236.7	277.2	205.8	168.3	951.8
	Other	5	10.1	1.1	0.4	-	-	11.6
<b>TOTAL EXPENDITURE</b>			<b>479.0</b>	<b>805.2</b>	<b>671.0</b>	<b>550.1</b>	<b>361.2</b>	<b>2,866.5</b>
Funding	Investment Programme Debt		115.4	238.3	20.0	18.9	-	392.6
	TfWM Debt		3.9	59.5	67.2	71.9	0.2	202.7
	Grants		359.7	442.6	372.0	266.9	192.5	1,633.7
	Other		-	64.8	211.8	192.4	168.5	637.5
<b>TOTAL FUNDING</b>			<b>479.0</b>	<b>805.2</b>	<b>671.0</b>	<b>550.1</b>	<b>361.2</b>	<b>2,866.5</b>
* Provisional expenditure estimates for Investment Programme and other projects which are subject to WMCA raising additional income or yet to have the funding package fully secured.								

- 5.2 Approximately a third of the Combined Authority's planned capital investment to 2026/27 consists of expenditure directly incurred by Transport for West Midlands in pursuance of the Investment Programme and Transforming Cities Programme. Another 20% is concerned with the reimbursement of Local Authorities as part of the West Midlands Investment Programme and 10% will be spent in delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government. Just over 30% of the Combined Authority's total planned capital investment to 2026/27 consists of delivering the City Region Sustainable Transport Settlement, the allocation of which was approved by WMCA Board and DfT earlier this financial year.
- 5.3 Those larger Transport for West Midlands Programmes contain significant investment in expanding the Metro network in addition to investment in developing and delivering new local Rail stations in Birmingham and the Black Country. The Transport programme reflects the final phase of the Transforming Cities Programme, and in 2023/24 includes the continuation of the Coventry Electric Bus City project as well as continued delivery of the rail investment programme, including improvements to the Camp Hill and the Walsall to Wolverhampton lines.
- 5.4 The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the various Housing capital grants awarded to the Combined Authority which now total £303m.
- 5.5 The Investment Programme Grants to Local Authorities Programme includes grants payable under the original Investment Programme approved in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Regeneration) and Solihull for the UK Central Programme.
- 5.6 In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at December 2022, the cumulative value of loan commitments approved by WMCA totalled £227m (including £80m of loans which have since been repaid). The value of loans drawn and earning interest as at December 2022 was £42.1m.

- 5.7 The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or any commercial revenues expected to flow from those investments.
- 5.8 The full extent of the Investment Programme and 2016 Devolution Deal schemes remain as provisional commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecured. Work with the Mayor, Constituent Member Leaders and the WMCA Finance Directors will continue into 2023/24 to enable the gaps to be closed and no expenditure will be committed without first having a clearly available funding source.

## **7.0 Investment Programme**

- 7.1 The WMCA Investment Programme was a product of the first devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn (gross) package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 7.2 From a programme perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 7.3 Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a five yearly gateway review. The first gateway review occurred during 2020/21 and WMCA worked closely with consultants appointed by DLUHC to undertake the review, with confirmation of a successful outcome received in May 2021. As such, £36.5m of income to support the Investment Programme is now expected for the next three financial years. An interim Gateway review will take place during 2023/24 and relevant updates will be provided to WMCA Board via the Financial Monitoring report as appropriate.
- 7.4 The current affordable Investment Programme approved by the WMCA Board is investment of £871m across the region.

## **8.0 Treasury Management Strategy and Policies**

- 8.1 WMCA as a public body is required to have regard to the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) in discharging all its financial responsibilities. The CIPFA Code was last revised in December 2021 and requires the setting out of the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. The Code recommends the creation and maintenance of:
- A Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities; and
  - Suitable Treasury Management Practices (TMPs) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

The WMCA's Treasury Management Policy and Treasury Management Practice are set out in Appendices 8 and 10 respectively.

- 8.2 The West Midlands Combined Authority is required to review its Treasury Management Strategy on an annual basis. The Treasury Management Strategy defines how West Midlands Combined Authority will adhere to its own Treasury Management Policy Statement and provides a framework for its Treasury team to operate within. The proposed strategy for 2023/24 is set out in Appendix 9.
- 8.3 The Audit, Risk and Assurance Committee, at its meeting of 24 January 2023, reviewed and endorsed the above policies and strategies ahead of them being presented for final approval at this meeting.

## **9.0 Capital Strategy and MRP**

- 9.1 The Treasury Management Code of Practice and the Prudential Code requires authorities to have in place a Capital Strategy, which sets out the context in which capital expenditure and investment decisions are made, having regard to both risk and reward and impact on the achievement of specified Aims and Objectives. The Capital Strategy is presented as Appendix 11 for approval by West Midlands Combined Authority Board.
- 9.2 The Minimum Revenue Provision Statement is also presented in Appendix 12 for approval by West Midlands Combined Authority Board.

## **10.0 Budget Calculation**

- 10.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case the Finance Director, as Section 151 Officer to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2 The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services
  - Economic and community recovery from Covid-19 pandemic
  - Impact of the Russia/ Ukraine war
  - Inflation and interest rate volatility
  - West Midlands Pension Fund Investment Performance
  - Unforeseen emergencies.
- 10.3 The existing General Reserve Balance is £1.6 million. This balance represents only 1.3% of the aggregate proposed 2023/24 Constituent Authority contributions.
- 10.4 Whilst the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) it is generally accepted for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level, however WMCA does carry earmarked reserves in order to ensure that existing commitments can be delivered. It is also noted that it would not be

appropriate for WMCA to sit on extensive general reserves whilst Constituent Members face funding challenges of their own.

- 10.5 WMCA is obliged to ensure that all resources are applied in a way which secure the best value for the region, and to continually review its performance and financial position.
- 10.6 These obligations are addressed through an annual review of the MTFP, culminating in the Draft and Final Budget reports presented to WMCA Board in January and February respectively. WMCA Board also receive the latest available financial position at the Board meetings throughout the year, with additional papers presented to seek approval for significant investments or revisions to Budget.
- 10.7 Whilst no Budget is risk-free, WMCA does still have opportunities to improve its financial position:
- Reducing all Capital Financing costs through accessing best value financing available, including the Public Works Loans Board and UK Infrastructure Bank; and
  - Optimising returns on all cash investments, continually reviewing the market for additional funds to invest in which meet WMCA's Treasury Management Strategy guidelines.
- 10.8 The Finance Director states that to the best of her knowledge and belief the 2023/24 Final Budget calculations are robust and have full regard to:
- The expected financial position as at the end of 2022/23
  - The Transport Revenue Budget as set out in Appendix 1
  - The Portfolio Revenue Budget as set out in Appendix 2
  - The Transport Capital Programme as set out in Appendix 4
  - The Housing Capital Programme as set out in Appendix 5
  - The Investment Programme set out in Appendix 6
  - The City Region Sustainable Transport Settlement (CRSTS) Programme as set out in Appendix 7
  - The strength of WMCA's financial control procedures including audit considerations
  - The extent of WMCA's General and Earmarked reserves
  - The policies of Her Majesty's Government as they impact upon the WMCA.

## **11.0 Pay Policy Statement**

- 11.1 The purpose of the Pay Policy Statement is to clarify the West Midlands Combined Authority strategic stance on pay to provide direction for members and officers making decisions on pay and to provide the citizens of the West Midlands with a clear statement of the principles underpinning decisions on the use of public funds. The West Midlands Combined Authority Pay Policy Statement is attached at Appendix 13.
- 11.2 There are no significant changes proposed for 2023/24.

## **12.0 Legal Implications**

- 12.1 Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. There are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2 As the Mayor did not include setting a precept as part of his 2021 Election Manifesto, the funding of budget proposals in respect of Mayoral functions is expected to be met from alternative funding sources until 2025/26 at the earliest.
- 12.3 As a public authority which has the power to levy for transport functions and to raise a precept, WMCA must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the WMCA Board.

## **13.0 Equalities Information**

- 13.1 There is no direct equality impact in relation to the 2023/24 Budget proposals as funding has been maintained and service provision is not affected. However, there are increased risks and financial uncertainties due to general economic conditions and in particular inflation, supply chain issues and energy costs.
- 13.2 A number of mitigating measures have been considered as part of Budget planning which should help mitigate any negative impact, but the scale of change may result in the need for additional considerations in relation to assisted travel policies. The protected characteristics most likely to be affected are those on lower incomes with fewer economic resources who are more reliant on public transport. This would include young people, women, single parents, people from lower socio-economic groups, ethnic minorities and disabled people.
- 13.3 Future policy options would need to undergo in-depth equality impact assessments and engagement/consultation with affected groups to ensure negative impact is mitigated as far as practically possible.

## **14.0 Inclusive Growth Implications**

- 14.1 West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

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

- 15.1 The Budget proposals encompass the West Midlands region.



## **Appendices**

- Appendix 1 – Transport Delivery Revenue Budget
- Appendix 2 – WMCA Delivery Budget (Portfolios)
- Appendix 3 – WMCA Activity for 2023/24
- Appendix 4 – Transport Capital Programme
- Appendix 5 – Housing & Other Capital Programme
- Appendix 6 – Investment Programme Capital Grants to Local Authorities
- Appendix 7 – City Region Sustainable Transport Settlement
- Appendix 8 – Treasury Management Policy Statement 2023/24
- Appendix 9 – Treasury Management Strategy 2023/24
- Appendix 10 – Treasury Management Practice – Credit & Counterparty Risk 2023/24
- Appendix 11 – WMCA Capital Strategy 2023/24
- Appendix 12 – MRP Strategy 2023/24
- Appendix 13 – Pay Policy Statement 2023/24

## Appendix 1 – Proposed Transport Revenue Budget

	2022/23 BUDGET £000	2023/24 Budget £000	2024/25 MTFP £000	2025/26 MTFP £000	2026/27 MTFP £000	2027/28 MTFP £000
Transport Levy	117,015	119,355	119,355	119,355	119,355	119,355
Business Rates		4,674	4,735	3,297	7,089	3,127
Use of Reserves	9,078	9,201				
Efficiency Target	582	3,000				
<b>TOTAL FUNDING</b>	<b>126,674</b>	<b>136,229</b>	<b>124,090</b>	<b>122,652</b>	<b>126,444</b>	<b>122,482</b>
<b>Concessions</b>						
National Bus Concession	(47,843)	(47,248)	(49,338)	(51,649)	(53,784)	(54,827)
Metro / Rail	(4,576)	(4,574)	(4,590)	(4,597)	(4,604)	(4,714)
Child Concession	(6,710)	(7,166)	(7,402)	(7,656)	(7,954)	(8,300)
	<b>(59,130)</b>	<b>(58,988)</b>	<b>(61,331)</b>	<b>(63,902)</b>	<b>(66,342)</b>	<b>(67,841)</b>
<b>Bus Services</b>						
Bus Stations / Infrastructure	(5,643)	(5,934)	(6,589)	(7,125)	(7,562)	(7,698)
Subsidised Network	(13,420)	(14,255)	(15,143)	(15,301)	(15,656)	(15,656)
Accessible Transport	(6,638)	(6,633)	(6,653)	(6,659)	(6,666)	(6,673)
	<b>(25,702)</b>	<b>(26,823)</b>	<b>(28,385)</b>	<b>(29,086)</b>	<b>(29,884)</b>	<b>(30,027)</b>
<b>Rail and Metro Services</b>						
Metro Services	(6,137)	(10,899)	(12,670)	(15,235)	(31,042)	(31,692)
Rail Services	(4,165)	(4,852)	(4,524)	(4,588)	(4,657)	(4,657)
	<b>(10,302)</b>	<b>(15,751)</b>	<b>(17,194)</b>	<b>(19,823)</b>	<b>(35,699)</b>	<b>(36,349)</b>
<b>Integration</b>						
Safety and Security	(1,257)	(2,778)	(2,811)	(2,930)	(3,042)	(3,125)
Passenger Information	(6,959)	(6,537)	(7,656)	(7,927)	(8,053)	(7,765)
Sustainable Travel	(1,893)	(1,956)	(2,574)	(1,894)	(918)	(899)
	<b>(10,109)</b>	<b>(11,271)</b>	<b>(13,040)</b>	<b>(12,751)</b>	<b>(12,013)</b>	<b>(11,789)</b>
<b>Network Resilience</b>	(3,744)	(3,197)	(3,501)	(3,604)	(3,653)	(3,557)
<b>Business and Democratic Support</b>	(4,279)	(4,999)	(6,462)	(6,537)	(6,343)	(5,463)
<b>Strategic Development</b>	(4,863)	(4,840)	(5,607)	(5,746)	(5,802)	(5,641)
<b>Transport Governance</b>	(135)	(141)	(147)	(153)	(160)	(167)
<b>Capital Finance Charges</b>	(8,410)	(10,219)	(12,453)	(12,522)	(11,910)	(9,568)
<b>TOTAL EXPENDITURE</b>	<b>(126,674)</b>	<b>(136,229)</b>	<b>(148,119)</b>	<b>(154,123)</b>	<b>(171,806)</b>	<b>(170,401)</b>
<b>NET Expenditure</b>	<b>0</b>	<b>0</b>	<b>(24,029)</b>	<b>(31,471)</b>	<b>(45,363)</b>	<b>(47,920)</b>

### **ENCTS (National Bus Concession) £47.2m**

- Free Travel for all entitled to national pass from 9.30am to 11pm
- Reimbursement regulated by Secretary of State with guidance provided by DfT
- Current discretionary scheme extension 11pm to last bus

### **Child Concessions £7.2m**

- Half fare travel
- Children 5-15 Years
- Young adults in education 16-18 Years
- Apprentices and Trainees 16-18 Years Weekdays before 9.30 am & between 15.00 & 18.00 Hrs

### **Rail and Metro Concessions £4.6m**

- Extensions of national bus scheme to rail and metro
- After 9.30pm to midnight weekdays, all day weekends and bank holidays
- Rail estimated 4.6m trips per annum (pre-Covid-19)
- Metro approx. 1.0m trips per annum (pre-Covid-19)

### **Subsidised services £14.3m**

- Policy criteria -Minimum 8 passengers per journey
- The current VFM Thresholds are £4.10 for tendered contract
- Access criteria 400m (7am -7pm) 700m (all other times)

### **Accessible Transport £6.7m**

- Ring & Ride service operated by National Express Accessible Transport.
- Prior to Covid this affected 14,000 users / 700,000 trips per annum although this has been critically impacted by the coronavirus pandemic. There are now approximately 3,100 active users / 175,000 trips per annum

### **Passenger information £6.6m**

- Real time information across the network
- Customer information is a focus in all formats: at bus stops, shelters, bus stations & online
- Travel Information Centres
- We continue to provide and invest in customer service teams and telephone support

### **Bus Stations/Infrastructure £5.9m**

- Management and Maintenance of 12 Bus stations, circa 12,000 stops and shelters
- Infrastructure Costs –cleaning, repairs, rates, CCTV, Electricity, routine maintenance
- Bus policy development options

### **Rail Services £4.9m**

- Provision, management, on-going maintenance and operation of 45 Park and Ride sites, circa 9,100 spaces
- Delivery of TfWM Rail responsibilities including capital projects and industry engagement
- WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has co-responsibilities with the DfT for managing the West Midlands Rail franchise

### **Metro Services £10.9m**

- Subsidy and franchise assumptions continue to be reviewed in light of pandemic recovery

### **Safety and Security £2.8m**

- Safer Travel police team, CCTV at Bus & Rail Stations including interchanges, CCTV control Centre

**Business & Democratic Support £5.0m**

- This covers the transport related element of support and overhead costs attributable to 16 Summer Lane, ICT, Legal, Procurement, Health & Safety, Equalities, Programme Management, Finance, Human Resources, & general business infrastructure & support

**Strategic Development £4.8m**

- Transport Team delivering plans for devolution, strategic economic plan proposals, developing business cases and related policy and strategy development.

**Capital Finance Charges £10.2m**

- Loan interest on existing loan book and anticipated future borrowing
- Past Pension costs and deficit funding arrangements

**Network Resilience £3.2m**

- Resource to work on managing congestion and mitigating impact of the wider transport investment programme
- Resource to assist in embedding the Key Route Network as part of an integrated transport system to support economic performance and keep people safe and well informed
- Costs associated with operating the RTCC (Regional Transport Coordination Centre)
- To deliver both agreed and emerging policies (e.g. Congestion Management Plan, Highways Investment Plan, Regional Road Safety Strategy)

**Sustainable Travel £2.0m**

- This represents the costs of Sustainable travel work within TfWM including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Cycle Hire project.

**Transport Governance £0.1m**

- This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee

## **Appendix 2 – Proposed West Midlands Combined Authority Portfolio Budgets**

**Annex A** – Employment and Skills

**Annex B** – Housing and Regeneration

**Annex C** – Economy & Innovation

**Annex D** – Culture and Digital

**Annex E** – Health & Communities

**Annex F** – Levelling Up

**Annex G** – Environment, Energy and HS2

**Annex H** – Inclusive Communities

**Annex I** – Central Funding & Recharges

**Employment and Skills**

<b>Employment and Skills</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Use of Reserves	90,000	77,681	(12,319)
Grants	143,144,300	152,176,084	9,031,785
Contributions from Third Parties	-	141,649	141,649
Investment Programme Funding	298,411	-	(298,411)
<b>Total Income</b>	<b>143,532,711</b>	<b>152,395,415</b>	<b>8,862,704</b>
Staff Costs	3,062,466	4,021,838	959,372
Training & Development	140,851,385	149,055,848	8,204,463
Promotions, Information and Initiatives	121,860	126,860	5,000
External Advice	1,113,531	803,966	(309,565)
Travel & Subsistence	10,826	17,151	6,325
Direct Recharges	78,027	82,105	4,078
Indirect Recharges	200,000	250,000	50,000
<b>Total Expenditure</b>	<b>145,438,095</b>	<b>154,357,768</b>	<b>8,919,672</b>
<b>Net Expenditure</b>	<b>1,905,384</b>	<b>1,962,353</b>	<b>56,968</b>

**Housing and Regeneration Portfolio**

<b>Housing &amp; Regeneration</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Grants	1,454,688	1,843,764	389,076
<b>Total Income</b>	<b>1,454,688</b>	<b>1,843,764</b>	<b>389,076</b>
Staff Costs	1,630,515	2,154,784	(524,268)
External Advice	758,921	676,080	82,841
Utilities	-	211,369	(211,369)
Travel & Subsistence	3,609	2,758	850
Direct Recharges	(938,357)	(1,201,227)	262,870
<b>Total Expenditure</b>	<b>1,454,688</b>	<b>1,843,764</b>	<b>(389,076)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Economy & Innovation Portfolio**

<b>Economy and Innovation</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Grants	718,000	1,360,154	642,154
Investment Programme Funding	567,492	-	(567,492)
<b>Total Income</b>	<b>1,285,492</b>	<b>1,360,154</b>	<b>74,661</b>
Staff Costs	625,293	772,848	147,555
Contributions to Third Parties	1,001,500	1,931,074	929,574
Promotions, Information and Initiatives	77,325	77,325	-
External Advice	1,191,829	845,314	(346,514)
Direct Recharges	-	50,000	50,000
<b>Total Expenditure</b>	<b>2,895,946</b>	<b>3,676,561</b>	<b>780,614</b>
<b>Net Expenditure</b>	<b>1,610,454</b>	<b>2,316,407</b>	<b>705,953</b>

**Culture and Digital Portfolio**

<b>Culture and Digital</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Investment Programme Funding	-	272,050	272,050
<b>Total Income</b>	<b>-</b>	<b>272,050</b>	<b>272,050</b>
Staff Costs	63,196	193,904	(130,707)
External Advice	359,534	534,050	(174,516)
<b>Total Expenditure</b>	<b>422,730</b>	<b>727,954</b>	<b>238,877</b>
<b>Net Expenditure</b>	<b>422,730</b>	<b>455,904</b>	<b>(33,173)</b>

**Health & Communities**

Health and Communities	2022/23 Budget £	2023/24 Budget £	Movement
Grants	231,197	363,972	132,775
<b>Total Income</b>	<b>231,197</b>	<b>363,972</b>	<b>132,775</b>
Staff Costs	959,929	1,137,136	(177,207)
Promotions, Information and Initiatives	5,500	28,000	(22,500)
External Advice	236,099	233,123	2,976
Travel & Subsistence	600	600	-
<b>Total Expenditure</b>	<b>1,202,128</b>	<b>1,398,859</b>	<b>(196,731)</b>
<b>Net Expenditure</b>	<b>970,931</b>	<b>1,034,887</b>	<b>(63,956)</b>

**Levelling Up**

Levelling Up	2022/23 Budget £	2023/24 Budget £	Movement
Grants	81,297	-	(81,297)
Use of Reserves	12,260	-	(12,260)
<b>Total Income</b>	<b>93,557</b>	<b>-</b>	<b>(93,557)</b>
Staff Costs	1,075,186	981,913	(93,272)
Contributions to Third Parties	1,200,000	625,000	(575,000)
External Advice	354,406	543,988	189,582
Promotions, Information and Initiatives	36,000	-	(36,000)
<b>Total Expenditure</b>	<b>2,665,592</b>	<b>2,150,901</b>	<b>(514,691)</b>
<b>Net Expenditure</b>	<b>2,572,035</b>	<b>2,150,901</b>	<b>(421,134)</b>



**Environment, Energy and HS2**

<b>Environment and Energy, HS2</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Investment Programme Funding	941,528	739,175	(202,354)
<b>Total Income</b>	<b>941,528</b>	<b>739,175</b>	<b>(202,354)</b>
Staff Costs	1,121,191	934,033	(187,158)
Contributions to Third Parties	-	360,474	360,474
External Advice	717,995	790,474	72,479
<b>Total Expenditure</b>	<b>1,839,186</b>	<b>2,084,981</b>	<b>245,795</b>
<b>Net Expenditure</b>	<b>897,658</b>	<b>1,345,806</b>	<b>448,149</b>

**Inclusive Communities Portfolio**

<b>Inclusive Communities</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Grants	478,331	469,828	(8,503)
Use of Reserves	13,000	-	(13,000)
<b>Total Income</b>	<b>491,331</b>	<b>469,828</b>	<b>(21,503)</b>
Staff Costs	559,348	674,995	115,647
Contributions to Third Parties	403,425	315,656	(87,769)
Promotions, Information and Initiatives	25,775	28,628	2,853
External Advice	284,421	285,000	579
Other	2,062	-	(2,062)
Direct Recharges	-	10,000	10,000
<b>Total Expenditure</b>	<b>1,275,031</b>	<b>1,314,279</b>	<b>39,248</b>
<b>Net Expenditure</b>	<b>783,700</b>	<b>844,451</b>	<b>60,751</b>

**Central Funding & Recharges**

<b>Central Funding &amp; Recharges</b>	<b>2022/23 Budget £</b>	<b>2023/24 Budget £</b>	<b>Movement</b>
Grants	153,590	86,648	(66,942)
Investment Income	1,293,500	1,293,500	0
Business Rates Growth Income	-	7,326,431	7,326,431
Constituent & Non-Constituent Member fees	5,153,818	5,063,814	(90,004)
Use of Specific Reserves	6,116,670	-	(6,116,670)
<b>Total Income</b>	<b>12,717,577</b>	<b>13,770,393</b>	<b>1,052,816</b>
Other	-	105,000	(105,000)
Indirect Recharges	3,554,684	3,554,684	(0)
<b>Total Expenditure</b>	<b>3,554,684</b>	<b>3,659,684</b>	<b>(105,000)</b>
<b>Net Expenditure</b>	<b>(9,162,893)</b>	<b>(10,110,709)</b>	<b>947,816</b>

## Appendix 3 – Activity for 2023/24

The following High Level Deliverables are proposed in order to support delivery of the WMCA

AIM	OBJECTIVE	DRAFT HIGH LEVEL DELIVERABLE
<b>Aim 1: To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs</b>		
1.1	We will drive growth by developing regional strategies and plans focussed on priority clusters, boosting innovation, and securing investment	Lead the economic and business dimension of an overall regional strategy that drives inclusive growth and shapes decision-making processes.
		Lead the mobilisation of the West Midlands Plan for Growth with: <ul style="list-style-type: none"> <li>· A coherent and cohesive approach to cluster leadership and growth.</li> <li>· Direction to funding decisions on cross-cutting interventions across the WMCA and partners on issues like land, skills and investment.</li> </ul>
		Manage a strategic partnership with a tech firm to deliver a set of core deliverables on the digital economy.
		Deliver the Create Central business growth plan.
		Enable delivery by partners of the SPF-funded business support system, including establishment and oversight of WM-wide "core hub" activities with WMCA SPF Business Programmes
1.2	We will work with partners to create the optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed	Deliver the WM Innovation Programme and Made Smarter West Midlands programme.
		Drive the 'Strategic Productivity Dialogue' with BEIS, setting out regional priorities for national programmes and building to a co-designed proposal to the next Spending Review.
		Oversee the West Midlands Innovation Accelerator and deliver a co-designed action plan with Innovate UK to increase innovation adoption and diffusion across the region. Explore how this model can be applied more widely to UKRI.
		Convene local authorities and business leaders across the West Midlands to provide collective, clear direction on economic priorities.
		Provide oversight, direction and support to the West Midlands Growth Company to deliver on strategic and place priorities across the region.
1.3	We will invest in training and skills programmes that help our businesses grow and our citizens secure good jobs	Develop more AEB provision to align to plan for growth and to meet current and/or emerging skills needs - monitoring, managing and flexing provision as required
		Use available evidence to understand and respond to the labour market needs of the region
1.4	We will work with local authorities to support the role of culture and sport in making the region a good place to live, work, visit and invest	Develop, agree and implement a West Midlands Cultural & Heritage Strategy that provides thought leadership for West Midlands partners and delivers new funding and development for cultural infrastructure and activity.

Aims and Objectives for 2023/24.

1.5	We will ensure public and private investment opportunities such as HS2 and the Commonwealth Games, create good work opportunities for local people and more contracts for local businesses	Lead and implement initiatives designed to build a sustainability legacy from the B2022 Commonwealth Games including Community Environment Fund, Commonwealth Forest and Carbon Literacy programmes
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<b>Aim 2: To ensure everyone has the opportunity to benefit as the region recovers from COVID-19, improves resilience and tackles long-standing challenges.</b>		
2.1	We will work with partners to give our communities access to training and employment support to secure and succeed in new opportunities	Create 10,000 starts on level 3 training provision Create 4,350 starts on level 3 bootcamps Create 5,000 starts on 'into employment' provision; 3,000 outcomes Develop 70% of L2/3 training aligned with sector plans Create 5,000 enrolments on basic skills provision
2.2	We will work with partners to identify and address the different barriers faced by our diverse communities	Support and develop the Coalition for Digital Inclusion Establish Life Chances Commission Successfully deliver communities and place interventions through UKSPF Convene partners to take action to address race inequalities through the Race Equalities Taskforce including taking forward the Leadership Commission programme. Support and develop the Young Combined Authority to deliver a programme of activity that puts young people's concerns at the heart of regional policymaking Develop the Inclusive Growth Framework and supporting products to provide an integrated approach to Inclusive Growth delivery such as a web portal, dashboard etc.
2.3	We will support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners	Enable healthy, thriving communities through implementing a health in all policies approach and helping drive resources into specific areas of unmet need Support the delivery of initiatives that tackle health inequalities with health system partners, including Mental Health Commission and Commonwealth Games Legacy programmes of work Enable healthy, productive workforces and deliver evidence-based initiatives focusing on 'good work' as a determinant of health Develop new approaches to social innovation in the region including exemplar initiatives, training opportunities and a cross-agency virtual team. Ongoing facilitation of the Homelessness Taskforce, Members Advisory Group and associated task groups, including by delivery of pilot activity, including looking at alternative funding models for preventative activity. Ongoing oversight of Housing First pilot, Rough Sleepers Accommodation Programme and Rough Sleeping Initiative, along with any other externally funded activity.

		Develop and implement a regional Inclusive Communities strategy and deliver the associated Commonwealth Games Legacy Fund Inclusive Communities pillar.
		Develop collaborative projects with the Police and Crime Commissioner to help reduce crime and improve the criminal justice system.

Aim 3: Connect our communities by delivering transport and unlocking housing and regeneration schemes		
3.1	We will deliver and operate a safe, accessible, affordable, reliable, and sustainable transport system together with our partners	Increasing the efficiency and performance of transport delivery in the West Midlands
		Fund essential supported services that provide a social benefit including concessions, ring and ride, and tendered bus services
		Develop and enhance frontline services and infrastructure that deliver high quality experiences that meet changing customer demands at TfWM facility, bus stations and interchanges.
		Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA
		Creating and maintaining accurate and reliable public transport travel information including the requirements set out in the National Bus Strategy and Vision for Bus.
		Work in collaboration with Government, Operators and the wider rail industry to deliver better outcomes from today's railway
		Co-manage the West Midlands rail franchise, through West Midlands Rail Executive
		Managing the West Midlands Transport Network through improved coordination with the Regional Transport Co-ordination Centre
		Keep the transport system safe and secure
		Develop and enhancing the performance of the Key Route Network (KRN)
		Improving the financial, operational and asset performance of WM Metro to support metro services and network expansions
		Maintain & publish a West Midlands Local Transport Plan and embed transport policy and strategy in the plans and programmes of the wider WMCA & partners.
		Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use the West Midlands transport system
		Continue to develop and maintain a robust common data environment for the West Midlands transport system
		Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes

		<p>Creating a system for easy to use and affordable payments to access the transport system</p> <p>W&amp;C Active Travel Behaviour Change Delivery. Deliver, monitor and evaluate 23/24 Behaviour change projects.</p> <p>New Behaviour Change Strategy to support and drive the work of the Behaviour Change Hub within Network Resilience</p> <p>Transport Network Resilience Plan</p> <p>Establish Drone Team</p> <p>Develop a Framework that emphasises the importance of Transport for Event Organisers and Key Stakeholders</p> <p>Enhance Partnership Working with the Regions Local Resilience Forum</p>
3.2	We will build and develop transport infrastructure that is sustainable, active, low-congestion and integrated with key projects like HS2	<p>Ensure the delivery of the CRSTS Capital Programme, including the TfWM Infrastructure programme</p> <p>Plan, deliver and operate the West Midlands Walking and Cycling Programme</p> <p>Delivering our bus vision and BSIP to support inclusive growth.</p> <p>Building and planning tomorrow's railways by delivering the Rail Investment Programme</p> <p>Extending the WM Metro Network to better serve more people and businesses delivering Westside (Edge), Wolverhampton City Centre, WBHE and Birmingham East Side extensions.</p> <p>Keeping the West Midlands Moving by mitigating the impacts of transport investment programmes through Travel Demand Management</p>
3.3	We will invest in and support housing and regeneration schemes, working closely with the private sector and local authorities to unlock and accelerate sustainable delivery	<p>Delivery of prescribed requirements, measures and output targets of the 2018 Housing Deal &amp; subsequent funding deals and agreements with HMG</p> <p>Supporting Local Planning Authorities with evidence requirements for Local Plans and other policy requirements</p> <p>Develop and support Board approved policy development work e.g. Masterplanning and West Midlands Design Charter</p> <p>Lead, manage and deliver the WMCA's' nationally leading brownfield regeneration, housing and land programmes</p> <p>Work closely with all local authorities across the WMCA and developers/ investors/ HMG agencies to develop a strong regeneration and development project and investment pipeline</p> <p>Organise and lead a series of industry led taskforces to provide critical insight, challenge, advocacy and support to the work of the Housing and Land Board</p> <p>Lead WMCA Strategic Acquisitions, Disposals and Asset Management programmes</p> <p>Establish new and strengthen existing partnerships, ventures and joint approaches with public and private sector partners across the whole of the region to deliver local priorities</p> <p>Support and enable Affordable Housing Delivery across the West Midlands including new partnerships and pilot approaches</p> <p>Deliver and submit compelling business cases for additional funding and support to the West Midlands from HMG</p> <p>Oversee and manage the development and delivery of the regional One Public Estate and Place Pilots Programmes</p>
3.4	We will support and deliver co-ordinated	<p>Produce the annual West Midlands Investment Prospectus and deliver associated partner engagement</p>

investment packages with our partners across key corridors and local, town, and city centres	Support local authorities and other partners on policy, projects, funding bids and investment plans in town centres
	Lobby/engage with HMG on behalf of the region on a diverse range of housing, land and regeneration matters
	Lead the development and coordinate the delivery of a Single Property and Estates Strategy including a single asset register for the WMCA Estate
	Deliver a comprehensive programme supporting the effective implementation of the public land charter through collaborative working with the Cabinet Office, LGA, industry taskforces & local partners
	Leading the development and negotiation of the approved Housing and Land Board asks of the Trailblazer Devolution Deal
	Developing Park & Ride assets to support better access to the transport system including making our transport assets more affordable by increasing commercial revenues
	Support the organisation to apply and deliver inclusive growth in all its activities through programmes such as Inclusive Growth Business Partners

Aim 4: To reduce carbon emissions to net zero, enhance the environment and boost climate resilience		
4.1	We will work with partners to attract investment in and deliver programmes to support net zero development and infrastructure	Support systems and processes for devolving and delivering more effective energy infrastructure and remove barriers to investing in clean energy assets
		Implement the key actions in the Infrastructure for Zero Emission Vehicles strategy including supporting the delivery of EV Transit Stations spine programme
		Work with partners to develop and deliver projects to tackle fuel poverty in the region and progress towards the target of getting the region's homes to Net Zero by 2041
		Grow SMART Hub capacity to support local authorities to access funding, intelligence and expertise to retrofit homes to reduce carbon emissions
		Commence delivery of Net Zero Neighbourhood Demonstrator programme to pilot place-based approaches to retrofit and wider decarbonisation, building a pipeline of projects, establishing the first Net Zero Neighbourhood and commencing works to homes in this area
		Develop and deliver a programme of commercial energy efficiency and near/onsite energy generation projects with public and private sector partners
		Develop, lead and support the preparation of a landmark West Midlands Future Homes Strategy
4.2	We will be national pioneers in advanced methods of construction, zero carbon housing and brownfield regeneration and delivery, informed by research at the National Brownfield Institute	Deploy devolved Housing and Land Funds in accordance with the principles and targets of the approved AMC and Zero Carbon Homes Charters
4.3	We will convene partners to drive industrial decarbonisation and grow the low carbon and circular economy	Work with partners on industrial decarbonisation and other initiatives to support regional businesses to decarbonise their operations including through the Net Zero Business Pledge
		Deliver Circular Economy Route map priorities including an Industrial Symbiosis programme, Zero Waste Construction Hubs and wider enabling activities including raising awareness of the benefits of building repurposing, and producing a circular communities toolkit



4.4	We will pioneer and embed transport innovations and drive behaviour change to reduce emissions, improve air quality, and enable the creation of green jobs	Delivering a step change in our Mass Transit Network (including Sprint and Metro delivery programmes) to unlock inclusive growth and tackle climate change
		Develop and agree a strategy and target date to deliver a zero-emission bus fleet and supporting infrastructure across the West Midlands
		Create a strategic transport innovation eco-system by delivering the West Midlands Future Transport Zone programme
		Implement activities to deliver the Natural Environment Plan including the Local Nature Recovery Strategy and related projects
4.5	We will work with partners to increase investment in nature and our surroundings	Deliver a wide-ranging Net Zero Behaviour Change programme to citizens across the region including the development of a WM Net Zero Citizens' Panel and deliver Carbon Literacy Training to WMCA staff
		Develop and deliver the agreed regional approach to tackling air pollution through the development of a Regional Air Quality Framework, including behaviour change campaigns.
		Deliver WMCA Adaptation Plan in partnership with regional organisations
		Maintain and update the net zero and environment data dashboard to provide insight on progress in delivering ambitions

**Aim 5: To secure new powers and resources from central government, and demonstrate the strength of our regional partnership**

5.1	We will work with partners to understand their priorities, convene around shared opportunities, and deliver together	Show thought leadership on strategic policy for WMCA, by embedding a 'think and do tank' culture and practice within Strategy and Integration and as part of this, develop a cross-cutting strategy for 'West Midlands 2035'.
		Provide programme oversight of the Commonwealth Games Legacy Fund.
		Agree a Public Affairs Strategy and action plan for WMCA to generate better influence in government and a more joined-up and strategic approach to external engagement across WMCA
		Set in train delivery of the four key workstreams of the agreed Social Economy Action Plan and related stakeholder engagement.
		Set in train delivery of the five missions of the Digital Roadmap.
5.2	We will work with central government to gain new powers and resources for the region, including double devolution	Make the case for local rail devolution to deliver better outcomes for a future railway
		Building on the Trailblazer Devolution Deal [agreed with Government in March 2023], identify the next set of devolution priorities [aligned with Government's objectives as set out in the Levelling Up White Paper], and agree a strategic approach to securing these over the short, medium and long term.

**Aim 6: To develop our organisation and our role as a good regional partner**

6.1	We will deliver as one organisation with a	Manage and deliver modern high-class FM and Business Support services for WMCA and its estate tenants
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	collaborative and inclusive culture, underpinned by best in class enabling services	<p>Manage and deliver high quality fit for purpose asset management and income generation services with the necessary supporting systems, data and information</p> <p>Implement new ways of working (Progression on 4 #BC themes)</p> <p>Balanced revenue budget for 2023/2024</p>
6.2	We will drive cultural change to embed new hybrid and agile ways of working	<p>Manage and deliver hybrid and agile working programmes and associated policy changes across the WMCA</p> <p>Deliver and coordinate investment in the modernisation and improvement of 16 Summer Lane to support business needs</p> <p>Lead on Business Continuity planning and delivery of HQ Emergency Response Plan.</p>
6.3	We will ensure our workforce have the skills and competencies to deliver our strategy	<p>Develop a more planned &amp; robust approach to staff engagement</p> <p>Develop the organisations learning &amp; development offer</p> <p>Embedding our approach to IPM and talent management</p>
6.4	We will empower our organisation through digital-first and data enabled ways of working across all our activity	<p>Improve/integrate our digital architecture</p> <p>Modernise our technology</p> <p>Protect and manage our infrastructure</p> <p>Enhance digital experience &amp; interaction</p>
6.5	We will provide leading support for a diverse workforce and demonstrate excellent equality and diversity practice	<p>Develop and deliver plans and activities for the organisation's internal and external functions to meet the requirements as set out in the WMCA equality scheme</p> <p>Ensure that workplace wellbeing is a key priority for the WMCA and deliver activities which support and enhance workplace wellbeing</p>
6.6	We will involve citizens with our work to put their views at the heart of our planning, decision making and delivery	Develop and support a varied portfolio of citizen engagement activity across the WMCA to ensure decisions are shaped by citizens and that our policies, practices, and investments deliver real value for everyone living and working in the region
6.7	We will deliver through clear and effective governance and performance management that supports good, timely, and transparent decision making and the best use of public funds	<p>Support delivery of key business projects through Procurement process</p> <p>Support Business Cases through the Single Assurance Framework</p>

## APPENDIX 4 - Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	69.2	131.1	48.0	67.7	-	316.0
	Metro Centenary Square Extension	0.6	-	-	-	-	0.6
	Metro Birmingham Eastside Extension	57.1	65.1	18.9	4.0	-	145.1
	Metro Edgbaston Extension	6.4	-	-	-	-	6.4
	Metro Network Enhancements	2.6	3.2	0.3	0.2	0.2	6.5
	Wolverhampton Metro Extension	8.4	0.3	-	-	-	8.7
	Buy Before Boarding	2.1	5.6	1.0	0.1	0.6	9.4
	Metro Enabling and Other Works	3.9	0.2	-	-	-	4.0
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	31.4	20.2	0.7	-	-	52.3
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	10.5	29.7	3.0	-	-	43.2
	Rail - Sutton Coldfield Gateway	0.0	1.3	5.0	15.0	-	21.3
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.3	1.7	-	-	-	3.9
	Sprint - Longbridge to Birmingham	0.2	-	17.2	11.7	13.4	42.5
	Sprint - Hall Green to Interchange via Solihull	0.2	-	7.3	5.7	18.8	32.0
	Sprint - Hagley Road Phase 2	0.2	-	11.2	11.2	32.2	54.8
	Sprint - Sutton Coldfield to Birmingham	-	-	25.9	-	-	25.9
<b>INVESTMENT PROGRAMME TOTAL</b>		<b>195.1</b>	<b>258.3</b>	<b>138.3</b>	<b>115.7</b>	<b>65.2</b>	<b>772.6</b>
Other Major Programmes	Sprint - A45 Birmingham to Airport and Solihull	13.8	1.0	-	-	-	14.8
	Sprint - A34 Walsall to Birmingham	7.7	0.6	-	-	-	8.3
	University Station Improvement Project	19.6	1.3	-	-	-	20.9
	Perry Barr Rail Station	7.7	-	-	-	-	7.7
	Regional Traffic Control Centre	6.5	2.1	-	-	-	8.6
	Perry Barr Mitigation Package	0.0	0.2	-	-	-	0.3
	Birchley Island - Sandwell MBC	0.5	-	-	-	-	0.5
	Commonwealth Games Public Realm - Local Authority	0.6	-	-	-	-	0.6
	Dudley Interchange	1.1	1.9	16.2	0.0	-	19.2
	Cross City Bus - City Centre & Druids Heath	0.6	9.6	11.8	-	-	22.0
	Coventry City Electric Bus	16.2	24.9	2.4	0.1	-	43.6
	Zero Emission Bus Regional Area (ZEBRA)	-	30.4	-	-	-	30.4
	Future Mobility Zone	5.9	2.5	-	-	-	8.3
	Other Works	0.6	-	-	-	-	0.6
<b>OTHER MAJOR SCHEMES PROGRAMME TOTAL</b>		<b>80.7</b>	<b>74.4</b>	<b>30.4</b>	<b>0.2</b>	<b>-</b>	<b>185.6</b>
Minor Works Programme	A435 Alcester Rd Bus Priority Revitalisation	0.5	0.7	-	-	-	1.2
	Strategic Transport Officer Group Top Slice	0.1	0.2	-	-	-	0.3
	Priority One Development Schemes	0.6	0.5	-	-	-	1.0
	Tackling Nitrogen Dioxide	0.2	-	-	-	-	0.2
	Asset Management Programme	2.0	0.1	-	-	-	2.1
	M6 Toll - In Vehicle Messaging	0.7	0.3	-	-	-	1.0
	Air Quality	0.6	0.4	-	-	-	1.0
Other Works	1.9	0.2	-	-	-	2.1	
<b>MINOR WORKS PROGRAMME TOTAL</b>		<b>6.6</b>	<b>2.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.9</b>
Grants to Local Authorities Programme	Active Travel Fund- Tranche 3	0.7	16.6	-	-	-	17.3
	Priority 1 Delivery- Perry Barr- Sutton Coldfield	0.1	1.2	0.2	-	-	1.5
	Priority 1 Delivery- A45 Coventry Road Birmingham	0.1	2.9	1.5	-	-	4.5
	Priority 1 Delivery- Binley Road Coventry	4.6	-	-	-	-	4.6
	Priority 1 Delivery- WTBH Metro Corridor Access Improvements	0.6	0.5	-	-	-	1.0
	B4106 Spon End - Coventry CC	1.0	-	-	-	-	1.0
	New St/High St/Victoria Sq Public Realm - Birmingham CC	2.1	-	-	-	-	2.1
	MRN-A4123 Corridor -A4150 Ring Road to A456 Hagley Road	0.2	0.2	-	-	-	0.4
	MRN - M5 J1 - Sandwell	0.0	0.2	-	-	-	0.3
	MRN-Cov North Package Link M6	0.0	0.2	-	-	-	0.2
	MRN-A452 Balsall Common Bypass	0.4	0.1	-	-	-	0.5
	Major Road Network- A454 Wolverhampton to Neachells	0.4	-	-	-	-	0.4
	Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road	0.5	-	-	-	-	0.5
	Major Road Network- A46 Link Road Ph3 Coventry	0.3	-	-	-	-	0.3
	Major Road Network - A461	0.8	-	-	-	-	0.8
	MRN-A4540 Bham Middleway -Eastside	0.7	-	-	-	-	0.7
Other Works	1.2	-	-	-	-	1.2	
<b>GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL</b>		<b>13.4</b>	<b>21.8</b>	<b>1.7</b>	<b>-</b>	<b>-</b>	<b>36.9</b>
<b>TRANSPORT TOTAL</b>		<b>295.8</b>	<b>356.9</b>	<b>170.4</b>	<b>115.8</b>	<b>65.2</b>	<b>1,004.1</b>

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.**

The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.

## APPENDIX 5 – Housing and Land/Other Capital Programme

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Land	Brownfield Land & Property Development Fund (BLPDF)	4.2	4.9	0.7	0.8	0.0	10.8
Remediation	LPIF (Black Country Consortium)	21.4	15.1	0.1	0.1	-	36.7
Land Fund	Land Fund - Simon Digby	-0.0	0.6	1.8	0.6	-	3.0
	Land Fund - Stone Yard	0.0	1.0	0.0	1.0	0.0	2.1
	LF - Abbots Lane	2.2					2.2
	Land Fund - Aga	-	0.0	0.4	0.4	0.4	1.1
	Land Fund - Portersfield	0.1	0.6	0.3	3.8	1.4	6.1
	Land Fund - Fountain Lane	0.9	0.9	0.6	-	-	2.3
	Land Fund - Brierley Hill	0.2					0.2
	Land Fund - Port Loop phase 3 & 4	0.6	2.7	0.0	0.0	-	3.3
	Land Fund - Culwell St	1.8	2.3	1.2	0.1	-	5.3
	Brownfield Land - Pipeline	2.0	24.8	43.6	33.7	15.4	119.4
	Woodend Henley Manor Farm	0.9	0.2	-	-	-	1.1
	Brownfield Land - Phoenix Park	0.8	1.7	-	-	-	2.6
	Brownfield Land - Murdoch and Pitman	0.3	1.1	0.2	0.2	-	1.8
	Brownfield Land - Black Country Lvg Museum	0.7	0.0	0.0	-	-	0.7
	Brownfield Land - Globe House	0.4	0.2	-	-	-	0.6
	Brownfield Land - Erdington Baths	0.0	0.7	1.4	0.0	-	2.1
	National Competitive Fund - Pipeline	-	0.4	4.4	9.5	1.8	16.1
	National Competitive Fund - West Longbridge	2.1	0.0	0.0	0.0	0.0	2.2
	Land Fund - Dobbs Street	0.0	0.1	0.2	0.2	-	0.6
	Land Fund - Lioncourt	0.4	0.2	-0.0	-	-	0.5
	Land Fund - Friar Park	0.4	0.1	0.0	4.5	0.0	5.0
	Land Fund - Pipeline	0.4	8.6	6.3	6.2	4.6	26.1
	Land Fund - Abberley Street	0.1	0.5	0.0	0.0	0.0	0.5
	Land Fund - Cranford Way	0.1	0.1	0.1	-	-	0.2
	Land Fund - Caparo	0.8	0.4	0.5	0.0	-	1.7
	Land Fund - Icknield Port Loop Phase 2a and 2b	2.7	0.0	0.0	0.0	-	2.7
	Land Fund - Cookley Works	0.2	0.5	-	-	-	0.8
Land Fund - Other	0.0	0.1	0.1	0.1	0.1	0.3	
<b>HOUSING AND REGENERATION PROGRAMME TOTAL</b>		<b>43.5</b>	<b>67.9</b>	<b>61.8</b>	<b>61.1</b>	<b>23.6</b>	<b>258.0</b>
OTHER CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Other	5G	1.1	-	-	-	-	1.1
Net Zero	Social Housing Decarbonisation	6.2	-	-	-	-	6.2
	Sustainable Warmth Competition	2.6	-	-	-	-	2.6
	Net Zero Neighbourhood - Capital	0.2	1.1	0.4	-	-	1.7
<b>OTHER TOTAL</b>		<b>10.1</b>	<b>1.1</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>11.5</b>

*In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.*

*The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.***

*The final 2023/24 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.*

## APPENDIX 6 – Investment Programme Grants to Local Authorities

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES CAPITAL PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
IP Grants to Local Authorities	Coventry City Centre South Regeneration - City Centre	7.1	52.7	7.1	17.4	-	84.3
	Coventry City Centre South Regeneration - Friargate	25.0	2.9	-	-	-	27.9
	Coventry UKC Plus - Coventry South Package	6.7	30.5	23.4	26.7	14.4	101.6
	Coventry UKC Plus - Coventry North Package	-0.0	4.0	11.3	6.2	-	21.4
	UK Central Infrastructure Package - Programme Total	7.1	42.8	51.9	45.9	32.2	179.8
	UK Central HS2 Interchange - Programme Total	10.5	8.7	61.4	52.6	42.5	175.8
	CoW Technical Centre	6.7	0.9	0.1	-	-	7.8
	Coventry Station Masterplan	2.7	-	-	-	-	2.7
	Coventry - Future schemes to be scoped	-	-	5.9	18.8	15.0	39.7
	Other Schemes	0.1	0.0	-	-	-	0.1
<b>IP GRANTS TO LOCAL AUTHORITIES</b>		<b>65.8</b>	<b>142.5</b>	<b>161.2</b>	<b>167.5</b>	<b>104.0</b>	<b>640.9</b>

*In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.*

*The report recommends **WMCA Board Approve the first year (2023/234) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.***

*The final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position.*

## APPENDIX 7 – City Region Sustainable Transport Settlement

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
<b>GRANTS TO LOCAL AUTHORITIES</b>							
<b>Highway Maintenance</b>							
	Coventry City Council	4.1	4.1	4.1	4.1	4.1	20.4
	Dudley Council	4.5	4.5	4.5	4.5	4.5	22.4
	Sandwell Council	4.7	4.7	4.7	4.7	4.7	23.7
	Solihull Council	3.9	3.9	3.9	3.9	3.9	19.4
	Walsall Council	3.6	3.6	3.6	3.6	3.6	17.8
	Wolverhampton City Council	3.3	3.3	3.3	3.3	3.3	16.6
	<b>Subtotal</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>	<b>24.1</b>	<b>120.4</b>
<b>Local Network Improvement Plan</b>							
	Birmingham City Council	6.3	6.3	6.3	6.3	6.3	31.3
	Coventry City Council	2.0	2.0	2.0	2.0	2.0	10.2
	Dudley Council	1.8	1.8	1.8	1.8	1.8	8.8
	Sandwell Council	1.8	1.8	1.8	1.8	1.8	9.0
	Solihull Council	1.2	1.2	1.2	1.2	1.2	5.9
	Walsall Council	1.6	1.6	1.6	1.6	1.6	7.8
	Wolverhampton City Council	1.4	1.4	1.4	1.4	1.4	7.2
	<b>Subtotal</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>16.0</b>	<b>80.2</b>
<b>Grants to Projects</b>							
	CRSTS - IG - Smethwick - Birmingham Corridor Transport Package	0.3	0.8	4.0	8.0	6.0	19.0
	CRSTS - IG - East Birmingham to Solihull Corridor	0.1	1.4	6.0	9.5	8.0	25.0
	CRSTS - IG - Chester Road Segregated Cycleway and Capacity		0.2	0.8	2.0	3.8	6.8
	CRSTS - IG - Active Travel - A45 Segregated Cycleway		5.6	8.0	0.7	-	14.3
	CRSTS - IG - Wolverhampton CC Walk, Cycle and Bus Package		5.5	4.0	-	-	9.5
	CRSTS - IG - A454 Walk, Cycle and Bus Corridor	0.1	1.3	3.1	6.4	7.5	18.2
	CRSTS - IG - BCW Access: Darlaston and Willenhall Train Stations	0.2	0.1	2.7	-	-	3.0
	CRSTS - IG - WBHE: Sustainable Access Measures		4.5	5.0	6.5	-	16.0
	CRSTS - CoP - Very Light Rail Phase 2	7.2	20.9	22.3	5.6	15.6	71.5
	CRSTS - CoP - Sutton Coldfield Gateway	0.2	0.5	2.5	10.8	11.0	25.0
	CRSTS - CoP - Solihull Station Integrated Transport Hub		0.8	1.3	1.5	1.5	5.0
	CRSTS - CoP - UKC - Dorridge Bus Priority		0.5	1.0	1.5	2.0	5.0
	CRSTS - CoP - Snow Hill Growth Strategy		-	3.9	1.2	-	5.0
	CRSTS - HSaS - A38 Selly Oak to Longbridge Segregated Cycling	0.1	0.5	13.4	0.5	-	14.5
	CRSTS - HSaS - City Centre Active Travel to Interchange	0.1	8.0	2.2	9.7	-	20.0
	CRSTS - HSaS - One Station and Smallbrook Queensway	0.1	0.5	2.0	6.4	1.0	10.0
	CRSTS - HSaS - Black Country Walking and Cycling Package		2.0	2.0	2.0	2.0	8.0
	CRSTS - HSaS - Dudley Interchange Sustainable Connectivity		-	1.0	3.0	3.5	7.5
	CRSTS - HSaS - Dickens Heath to Solihull Town Centre LCWIP		1.1	9.2	-	-	10.3
	CRSTS - HSaS - Knowle to Solihull Town Centre LCWIP		1.0	7.0	-	-	8.0
	CRSTS - HSaS - Stourbridge TC Sustainable Connect Package		-	0.8	1.6	0.6	3.0
	CRSTS - CRNaC - Multi-modal Access HS2		0.3	0.8	2.0	2.0	5.0
	CRSTS - CRNaC - Foleshill Transport Package	1.0	3.5	-	-	-	4.5
	CRSTS - CRNaC - A461 Walking, Cycling and Bus Corridor	0.1	1.6	23.3	-	-	25.0
	CRSTS - CRNaC - A41 Mox IP Wal TC WCB Corr	0.0	0.5	0.5	8.0	10.0	19.0
	CRSTS - CRNaC - A4123 Walk, Cycle and Bus Corridor	0.2	1.8	7.0	10.0	10.1	29.0
	CRSTS - CRNaC - A449 Walk, Cycle and Bus Corridor		1.5	3.5	3.0	-	8.0
	CRSTS - CRNaC - BCW Access: Walsall Town Centre Interchange		-	0.3	0.4	0.4	1.0
	CRSTS - CRNaC - West Coast Mainline M42 bridge		0.5	0.8	1.8	2.0	5.0
	CRSTS - DaGR - Cov South Sustainable Transport (GIGA Factory)	0.5	8.0	8.5	-	-	17.0
	CRSTS - DaGR - ULEV Black Country		3.5	3.5	-	-	7.0
	CRSTS - Data Scheme Development Support		1.7	1.7	1.7	1.7	7.0
	<b>Subtotal</b>	<b>10.1</b>	<b>77.9</b>	<b>151.8</b>	<b>103.7</b>	<b>88.6</b>	<b>432.1</b>
<b>PROJECTS DELIVERED BY TFWM</b>							
<b>Projects introduced within CRSTS Programme</b>							
	Rail Development		0.5	0.8	0.8	0.9	3.0
	Aldridge Station	0.2	1.3	3.0	5.5	20.0	30.0
	Dudley Port Integrated Transport Hub	0.2	1.1	1.1	-	-	2.4
	Demand Responsive Bus		2.5	3.0	4.5	-	10.0
	BSIP Retrofit Programme		3.0	-	-	-	3.0
	Park and Ride Tile Hill and Whitlocks End		3.0	1.0	0.5	-	4.5
	BSIP Bus Priority Cross City Routes	0.3	4.0	15.4	25.9	13.4	59.0
	Mobility Hubs and E Bikes		3.3	2.3	3.1	-	8.6
	Swift cEMV contactless payment broker	2.2	6.5	5.0	4.1	0.3	18.0
	Ultra Rapid Charging Transit Stations		14.0	-	-	-	14.0
	ULEV		3.1	2.6	-0.7	-	5.0
	Metro Line 1 Renovation	2.3	22.2	5.5	-	-	30.0
	Metro Wednesbury Depot Upgrades	2.0	21.4	14.6	-	-	37.9
	Metro Traction Power Phase 2	0.2	6.4	5.9	-	-	12.6
	A45 Bham to Solihull - Phase 2	2.4	10.2	9.4	3.4	-	25.4
	A34 Walsall to Bham - Phase 2	3.6	11.4	10.7	4.9	-	30.6
	Hagley Road Rapid Transit	0.1	4.9	5.0	10.0	5.0	25.0
	<b>Subtotal</b>	<b>13.5</b>	<b>118.8</b>	<b>85.3</b>	<b>62.0</b>	<b>39.6</b>	<b>319.1</b>
<b>SUBTOTAL TRANSPORT CAPITAL PROGRAMME - CRSTS</b>		<b>63.8</b>	<b>236.7</b>	<b>277.2</b>	<b>205.8</b>	<b>168.3</b>	<b>951.7</b>
<b>Reconciliation with £1.050bn CRSTS settlement</b>							
<b>Other TFWM projects funded from CRSTS</b>							
	WMCA Local Network Improvement Plan	5.5	5.5	5.5	5.5	5.5	27.3
	Transforming Cities Fund 2	71.5					71.5
<b>CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME</b>		<b>140.2</b>	<b>242.2</b>	<b>282.6</b>	<b>211.2</b>	<b>173.8</b>	<b>1,050.0</b>

In line with the guidance in paragraph 8.8, this planned expenditure contains both fully-funded schemes and unfunded Investment Programme priorities from 2023/24 onwards which will come forward once a financing route is confirmed.

The report recommends **WMCA Board Approve the first year (2023/24) of the indicative WMCA Capital Programme as set out in this appendix and that WMCA Board note the indicative onward programme from 2024/25 onwards.**

The final 2022/23 Capital Budget will be presented to WMCA Board at the earliest opportunity in 2023/24 following confirmation of the 2022/23 outturn position

## APPENDIX 8 – Treasury Management Policy Statement 2023/24

WMCA's Treasury Management Policy Statement defines the policies and objectives of its treasury management activities, as follows:

- (1) Treasury management activities are defined as the management of the Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and pursuit of optimum performance consistent with those risks.
- (2) WMCA regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their implications for WMCA, and any financial instruments entered into to manage these risks.
- (3) WMCA acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employ suitable comprehensive performance measurement techniques, within the context of effective risk management.
- (4) The Authority's high-level policies for borrowing, borrowing in advance and investments:
  - i. The Authority's borrowing will be affordable, sustainable, and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken, and the type of borrowing should allow the Authority transparency and control over its debt.
  - ii. This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.
  - iii. The Authority's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

## **APPENDIX 9 – Treasury Management Strategy 2023/24**

### **Introduction**

Treasury management is the management of WMCA's cash flows, borrowing and investments, and the associated risks. WMCA has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to WMCA's prudent financial management.

Treasury risk management at WMCA is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires WMCA to approve a treasury management strategy before the start of each financial year.

This report fulfils WMCA's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The strategy for 2023/24 covers the following main areas:

- the current treasury position;
- prospects for interest rates;
- the borrowing strategy;
- debt rescheduling;
- policy on borrowing in advance of need;
- the investment strategy and creditworthiness policy;
- the policy on use of external service providers; and
- treasury indicators which limit the treasury risk and activities of the Authority.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, and the CIPFA Treasury Management Code.

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The key function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested with counterparties or instruments commensurate with the Authority's risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the WMCA's capital plans. These capital plans provide a guide to the borrowing need of the authority, essentially the longer-term cash flow planning, to ensure that the authority can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Authority risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result

from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

### **Current Treasury Position**

The overall treasury management portfolio as at 31<sup>st</sup> March 2022 and for the position as at 31<sup>st</sup> December 2022 are shown below for both borrowing and investments.

**Table 1 Treasury Management Portfolio**

	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Current</u></b>	<b><u>Current</u></b>
	<b><u>Mar 22</u></b>	<b><u>Mar 22</u></b>	<b><u>Dec 22</u></b>	<b><u>Dec 22</u></b>
<b><u>Treasury Investments</u></b>	<b><u>£m</u></b>	<b><u>%</u></b>	<b><u>£m</u></b>	<b><u>%</u></b>
Call Accounts - Banks	60.0	9.7	22.8	3.4
Local Authorities / Housing Associations	367.0	59.1	570.5	85.8
Banks / Financial Institutions	79.2	12.7	49.7	7.4
Debt Management Office / UK Gilts	50.0	8.0	4.9	0.8
Money Market Funds	60.0	9.7	11.5	1.7
<b>Total Managed In House</b>	<b>616.2</b>	<b>99.2</b>	<b>659.4</b>	<b>99.1</b>
Property Funds / REITs	5.2	0.8	5.3	0.9
<b>Total Managed Externally</b>	<b>5.2</b>	<b>0.8</b>	<b>5.3</b>	<b>0.9</b>
<b>Total Treasury Investments</b>	<b>621.4</b>	<b>100.0</b>	<b>664.7</b>	<b>100.0</b>
<b><u>Treasury External Borrowing</u></b>				
PWLB	432.0	94.6	488.4	91.7
Banks	20.0	4.4	19.8	3.7
Temporary Borrowing	0.0	0.0	20.0	3.7
Transferred Debt	4.7	1.0	4.7	0.9
<b>Total External Borrowing</b>	<b>456.7</b>	<b>100.0</b>	<b>532.9</b>	<b>100.0</b>
<b>Net treasury investments/(borrowing)</b>	<b>164.7</b>		<b>131.8</b>	

The Authority's central forward projections for borrowing are summarised below. The table shows the actual external debt against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.



**Table 2: WMCA Gross External Debt vs. CFR**

£M	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Opening External Debt	457	511	598	585	573	562
New Borrowing	65	100	-	-	-	-
Repayments	11	13	13	12	31	12
<b>Forecast Closing External Debt</b>	<b>511</b>	<b>598</b>	<b>585</b>	<b>573</b>	<b>562</b>	<b>550</b>
Capital Financing Requirement (CFR)	710	982	1,034	1,033	1,005	978
Under Borrowing	199	384	449	460	443	428

WMCA has an increasing CFR – rising from a forecast £710m at the end of 2022/23 to £1,034m at the end of 2024/25 - due to its capital programme, mostly driven by the delivery of the Investment Programme. The Authority is currently ‘under borrowed,’ meaning that internal cash-backed resources such as balances, reserves, and working capital (predominantly capital grants received in advance) can be deployed to offset external borrowing.

CIPFA’s Prudential Code for Capital Finance in Local Authorities recommends that WMCA’s total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that WMCA expects to comply with this recommendation during 2023/24 to 2025/26.

### **Limits to Borrowing Activities**

**The Operational Boundary** - This is the limit beyond which external debt is not normally expected to exceed. This figure has been set to mirror the CFR – and therefore higher than the forecast debt levels in Table 2 - for risk mitigation in case interest rates rise faster than currently forecast.

**Table 3 WMCA Operational Boundary**

£M	2023/24	2024/25	2025/26	2026/27	2027/28
Operational Boundary	982	1,034	1,033	1,005	978

**The Authorised Limit for external debt** - This is a key prudential indicator and represents a control on the *maximum* level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Board. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority.

**Table 4 WMCA Authorised Limit 2023/24 – 2027/28**

£M	2023/24	2024/25	2025/26	2026/27	2027/28
Authorised Limit	1,032	1,084	1,083	1,055	1,028

**HMT External Debt Cap** - A further key requirement is that WMCA must not breach an external debt cap to be agreed by HM Treasury and Department for Levelling Up, Housing and Communities (DLUHC, formally known as MHCLG). The existing agreed limit for 2022/23 is £821m. As of 26 January 2023, formal notification of the debt cap remains outstanding from HM Treasury, although it is expected to be provided shortly. Indications from HM Treasury imply that the confirmation will be in line with WMCA requirements and as such, WMCA foresee no specific operational impacts. WMCA Board will, however, be notified once confirmation is received.

The borrowing limit can be re-negotiated with HM Treasury and in the event the Trailblazer Devolution Deal does provide significant additional (affordable) borrowing capacity, it is likely the limit may need reviewing during 2023/24.

### Prospects for Interest Rates

WMCA has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 19<sup>th</sup> December 2022. PWLB forecasts are for certainty rates, 20 basis points below PWLB standard rates, to which WMCA has agreed access.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>BANK RATE</b>	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

The central forecast reflects a view that the Bank of England’s Monetary Policy Committee (MPC) will be keen to demonstrate its anti-inflation credentials by delivering a succession of further rate increases in 2023. This has happened throughout 2022, but the new Government’s policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.50%.

Further ahead it is anticipated that the MPC will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation is expected to peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not

spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

In addition to the above, the Bank's plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening) has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy, and rent/mortgage payments.

### **Borrowing Strategy**

As at 31 December 2022 WMCA currently holds £513m of long-term loans, an increase of £234m on the previous year. The forecast in table 2 shows that WMCA will borrow a further £100m in 2023/24. This is a fixed rate forward funding loan arranged in 2022 to unwind a proportion of WMCA's previous under borrowing and mitigate against interest rate increases. WMCA may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

**Objectives:** WMCA's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should WMCA's long term plans change is a secondary objective.

**Strategy:** The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy - that is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Finance Director will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then any further borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Additionally, WMCA will look to identify suitable forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period and may help to de-risk commercial borrowing models.

WMCA may also borrow using short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's lending facility (i.e., Public Works Loan Board)
- UK Infrastructure Bank
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension and insurance funds (except West Midlands Local Government Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

**Short-term and variable rate loans:** These loans leave WMCA exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits set out in the treasury management indicators below. Consequently, financial derivatives may be used to manage this interest rate risk (see section below).

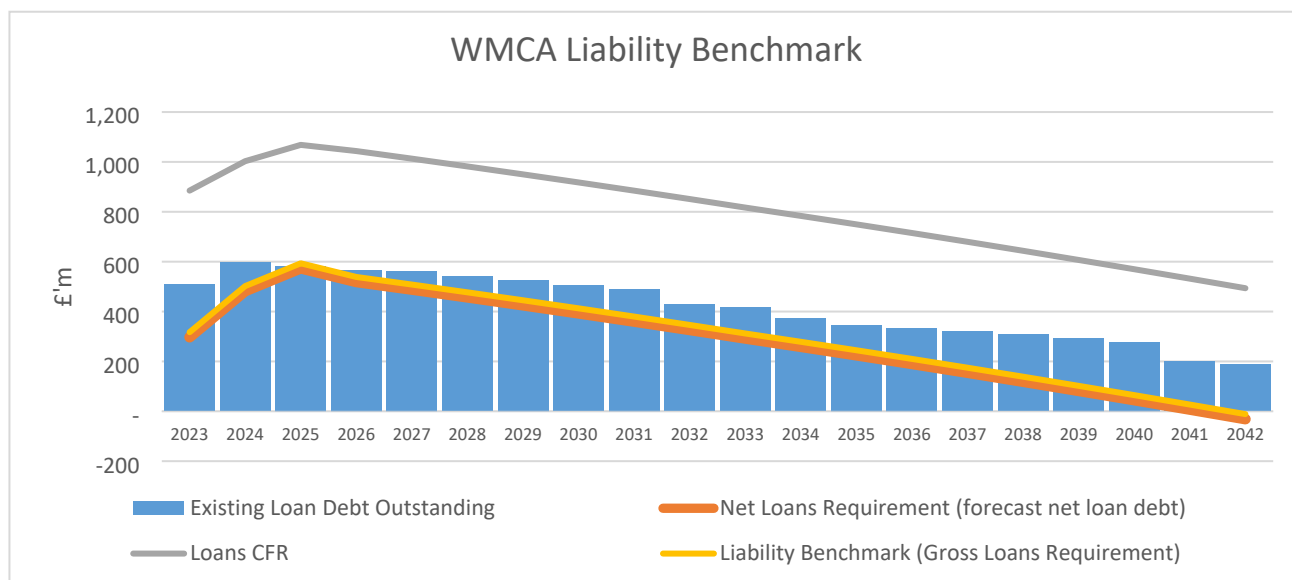
### **Liability Benchmarking**

A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum. WMCA's benchmark (see below) includes measurements up to 2042 (20 years)

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority’s existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on *approved* prudential borrowing and planned MRP. In practice this means that for WMCA our Loans CFR peaks after four years based on the timelines within WMCA’s approved capital programme. This creates an anomaly given all other inputs are projected forward for 20 years+.
3. **Net loans requirement:** this will show the Authority’s gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance. Short-term liquidity allowance means an adequate allowance for a level of excess cash to be invested short-term to provide access to liquidity if needed. For WMCA this is set at £20m.

The outcome of the above produces a benchmark for new borrowing/refinancing which can be assessed against interest rate forecasts for sensitivity. The chart below shows WMCA’s revised benchmark for 2023/24 onwards which is heavily influenced by the borrowing need arising from the WMCA Investment Programme as per the first devolution deal in 2016:



### **Debt rescheduling**

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. WMCA may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Policy on Borrowing in Advance of Need**

WMCA will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the forward approved Capital Financing Requirement estimates and will be considered carefully to

ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## **Annual Investment Strategy**

### **Investment policy – management of risk**

The Department for Levelling Up Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Authority’s investment policy has regard to the following: -

- a) DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- b) CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- c) CIPFA Treasury Management Guidance Notes 2021.

The Authority’s investment priorities will be security first, portfolio liquidity second and then yield, (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Authority’s risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Authority will also consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider range of fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- b) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

d) This Authority has defined the list of types of investment instruments that the treasury management team are authorised to use.

i. Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally, they were classified as being non-specified investments solely due to the maturity period exceeding one year.

ii. Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

e) The Authority has determined that it will limit the use of non-specified investments for periods in excess of one year to £25m.

f) Lending limits and transaction limits (amounts and maturity) for each counterparty and type of investment will be set through applying the matrix shown at Table 5.

g) Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.

h) This Authority has engaged external consultants, Link Group, to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

i) All investments will be denominated in sterling.

j) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.)

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

#### Creditworthiness Policy

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that: -

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

The Finance Director will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Board for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

**Table 5: Approved investment counterparties and limits**

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	50 years	Unlimited <sup>1</sup>	Unlimited
Secured investments *	25 years	£20m	Unlimited
Banks and Building Societies (unsecured) *	13 months	£20m <sup>1</sup>	50% of portfolio
Registered providers (unsecured) *	5 years	£5m	£20m
Money market funds *	n/a	£20m	Unlimited
Strategic pooled funds	n/a	£5m	£10m
Real estate investment trusts	n/a	£5m	£10m
Other investments	5 years	£2m	£10m

**This table must be read in conjunction with the following notes.**

<sup>1</sup> Normal operating levels will not exceed £10m per counterparty but adequate headroom has been provided to accommodate potential peak cashflow requirements. The Combined Authority will look to keep an even spread of investments across counterparties to minimize exposure to defaults.

\* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than **A-**. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made



solely based on credit ratings, and all other relevant factors including external advice will be considered.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are *deemed* to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority’s investment at risk.

**Operational bank accounts:** WMCA may incur operational exposures, for example through current accounts, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed in than made insolvent, increasing the chance of WMCA maintaining operational continuity.

### Investment Strategy

WMCA holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2022/23 WMCA’s treasury average monthly investment balance has ranged between £690m and £813m. Levels are expected to fall in overall terms in 2023/24 but this is subject to the timing of government grant receipts and/or delays in capital expenditure profiling.

**Objectives:** The CIPFA Code requires WMCA to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. WMCA’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, WMCA will aim to achieve a total return that is equal to or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Strategy:** Investments will be made with reference to WMCA core balances and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed. Given that Bank Rate is forecast to rise partially during the first quarter of 2023/24 prior to falling later in the year consideration will be given to keeping most investments as short term and/or variable initially. The regular stream of maturing investments brought about by this ‘laddering’ approach should provide opportunities to consistently improve underlying yield whilst still allowing flexibility to adjust if and when market circumstances alter.

**Investment returns expectations:** Based on the current prospects for interest rates appraisal by Link Group and amended for risk appetite the suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

<b>Average earnings in each year</b>	
2023/24	4.00%
2024/25	3.30%
2025/26	2.60%

2026/27	2.50%
Long term later years	2.80%

For its cash flow generated balances, the Authority will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, in order to benefit from the compounding of interest.

**Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on WMCA’s “business model” for managing them. WMCA aims to achieve value from its internally managed treasury investments via a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by WMCA’s treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made;
- any existing investments that can be recalled or sold at no cost will be; and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** WMCA understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, WMCA will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

**Investment limits:** In order that WMCA’s reserves will not be put at significant risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

**Table 6: Additional Investment limits**

	Cash Limit
Any group of pooled funds under the same management	£20m per manager
Non UK Sovereigns (AA- minimum)	Up to 25% of portfolio (maximum 15% AA+ or below)

**Liquidity management:** WMCA utilises short, medium-term, and long-term cash flow forecasts to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of WMCA being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to WMCA’s medium-term financial plan and cash flow forecast.

**Use of External Providers**

£5m of WMCA funds is externally managed on a pooled basis by CCLA Local Authority Property Fund and Fundamentum Social Housing Real Estate Investment Trust (REIT)

The Authority fully appreciates the importance of monitoring the activity and resultant performance of its appointed external fund manager(s). In order to aid this assessment, the Authority is provided with a suite of regular reporting from its manager(s). This includes:

- Monthly valuation updates and factsheets;
- Quarterly dividend statements;
- Annual reports / conference places; and
- Access to online fund reporting sites.

In addition to formal reports, the Authority also meets with representatives of the fund managers on a semi-annual basis. These meetings allow for additional scrutiny of the manager’s activity as well as discussions on the outlook for the fund as well as wider markets.

**Treasury Management Indicators**

WMCA measures and manages its exposures to treasury management risks using the following indicators.

**Security:** WMCA has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit	A minus

**Liquidity:** WMCA has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£20m (min)

**Maturity structure of borrowing:** This mandatory indicator is set to control WMCA's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper Limit	Lower limit
Under 12 months	75%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	70%	0%
5 years and within 10 years	70%	0%
10 years and above	70%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control WMCA's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price Risk Indicator	2023/24	2025/26	2026/27
Limit on principal invested longer than a year	£25m	£25m	£25m

## **Related Matters**

The CIPFA Code requires WMCA to include the following in its treasury management strategy.

### **Financial Derivatives**

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g., interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g., LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

WMCA will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that WMCA is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, WMCA will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

### **Markets in Financial Instruments Directive**

WMCA has retained professional client status with its providers of financial services, including advisers, banks, brokers, and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of WMCA's treasury management activities, the Section 151 Officer considers this to be the most appropriate status.

### **Investment Training**

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The needs of the Authority's treasury management staff for training in investment management are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Link Group and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

As noted in the cover report (1.4) ARAC members receive an annual overview of the regulatory environment and WMCA's Treasury Management Practices with our treasury advisors, Link Group, to coincide with the publication of the Treasury Management Strategy.

### **Treasury Management Consultants**

WMCA uses Link Group as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

## **APPENDIX 10 – Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management**

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. In accordance with the Code, the Director of Finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are for the Authority to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

**STRATEGY GUIDELINES:** The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable. (Non-specified investments which would be specified investments apart from originally being for a period longer than 12 months, will be classified as being specified once the remaining period to maturity falls to under twelve months.)

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account Deposit Facility (DMADF), UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.

- A body that is considered of a high credit quality (such as a bank or building society) This category covers bodies with a minimum Short-Term rating of F-1 (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies.

**NON-SPECIFIED INVESTMENTS:** Investments with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

Any investment not meeting the definition of a specified investment is classed as non-specified. Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups, and sectors. WMCA has determined that it will limit the maximum total exposure to non-specified investments as follows:

	<b>Non-Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	<p><b>Supranational Bonds greater than 1 year to maturity</b></p> <p><b>(a) Multilateral Development Bank bonds</b> - These are bonds defined as an international financial institution having as one of its objectives economic development, either generally or in any region of the world (e.g., European Reconstruction and Development Bank etc).</p> <p><b>(b) A financial institution that is guaranteed by the United Kingdom Government</b></p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure. These bonds usually provide returns above equivalent gilt-edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	£25m
b.	<p><b>Gilt edged securities</b> with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	£25m
c.	<p><b>The Authority's own banker</b> if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.</p>	£20m
d.	<p>Any <b>Bank or Building Society</b> that has a minimum long-term credit rating of A-, for deposits with a maturity of greater than one year</p>	£20m
e.	<p><b>Other fund:</b> The use of these instruments <i>can</i> be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.</p>	£5m



## **APPENDIX 11 - WMCA Capital Strategy 2023/24**

### **1 Executive Summary**

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to approve and publish an annual Capital Strategy to demonstrate how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. Reference should be made as appropriate to prudential indicators for overall fiscal sustainability.

The Capital Strategy should set out the long-term context in which capital expenditure and investment decisions are made. This will help demonstrate that WMCA takes decisions in line with service objectives and properly takes into account stewardship, value for money, prudence and affordability.

The Capital Strategy also forms a key part of WMCA's integrated revenue, capital and balance sheet planning.

The Capital Strategy has been written in an accessible style to enhance members' understanding of these sometimes-technical areas. The objective of the capital strategy is to provide a clear and concise view of how WMCA determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. More detailed policies are referenced as appropriate.

Capital Expenditure is expenditure on assets, such as property or infrastructure that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy, develop or construct assets (such expenditure qualifies as 'REFCUS' - revenue expenditure funded from capital under statute). This is particularly relevant where WMCA is providing Capital Grants to Local Authorities under the terms of the Investment Programme and the CRSTS programme.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The Capital Strategy should be read in conjunction with WMCA's Treasury Management Policy.

WMCA's Treasury Management Policy Statement defines the policies and objectives of its treasury management activities, as follows:

(1) Treasury management activities are defined as the management of the Authority's borrowings, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and pursuit of optimum performance consistent with those risks.

(2) WMCA regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their implications for WMCA, and any financial instruments entered into to manage these risks.

(3) WMCA acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of

achieving value for money in treasury management, and to employ suitable comprehensive performance measurement techniques, within the context of effective risk management.

## 2 Capital Priorities and Objectives

### How are priorities assessed?

Capital expenditure is prioritised based on an assessment of its alignment with WMCA's mission statement, to build a better connected, more prosperous, fairer, greener and healthier region, and the six key aims within the Annual Business Plan.

Those programmes/projects which best align with WMCA's objectives and demonstrate highest value for money, with consideration also given to leverage of funding and deliverability, are selected.

The Capital Strategy provides a solid foundation for the delivery of the WMCA Capital Programme, which is a vital component of WMCA's Annual Business Plan and long-term plans ('Movement for Growth' Strategic Plan and HS2 Growth Strategy) to achieve the organisation's six aims and sub-objectives (**Appendix 3**).

The WMCA set out the ambition within its HS2 Growth Strategy for over two million residents to be able to access three or more strategic centres by public transport within forty-five minutes.

The WMCA Capital Programme is a varied portfolio, comprising projects providing a wide scope of outcomes and outputs, from public transport to housing & regeneration, improved environmental sustainability and next generation technologies.

The Capital Programme directly contributes to delivering Aim 3 *'to connect our communities by delivering transport, and unlocking housing and regeneration'*, and Aim 4 *'to reduce carbon emissions to net zero, enhance the environment and boost climate resilience'*, whilst indirectly enabling inclusive economic growth throughout the region.

### Key Capital Projects

A number of projects including Perry Barr Rail Station and the first phase of the Sprint A34 and A45 projects (linking Walsall, Birmingham and Solihull) was completed in Summer 2022 ahead of the Commonwealth Games. The second phase of the Sprint project (£56m) will further connect residential and employment areas across the region. The new bus corridors will reduce rush hour commuting time by 20% and the environmentally-friendly zero-emission Sprint vehicles will provide greater comfort to passengers than traditional buses.

The Metro extension projects and Rail packages will similarly contribute to enhanced connectivity across the region, promoting use of greener methods of travel than petrol/diesel vehicles.

In addition to this the Brownfield Housing Fund is a trailblazing brownfield regeneration programme creating new homes, jobs and communities across the West Midlands. The capital funding helps unlock the region's most challenging sites to secure the delivery of high-quality new homes and jobs.

### Partnership and Investment Activity

As well as working to directly deliver capital transport infrastructure throughout the region, WMCA is also continuing to work closely with its constituent members to deliver capital projects as part of the WMCA Investment Programme and City Region Sustainable Transport Settlement.

These programmes include investment in HS2-related infrastructure, city centre regeneration, land reclamation & remediation, and active travel. The WMCA Investment Programme and CRSTS are funded from devolved funding supplemented by local funding leveraged to maximise the benefits across the region and achieve the maximum possible value for public money.

The delivery of capital projects within a strong Single Assurance Framework ('SAF') provides a firm foundation for the WMCA to apply and bid for further capital funding from Central Government, linking with Aim 5 '*To secure new powers and resources from central government, and demonstrate the strength of our regional partnership*'.

### Long-Term Investment Needs within the WMCA Region

As the population within the WMCA region is forecast to grow by half a million over the next 20 years, demand continues to grow for new, quality homes, services and jobs. Large-scale regenerations in Birmingham, Coventry and Wolverhampton are opening opportunities for workplaces, retail, hospitality, leisure and housing. Beyond the region's city centres, strategic growth corridors where development can be prioritised, aligned and accelerated have been identified, namely Walsall to Wolverhampton and Sandwell to Dudley. Between Walsall and Wolverhampton, transport upgrades will support the construction of over 4,500 new homes.

WMCA, working through Transport for West Midlands (TfWM), is responsible for setting Local Transport Plan (LTP) which sets the overarching transport priorities for a 15-20 year period and this will take into account the long term regional needs. The LTP will be approved by WMCA Board before being adopted.

WMCA also holds devolved funding for housing provision and land regeneration, all of which are administered through its Single Commissioning Framework. This framework puts inclusive growth and placemaking front and centre of every investment decision. In order to access these funds, essential criteria have been determined, including a minimum 20% affordable housing (defined based on the household income levels in the local area) and a demonstrable commitment to Advanced Methods of Construction. Additional desirable criteria include densification of housing at key transport nodes and public transport corridors, compliance with WMCA's Inclusive Growth Toolkit<sup>3</sup> and compliance with WMCA's Regional Design Charter.<sup>4</sup>

### **3 Capital Expenditure**

In 2022/23, the Authority is planning capital expenditure of £479.0m as summarised below:

Table 1: WMCA Capital Expenditure 2022/23 to 2026/27

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<sup>3</sup> WMCA [Inclusive Growth Toolkit](#)

<sup>4</sup> WMCA [Regional Design Charter](#)

WMCA CAPITAL PROGRAMME (£M)	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
TfWM Expenditure	297.9	379.3	186.1	115.8	65.2	1,044.3
Housing and Regeneration Expenditure	43.5	68.0	61.9	61.1	23.6	258.1
Investment Programme Grants to Local Authorities	65.8	142.5	161.2	167.5	104.0	641.0
City Region Sustainable Transport Settlement	61.6	214.2	261.5	205.8	168.3	911.4
Other	10.1	1.1	0.4	-	-	11.6
<b>TOTAL EXPENDITURE</b>	<b>479.0</b>	<b>805.1</b>	<b>671.0</b>	<b>550.1</b>	<b>361.2</b>	<b>2,866.4</b>

Just over a third of the Combined Authority's planned capital investment to 2026/27 consists of expenditure incurred by Transport for West Midlands in pursuance of the Investment Programme, Transforming Cities Programme and the Minor Works Programme. Another 20% is concerned with the reimbursement of Local Authorities as part of the West Midlands Investment Programme and 10% will be spent in delivering the Housing and Regeneration objectives using funds secured by WMCA from Central Government. Just over 30% of the Combined Authority's total planned capital investment to 2026/27 consists of delivering the City Region Sustainable Transport Settlement, the allocation of which was approved by WMCA Board and DfT earlier this financial year.

Those larger Transport for West Midlands Programmes contain significant investment in expanding the Metro networks in addition to investment in developing and delivering new local Rail stations in Birmingham and the Black Country. The Transport programme reflects the second phase of the Transforming Cities Programme (subsumed within the region's CRSTS settlement), and in 2023/24 includes the continuation of the Coventry Electrics Bus project as well as continued delivery of the rail investment programme, including improvements to the Camp Hill and the Walsall to Wolverhampton lines.

The Housing Capital Programme includes the land remediation programmes launched by the WMCA in 2016 and delivery against the various capital housing arrangements which now total £303m.

The Investment Programme Grants to Local Authorities Programme includes grants payable under the original Investment Programme in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Regeneration), the Black Country (Land and Property Investment Fund) and Solihull for the UK Central Programme.

In addition to the traditional capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA Balance Sheet under standard accounting regulations.

The capital expenditure budgeted for later years is subject to a high degree of estimation and risk of slippage. Previous evidence from past projects has shown typical project slippage above 33%.

Capital projects are subject to a wide array of recurring risks (legal, planning, stakeholder, etc) covered later in this document, as well as recent exceptional items (COVID-19, Brexit, cost of living) which may result in project slippage. It should be noted that funding remains to be secured for a significant proportion of capital expenditure budgeted within the latter half of the MTFP period. sensitivities of future estimates to internal/external risk (legal, planning, stakeholder, etc).

## Revenue Consequences of Capital Expenditure

Revenue implications of capital expenditure and capital finance, including running costs and financing costs, are properly taken into account within the option appraisal process. Where a capital investment is expected to be income-generating, risks to the income stream should be considered during the business case evaluation (such as business interruption, fall in patronage, etc.).

Running costs from major capital investment decisions have been included within the latest MTFP. These are carefully considered alongside competing priorities for limited revenue funding available to WMCA.

Capital expenditure carries the risk of abortive costs, particularly during early development phases of a project, and de-recognition from capital to revenue. This risk is monitored within the financial risk register maintained by WMCA finance staff.

## Asset management

To ensure that capital assets continue to be of long-term use, the Authority has a Strategic Asset Management Plan in place. This sets the high-level strategic framework for managing WMCA's asset and property portfolio effectively. It guides future strategic property decisions to ensure WMCA manage its property portfolio sustainably and efficiently so that WMCA can adapt to remain fit for future developments and support frontline delivery.

## **5 Capital Financing (Debt and Borrowing) and Treasury Management**

All capital expenditure must be financed from external sources (e.g., capital grants, external contributions from third parties), the Authority's own resources (e.g., capital receipts, revenue resources/reserves) or debt. WMCA is clear that expenditure will not be incurred until the required funding has been secured. The planned funding of the above expenditure is as follows:

Table 2: WMCA Capital Funding 2022/23 to 2026/27

WMCA CAPITAL PROGRAMME (€M)	2022 / 2023	2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	TOTAL
Investment Programme Debt	115.4	238.3	20.0	18.9	-	392.6
TfWM Debt	3.9	59.5	67.2	71.9	0.2	202.7
Grants	359.7	442.6	372.0	266.9	192.5	1,633.7
Other	-	64.6	211.8	192.4	168.5	637.3
<b>TOTAL FUNDING</b>	<b>479.0</b>	<b>805.1</b>	<b>671.0</b>	<b>550.1</b>	<b>361.2</b>	<b>2,866.4</b>

\* Provisional expenditure estimates for Investment Programme and other projects which are subject to WMCA raising additional income or yet to have the funding package fully secured.

It is important that this Capital Strategy is read in conjunction with the Treasury Management Strategy (Appendix 9). The capital programme is the main driver for WMCA's borrowing activity and the Treasury Management Strategy documents the levels of debt held, forecast debt and debt limits, together with parameters for how that financing is intended to be secured, managed and repaid.

As detailed in the Treasury Management Strategy, as at 31 December 2022 the Authority has £513m borrowing but WMCA will likely need to borrow further externally in the coming years in order to support its Capital Expenditure.

Statutory guidance states that no Authority should have external debt above its Capital Financing Requirement. Additionally, WMCA are legally obliged to set Authorised and Operational limits for debt. These limits are detailed below, set against forecast external debt; WMCA expect to be able to comfortably manage within these limits based on the currently projected levels of capital expenditure.

Table 4: WMCA Authorised limit and Operational Boundary for External Debt

£M	2023/24	2024/25	2025/26	2026/27	2027/28
Forecast Closing CFR	982	1,034	1,033	1,005	978
<b>Forecast Closing Debt</b>	<b>598</b>	<b>585</b>	<b>573</b>	<b>562</b>	<b>550</b>
Operational Boundary	982	1,034	1,033	1,005	978
Authorised Limit	1,032	1,084	1,083	1,055	1,028

A further key requirement is that WMCA must not breach an external debt cap to be agreed by HM Treasury and Department for Levelling Up, Housing and Communities (DLUHC, formally known as MHCLG). The existing agreed limit for 2022/23 is £821m. As of 26 January 2023, formal notification of the debt cap remains outstanding from HM Treasury, although it is expected to be provided shortly. Indications from HM Treasury imply that the confirmation will be in line with WMCA requirements and as such, WMCA foresee no specific operational impacts. WMCA Board will, however, be notified once confirmation is received.

The borrowing limit can be re-negotiated with HM Treasury and in the event the Trailblazer Devolution Deal does provide significant additional (affordable) borrowing capacity, it is likely the limit may need reviewing during 2023/24.

Recent long-term borrowing executed within 2021/22 and 2022/23 was taken out to underpin capital expenditure within the WMCA Investment Programme, which will be repaid over the 30-year devolution period ending on 31 March 2046. Borrowing to be repaid from income realised over the 30-year devolution period in respect of the WMCA Investment Programme is subject to an overarching affordable limit, last updated and endorsed by WMCA Board in March 2021.

As noted in the Treasury Management Strategy, WMCA will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Where borrowing in advance of need has been undertaken, WMCA can demonstrate value for money in borrowing in advance of need and its plans to ensure the security of such funds.

Further information on WMCA's approach to treasury management including processes, due diligence, risk appetite, investments and liabilities can be found within the full Treasury Management Strategy at **Appendix 9**.

## 6 Commercial Activity

WMCA does not invest in any assets for the primary reason of investment income/yield.

Where WMCA plans to provide equity, in the case of the West Midlands Co-Investment, or debt financing from the Collective Investment Fund and Revolving Investment Fund, the primary purpose of decision is for the public benefit to the region.

Any property acquisitions are undertaken based on a need for delivery, and not for financial returns from rental income or capital appreciation.

## **7 Capital Receipts**

Capital receipts are receipts to WMCA arising from the sale/disposal of assets such as land, property and equipment. Their use is normally restricted under the Local Government Finance regulations to capital expenditure and repayment of debt.

WMCA is not currently forecasting any material future capital receipts.

## **8 Capital Risk Management**

The WMCA Capital Programme and its achievability is inherently exposed to uncertainty and a wide array of risks. As mitigation, each project is required to have a risk management strategy in accordance with HMT Green Book and the Five Case Model, which is appraised under the Single Assurance Framework (SAF). A live capital risk register is maintained of project-specific risks which is kept up to date by the relevant accountants and monitored monthly by the finance senior leadership team.

In the delivery of any Capital Expenditure programme, risk must be managed in line with the organisation's risk appetite.

Risks with respect to funds provided to Local Authorities are managed and mitigated through the use of legally binding funding agreements, covering issues such as delivery, performance and clawback conditions. Where possible, WMCA acts as the funder of last resort to allow maximum benefit from opportunity and project savings (should they arise) to flow back to WMCA for re-investment.

Mitigating against all these risks are the knowledge and skills of WMCA staff. All members of the Finance Leadership Team are fully qualified and experienced finance professionals, and on-going training is provided to all Finance staff. Where Finance Leadership Team feel specialist guidance is required, appropriate advice will be taken from external advisers.

## **9 Prudential Indicators for Capital**

Prudential indicators are means of assessing overall fiscal sustainability. The CIPFA Prudential Code provides prudential indicators required for inclusion within the Capital Strategy. Compliance with the Code is a statutory requirement under the Local Government Act 2003.

For the Capital Strategy, the relevant Prudential Indicators required under the Code are:

- Estimated Capital Expenditure; and
- Estimated Capital Financing Requirement.

Treasury Management Indicators are disclosed within the Treasury Management Strategy at **Appendix 9**.

## **10 Governance Arrangements**

Decisions around capital expenditure, investments and borrowing should align with the processes established for the setting and revision of the budget for WMCA, which is why the Capital Strategy is appended to the annual WMCA Budget for approval by WMCA Board, the body with responsibility for the annual budget.

This process is also appropriate because the CIPFA Prudential Code recommends that where budget decisions are made by an elected mayor, as is the case for WMCA, the Capital Strategy and prudential indicators are expected to follow the same procedures as the budget.

Although detailed implementation and monitoring of capital investment is delegated to sub-committees and officers as appropriate, ultimate responsibility for decision-making and ongoing monitoring in respect of capital expenditure, investment and borrowing remains with WMCA Board.

There are processes in place within the WMCA to ensure the capital programme is governed correctly from the initial business case through options appraisal to delivery, monitoring & evaluation and post project appraisal.

The Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide the organisation with a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes. It sets out key procedures for ensuring accountability, probity, transparency and legal compliance and for ensuring value for money is achieved across its investments.

Ensuring all capital projects deliver value for money is of utmost importance within the governance process. Value for money is required to be demonstrated within the economic case of all business cases passing through the SAF and significant projects are also required to provide analysis on accost benefit ratio.

Once a business case has gone through the SAF and an agreed amount of funding has been awarded to achieve a set outcome, any changes required will follow the Change Control process. This is the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated, and then approved, rejected or deferred. The Change Request is required when the tolerances that were set out in the approved Business Case are or will be breached. These include changes to time, cost and scope.

Monitoring and evaluation arrangements are agreed within the business case. These monitoring indicators include the project budget, data collection and reporting.

### Capitalisation Policy

WMCA sets out its processes and procedures to ensure correct classification of expenditure and compliance with Local Authority Capital Accounting regulations within its capitalisation policy.

In accordance with Local Authority Capital Accounting regulations, only expenditure which is directly attributable to bringing an asset into working condition is to be capitalised.

The capitalisation policy sets out guidance on specific types of expenditure such as feasibility studies, professional fees, design works, training, incidental overheads, software, financing costs, salaries and maintenance.

The capitalisation policy is reviewed and updated annually to reflect any changes to regulations and advice from external accounting professionals.

### Reporting

After a project budget has been approved, WMCA financial regulations require that any proposed increase to this budget in excess of 10% or greater than £5 million is reported to, and approved by, WMCA Board. As well as this, any unfunded budgets are required to be reported to WMCA Board.



## **11 Knowledge and Skills**

The Capital Strategy and the Treasury Management Strategy are prepared and managed by teams of professionals with local government experience and qualified accountants. The Audit, Risk and Assurance Committee scrutinises the capital programme and Treasury Management Strategy at regular scheduled intervals to ensure rigorous control over these functions.

The correct accounting treatment is applied across the capital programme and Treasury functions in accordance with CIPFA 2021/22 Code of Practice on Local Authority Accounting.

WMCA has professionally qualified staff across a range of disciplines related to capital investment including finance, legal, commercial, housing, transport. Staff engage in ongoing continuous professional development and seek external professional advice where necessary.

## **12 Affordability and Sustainability**

The fundamental objective in the consideration of the affordability of WMCA's capital plans is to ensure that the total capital investment of the authority remains within sustainable limits. As a combined authority, WMCA should have due regard for potential impacts on its underlying member authorities. Much of the West Midlands capital expenditure is in respect of funding awarded to its constituent members and related to HS2, which will be shown within the capital strategies of these bodies. The members of WMCA play a crucial role shaping WMCA's strategy and risk appetite.

When assessing affordability and sustainability, it is critical that a balance is reached between capital and revenue expenditure needs. Therefore, revenue consequences of capital decisions are carefully taken into account. It is also important to ensure that investment in new/enhanced assets is balanced against need to maintain the service potential and economic benefits of existing assets.

At present, there are increasing constraints upon available revenue resources, with local authorities coming under increasing pressure to balance the short term. WMCA remains committed to delivery its capital programme to ensure WMCA does not prioritise short-term sustainability over long-term sustainability.

It is of utmost important to the WMCA that the long-term interests of the region are safeguarded, and the public pound is protected. There are layers of protection applied to the capital programme to ensure the affordability and deliverability of the capital programme. For example, each supplier must demonstrate their solvency and ability to deliver contracted outcomes.

Within the financial case of each projects business case, project managers should demonstrate cost estimates are robust and if necessary, that contingency is included and earmarked separately.

The WMCA seeks to maximise opportunities to leverage third party investment to complement the capital programme and strategically recycle funding where possible for reinvestment within the region.

Despite these layers of protection, the WMCA capital programme is being delivered in very challenging economic conditions. The impact of high inflation and increased interest rates have added considerable pressure to capital delivery budgets, particularly in respect of construction materials and financing costs.

These external economic factors are causing pressures to emerge across the WMCA capital programme. An update was recently provided to ensure accountability and transparency at WMCA Board in December 2022 with a further update expected in March 2023.

The WMCA Board and senior officers of the organisation are continually monitoring the capital programme to ensure the best use of capital resources and the greatest possible value for money is achieved.

Where necessary, the scope and delivery timing of projects within the WMCA capital programme may be altered to ensure sound and responsible risk/financial management. Any such changes will be reported appropriately and transparently.

The first means of mitigation for a capital cost pressure is to reduce/avoid the cost increase where possible. In such circumstances, project contingency is reviewed. Next, a review of WMCA resources including soft-contingencies is undertaken.

Under a worst-case case scenario, where additional funding is required and has not been secured, an increase to the levy (or fees) payable to WMCA by its constituent members may need to be considered, which would require approval by WMCA Board.

## **APPENDIX 12 – MRP Strategy 2023/24**

### **Annual Minimum Revenue Provision (MRP) Statement 2023/24**

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Levelling Up, Housing and Communities' Guidance on Minimum Revenue Provision (the DLUHC Guidance).

In November 2021, DLUHC announced that it would launch a consultation on its MRP guidance. The consultation exercise was subsequently extended following feedback from the sector and any changes to the guidance are now expected to apply prospectively from April 2024 onwards, and so will not impact WMCA's policy or Budget for 2023/24.

The broad aim of the DLUHC Guidance is to ensure that capital expenditure is financed over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The DLUHC Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

As such, WMCA will charge MRP as detailed below:

- For capital expenditure incurred before 1st April 2008 MRP will be determined as 2% of the capital financing requirement in respect of that expenditure;
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate of 2%, starting in the year after the asset becomes operational;
- For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year or loan repayments have not been received in accordance with the T&Cs of the loan agreement or there is any uncertainty about receiving future repayments, MRP will be charged at a rate in line with the life of the assets funded by the loan.

In November 2017, WMCA Board agreed to the release of historic overpayments of MRP by suppressing the MRP charges to zero from April 2017. The policy amendment was undertaken in liaison with WMCA's external auditors (Grant Thornton) and the practice is common across UK Local Authorities. The duration of the 'zero MRP' was expected to be seven years. The value of overpayments released to March 2023 will be £28.2m leaving a residual balance of £2.3m to be released 2023/24. The outcome of this procedure means that the Transport Levy (i.e. the source of those original overpayments) can be suppressed by a corresponding amount during the seven year period whilst still ensuring that the legacy debt WMCA hold can be repaid in a prudent manner. It should be noted that as the historic MRP over payments relate to Transport assets delivered prior to April 2017, the release of the overpayment does not apply to schemes developed and delivered after this date and as such, WMCA will continue to make MRP payments against Investment Programme schemes during the current planning cycle.

## **APPENDIX 13 – Pay Policy Statement 2023/24**

### **1. Introduction and Purpose**

- 1.1. The purpose of this policy is to clarify West Midlands Combined Authority's strategic stance on pay in order to provide direction for members and officers making detailed decisions on pay and to provide the citizens of the West Midlands with a clear statement of the principles underpinning decisions on the use of public funds.
- 1.2. As defined in Sections 2 (6), (7) and (8) of the Local Government and Housing Act 1989, the Authority has the power to appoint officers on such reasonable terms and conditions, including remuneration, as the authority thinks fit. This Pay Policy Statement (the 'statement') sets out the Authority's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Authority's approach to setting the pay of its employees by identifying;
  - the methods by which salaries of all employees are determined;
  - the detail and level of remuneration of its most senior staff i.e. 'chief officers', as defined by the relevant legislation;
  - the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the West Midlands Combined Authority and for recommending any amendments to the statement to the West Midland Combined Authority Board.
- 1.3. Once approved by the Board, the statement will come into immediate effect and will be published by no later than 1 April each year, subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

### **2. Legislative Framework**

- 2.1. In determining the pay and remuneration of all of its employees, the West Midlands Combined Authority will comply with all relevant employment legislation. This includes, but is not an exhaustive list, the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.
- 2.2. With regard to the Equal Pay requirements contained within the Equality Act, the West Midlands Combined Authority ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

### **3. Pay Structure**

- 3.1. The purpose of pay is to encourage staff with the appropriate skills to seek to work for the Authority and then to reward them appropriately for the tasks they undertake in order to maintain their motivation and retain their services.
- 3.2. Based on the application of job evaluation processes, the West Midlands Combined Authority uses the nationally negotiated pay spine as the basis for its local grading structure (known as the main salary scale). This determines the salaries of the majority of the workforce, together with the use of other nationally defined rates where relevant. The West

Midlands Combined Authority's terms and conditions of employment for non-Chief Officers/non-Senior Management will be in accordance with collective agreements negotiated from time to time by the Passenger Transport Forum (PTF) for Passenger Transport Executive Staff set out in the Scheme of Salaries and Conditions of Service (Commonly known as the "Green Book") as amended or supplemented by such local collective agreements reached with trade unions recognised by the West Midlands Combined Authority, currently Unison. The association with the PTF is has been put under notice with the finalisation of the 2022-23 pending pay award. Application has been approved to join National Joint Council (NJC) for Local Government for future pay agreements.

- 3.3. In determining its grading structure and setting remuneration levels for all posts, the West Midlands Combined Authority takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.4. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate when a higher skill level and/or experience are applicable. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the West Midlands Combined Authority will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources.

#### **4. Market supplements**

- 4.1. The Authority has a policy to offer market supplements in instances where the substantive grade of the post is insufficient to attract or retain post holders in skill shortage areas, based on evidence of recruitment and retention difficulties. The Market supplement has been defined in the form of 2 additional increments added to the main salary scale, or it will consider the use of temporary market forces supplements in accordance with its relevant policies.

#### **5. Senior Management Remuneration**

- 4.1. For the purposes of this statement, senior management means 'chief officers' as defined within S43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2022. Salaries quoted are based on the full time equivalent (FTE) of 36.5 hours per week.
- 4.2. The table lists the 74 Senior Management posts that make up 9.95% of the 744\* people employed by the West Midlands Combined Authority.

*\*Refers to the staffing count as at 1<sup>st</sup> January 2023 which includes all permanent, temporary and casual employees*

Title	Grade	Minimum	Maximum
Chief Executive	1 post	£175,000	£195,000*

Title - Executive Directors	Grade	Minimum	Maximum
Exec Director of Economic Delivery, Skills & Communities Executive Director of Finance and Business Hub Executive Director of Housing, Property and Regeneration Executive Director of Strategy, Innovation and Net Zero Executive Director of Transport for West Midlands	Directors (5 posts)	£120,000	£145,000*

Title - Operational Directors	Grade	Minimum	Maximum
Director of Commercial and Investment Director of Communications Director of Delivery -Transport Portfolio Director of Development and Delivery Director of Integrated Transport Service Director of Legal and Governance Director of Network Resilience Director of Policy Strategy & Innovation Director of Rail and WMRE Director of Employment and Skills WMM Projects Director Technical Director - Swift	Operational Directors (12 posts)	£87,000	£130,000*

Title - Head of Service & SLT Directs	Grade	Minimum	Maximum
Head of Service & SLT Direct roles will have operational and/or highly strategic responsibility for a team or function of the WMCA, leading managers and/or professionals, setting objectives, managing performance and ensuring the teams delivery of its objectives forming part of the senior management team of WMCA	Head of Service (56 posts)	£60,000	£110,000*

*\*Salary amounts subject to pending 2023-24 pay awards*

Appendix 2 details roles for Head of Service & SLT Directs.

For information the main salary scale, covering the majority of the workforce, is shown in the Appendix1.

## **5. Recruitment of Chief Officer Related Posts**

- 1.1. The West Midlands Combined Authority's policy and procedures with regard to recruitment of chief officer related posts is set out within the Constitution which can be accessed [click here](#). The West Midlands Combined Authority shall appoint seven separate Members from the Constituent Councils, the Mayor and any other additional person as required, as members of the Employment Committee. When recruiting to all posts the West Midlands Combined Authority will take full and proper account of its own policies and procedures. The determination of the remuneration to be offered to any newly appointed chief officer related position will be in accordance with the pay structure and relevant policies in place at the time of recruitment. The agreement of pay and conditions for the Chief Executive and Chief Officers are in accordance with the Joint Negotiating Committee for Chief Officers of Local Authorities'. Where the West Midlands Combined Authority is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.
- 1.2. Where the West Midlands Combined Authority remains unable to recruit to chief officer related posts under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer related post, the Authority will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the West Midlands Combined Authority is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The temporary filling of a vacancy for a post of Chief Officer or Deputy Chief Officer will be reviewed after a period of no more than 12 months.

## **2. Additions to Salary of Chief Officer Related Posts**

- 2.1. The West Midlands Combined Authority does not normally apply any bonuses or performance related pay to its chief officer related posts. Chief Officers are currently employed on a fixed salary with no incremental scale. Where additional responsibility is undertaken, the Authority may apply an honorarium reflective of the additional duties undertaken.

## **3. Payments on Termination**

- 3.1. The West Midlands Combined Authority's approach to discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).
- 3.2. The circumstances of each individual redundancy case will be assessed, each specific case will be judged equally and fairly on its own merits.

For redundancy payment purposes the following applies to all post holders:

- All continuous service with local authority and other bodies specified by *The Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order*, as amended, counts towards the entitlement to and calculation of a payment. Any service already taken into account by a Scheme employer in calculating compensation under these or similar Regulations will be excluded.

- No employee may receive a redundancy payment in a sum greater than their current annual salary as at the date of redundancy. (This excludes any payment for pay in lieu of notice).
- Statutory or enhanced redundancy pay will be paid to those with over 2 years continuous employment. Payment for each week's pay will be calculated on the number of statutory weeks, based on an employee's age and length of employment. Length of service is capped at 20 years.
- A week's pay for the calculation of the enhanced redundancy payment shall be the actual amount of a week's pay based on the annual salary as at the date of redundancy. To calculate the enhanced redundancy payment this shall be multiplied by a factor of 1.75.

1.1. Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the West Midlands Combined Authority or relevant elected members, committee or panel of elected members with delegated authority to approve such payments.

## **2. Publication**

2.1. Upon approval by the West Midlands Combined Authority Board, this statement will be published on the West Midlands Combined Authority's website.

2.2. In addition, the West Midlands Combined Authority's Annual Statement of Accounts will include a note setting out the number of staff whose total remuneration is at least £50,000 and for chief officer posts it will show the amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- employer's contribution to the person's pension;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above.

## **3. Lowest Paid Employees**

3.1. The West Midlands Combined Authority has adopted the principle to pay the UK Real Living Wage. The lowest paid persons employed under a contract of employment with the West Midlands Combined Authority are employed in accordance with the minimum spinal column point currently in use within the Authority's grading structure. As at 1st April 2022 this is £22,216 per annum and is 7 points higher than the main pay spine minimum and 3 points higher than the UK Real Living Wage minimum in the spinal column. West Midlands Combined Authority have obtained living wage foundation accreditation. Any changes to the Real Living Wage hourly rate will be implemented from the 1<sup>st</sup> April each year following the increase.

3.2. The West Midlands Combined Authority employs Apprentices who are not included within the definition of 'lowest paid employees' as the terms and conditions are determined by the



National Apprenticeship Service. The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

- 3.3. The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that "it would not be fair or wise for the Government to impose a single maximum pay multiple across the public sector". The West Midlands Combined Authority accepts the view that the relationship to median earnings is a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce.
- 3.4. The current pay levels within the West Midlands Combined Authority define the multiple between the lowest paid employee and the Chief Executive as 1:8.77 and; between the lowest paid and average chief officer as 1:3.89. The Authority's multiplier falls well below Lord Hutton's public sector threshold.
- 3.5. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the West Midlands Combined Authority will use available benchmark information as appropriate.

#### **4. Re-engagement and Re-employment of former Chief Officer Related Posts**

- 4.1. West Midlands Combined Authority would not normally re-employ or re-engage chief officers who were previously employed by the Authority and who on ceasing to be employed, received severance or redundancy payment. This applies to chief officers employed on permanent, temporary and external contracts.

#### **5. Accountability and Decision Making**

- 5.1. In accordance with the Constitution of the West Midlands Combined Authority, the Employment Committee is responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to chief officer positions within the West Midlands Combined Authority. Overall the Authority aims to maintain a mid-market position on chief officer pay in comparison to similar authorities.

**West Midlands Combined Authority - SALARY SCALES****INCREASED WITH EFFECT FROM 1 APRIL 2022**

	<b>NEW BASIC SALARY W.E.F.1.4.22</b>
<b>SALARY POINT</b>	<b>PER ANNUM</b>
9	19273
10	19708
11	20201
12	20266
13	20377
14	20997
15	21591
16	22216
17	22992
18	23691
19	24416
20	24990
21	25916
22	26869
23	27875
24	28910
25	29987
26	31113
27	32276
28	33489
29	34758
30	36067
31	37435
32	38499
33	39597
34	40721
35	41890
36	43094
37	44325
38	45595
39	46908

40	48258
41	49646
42	51078
43	52553
44	54073
45	55641
46	57247
47	58913
48	60622
49	62376
50	64190

<b>MARKET SCALES</b>	<b>NEW BASIC SALARY W.E.F.1.4.22</b>
<b>SALARY POINT</b>	<b>PER ANNUM</b>
51	66057
52	67982

As at Jan 2023

**Heads Of & SLT Directs**

<b>Position Title</b>	<b>Directorate</b>
Cycling and Walking Commissioner	Transport for West Midlands
Director- Energy Capital	Strategy, Integration and Net Zero
Head of Behaviour Change Hub	Transport for West Midlands
Head of Bus	Transport for West Midlands
Head of Business Development and Partnerships	Housing, Property & Regeneration
Head of Business Improvement	Finance & Business Hub
Head of cEMV Delivery	Transport for West Midlands
Head of Corporate Support and Governance	Legal & Governance
Head of Customer Experience	Transport for West Midlands
Head of Cycling and Walking	Transport for West Midlands
Head of Economic Development and Delivery	Economy Delivery, Skills and Communities
Head of Economic Policy and Partnerships	Economy Delivery, Skills and Communities
Head of Employer Services	Economy Delivery, Skills and Communities
Head of Environment	Strategy, Integration and Net Zero
Head of Finance Business Partnering & Strategic Planning	Finance & Business Hub
Head of Financial Management	Finance & Business Hub
Head of Future Transport	Transport for West Midlands
Head of Health & Communities	Economy Delivery, Skills and Communities
Head of HP&R Development and Delivery	Housing, Property & Regeneration
Head of HR	Finance & Business Hub
Head of Inclusive Growth and Systems Change	Strategy, Integration and Net Zero
Head of Insight and Intelligence	Economy Delivery, Skills and Communities
Head of IT Delivery	Transport for West Midlands
Head of Key Route Network	Transport for West Midlands
Head of Legal Services	Legal & Governance
Head of Major Funding	Finance & Business Hub
Head of Mayoral Operations	Mayoral Office
Head of Mayoral Policy and Delivery	Mayoral Office
Head of Mental Health & Partnerships	Economy Delivery, Skills and Communities
Head of Network Transformation	Transport for West Midlands
Head of Operational Assets	Transport for West Midlands
Head of Policy – Housing and Regeneration	Housing, Property & Regeneration
Head of Policy and Public Affairs	Strategy, Integration and Net Zero
Head of Procurement	Finance & Business Hub
Head of Programme Assurance and Appraisal	Finance & Business Hub
Head of Programme Delivery / 3GT Delivery	Transport for West Midlands
Head of Projects	Transport for West Midlands
Head of Property and Strategic Assets	Housing, Property & Regeneration
Head of Rail Delivery	Transport for West Midlands
Head of Rail Development	Transport for West Midlands
Head of Rail Development and Integration	Transport for West Midlands

Head of Research, Intelligence and Inclusive Growth	Strategy, Integration and Net Zero
Head of RTCC Events & Emergency Planning	Transport for West Midlands
Head of Security and Policing	Transport for West Midlands
Head of Skills Development	Economy Delivery, Skills and Communities
Head of Solution Development	Transport for West Midlands
Head of Sprint Delivery	Transport for West Midlands
Head of Sprint Development	Transport for West Midlands
Head of Strategic Facilities Management	Housing, Property & Regeneration
Head of Strategy and Analysis	Housing, Property & Regeneration
Head of Structuring - Investment	Finance & Business Hub
Head of Swift on Rail	Transport for West Midlands
Head of Technical Engagement	Transport for West Midlands
Head of Technical Review	Transport for West Midlands
Head of Traffic Signals Technology & Design	Transport for West Midlands
Head of Transport Data	Transport for West Midlands
Head of Transport Implementation	Transport for West Midlands
Head of Transport Innovation	Transport for West Midlands
Head of Transport Skills	Transport for West Midlands
Head of Transport Strategy and Planning	Transport for West Midlands
Head of Utilities- Metro	Transport for West Midlands
Owner Representative	Transport for West Midlands
Rail Programme Director	Transport for West Midlands
Senior Implementation Manager	Housing, Property & Regeneration
Senior Investment Portfolio Manager	Finance & Business Hub
Strategic Head of Digital and Data	Transport for West Midlands
WMRE Head of Rail Programme	Transport for West Midlands

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## WMCA Board

<b>Date</b>	10 February 2023
<b>Report title</b>	HS2 Growth Delivery Programme
<b>Portfolio Lead</b>	Environment, Energy & HS2 - Councillor Ian Courts
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Craig Wakeman, Head of Transport Implementation email: craig.wakeman@tfwm.org.uk

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

#### The WMCA Board is recommended to:

- (1) Note and support the progress made as detailed in this report.

#### **Purpose**

1. The purpose of this report is to provide a detailed update of the actions and activities undertaken on behalf of the WMCA over the last twelve months, by the WMCA HS2 Regional Enterprise Board (REB) and the workstreams that support the delivery of the WMCA HS2 programme.

#### **Background**

2. HS2 will provide vital high-speed rail links between cities and regions across the UK, and will reduce journey times between some of the country's largest cities creating economic benefits and thousands of jobs.
3. HS2 will enter service between 2029 and 2033 when Phase One (London to Birmingham) is complete with stations at London Euston, Old Oak Common, Interchange and Birmingham Curzon Street. Services will expand as future phases of the network are built over the coming years stretching to Manchester, Crewe and the East Midlands.

4. In 2015, following the submission of the first HS2 Growth Strategy and the subsequent formation of the WMCA, the HS2 Growth Delivery Board (GDB) was used as the main means by which the challenges and opportunities that would be presented by HS2, were dealt with at a regional level. The key focus of our original strategy was on 'People, Business & Place (inc. connectivity & environment) to maximise the wider social, economic and environmental benefits HS2 would bring and the wider opportunities offered to this region.
5. In the refresh of the programme governance, approved by the WMCA Board in July 2021, it was agreed that the WMCA HS2 Regional Enterprise Board would focus on six key opportunities. This ensured that the region sought to maximise the benefits of not just the construction and future operation of HS2, but the wider economic benefits that could be realised by focussing on the following:
  - **Economic opportunity** – focus on business opportunities to help local and regional businesses to succeed.
  - **Education opportunity** – focus on enhanced training and development of skills for local people.
  - **Employment opportunity** – target key employment opportunities that are created not just by the construction of HS2, but as part of the wider regeneration aspirations of the region and by the attraction of new industry.
  - **Environmental opportunity** – focus on the potential of 'natural capital' and how we can use this in partnerships with HS2 Ltd and partners to achieve our WM2041 targets.
  - **Engagement opportunities** – linking both people and organisations to the wider opportunities presented by HS2 across this region and help change the narrative of what HS2 really means to people in this region.
  - **Energy opportunity** – looking at how we can capitalise on renewable energy and decarbonisation presented by HS2.

## People

6. Over the last 12 months, considerable progress has been made with both the release of data from HS2 Ltd, and with the delivery of employment & training support across the entire region. We have also seen continued significant engagement with schools across the region, helping pupils better understand the opportunities created by HS2. Below is a snapshot of some of these key achievements on the construction of HS2 which has already created more than 12,000 new jobs:
  - As of December 2022, 849 residents of the West Midlands were employed directly by HS2 Ltd
  - As of December 2022, 7,953 FTE were engaged on West Midlands on HS2 contracts.
  - 38% of all jobs posted on the 'HS2 jobs board' were for roles within the WMCA geography.
  - 399 'apprenticeship starts' (Annex 1 fig 1)
  - 729 workless starts having completed a minimum of 26 weeks continuous employment that had little or limited skills when their training programme began (Annex 1 fig 2)
  - 2249 students took part in workshops in this region with a total of forty-eight workshops delivered by The Small Piece trust. Significant further engagement is planned for 2023.

(All statistics provided by HS2 Ltd December 2022)



7. In support of this, the WMCA and its partners have also provided construction training to nearly 1500 local residents with a view to becoming employed on the HS2 construction programme, with an average of 50% of these attaining employment on the programme after training. We are also continuing to invest over £1.5m a year funding training directly linked to HS2 construction project.
8. We have now established training pathways agreed with BBV as HS2 Main Works contractor for labour supply to the project, operating in 10 colleges across the WMCA including the Black Country, Solihull, Birmingham, Coventry and Warwickshire and a new Community Hub at South and City College Birmingham and are supporting other developing hubs in Wolverhampton and Walsall.

### **Business**

9. Regarding the wider economic impacts, it was agreed by the HS2 REB to reform the 'WMCA HS2 Strategic Supply Chain Panel' to ensure that as many businesses HS2 as possible from within the WMCA region are aware of the potential opportunities presented by HS2.
10. We have had several conversations to gather intelligence from local professional services firms that are engaged with local SMEs to help us develop a firm understanding of the challenges that are faced by businesses in this region. We have also held, and have planned, several 'Roundtable events' which have been attended by local businesses to share with them the potential opportunities presented not just by the construction of HS2, but also by the wider supply chain. To support this further, we have held our second WMCA HS2 Mayoral Supply Chain event which was attended by nearly 150 companies.
11. To date, 2,750 businesses have delivered work on HS2, many of which are from the West Midlands and over two thirds are SMEs. We are currently working with HS2 Ltd to try and get a more detailed local picture on the specific regional business engagement numbers and will report back in due course on progress.
12. Following Brexit and the post covid impacts, we have discussed with Government departments such as BEIS & DHLUC, the potential for future central government policy changes and the development of funding initiatives that may be needed, to help support our local businesses engage in HS2 and the wider regeneration of our region.

### **Place**

13. With regards to the wider development of stations and other key assets, we have worked extensively to support the development and delivery of the following key infrastructure:
  - **Curzon Street Station** – Work has continued to support the development and delivery of not only the station, but the wider 'Curzon Commercialisation' opportunities and active and sustainable transport opportunities. This has included working with both DfT & HS2 Ltd ensuring that the public transport schemes, in particular the delivery of the Eastside Metro extension is delivered in a timely and efficient manner.
  - **Interchange Station** – Significant financial and professional support has helped us achieve the delivery of the necessary connectivity into the Interchange site that will facilitate future development opportunities. This along with the financial support offered for the design and delivery of the 4500 multi-story car park, in place of the proposed 7500 space surface level car park, opens the entire site for development that will yield significant returns for this region when delivered.

- **Washwood Heath Depot** – The Washwood Heath Masterplan is expected to be issued to wider stakeholders in early 2023. It will offer approximately twenty-four hectares of key development & employment land in one of the key growth areas within the East Birmingham North Solihull Growth Corridor. It is hoped that construction on site can start in 2026 following formal approval.

### **Connectivity**

14. Regarding wider connectivity and facilitating access to these sites, significant work on the 'Regional Transport Strategy' has looked to ensure that these assets and others that will be delivered as part of the wider economic growth delivered by HS2, are fully connected to both people and businesses to ensure that the full benefits of HS2 are realised.
15. On the sustainable transport front, as part of the initiatives that have been undertaken, there has been a specific focus on active and sustainable travel. In 2020 a Task and Finish Group was established to develop a network of routes feeding into the developments around HS2 stations and other assets. Recently this work has focused on areas where there are opportunities to further improve and add to this network, such as Delta Junction in Warwickshire and the 'Wider Curzon Area.'

### **Environmental**

16. On the environmental front, there has been significant direct and indirect activity by HS2 Ltd in our region to date including:
  - Creation of 43 new habitats within the West Midlands covering approx.115 hectares including 74 new ponds.
  - BBV will be planting 1,000 hectares of woodland, wildflower grassland and wetland across the region - about the area of 1,300 football pitches.
  - £4,296,103 has been awarded in the West Midlands (Warwickshire, Solihull and Birmingham) from HS2's Community & Environment Fund (CEF) and Business & Local Economy Fund (BLEF)
  - 81 local projects in the West Midlands have received funding since 2017.
17. We are now also actively working with HS2 Ltd on re-launching the WMCA HS2 Environment & Landscape Board to capitalise on these opportunities yet further and will provide a further update on this in due course.

### **Financial Implications**

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

### **Legal Implications**

19. There are no legal implications in relation to this report.

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

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

21. This work has again been reviewed during 2022 following the development of the City Region Sustainable Transport Settlement, (CRSTS) specifically looking at key growth corridors such as 'East Birmingham North Solihull' (EBNS) to ensure that priorities are aligned.

#### **Equalities Implications**

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

#### **Inclusive Growth Implications**

23. The primary drivers for the HS2 programme are to ensure that 'inclusive growth' in all its forms is at the heart of every project and reflects the activities stated within the '6 E's' above and within the REB 'Terms of Reference'. It is the essence of all the work that is undertaken and will remain a key focus of the programme for the future.

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

24. HS2 and the potential benefits from both the construction and the 'legacy' of the project, stretch across the breadth of the West Midlands region. The membership of the REB has been designed to ensure that all parts from the WMCA are represented to guarantee that these opportunities are maximised.

#### **Other Implications**

25. No other implications have been identified at this time.

#### **Schedule of Background Papers**

N/A

Annex 1  
Fig: 1

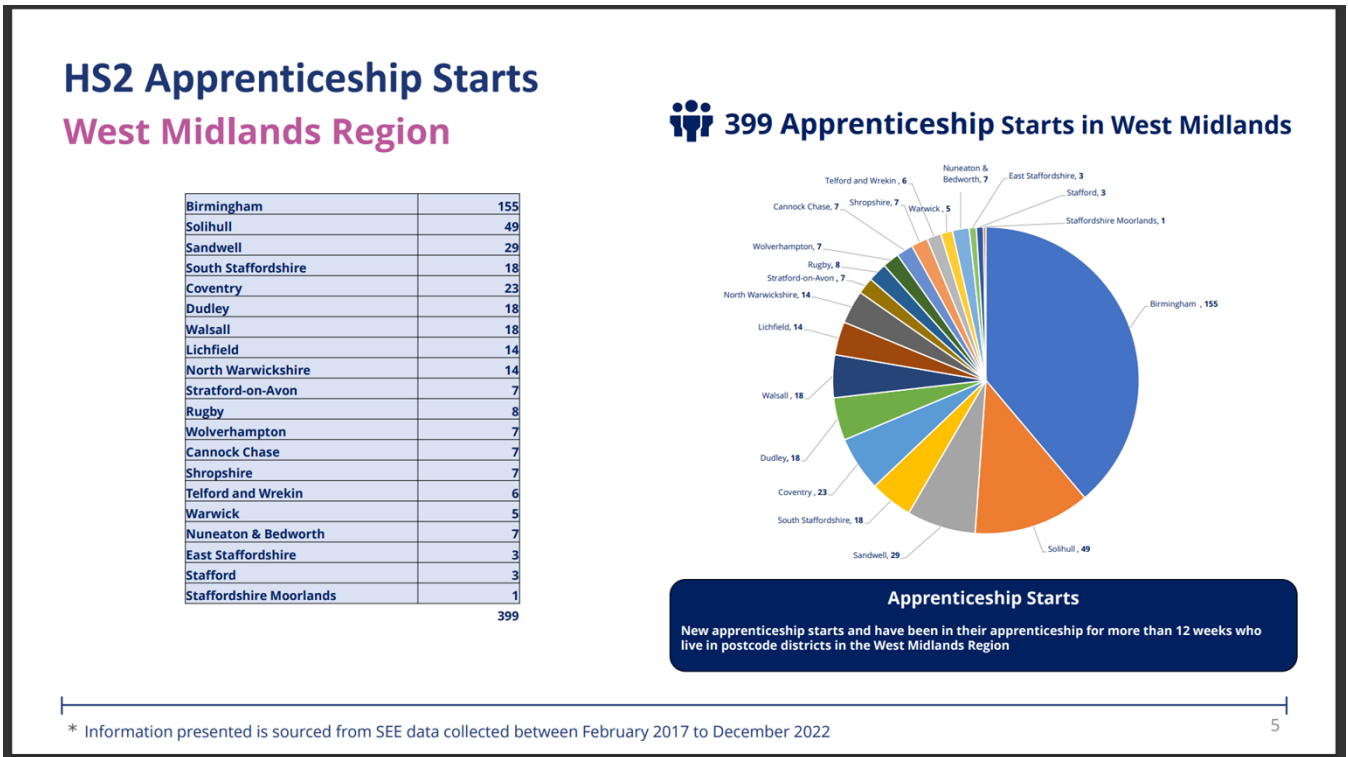
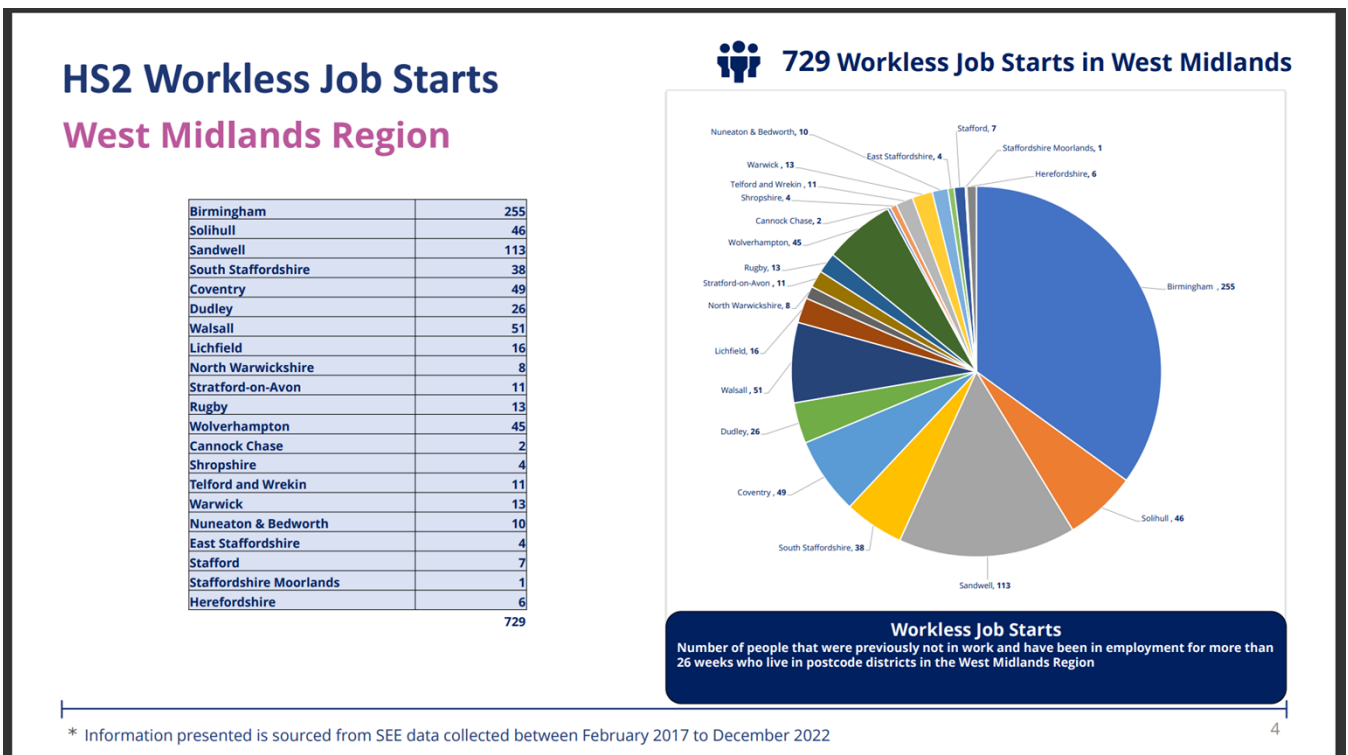


Fig: 2





## WMCA Board

<b>Date</b>	10 February 2023
<b>Report title</b>	West Midlands Local Transport Plan 'Reimagining Transport in the West Midlands' - Final Core Strategy and draft Big Moves and draft Area Strategy Guidance
<b>Portfolio Lead</b>	Transport - Councillor Ian Ward
<b>Accountable Chief Executive</b>	Anne Shaw Executive Director, Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>Accountable Employee</b>	Mike Waters, Director of Policy, Strategy & Innovation, Transport for West Midlands email: mike.waters@tfwm.org.uk
<b>Report has been considered by</b>	Strategic Transport Board Transport Delivery Committee Transport Scrutiny Committee TfWM Strategy Board WMCA Senior Leadership Team Strategic Transport Officers Group

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

#### The WMCA Board is recommended to:

- (1) Note the feedback from the public engagement on the draft LTP Core Strategy.
- (2) Agree the new LTP Core Strategy as the firm policy tone and direction within which the remaining LTP components will be developed.
- (3) Approve for public engagement the LTP 'Big Moves' documents, setting out key policies, principles and initiatives needed to deliver the aims of the LTP.

- (4) Note the development of the Area Strategy guidance and commit TfWM and local authorities to progressing the development of a set of four Area Strategy documents using the guidance, including the development of an LTP implementation Plan (in order to fulfil Government requirements for Local Transport Plans).

## **1. Purpose**

- 1.1 This report seeks WMCA Board agreement to the final version of the West Midlands Local Transport Plan 'Reimagining Transport in the West Midlands' Core Strategy as the first element of the new West Midlands Local Transport Plan (LTP5). Ultimately this will formally replace Movement for Growth (LTP4) as the metropolitan area's statutory Local Transport Plan. The report also seeks approval to undertake engagement on the draft LTP Big Moves and use the draft Area Strategy guidance documents to complete the full suite of documents which will form the final statutory LTP.

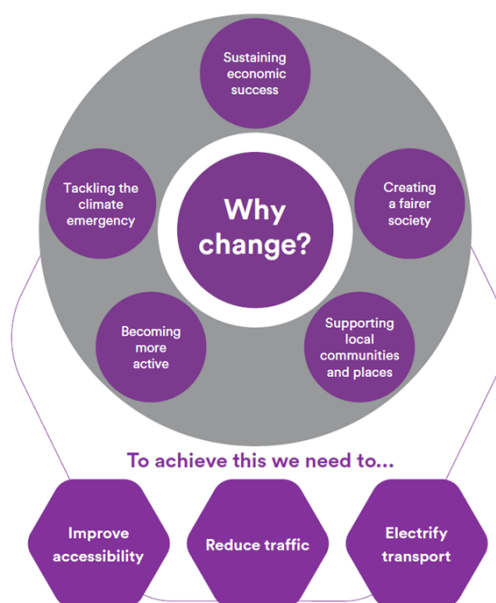
## **2. Background**

- 2.1 Under the Transport Act 2000, Local Transport Authorities (LTAs) have a statutory duty to produce and review a Local Transport Plan (LTP). As a consequence of the Local Transport Act 2008 and the West Midlands Combined Authority Order 2016, WMCA is the LTA for the seven constituent metropolitan districts/boroughs. The LTP will align to the core priorities of WMCA including the Inclusive Growth Framework and #WM2041 ensuring that all future funding bids and transport activity is optimised to meet the Corporate Aims and Objectives signed off by WMCA Board in November 2021.
- 2.2 The LTP must set out policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within the LTA area as well as proposals for the implementation of those policies. WMCA and the seven-metropolitan district/borough councils of the West Midlands must carry out their functions so as to implement these policies. The LTP carries statutory weight in a range of decisions made by many public authorities as they execute their functions under their relevant statutory provisions. It is a critical document for ensuring the West Midlands public's interests with regards to transport and its impacts are considered in such decisions. The LTP must be developed collaboratively between the WMCA as LTA and the 7 local authorities and implemented in partnership with other agencies and organisations such as National Highways, Network Rail and public transport operators.
- 2.3 Since Movement for Growth (the fourth West Midlands LTP) was published in 2016 there have been significant changes to the policy context including changes to the political, social, technological and economic landscapes which have implications for transport policy and plans. These include the impacts of the Covid-19 pandemic and the challenge of climate change with the need for rapid decarbonisation (the UK has a legal target of being net zero by 2050 whilst WMCA has set a regional ambition to achieve this earlier by 2041). The cost of living crisis brings a further challenge to ensuring that people have reliable, affordable and safe options to access opportunities and other services. This in turn is set against a backdrop of a commercially challenged public transport network, increasing costs of constructing and maintaining new infrastructure and a largely car led recovery as the region continues to recover from the pandemic.
- 2.4 The transport Green Paper published in 2021 set out that the region's current transport policies were insufficient to deliver rapid decarbonisation or wider ambitions around inclusive growth. This was largely due to historic policy being focused on approaches to make alternatives to the private car better, whilst also having insufficient emphasis on complimentary measures that would help change the attractiveness of the private car for many journeys. In addition, and largely as a function of a legacy of previous long term under investment, a focus on hard infrastructure investment on only a handful of corridors inherently limits the scope of the impact that is possible (to degree which is substantially less than we need to achieve).

- 2.5 The scale and pace of behaviour change which is required by current overarching national and regional policy will need us to achieve a more broadly distributed change and impact; and requires us to consider more neighbourhood level interventions. Following the engagement on the Green Paper it was acknowledged by West Midlands Leaders that there would be a need to manage travel demand to help deliver the scale of behaviour change required and that there were consequences of not taking appropriate action.
- 2.6 Significant uncertainties (and a lack of public and professional consensus due to these uncertainties) exists across all urban areas concerning the exact transport policy responses that are required in what sequence in order to achieve the required outcomes. Moving forward the region will need to be able to be more confident that our decisions are going to be resilient to changes that are outside our control. The approach of LTP5 will help us keep on track to deliver our longer terms goals, but will enable us to adapt and respond to the more pressing issues of the here and now. This will ensure that we deliver our objectives whilst getting the best value out of the resources the region has available to it.
- 2.7 There will be a limit to the impact that regional and local action alone can have on carbon emissions and on achieving other outcomes that require a behavioural shift to reduce car use and dependence. The WMCA and local authorities have some key powers and policy levers to pull, especially the direct levers over how land and road space and priority is allocated via local development and regulation of highway infrastructure. However, transport behaviour is also affected by a range of factors beyond our direct control in the West Midlands. The approach set out in the LTP5 will help the region to better understand what it can realistically do to address some of these issues, and identify where further change is likely to be constrained without further action beyond our borders and by national authorities.
- 2.8 This will be important as the Government is taking a renewed interest in Local Transport Plans and updated national guidance (the first since 2009) is anticipated to be published shortly. In particular, Government has indicated that it sees local areas in leading the transport response to decarbonisation through local influences on the provision of zero emission vehicle charging/refuelling infrastructure and levers to reduce overall travel demand. It is likely that it will aim to drive decarbonisation and transport improvements at a local level by making quantifiable carbon reductions a fundamental part of local transport planning and funding. Therefore the impact of Local Transport Plans is expected to be linked to future rounds of funding, and in particular a second round of City Regional Sustainable Transport Settlement (CRSTS).
- 2.9 It is acknowledged that change is difficult for many and that this is something that needs to be worked through with local people, communities and stakeholders. Engagement on this LTP has been more extensive than ever before, but will need to be on-going and even more extensive as the LTP is developed further and implemented. There will need to be an emphasis on helping people understand the need for change, responding to it and in helping provide viable alternative choices to support change. In the event that change cannot be achieved support will also be needed in preparing to manage the issues that will arise such as less resilient and reliable infrastructure and social equity issues.
- 2.10 This LTP is different so that it can better help the region to confidently respond to and plan for the future, accounting for challenges and uncertainties in a way that builds local support for change and demonstrates the impact of interventions. The draft Core Strategy published earlier in 2022 set out a new approach for the LTP and this report details the progress that has been made to develop a final Core Strategy and the next stages in progressing the LTP through the development of 6 Big Moves and an Area Strategy Framework.

### 3 LTP Core Strategy

- 3.1 The Core Strategy sets out the overarching approach and principles for the new Local Transport Plan. These are based on a change from traditional transport policy approaches, which have tended to focus on predicting future demands and then seeking to provide the infrastructure and services to meet that demand (a 'predict and provide' approach). Instead, the Core Strategy focuses on a 'decide and provide' approach, in which the region focuses on the end state it wants to achieve (for example, safe clean public highway within which it is comfortable to walk or cycle and public transport is reliable efficient and affordable). The delivery of this is progressively implemented with the magnitude of changes increased as required as required to achieve this state. It is honest about the need for a demand management approach to help the transport system deliver against the region's wider objectives and vision. It also acknowledges the need to review and change our approach across the region in a dynamic way, reflecting the different people and places of the region. The approach is flexible and accommodates the reality that there is not a 'one-size fits all' approach or a scale or pace of change which can be universally implemented.
- 3.2 To address the big social, economic and environmental issues we face, the objectives in the new LTP are framed around 5 'Motives for Change' where changing transport could help better support inclusive growth by providing a transport system that's fair to everyone and minimises the impacts on the environment.



- 3.3 There are three key changes needed in our transport system to make this happen - we need to:
- improve accessibility (particularly for those without access to a car);
  - reduce traffic; and
  - electrify the transport system.
- 3.4 Willing and proactive behaviour change in how, when, where and why we travel is critical to these changes, and implicit in achieving them is less car use and being able to access what we need in a different way. This doesn't mean that cars and vans will not still be very important in the future, but the West Midlands needs to become a place where the majority of people can thrive without having to own a car or drive most days of the week.
- 3.5 To achieve our aims and the vision at a pace and scale that reflects the demands of wider regional policy ambition such as the Inclusive Growth Framework and #WM2041 we must collectively change behaviours without compromising what people can access. To do this simultaneous measures are required to:



- Invest in measures that support better access to what people need without having to use a car; and
  - Manage demand by discouraging the behaviours we want to do less of. This can be achieved by using physical measures (such as allocating less space to particular vehicles), and through regulatory measures (such as managing the price of travel by particular means, or restricting access to particular roads, or limiting speeds).
- 3.6 These measures are not mutually exclusive. Managing demand and car access in key locations can directly help enable the provision of viable and attractive choices for access without a car. Furthermore, doing this can boost demand for services such as public transport, enabling a better level of service (attracting more users), which is in turn more commercially viable. Without managing demand, the improvements we can make to enable access to places and opportunities without a car are fundamentally limited – ultimately limiting what can be achieved for wider policy aspirations and the LTP objectives. This is a materially significant consideration, not just for future provision, but also for the 25% of West Midlands residents today who do not have access to a car (the vast majority of whom are young or are of working age).
- 3.7 Investment in key regional transport schemes including our rapid transit and core bus networks will continue to be an important part of our strategy. However, for the short to medium term these services tend to only be viable when serving our urban centres, which only ~20% of trip making is to or from. Therefore, it is equally (if not more important) to do more to support a more local level behaviour change. This means thinking about the measures that can help people move around more sustainably in their local neighbourhoods and on their streets. At the same time, we are experiencing an uncertain world where huge social issues, such as the cost of living and wider impacts on the economy, make planning for the future more challenging than it has ever been.
- 3.8 To help us think about how we can achieve this the Core Strategy sets out a vision for a well-connected 45 minute region and 15 minute neighbourhoods. This means that a good range of services in our neighbourhoods can be accessed in a round trip of no more than 15 minutes, and a good range of places across our region to undertake work, leisure and socialising can be accessed within a 45 minute trip using a mix of active, shared and public transport modes.
- 3.9 This vision is not meant to be prescriptive and the LTP recognises that everyone travels for different reasons, to different places and using different modes. The vision recognises that all modes will play an important role, including that of the car which will remain a vital and valid means of getting around for many. The LTP also recognises that places themselves are different. Unlike the previous one size fits all policy, it provides a framework to accommodate the reality that what works in one neighbourhood might not work in another. Notwithstanding this, the LTP does give us shared fundamental outcomes to aim for, where everyone can have good options and choices to access what they need.
- 3.10 To achieve the scale of behaviour change required, we will need to better understand people and their needs. Viable travel choices will need to be defined by what it means to provide a good customer experience for those travelling within, to/from and through our region. We are continuing to develop an increasingly sophisticated understanding of what factors genuinely influence the way people travel and have one of the leading research programmes in the UK to help us do this. Using this customer led intelligence will help us develop the right mix of policies to influence consumer choice, and to design transport choices that can be an obvious and viable sustainable option for travel. Ultimately this will help us achieve the overall objective of improving accessibility for all.

- 3.11 Equity is at the heart of the LTP Core Strategy. If the LTP aims are achieved, the harmful impacts of transport and places will be reduced, people who have no or limited access to a car today will be better able to participate in society and our economy, and a better legacy will be secured for future generations. This is what our vision for transport is about, helping people access what they need without needing a driving licence and having to own an expensive vehicle. This helps both those without access to a car today and those who do. Owning a vehicle takes up household spending for an asset which is on average totally unused for 95% of its time. This domestic spend could be more productively released and used within the local economy and on improving the quality of life of the individual, their family and local community.
- 3.12 To accommodate the uncertainties outlined above the Core Strategy also sets out an approach for a dynamic plan, which can be regularly reviewed and progressively iterated. This will allow for an on-going discussion with elected members and the public on how and where progress can be made on more or less difficult issues. The Core Strategy sets out a policy tool kit framed within 6 Big Moves, which WMCA, TfWM and local authorities will then use to inform local areas based strategies. The area strategies and delivery plans are to be developed using the approach set out in the draft area strategy guidance. More detail on the draft Big Moves documents and the draft Area Strategy guidance is provided later in sections 5 and 6 of this report.
- 3.13 A summary version of the Core Strategy is attached at Appendix 1 and the full version is available [here](#).

#### **4. Engagement on the Core Strategy**

- 4.1 Public and business engagement on the draft Core Strategy took place between 7 February and 4 April 2022. The response to the engagement on the Core Strategy was the largest to any Local Transport Plan engagement to date, with over 1200 responses across a range of channels.
- 4.2 When looking at the profile of the West Midlands, survey responses were biased towards those from older age groups, males and white ethnic backgrounds. There was a relative lack of responses from younger, female respondents and those from ethnic minorities despite pro-active efforts to engage with these groups. This was identified during the engagement and efforts were made to improve engagement with groups which were under-represented. This remains a key challenge which our engagement strategies need to consider and improve on. There was a good representation of views from people with a disability and from those who owned a car (as well as those who did not).
- 4.3 Overall support for the draft Core Strategy was positive with 61% agreeing with the approach set out. Of the other respondents 27% said they neither agree or disagree or weren't sure. Only 12% said they disagreed or strongly disagreed with the Core Strategy, There were some common themes across the comments on the Core Strategy which were similar across the respondent's location and socioeconomic backgrounds. The two major themes that arose were that public transport is not currently a genuine alternative (mentioned by 31%) and that the Core Strategy lacks the detail of how/when the plans will be delivered (mentioned by 16%).
- 4.4 Many of the additional comments received to the engagement were not explicitly opposing any element of the Core Strategy, but there are two key negative points mentioned by a minority of respondents: the sense that the plan was anti-car / anti-driver, and concerns for the elderly/disabled/low-paid/vulnerable. Both drivers and the disabled were less supportive than non-drivers and respondents with no disability, however a majority of both groups supported the Core Strategy overall (57% of drivers, 51% of disabled people).

4.5 In finalising the Core Strategy and developing the Big Moves and Area Strategy guidance we have reflected on the points and feedback we have received and we will publish a LTP Engagement report document. Some of the issues raised, such as the use of technical language and the accessibility of documents, can be addressed more immediately, whilst others concerning how the transport system is planned and managed need to have sustained focus and attention as we continue to develop and implement strategy over the coming years. However, it is hoped that the approach being taken with this LTP is a key part of responding to these issues.

## 5. Big Moves

5.1 To deliver the behaviour change required, the Core Strategy sets out that there are a range of policies and actions that the region will need to consider and progress across 6 Big Moves. These Big Moves are a framework for the actions we will need to take to improve accessibility and encourage behavioural changes and the principles for how the transport system should be developed and managed. Actions across the Big Moves should not be taken in isolation and through developing programmes of activity we will need to consider how a range of complimentary policies can be used to deliver the most effective outcomes.

5.2 For example, we may consider investing more into improving and subsidising public transport (especially core and local bus services). However, to make this successful/viable we will also need to implement measures which make bus journeys quicker and more reliable (bus priority and reallocating roads space), alongside making travel to destinations such as centres relatively less attractive by car (parking management).

5.3 The 6 Big Moves are:

### **Behaviour Change**

This Big Move is fundamental to both the overall Core Strategy, but also the other 5 Big Moves. To enable the city region to be more prosperous, inclusive and sustainable, we need to tackle the high levels of car dependency in the region. If we cannot support more people to travel less, use cars less and live more locally, then we will be in danger of not meeting the core goals of the Local Transport Plan and most critically those of overarching regional policy such as #WM2041.

This Big Move does not just require different conversations with businesses and communities about how they travel, but also requires TfWM and its partners to work differently to deliver better outcomes for the region, based on a deeper understanding of people's travel needs and the challenges they face in accessing opportunities. This Big Move requires changes in how we govern the transport system, how we change people's experience of the transport system, and how people choose to travel.

### **Accessible and Inclusive Places**

This Big Move is all about creating more accessible places where people don't require a car to live good lives. This entails more careful planning of places with accessibility in mind, as well as improving sustainable transport and digital connectivity to allow people to access opportunities without needing a car. This is not anti-car, but about providing a viable alternative whilst allowing those for whom car may remain the most appropriate choice to still be able to use it, just not without impunity to the impact of that on others living in and using that area.

### **Walk, Wheel, Cycle and Scoot**

This Big Move is needed to support people to walk, wheel, cycle or scoot when and where they want, safely and conveniently. Our vision is: *Everyone in the West Midlands should be enabled to safely access a range of local destinations on foot, in a wheelchair or on a bike or scooter; with the aim of at least half of all trips in our area to be made by active modes by 2030.*

## **Public Transport and Shared Mobility**

This Big Move sets out how we will deliver a safe, convenient, affordable and accessible public and shared transport system, essential for enabling people to travel beyond their local neighbourhood without a car.

## **Safe, Efficient & Reliable Network**

This Big Move sets out the need to develop and manage the West Midlands highway network in a way that improves its reliability and resilience and better supports travel by more sustainable modes of transport.

## **Green transport revolution**

This Big Move deals with how we will make sure that we as make changes to the transport system to deliver behaviour change we are doing it in the most effective and sustainable way. Improving how we travel is not enough to respond to the climate emergency that the region faces today; we need to make sure that the whole transport system (including its infrastructure) has a significantly reduced impact on the environment. The land, water and air that we depend on is being damaged at a rate that is unsustainable. We need to reduce our impacts by pursuing the appropriate policies in an appropriate way to help us minimise and where possible turn back damage to our environment.

- 5.4 These Big Moves have been developed as six separate substantive documents which provide more detail on key policies and principles which should be considered in developing and bringing forward transport (and land use and digital) strategy to deliver the LTPs objectives. The Big Moves will be made available online and it is noted that they are largely technical and aimed at a transport / planning practitioner audience. However, a summary version has also been developed which aims to provide a more accessible, simpler overview of the Big Moves for people and this is attached as Appendix 2. Full versions of the Big Moves are available [here](#). Board approval is sought to consult on these documents.

## **6. Area Strategy Guidance**

- 6.1 The Core Strategy also sets out a commitment to develop 4 supporting LTP Area Strategies (covering Birmingham, the Black Country, Coventry and Solihull) in partnership with our local authorities. The rationale for these area strategies is to help translate the Big Moves into local areas whilst recognising that the region is diverse: - the needs; capacity for change; views of people; and the opportunities and constraints of places, is different in different areas across our region. Whilst some of the measures required across the region might be similar, the approach and pace for introducing them may vary significantly. Through the Area Strategies we can collaboratively build a shared plan for what works best where, including how best to engage and communicate with local communities and stakeholders on the changes that could be made in different places. The existing local transport strategies are the foundation for this.
- 6.2 The development of Area Strategies as part of the region's statutory LTP are not intended to replace local authorities own transport plans and strategies. Instead, it is intended that these will help local authorities give greater weight to their transport priorities and approaches and help ensure that the region is taking forward an appropriate mix of actions. Within this context, existing transport plans will be critical for informing the Area Strategies. They are not intended to replace local authorities own and existing plans and strategies, but will assist by reflecting them within a statutory plan and an enhanced evidence base. This will give them more weight and ensure the region is taking forward an appropriate mix of actions. As noted, the Government will require LTPs to be able to demonstrate and quantify their impacts and is shortly due to publish updated LTP guidance which will also set out how they expect Local Transport Authorities to quantify the impact of LTPs on transport carbon emissions. By developing the Area Strategies, we can establish a consistent approach to understanding and describing transport challenges and the

different types of measures that will be introduced and this will ultimately enable a coherent assessment of the associated outcomes and impacts they can have (for example, how much do they help to reduce carbon emissions, improve air quality, improve access etc.). This will then help us to understand progress and enable the plan to be dynamic, and allowing us to 'ratchet up' strategy measures as necessary. As such this will be a key element of developing the West Midlands' approach to meet Government's requirements on measuring carbon impacts

6.3 To support the development of the Area Strategies and to enable a consistent approach across the region, TfWM working closely to support local authority officers. Collectively this group has developed an approach for doing this, which is now set out in the draft Area Strategy guidance, the summary version is attached as Appendix 3. The Full version of the Area Strategy guidance is available [here](#). The Board are also being asked to endorse this approach enabling the detailed development work to be progressed in partnership between TfWM and the Local Authorities.

6.4 This guidance will form the basis for WMCA and local authorities to start development of the LTP Area Strategies which will help to inform regional and local policy and decision making. The guidance is a starting point, it does not give us all the answers and we will need to keep it under review and evolve it as we continue to develop our thinking over the coming years.

## **7. Next Steps**

7.1 Subject to approval from WMCA Board consultation will be undertaken for 8 weeks on the draft Big Moves from 20 February 2023. The Area Based Strategy framework will also be available for comment for those who might wish to, but as a working technical document. It is also proposed that TfWM and local authority transport officers will begin initial discussions on the development of the Area Strategy documents.

7.2 An Implementation Plan will also be developed setting out priorities for action together with a proposed funding strategy. It is proposed that engagement on a set of 4 Area Strategies and draft Implementation Plan takes place before the end of 2023.

## **8. Financial Implications**

8.1 There are no direct financial commitments as a result of approving the approach and Core Strategy for the LTP. As a statutory duty, the development of the LTP is funded by transport levy and expenditure is within with the approved financial budget for 2022/23 and draft 2023/24 budget.

8.2 As the actions underpinning the implementation of the LTP are developed, the financial implications will be considered within the context of the current medium term financial plan (MTFP) to assess impact and whether proposed activity is within the agreed MTFP funding envelope.

8.3 It is noted that some areas of the LTP may be supported by both existing and new grant funding streams. The LTP aligns to the core priorities of WMCA ensuring that all future funding bids are optimised to meet the Corporate Aims and Objectives signed off by WMCA Board in November 2021.

## **9. Legal Implications**

9.1 In exercising its duties under the Transport Act 2000, amended by the Transport Act 2008 WMCA must have regard to national policy in line with the statutory guidance issued by Department for Transport on LTPs as well as a number of other key pieces of legislation which have been passed subsequently including Equalities Act 2010 and the National Planning Policy Framework. To ensure that WMCA meet the various legislative requirements associated with developing a new Local Transport Plan TfWM have commissioned an Integrated Sustainability Appraisal (ISA) which incorporates:

- Strategic Environmental Assessment (SEA) in accordance with the Environmental Assessment of Plans and Programmes Regulations 2004 (SI 2004/ 1633, “2004 Regulations” as amended)
- Habitats Regulation Assessment (HRA) (required under Regulation 105 of the Conservation (Natural Habitats, &c.) Regulations 2017 (SI No. 2017/1012, as amended by The Conservation of Habitats and Species (Amendment) (EU Exit) Regulations 2019 (SI 2019/579)).
- Equality Impact Assessment (EqIA), as required by section 149 of the Equality Act 2010, as amended.
- Community Safety Assessment (CSA) as required by the Crime and Disorder Act 1998 and the Police and Justice Act 2006, as amended.
- Health Impact Assessment – while there is no statutory requirement, it is considered good practice and in keeping with promoting healthy and safe communities as per the National Planning Policy Framework.

9.2 The ISA is aimed at ensuring the early integration of sustainability considerations into the development of LTP. As such it will be an ongoing iterative assessment process informing the LTP as it develops, to ensure that potential significant effects arising from LTP are identified, assessed, mitigation and communicated to plan-makers. The draft initial ISA will also be published for consultation alongside the LTP Core Strategy document.

9.3 The ISA has been reviewed in light of the final version of the Core Strategy and the draft Big Moves and Area Strategy guidance. The review considers that across the areas of sustainability, health, equalities and safety LTP5 continues to perform strongly and remains aligned with the findings of the ISA.

9.4 A core objective of the LTP is to address the issue of transport decarbonisation. LTPs must have regard to national policy objectives and although there are currently no legally binding requirements on combined or local authorities the adoption of net zero carbon emissions by 2050 as a legally binding target under the Climate Change Act 2008 is government policy to which the Plan must have regard. There is also a statutory duty on the Authority to have regard to government guidance issued with respect to mitigation of or adaptation to climate change. The forthcoming update to Local Transport Plan guidance will set out Government’s expectations of Local Transport Authorities to demonstrate how they will deliver ambitious, quantifiable carbon reductions in transport, taking into account the different transport requirements of different areas.

9.5 It will be critical to demonstrate that in preparing the LTP WMCA is considering the issue of climate change and decarbonisation and taking reasonable measures to address this. Full and early public consultation on the plan and ongoing engagement will enhance the Plan and will also make legal challenge at a later date less likely.

## **10. Equalities Implications**

10.1 Transport is an essential part of our lives and plays a critical role in creating a fairer society. The aims of the LTP motives for change have been informed by the needs of people in the West Midlands and the role of the transport system in helping to meet those needs. An Equality Impact Assessment (EqIA), as required by section 149 of the Equality Act 2010 as amended, is being undertaken as part of the ISA to challenge and support the development of the LTP.

10.2 The statutory engagement required on the draft LTP Core Strategy will require an inclusive approach and TfWM will seek to reach a broad range of people and groups.

## 11. Inclusive Growth Implications

11.1 Equity is at the heart of our motives for change and has been informed by the WMCA Inclusive Growth Framework. The LTP is of most positive relevance to the Connected Communities fundamental of this framework, but pertains to several others:

- Climate resilience: achieving the objectives laid out in WM2041 is also at the heart of the motives for change, and is embedded across the six 'big moves' that frame the next 20 years of activity.
- Affordable and safe places: the LTP connects safety and perceived safety to uptake of active travel and mass transit options.
- Health and wellbeing: this is at the heart of the vision for the LTP, which connects the way places are shaped to positive health outcomes – notably, how easy and safe they are to walk, ride and cycle through. Achieving this will realise other health benefits, including those associated with clean air.
- Equality: the inequalities experienced by people in the West Midlands have been reflected in the motives for change.
- Inclusive economy: affordable mobility is key to an inclusive economy, and this too is at the heart of the LTP vision.

11.2 Through the development of policy and strategy against the objectives set in the LTP the harmful impacts of transport and places can be reduced, people who have no or limited access to a car today will be better able to participate in society and our economy, and a better legacy will be secured for future generations. It will be important to ensure that these objectives hold firm, as there are many competing drivers for mobility investment that often supersede inclusive growth considerations.

11.3 There are better ways of being more mobile and having better access without the harmful effects we experience today. It is possible to shift to a system that can work for everyone and everywhere.

## 12. Geographical Area of Report's Implications

12.1 The WMCA exercises transport powers overwhelmingly in respect of the area covered by its constituent authority members, however, there is significant interaction with the wider area. The health and performance of the transport system in the metropolitan area has a profound impact on the wider area and vice-versa. Deep engagement with surrounding Local Transport Authorities and with Midlands Connect will be essential. Additionally, opportunities to align policies and timescales with surrounding Local Transport Authorities will be explored, especially noting that transport does not stop or start at administrative boundaries.

## 13. Other Implications

N/A

## 14. Schedule of Background Papers

**Reimagining Transport in the West Midlands: A Conversation About Change. LTP Green Paper**, TfWM, 2021

**WM2041 Five Year Plan**, WMCA, 2021

**The Transport Decarbonisation Plan**, DfT, 2021

**Gear Change**, DfT, 2020

**National Bus Strategy**, DfT, 2021

**City Regional Sustainable Transport Settlement**, WMCA Board Report, 17<sup>th</sup> September 2021

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# Reimagining transport in the West Midlands: Local Transport Plan Core Strategy - Summary



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# Introduction

'Reimagining Transport in the West Midlands' is the fifth Local Transport Plan for the West Midlands' seven metropolitan districts/boroughs.

This is the summary of the Core Strategy of the Local Transport Plan - the overarching document that sets out our aims, vision, approach, and a framework for action.

After the publication of our Green Paper for 'Reimagining Transport in the West Midlands' we asked for the views of stakeholders through a *conversation about change*. The engagement used a variety of channels including surveys, market research and online and in-person workshops.

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Those we spoke to when we engaged on the Green Paper agreed that we need an emission free transport system that's fairer, safer and healthier. It also needs to be a transport network that gets people to places without clogging up our streets or causing climate change and making pollution worse.

The issues raised around our 5 Motives for Change resonated with those who responded. Climate change and addressing inequality were the areas of most concern.

There was a clear sense from responses that the current approach to transport was not delivering sufficient improvements, or that things were getting worse.

The new plan shows how the transport system will be developed and managed in the region and we've already started talking to people and businesses about it and about how it can meet our future needs.

There are difficult decisions to be made; people know we can't build our way out of all our problems or rely on new technology, like electric cars, to solve them.

Whilst the car is still going to be important in future, the majority agreed that **car use needed to reduce.**

The shift to electric vehicles was supported but there was concern that **electric vehicles wouldn't solve the wider issues**

**92%** of respondents were concerned by **climate change**

**2/3** of people felt that levels of **traffic on local roads** were now a problem.

People felt that we can't build our way out of all of our problems – we need to focus on **using existing infrastructure better**

Feedback from engagement on our Green Paper

**83%** agreed that a key policy aim should be to tackle **inequalities in transport access**

The majority thought increasing **active travel** is important, but that **dangerous and busy roads** were holding people back.

**68%** of polled respondents to our green paper consultation said **'sticks' are needed** to achieve significant change in travel behaviour.





# Our aims

Whatever happens it's clear that there needs to be a change in our travel habits and behaviours.

To address the big social, economic and environmental issues we face, the objectives in the new plan are framed around 5 'Motives for Change' where we think that changing transport could help us better support inclusive growth by providing a transport system that's fair to everyone and the environment.



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There are three key changes needed in our transport system to make this happen - we need to improve accessibility, reduce traffic and electrify transport. That means using our cars less and accessing what we need in a different way.



## Meeting commitments to decarbonise

Tackling the climate emergency is just one of our Motives for Change. It is unique because it requires a definitive pace and scale of change.

There are national legal targets to reach “net-zero” carbon emissions by 2050, and local ambitions within our WM2041 agenda to reach net-zero by 2041. But whilst those end dates are important, national targets and local ambitions also require us to hit carbon reduction milestones along the way.

Shifting to zero emission vehicles (ZEVs) like electric and hydrogen powered vehicles is important but not enough to meet these decarbonisation goals. We also need to reduce the amount we are using our vehicles.

By 2031, we think we would need to deliver the following scale of change to meet national obligations or to go above and beyond to deliver local ambitions.

### National targets (net-zero by 2050)

**10% reduction** in car mileage

Accelerate ZEV uptake by **1 year**

### Local ambition (net-zero by 2041)

**35% reduction** in car mileage

Accelerate ZEV uptake by **5 years**

# The vision

Although private vehicles will still be important in the future, we want the West Midlands to be a place where people can thrive without having to drive or own a car.

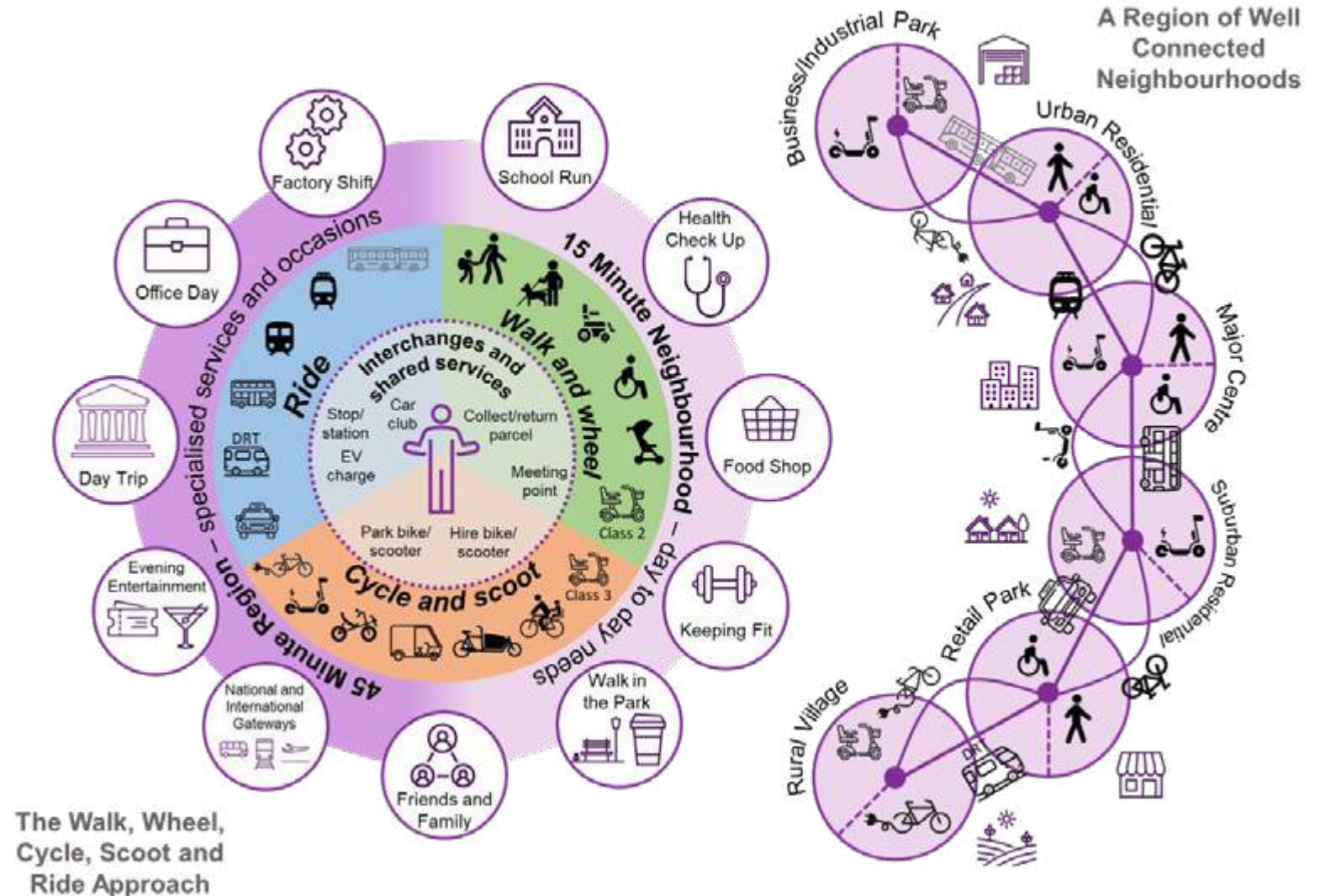
We have developed a vision for a well-connected 45 minute region and 15 minute neighbourhoods, where people can travel to access what they need through a mix of walk and wheel, cycle and scoot, and ride modes.

It means that a good range of everyday services in our neighbourhoods can be accessed in a round trip of no more than 15 minutes, and a good range of places across our region to undertake work, leisure and socialising can be accessed within a 45 minute trip.

This system will be supported by shared mobility services. These are services like car and van clubs so you don't have to own an expensive vehicle, or bike and scooter hire schemes to use in places where perhaps you couldn't bring your own bike or scooter – for example when you've caught the bus or train into your town/city centre and need a quicker way to get around once there.

All of this will be connected by interchanges providing convenient and helpful amenities where you can conveniently access a range of transport services. So as well as catching a bus, you might be able to access car and van clubs, hire an e-scooter, charge your electric vehicle or perhaps make use of a parcel drop off and pick up point.

This vision is not meant to be prescriptive. We recognise that everyone travels for different reasons, to different places and using different modes, and places themselves are different. So what works in one neighbourhood might not work in another. But it does give us something to aim for where everyone will have good options and choices to access what they need.



The Walk, Wheel, Cycle, Scoot and Ride Approach

### Walk and wheel

Walking and wheeling includes pedestrians, but it also includes people who use mobility aids such as powered/unpowered wheelchairs.

The use of prams and trolleys by those travelling also needs to be considered as well as other aids such as guide dogs, sticks and canes.

### Cycle and scoot

Cycling and scooting includes a range of pedal powered, electrically powered, and pedal assisted personal vehicles.

It includes vehicles that can currently legally be used on public highways and cycleways (such as pedal bikes), as well as new devices that Government is trialling and proposing to legislate for (such as escooters).

### Ride modes

<p><b>Fixed public transport</b></p> <p>Fixed public transport includes public transport services that run to a fixed timetable, routes and stops.</p> <p>They include services like buses, trains and trams.</p>	<p><b>On-demand services</b></p> <p>On-demand services include a range of services available to the public which can be requested on on-demand and are not constrained by timetables, specific routes and stops.</p> <p>They include services like taxis, community transport, and Ring and Ride, and liftsharing.</p>
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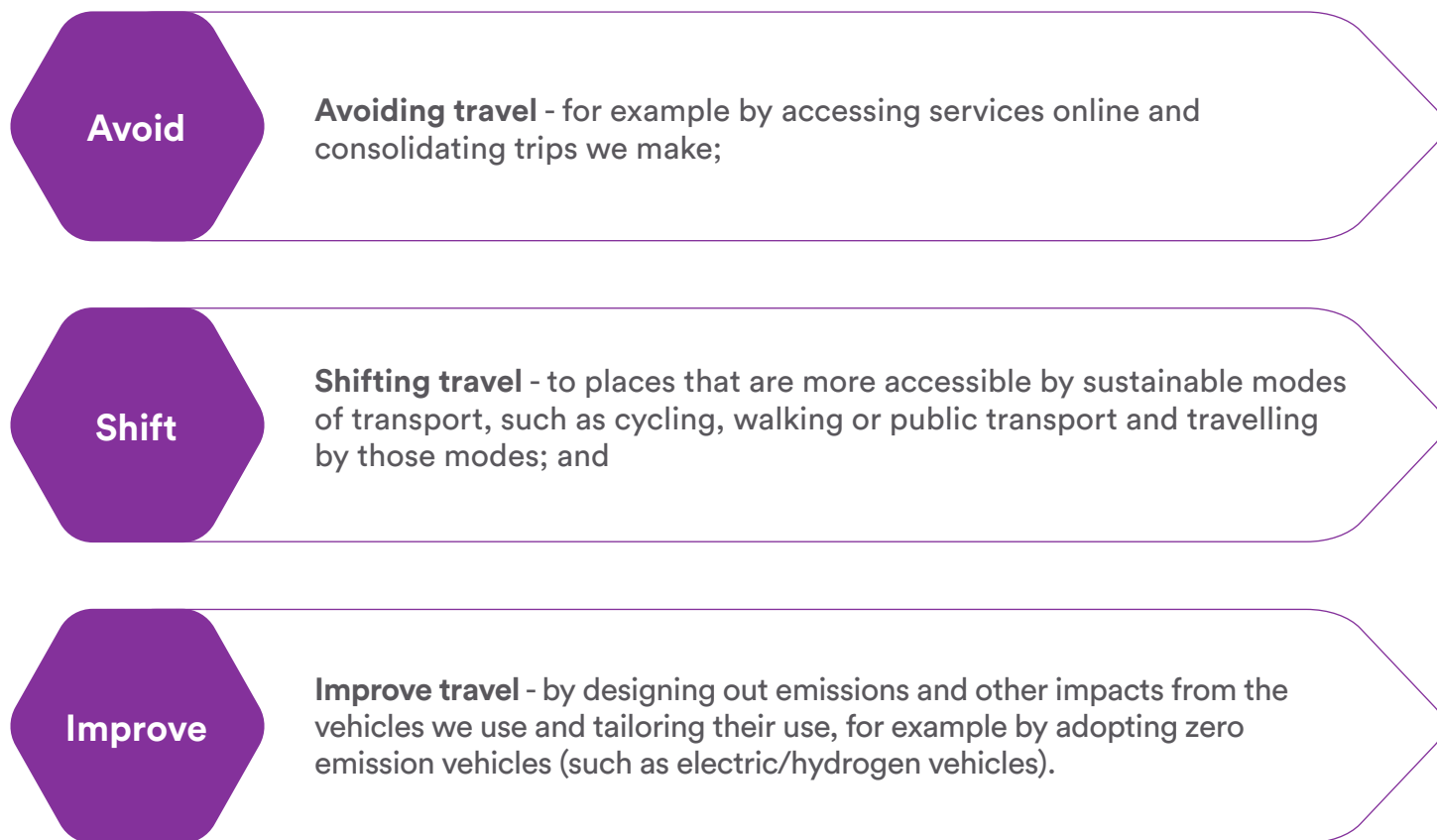


# Our actions

To help deliver the changes needed we will focus on action across 6 'Big Moves'.

These Big Moves are a framework for the actions we will take to improve accessibility and encourage **avoid, shift and improve** behavioural changes.

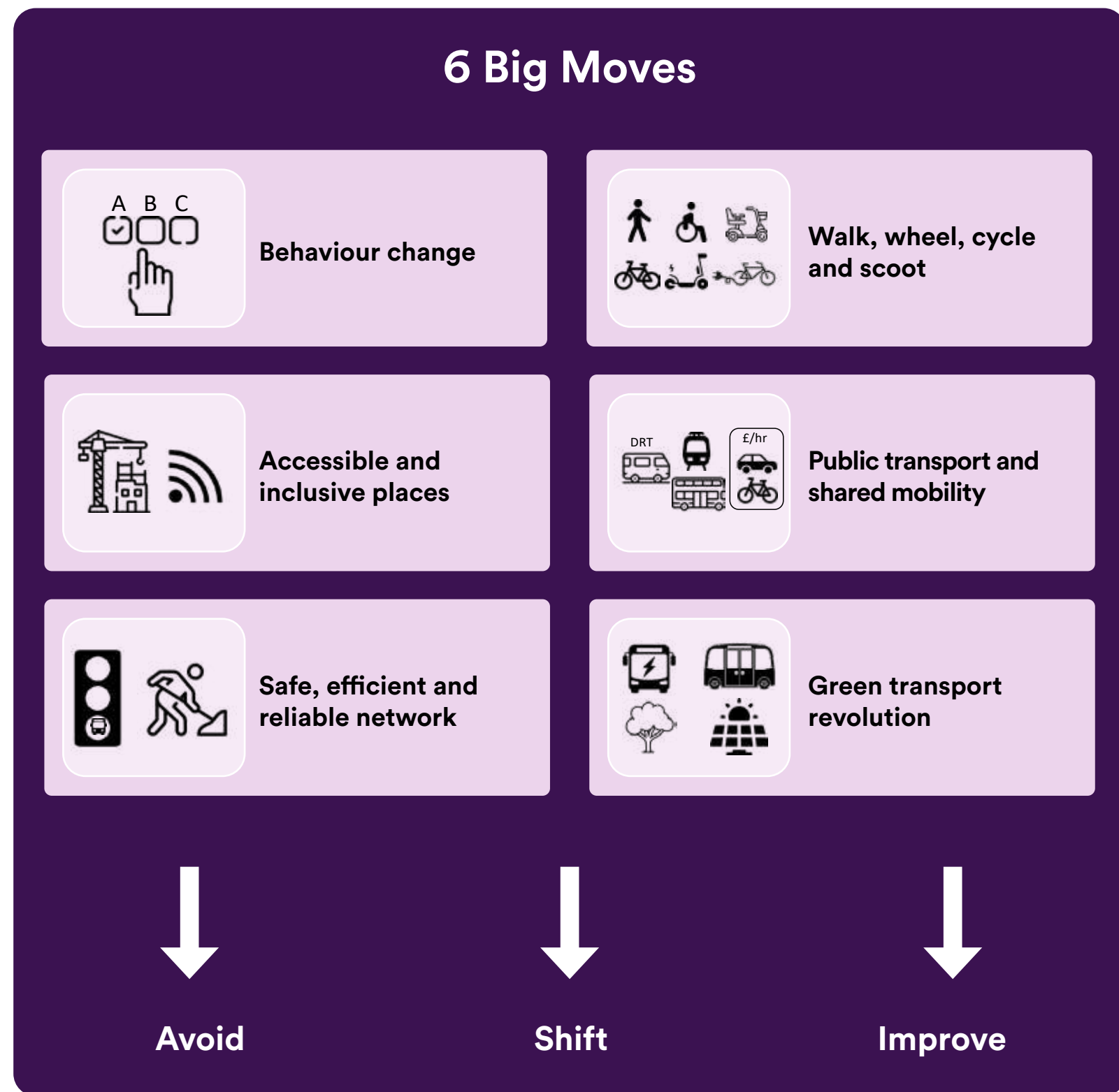
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For our new Local Transport Plan to be effective in reducing car use and improving access by other modes of travel it must include actions to:

- **Invest in better provision** for alternatives to our cars; and
- **Manage demand** by discouraging the behaviours we want to do less of, such as using our cars.

An overview of each of the Big Moves is presented on the following pages. The LTP will include six detailed strategies for the 6 Big Moves setting out challenges, opportunities and principles to consider across the region. Four Area Strategies will then set out how actions across the Big Moves are applied in specific places as appropriate to local views and context.



## Behaviour change

- How the public sector can take a **leadership** role to change behaviours in the region, and how we will do that with a **vision-led** approach that focusses on where we want to be not where we predict we'll be.
- How we will focus our work towards policies and decisions which **understand the users of our networks**, their needs, the barriers they face and how they make choices. This will be **inclusive** of all users to ensure the West Midlands transport system works for all, not just the majority.
- How we can **manage the demand for transport** in our region to help us meet the objectives of the LTP Core Strategy.
- How we will **engage with the public** to help them to understand the problems and issues we're facing, what they can do to help tackle the big challenges and, importantly, how they will be part of the decision making process to reshape our streets.

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"The amount of people I know who get in the car to go to shops less than five minutes walk away is ridiculous. People don't think about it it's just a **state of mind**. Leave house...get in car! We have made the **car and roads god**. Walking and cycling are less of an option because it's harder to get places using legs and two wheels."  
45 - 64, Sandwell, 1 car in HH, No licence

"I think that changes to our streets and the way we travel is very important for a healthier future. Having more **green spaces, better footpaths, cycle lanes, bus lanes, affordable transport** etc. are all positive things which encourage people to partake in such activities."  
25 - 44, Coventry, No cars in HH, Driver

## Accessible and inclusive places

- How we will define and measure **accessibility** for future decision making. We need to move away from previous definitions which simply looked at journey times to access jobs and services, and instead recognise that people's accessibility is more complex than that. Our new way of thinking about accessibility for our residents and businesses will be crucial to our future decision making.
- How we need to think differently about our plans for changes in **land use** across the region, for both new developments and how our urban and rural areas evolve over time.
- How we need to incorporate **digital connectivity** into all of our thinking. As technology evolves it has a greater and greater potential to reduce our need to travel and is a vital tool to help us meet traffic reduction targets.

"By staying local we could get around by active travel and wouldn't miss our cars. Active travel has environmental and health benefits and we can go at our own pace. Also **staying local helps the local economy and the increased use of local amenities will generate increased revenue which can be used to improve local services.**"  
Female, 60+, Dudley.

"It makes things more accessible without a car. Currently it feels like the world is built for those who drive and the assumption is always that you will / do drive. I'd like everyone being on a level playing field, the bettering of public transport links and the cleaner air from less pollution."  
Female, 25 34, Sandwell

## Walk, wheel, cycle and scoot

- How important **leadership** will be in making bold decisions to create the best possible walk, wheel, cycle and scoot facilities for our residents and visitors.
- How we will plan and deliver **infrastructure** and **networks** which are compliant with the government's highest design standards (LTN1/20).
- How we can support more people to get **access to vehicles** (e.g. powered scooters/ hire bikes etc) to give them real choice for their journeys, and how we can **integrate these with the wider public transport network**.
- How we can raise the **awareness, skills and knowledge** of the options and opportunities available to people to help them travel confidently and safely.

**How would less cars on the road make it easier/ better to travel by alternatives?**

**26% say that cycling would be more safer/ accessible**

"I think it would encourage people to cycle more especially. I am aware of several people who would like to become cyclists but are currently too fearful to give it ago and the volume of traffic around makes them feel unsafe to try."  
Female, 60+, Dudley

However, **concerns around safety and cost** are holding back around one third, particularly from using a cycle or scooter.

**26% say that cycling would be more safer/ accessible**

"Please consider those with accessibility needs, create an inclusive environment for all."  
Female, 16 24, Birmingham

## Public transport and shared mobility

- How we will plan for and create a **truly integrated transport system**, not just between different public transport modes but also across all methods of travel. This is about providing real choice to people as to how they can make any journey.
- How we will support access to **shared services** that allow people to access vehicles (including bikes, scooters, cars or vans) to drive without having to own one. This is useful to citizens of the West Midlands when they might not be able to own a vehicle, they might need to access a vehicle away from home, or they might need a specialist vehicle to meet a less frequent need.
- How, as part of the integrated system, we will plan for and deliver well designed and safe **interchanges** which provide connections between services and are gateways to/ from places
- How we will **manage the overall system** and make it as simple and easy as possible to use. This includes common branding, ticketing, information and promotion, supported by smart technology; with accessible design deployed throughout all elements of the system.

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“An extremely efficient public transport system, with buses or trams that cover all areas of the West Midlands, with people having to walk no more than 2 minutes to reach a bus stop regardless of where they live, and buses or trams arriving every 5 minutes. As part of this system would be a regular service for collecting and dropping off elderly and infirm like a ring and ride, but with more vehicles on the road.”

25 - 44, Dudley, 1 car in HH, No licence

“Shared transportation is better for the environment. But, it has to be attractive enough to tempt motorists out of their cars and use public transport. Public transport and any shared transport reduces the number of cars on the roads, which in turn reduces congestion and pollution. Reduced vehicles on roads also results in fewer accidents”

45 - 64, Birmingham, No cars in HH, Driver

## Safe, efficient and reliable network

- How we will think about **planning, developing and making investment decisions** to improve the network for current and future generations.
- How we will effectively **manage the performance of the highway network** to make sure it is reliable and safe and provides good access to opportunities for all road users.
- How we will **maintain the existing highway network** to a high standard for everyone who uses it.

“A healthier life expectancy is more beneficial however sometimes it’s hard to remember that when you’re running late or you’re tired and it is just easier to hop in the car. **I think if we knew that the public transport were more reliable and less crowded I believe more people would be inclined to use it more.**”

25 44, Birmingham, 2 cars in HH, Driver

“**Good connectivity, ample car parking** at bus/coach stations, airports and railway stations. **Regular and reliable bus transport . Trains that run on time** and aren’t cancelled all the time. Cost of transport should be **affordable as well**, maybe cross subsidised by heavy fines for those that don’t pay when they use public transport.”

25 - 44, Birmingham, 2 cars in HH, Driver

“The local community **should use public transport more and use the car less**, so we have less air pollution. **The planet as a whole should contribute to the green environment.**”

16 - 24, Birmingham, One car in HH, Driver

“I would like to see everyone have a long term benefit to an active lifestyle which means I will have a longer life expectancy, and I would also like people to be surrounded by **environmentally friendly modes of transport** which don’t deteriorate their health.”

16 - 24, Dudley, 2 cars in HH, No licence

## Green transport revolution

- Supporting the transition to a zero emission vehicle fleet in the West Midlands to radically reduce transport emissions. This requires the right **recharging and refuelling network** to support an accelerated shift away from internal combustion engines; and requires investment to support rapid transition of the public transport and shared transport fleet to zero emission vehicles.
- How we will ensure that all decisions we make will consider the impacts on and seek to improve the quality of **built and natural environments**.
- How we will embed **innovation** into our way of working through partnerships, both within the public sector and with the private sector. We are seeking to maximise the opportunities of the assets we hold, the expertise in our teams and the data we collect.

“Our **local high street is one of the most polluted in the midlands**, both our kids have been in and out of hospital with breathing conditions exacerbated by pollution. **Reduce the amount of standing traffic. Pedestrianise the high street!**”

45 - 64, Sandwell, One car in HH, Non licence holder

“It is very important to reduce or carbon emissions. Not only is it healthier for ourselves, but is good for the environment. Polluting our planet is not something that we should continue to do as the knock on effect will be effect for years to come”

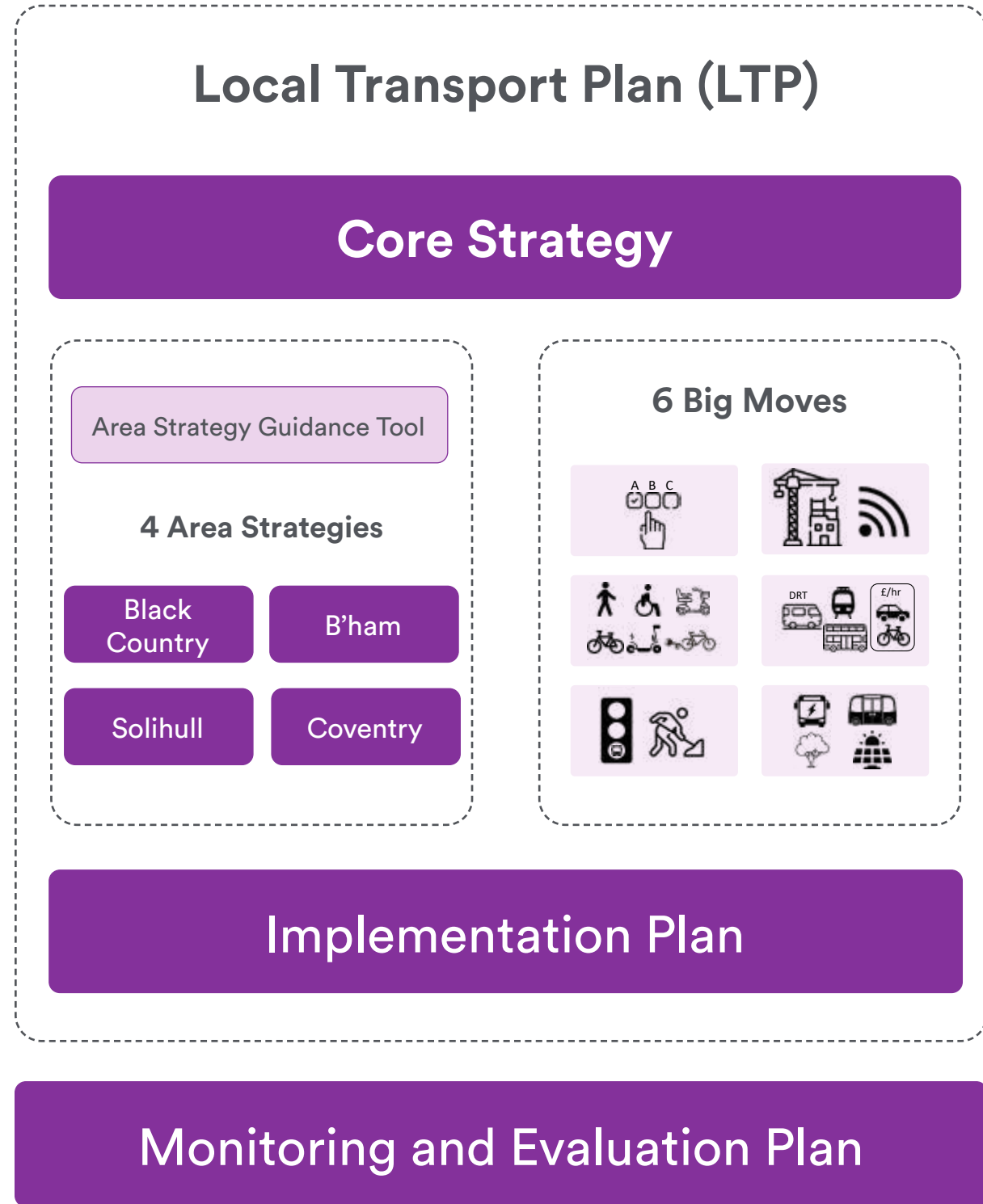
25 - 44, Birmingham, 2 cars in Household ,Driver

“Car ownership has risen overtime and will continue to do so, but the **cars we use will gradually change to more environmentally friendly models such as electric cars**, but this will take time similar to the switch from leaded to unleaded petrol.”

65+, Dudley, 1 car in HH, Driver



# Implementing our new Local Transport Plan



## Other Strategies and programmes as required by Government (examples below)



The LTP will inform the approach and priorities under other strategies and programmes. And the resultant implementation proposals from these strategies and programmes will form part of the LTP implementation plan.

This LTP proposes a wide programme of improvements to provide better alternatives to the private car.

We have recently approved a £1.05bn funding programme to improve the transport system. This City Region Sustainable Transport Settlement will allow us to continue to invest in better public transport, opportunities for walking, wheeling and cycling and help to make our roads safer and places greener and cleaner.

It does this by investing in measures that support better access to what people need via these alternatives. But alongside this investment there will also be a need to manage demand by discouraging the behaviours we want people to do less with the possible use of physical measures like bus lanes, which remove the amount of road space available to cars and other vehicles.

As we develop and implement our plan we will foster and encourage collaboration to solve the problems in places that face similar challenges. We will use new ways of engaging and communicating to help people understand the changes required and how they can benefit them.

We will develop these strategies in partnership with local authorities, ensuring that the identification of the measures needed will be problem led rather than solution led to help us create a more prosperous and better connected West Midlands which is fairer, greener and healthier.

# Policy Summary

## Aims

### Policy - Aims - LTP Objectives

Our objectives for this LTP are framed around 5 Motives for Change. These are five areas where changing transport could help us better support Inclusive Growth by improving the impacts of transport on people, and the places and environment on which they depend.

### Policy - Aims - Reimagining Transport

Reimagining transport in the West Midlands to better support inclusive growth means we need to reduce the harmful impacts of transport on people, places and the environment, while ensuring we improve access equitably.

In determining how our LTP measures affect accessibility, we will seek to understand this by considering how accessibility is affected by the transport system, the way land is used and telecommunications.

The way we assess accessibility will not just account for the availability and qualities of infrastructure, it will also account for the capabilities and concerns of different people.

Aside from travelling less and increasing the segregation between people and traffic, there are two universal ways to reduce the impacts of vehicles and traffic:

- Use vehicles with higher occupancy ; and/or
- Use more energy efficient vehicles (by reducing power, weight, and/or speed).

This provides us with a basic framework for our LTP of mobility options that can help us enhance our physical mobility to provide better access to opportunities whilst reducing the negative impacts of travel.

### Policy - Aims - Primary Transport Outcomes

There are three primary changes to the transport system that will help us understand whether we have struck the right balance between providing access and managing the impacts of transport that is needed to address our Motives for Change.

These are:

- Improving accessibility we will improve the range of opportunities that people can access without a car.
- Reducing traffic we will reduce the total number of vehicle kilometres travelled per year by motor vehicles (cars and all heavier vehicles); and
- Electrifying transport we will reduce the number of vehicles powered by internal combustion engines (e.g. petrol and diesel fuelled vehicles).

### Policy - Aims - Behaviour Change

The behaviour changes that are needed to make progress against our Motives for Change are described by the “avoid, shift, improve” framework. Our actions will be designed to result in behaviour change across this framework.

### Policy - Aims - Scale and Pace of Change

We have translated the need for urgency into the scale of change of behaviours that will need to be delivered in the next 10 years both to meet Government’s commitments and our local WM2041 commitments. We will assess our progress against this scale of change as we deliver the LTP.

### Policy - Aims - Citizen Focussed Mobility

Achieving a good customer experience will be integral to the success of the proposed measures we wish to introduce as part of this LTP. This will help to influence consumer choice and make sustainable transport choices an obvious and viable option for travel, and it will also help us improve accessibility for all.

In order to best understand our citizens needs, we will also need to put them at the heart of our conversations on how to change transport through engagement and co development.

## Vision

**“Using the big ideas of the people and businesses of the West Midlands, we will show the world how we reimagined and decarbonised our transport system.”**

“Our choices will create safe, reliable and affordable connections for everyone that are healthy, sustainable and efficient. This will create great places where generations will thrive.”

### Policy - Vision - The vision for travel

Whilst we expect private motor vehicles to play an important role in our future transport system, we still envision a system where everyone can thrive without a driving licence and the need to own an expensive vehicle a system that better caters for the 1 in 4 households in the West Midlands who do not have access to a car.

We have conceptualised what this could look like with our vision for 15 minute neighbourhoods within a 45 minute region. The vision is based on a combination of walking and wheeling, cycling and scooting , and riding travel options that require neither an expensive private vehicle or a full driving licence.

It means that a good range of everyday services in our neighbourhoods can be accessed in a round trip of no more than 15 minutes, and a good range of places across our region to undertake work, leisure and socialising can be accessed within a 45 minute trip.

These modes will be supported by shared services, granting to access to vehicles without having to own one, and interchanges that bring transport services together to create places with greater amenity.

# Policy Summary

## Approach

### Policy - Approach - Making an Impact

To achieve our aims and the vision to change behaviours without compromising what people can access simultaneous measures would be required to:

- Enable people to travel by better alternatives by investing in measures that support better access to what people need via these alternatives; and
- Manage demand by discouraging the behaviours we want to do less of using physical measures (such as allocating less space to particular vehicles), and regulatory measures (such as increasing the price of travel by particular means, restricting access to particular roads or limiting speeds).

We will take this into account when assessing the case for and impact of proposals.

### Policy - Approach - Just Transition

We won't allow fear of change and the challenges of transitioning to paralyse us, but we will ensure a just transition by:

- Distributing the burden of change so those who face lesser barriers and who's behaviours have the greatest inequitable impacts make bigger changes;
- Targeting support towards those facing the greatest barriers with least capacity to overcome them themselves to help them adapt as we transition;
- Setting a pace of change that gives us the momentum we need but at a pace that enables people to adapt; and
- Adopting an innovative spirit to find new ways of accessing what we need that might better help particular groups and places overcome their barriers.

### Policy - Approach - Empowering communities

We will promote measures to manage demand through the deployment of this LTP alongside and as part of wider measures. Commitment to deliver such measures has to be conditional on public support.

This requires us to engage with the public to help them make informed choices over how the transport system is governed.

### Policy - Approach - A Dynamic Plan

- Our LTP will be dynamic allowing us to make different choices over time and in different places according to:
- Local public appetite to manage demand
- National transport policies and guidance
- Monitoring and evaluation of local transport policy delivery and impacts; and
- Monitoring of external drivers of travel behaviours.

### Policy - Approach - Planning for Uncertainty

We will adopt an approach to developing and implementing the LTP that accounts for key uncertainties through approaches such as scenario planning.

In particular, we will use our "within local control" and "bold" scenarios to identify and prioritise resilient implementation proposals, and to work with partners across the region and beyond to raise the appetite for action needed to deliver our LTP aims at a more transformational level.

Scenario planning will help us dynamically manage LTP delivery.

### Policy - Approach - Early opportunities

Rapid change is possible, and because of these factors it would likely need early actions that enable and encourage people to:

- Change the way that we use existing infrastructure, by making widespread small scale changes to physical infrastructure supported by local highway regulations.
- Change how we use the buildings in our existing built environment so that people have better local provision of opportunities.
- Make best use of digital connectivity to access what we need without the negative impacts of transport.
- Use personal vehicles which have fewer impacts than cars (e.g. micromobility).
- Use road based public transport such as buses and demand responsive transport.

These would be in addition to other actions that are focussed on longer term change.

### Policy - Approach - Area strategies

Working in partnership with our local authorities we will produce Area Strategies for the Black Country, Birmingham, Solihull and Coventry to apply the policy principles and interventions of the Core Strategy with a more detailed understanding of places.

We will enable different plans to be drawn up for different places but we will foster and encourage collaboration to solve the problems in places that face similar challenges.

We will develop these strategies with local authorities, ensuring that the identification of the measures needed will be outcome focussed and problem led rather than solution led. We will produce guidance accompanying this LTP to enable this.

## Implementation

### Policy - Approach - Sustainable planning and delivery

We will work closely with statutory and wider stakeholders to understand issues relating to key assets for sustainability and develop strategies to enhance and protect these through options to be considered and decisions to be made at all stages of LTP development and implementation (including scheme development and asset operation).

### Policy - Approach - Prioritising resource

Where there is flexibility over how resources can be used, resourcing of transport locally will be prioritised based on the following principles:

- We will prioritise critical functions to ensure services for our most vulnerable service users are protected and to ensure our core assets continue to function;
- We will maintain a balanced programme of measures delivering actions across the 6 Big Moves to ensure impacts are felt across our Motives for Change;
- We will seek to ensure as many benefit from our actions as possible by ensuring delivery is felt across our region;
- We will seek to make investments that provide good value for money;
- We will have a balanced programme of short and long term activity; of measures that can be delivered quickly for immediate impacts, and investments that will take longer to develop and deliver; and
- We will minimise redundant work, seeking to "dig once" where possible and otherwise ensuring schemes include future planning to minimise disruption and costs when further schemes are progressed (for example where bus priority schemes may be upgraded to Sprint and/or West Midlands Metro in future).
- We will coordinate schemes either to avoid excessive disruption to our networks or to capitalise on opportunities to reduce costs where multiple schemes can be delivered simultaneously nearby (without excessive disruption)

We will continue to lobby for greater devolution of funding that gives us greater flexibility and long term certainty to enable us to invest in our own priorities for meeting the needs of the West Midlands.



Transport for  
**West Midlands**



# Reimagining transport in the West Midlands: Local Transport Plan Big Moves Summary

Consultation draft



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# Introduction

## Vision statement

“Using the big ideas of the people and businesses of the West Midlands, we will show the world how we reimagined and decarbonised our transport system”

“Our choices will create safe, reliable and affordable connections for everyone that are healthy, sustainable and efficient. This will create great places where generations will thrive”.

## Purpose of the document

To summarise the ambitions and policies needed to deliver each of the six Big Moves identified by our Local Transport Plan (LTP) Core Strategy, providing a consistent framework for decision making across the region focused on enabling lower levels of car dependency with the aim to deliver Inclusive Growth.

## Our approach to delivering the LTP

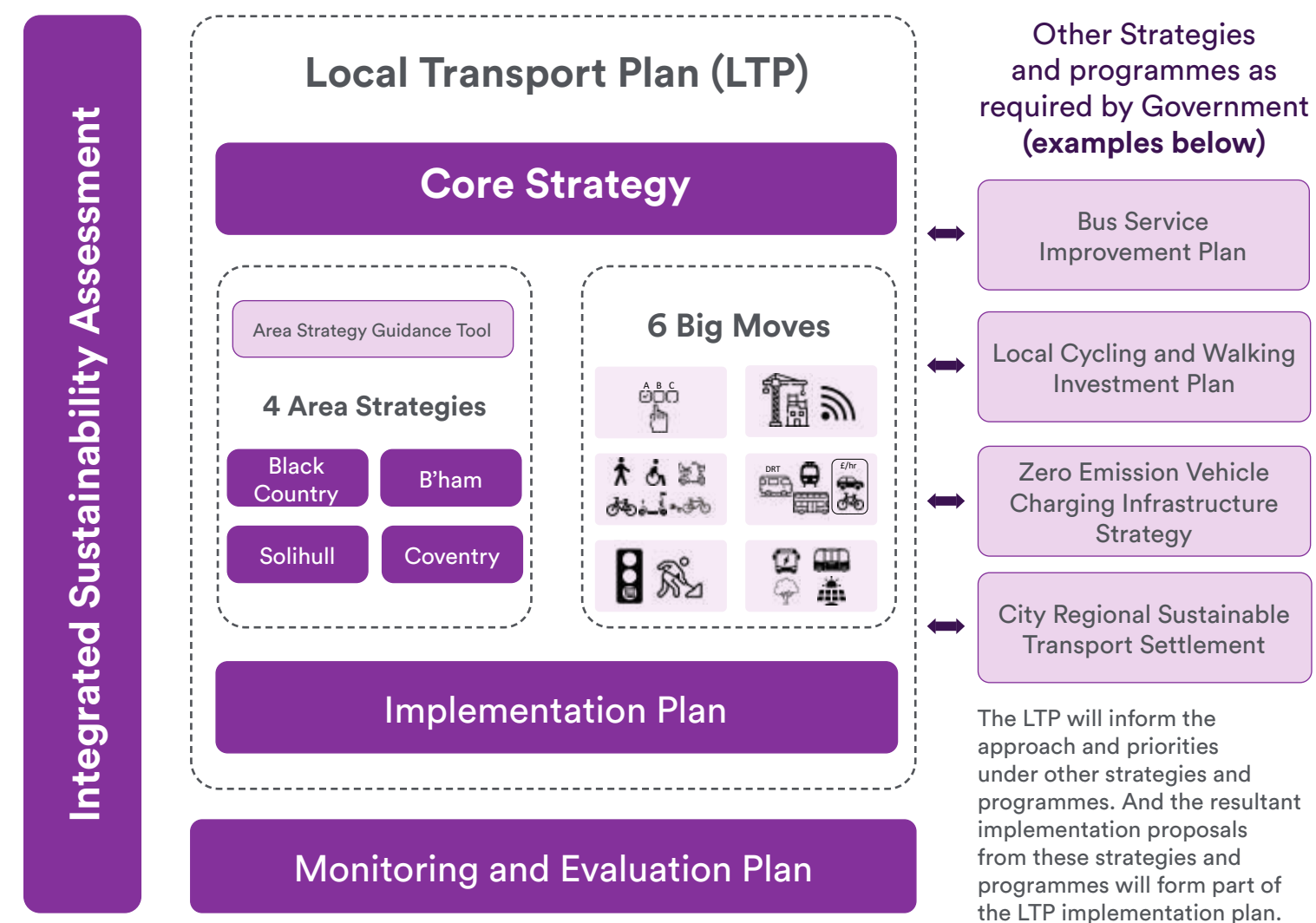
To achieve all of our Big Moves will require a new way of working in the West Midlands, firstly between West Midlands Combined Authority (WMCA) and our partners, and then between all local government and the public/businesses. This will influence wider West Midlands policy, strategy and planning. For our part, Transport for West Midlands (TfWM) commits to:

- Taking a vision-led approach to developing and delivering the LTP.
- Continually improving our knowledge of transport issues and the needs of people and businesses.
- Working with partners and communities to make choices based on consensus that ensure the transport system supports Inclusive Growth.
- Being innovative in the way we tackle transport challenges.
- Being held accountable by a Strategic Transport Board of elected members of the seven constituent authorities for delivering the policies and impacts we need to, as set out in our LTP and supporting monitoring and evaluation plan.

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## Suite of Documents

- The Core Strategy sets out the overarching aims, vision, approach and framework for transport action in the region up to the end of 2041.
- The six Big Moves are strategies that highlight the more detailed policies and implementation proposals, which outline how the objectives of the Core Strategy will be achieved.
- The 4 Area Strategies will take the principles and policies of our Big Moves and focus them on our neighbourhoods, centres and corridors; setting out strategy at the local level.
- The Implementation Plan will set out our prioritised implementation proposals and pipeline for policy development, including our overarching funding strategy.



# Introducing Our Big Moves

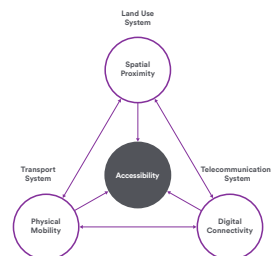
## Why we want to change the West Midlands

The West Midlands is a great place to live, work, do business and visit. We're very proud of our region. Our plan for change is to build on what we've got and improve where things need to. Our LTP Core Strategy sets out what, how and importantly why we want to change our region to offset problems and issues we see now and how those may worsen in the future. In all, our LTP sets out five clear Motives for Change to deliver Inclusive Growth across the West Midlands. Our evidence then tells us that to achieve this change three main actions need to be realised: improve accessibility, reduce traffic and electrify transport.

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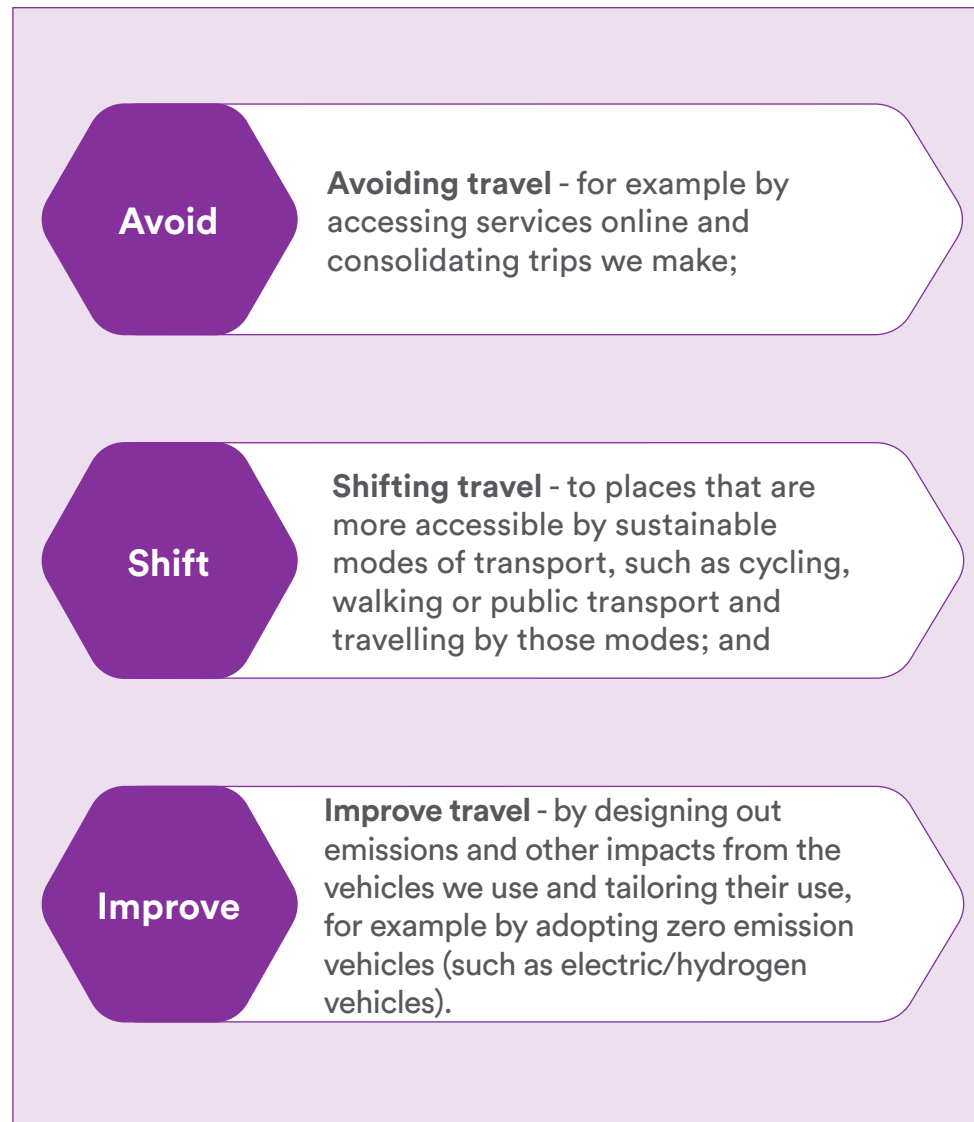


To achieve this we need to...



## Our model for behaviour change

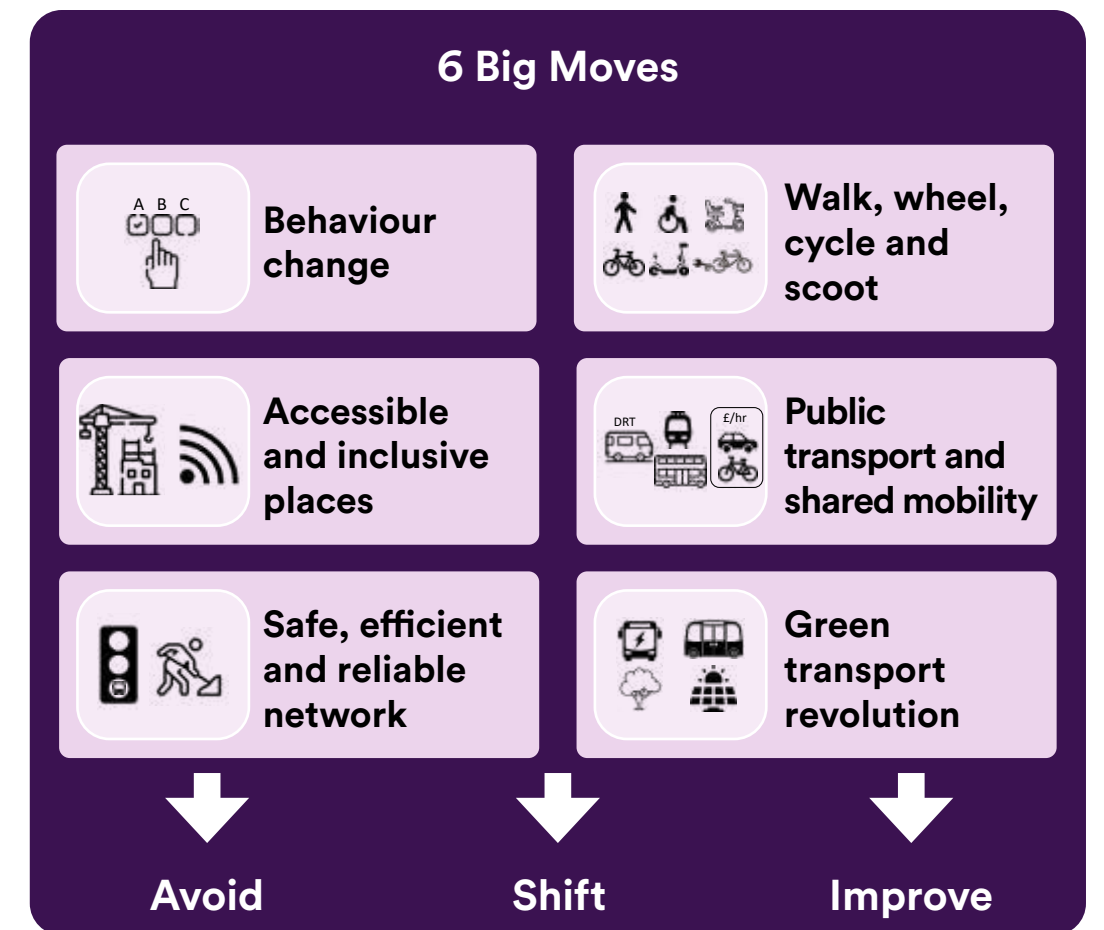
In the LTP Core Strategy we set out the building blocks for how we believe our vision and objectives for the region can be achieved. Behaviour change is key to unlocking enhanced delivery of our aims. The behaviour changes that help are summarised using the 'avoid, shift and improve' model shown below.



## Our Big Moves

Using the avoid, shift and improve model our six Big Moves lay out the principles, policies and in some cases the specific interventions which we believe will help us achieve our goals under thematic areas of action.

We believe these truly are 'big moves' because of what they are setting out to achieve. If we get there then we will have moved the West Midlands forwards in a significant way. There are many hurdles and we cannot take for granted that what we want to happen will simply materialise because our LTP talks about it. Above all, we want to be honest with residents and businesses of our region, if we can agree on the kind of place we want, then we must all work together to change things. We know that 'business as usual' will not get us there.



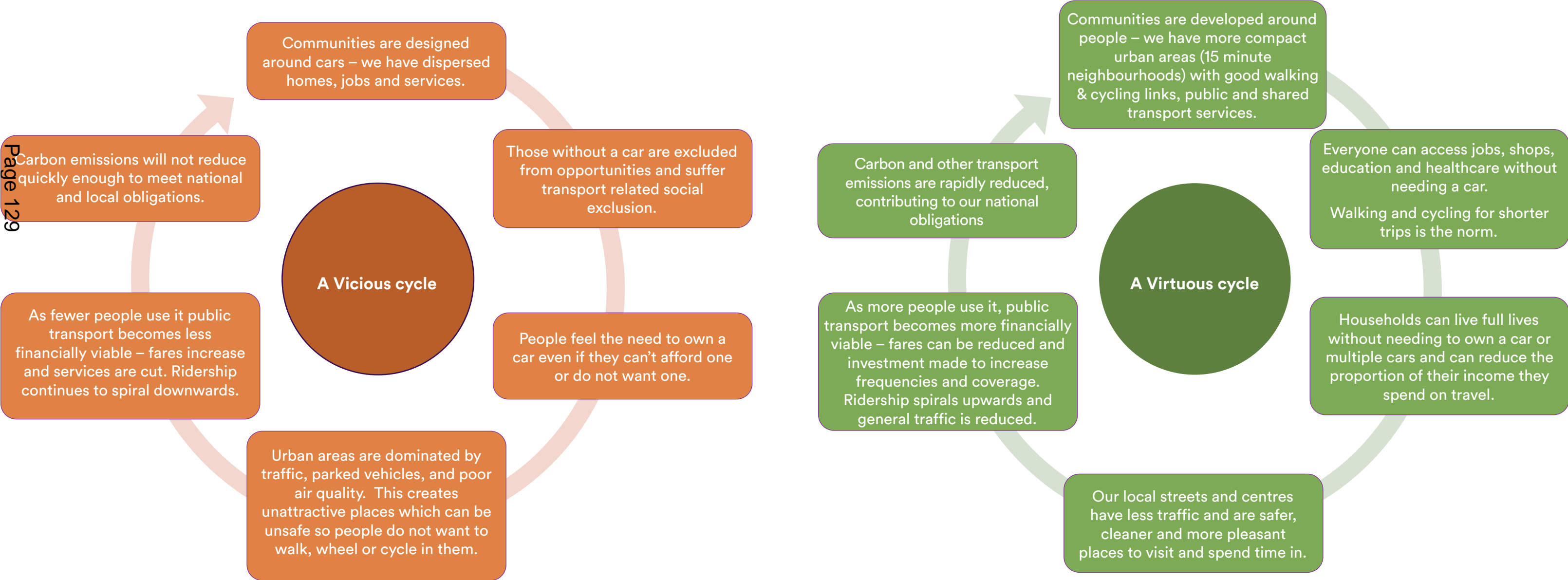


# Our Big Moves help us break our vicious cycle of car dependence

## Planning for Inclusive Growth

Our ability to deliver bold outcomes will depend on our ability to make bold decisions. Our six big moves are designed to support those bold decisions, setting out what’s needed to help reduce the need to travel, shift more travel onto sustainable modes of transport, and to improve the resilience and environmental performance of our transport system.

There are clear benefits to planning for a less car dependent future, with opportunities to generate a powerful virtuous circle if we focus on creating communities which are designed with accessibility and sustainable principles at their heart. In addition to investing in “no regrets” interventions such as new and better provision for walking, wheeling, cycling and scooting, electrified transport and more reliable public transport through measures including bus priority; we can deliver even faster and greater positive outcomes if these are combined with measures that create greater incentives to use cars less, such as giving more road space to sustainable modes and managing car parking more carefully (both in terms of availability and price).



# Big Move 1: Behaviour Change

# Vision and need for change

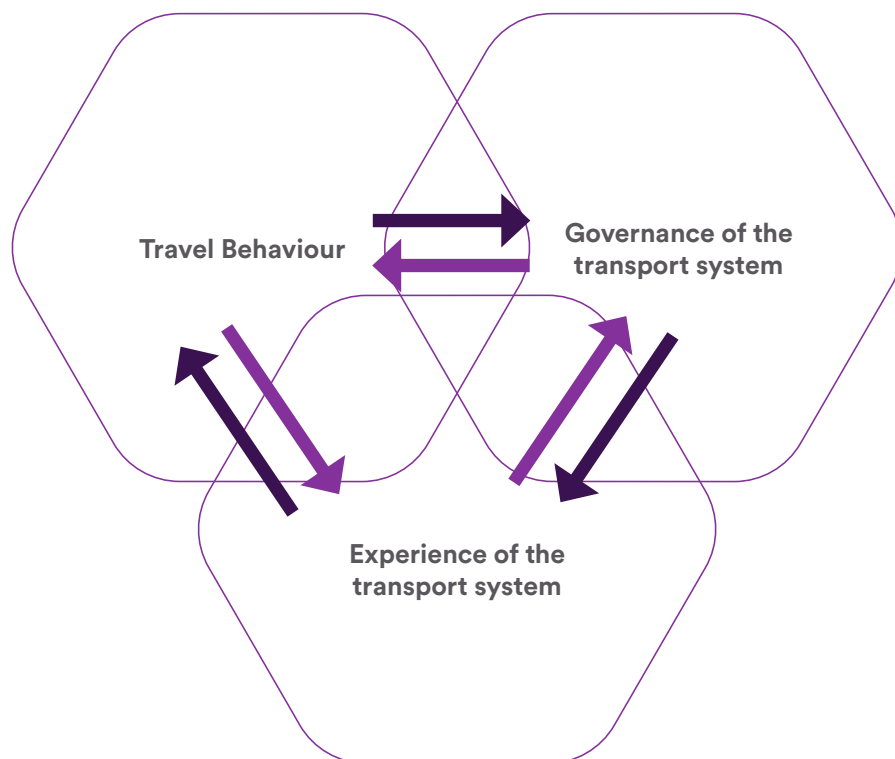
## What is this Big Move?

This Big Move is fundamental to both the overall Core Strategy, but also the other 5 Big Moves. To deliver Inclusive Growth across the West Midlands, we need to tackle the high levels of car dependency and access what we need differently. This requires system change (changing the options available to people) and behaviour change. If we cannot support more people to travel less, use cars less and live more locally then we will be in danger of not meeting the core goals of the Local Transport Plan.

We need to be bold here to change behaviours because we have seen in the past that it's difficult to do. This isn't about hectoring citizens to just change their behaviour, it's about collective consensus to change the environment in which we all make decisions to make the choices we want to make the choices that are most rewarding.

*The West Midlands should become a place where no matter where you live you do not need to own a car to live a full life, and if you cannot afford to own a car you are not excluded from everything the region has to offer.*

## A framework for change



### Where we are now:

For most of our residents and businesses, travelling or moving goods using a petrol or diesel engine motor vehicle feels like the only choice available, even if they do not want or cannot afford to own one. Those who don't own a vehicle are excluded from many activities and opportunities

### Where we would like to be if our Big Move is successful:

The lifestyles of many of our residents have changed, they do not need to travel as often because more of their daily activities can be done from home or close to where they live, and more goods/ services arrive to them.

And it's not just that more of what people need is closer by, it's also that travelling around their local area is more rewarding because we've created an environment where walking, wheeling, cycling or scooting is safe, prioritized and convenient.

But it's not just about local living, people find that more is accessible by reliable public transport, with more opportunities found close to centres and along key transit corridors, and it is accessible by reliable and available public transport.

Cars still provide the most flexible way to travel but they are needed less often. It might feel less convenient than before to jump in the car for a trip around the corner but that's because of the trade-offs we've all chosen to make to reshape our streets to support other forms of transport. And with car clubs available fewer households will need to own a car.

Businesses make fewer journeys when delivering their goods and services because AI technology is creating the most optimal routes, and all their vehicles are now zero emissions. Business travel is reduced overall because more work and meetings can be done remotely.

## What would our citizens like to see change?

"The amount of people I know who get in the car to go to shops less than five minutes walk away is ridiculous. People don't think about it it's just a **state of mind**. Leave house...get in car! We have made the **car and roads god**. Walking and cycling are less of an option because it's harder to get places using legs and two wheels.  
45-64, Sandwell, 1 car in HH, No licence"

"I think that changes to our streets and the way we travel is very important for a healthier future. Having more **green spaces, better footpaths, cycle lanes, bus lanes, affordable transport** etc. are all positive things which encourage people to partake in such activities.  
25-44, Coventry, No cars in HH, Driver"


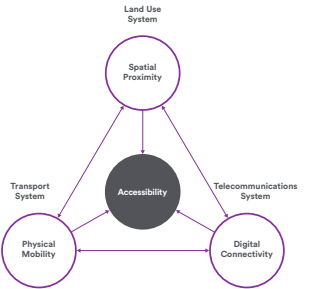

### The pandemic saw most of us adapt to new circumstance by making new choices to access what we needed differently. When asked how people's journey habits changed, here's how people have responded:

- Avoiding public transport where possible, opting to drive, walk or cycle instead
- A decrease in commuting journeys as more people are working from home
- Less travel into city centres
- Shopping more locally
- Grocery shopping weekly, rather than every other day
- Travelling to visit friends and family less often
- Cycling more

# What does this mean in practice?

## This Big Move is all about:

- How the public sector can take a **leadership** role to change behaviours in the region, and how we will do that with a **vision-led** approach that focusses on where we want to be not where we predict we'll be.
- How we will focus our work towards policies and decisions which **understand the users of our networks**, their needs, the barriers they face and how they make choices. This will be **inclusive** of all users to ensure the West Midlands transport system works for all, not just the majority.
- How we can **manage the demand for transport** in our region to help us meet the objectives of the LTP Core Strategy.
- How we will **engage with the public** to help them to understand the problems and issues we're facing, what they can do to help tackle the big challenges and, importantly, how they will be part of the decision making process to reshape our streets.

Our Core Strategy says we need to:	How our Big Move will contribute to these goals:
<p><b>Reduce Traffic</b></p> 	<p>Over the coming years TfWM will need to reshape our streets to help us make the shifts in travel behaviours we all agree we need to make. In our Core Strategy, we acknowledge that this can't all be through measures that feel like they improve the alternatives to car use without any change that feels like it's making car use less convenient. And measures often can't simply do one or the other they often do both at the same time. If we do this, we will see behavioural shifts that reduce the amount of vehicular traffic on our streets whilst still allowing us to access what we need.</p>
<p><b>Improve Accessibility</b></p> 	<p>There are things we can do to improve accessibility to help change behaviours, but vice versa, shifting behaviour will actually enable us to improve accessibility. As we see less vehicular traffic, this will make our streets feel much safer to walk, wheel, cycle and scoot and it will help us make the network more reliable for public transport, emergency services and important goods movements. And as people shift from car use to public transport and shared services, the increased demand for these services will help operators provide more services, helping to increase service coverage, connectivity, hours of operation and frequency.</p> <p>This is the virtuous circle we discussed previously.</p> <p>We must be honest with our residents and businesses; whilst we all know we need to improve accessibility to change behaviours, we also need to remember that the inverse is true. This is one of the reasons why in our core strategy we acknowledge that to deliver our aims we need to invest in alternatives to improve accessibility at the same time as managing demand.</p>
<p><b>Electrify Transport</b></p> 	<p>Whilst this Big Move is not explicitly about electrifying transport, we will be developing ways to communicate the benefits of switching to both electric vehicles and exploring the opportunities from other alternative fuels (e.g. hydrogen). In particular this Move is about listening to the needs, choices and barriers to change of our residents and businesses; including what can be done to encourage a faster take up of these alternative fuels. The information we gather from this exercise will cascade down into our plans and policies to breakdown those barriers and support new choices.</p>

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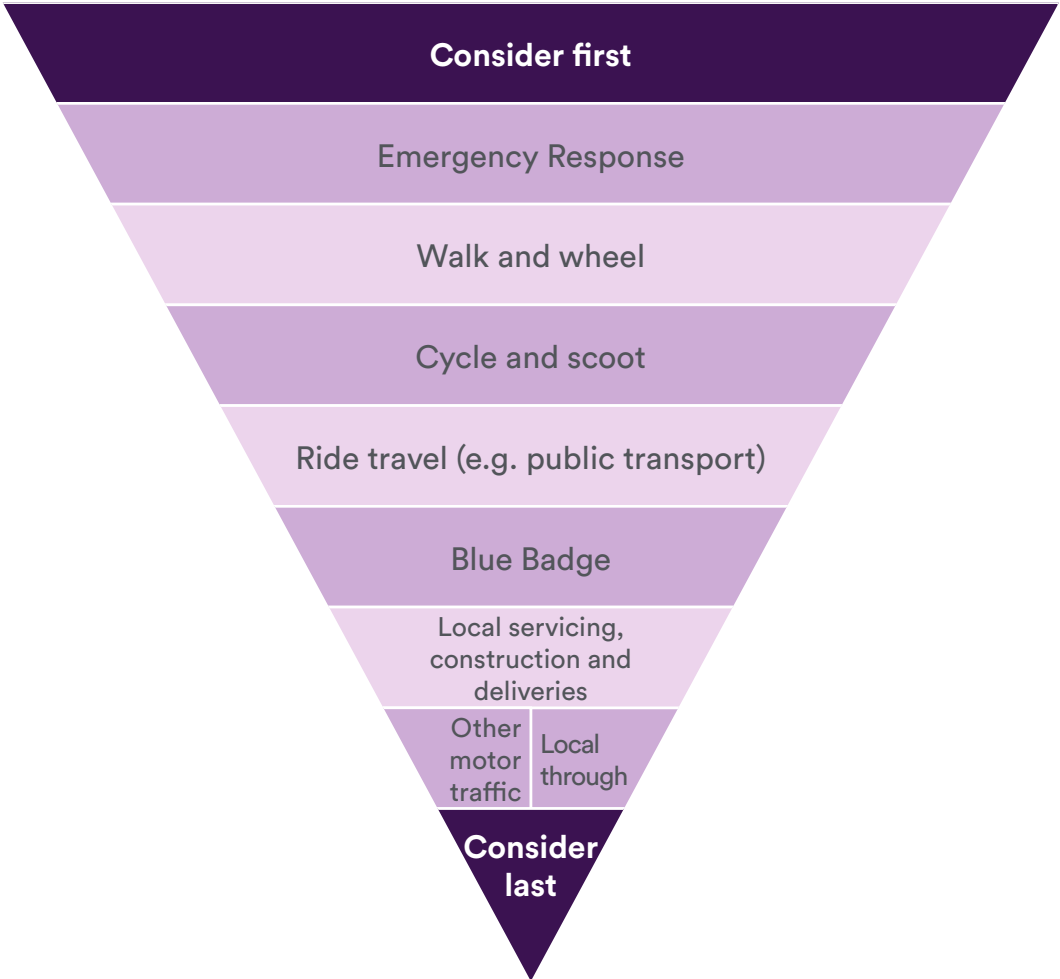
# Key policies and accountabilities to deliver the ambition

## Strong leadership using a vision-led approach

TfWM and our partners will work with communities to establish a compelling and shared vision, and create detailed plans for how we get there. In the past, the transport investment decisions were based on responding to forecasts of the future, based on past trends which often assume high levels of ongoing traffic growth, even if that's completely undesirable. We want to move away from the 'predict and provide' approaches of the past and move to new and more positive 'decide and provide' approaches to planning and delivery. This will require a full review of all our analytical toolkits and decision-making processes.

A key policy tool for us to achieve this vision-led approach will be a 'Sustainable Transport User Hierarchy'. This sets the priority given to different users when decisions need to be taken to deliver a more sustainable and inclusive transport system. By making this tool a central tenet to all decision making, we can ensure that we design a system overall which promotes the types of travel and choices, that we know will help us achieve the goals of the region.

### Sustainable Transport User Hierarchy



## TfWM will work collaboratively with partners and communities to:

- Ensure a shared understanding of the challenges and that all activity to enhance our transport system aligns with the ambitions of the WM LTP. Progress towards our objectives and targets will be regularly monitored and reported on.
- Review our analytical tools and planning practices to embed the decide and provide approach and Sustainable Transport User Hierarchy in policy and project development and delivery.
- Continue to test and adopt innovative ways of working and tools, where these align with and help to deliver the objectives of our LTP.

# Key policies and accountabilities to deliver the ambition

## Designing an inclusive transport system that focuses on the needs of users

The better we can understand the motivations, aspirations, values, needs and capabilities of the people of the West Midlands, the better we can deliver policies to support them to live sustainable lifestyles. Through the use of innovative engagement, data collection and analysis tools we will become increasingly sophisticated in our understanding of how and why the users of the system make certain choices, and therefore what we may be able to do to influence those. We can then design a system which puts the user’s needs at the centre.

An exciting initiative which will help us achieve this is our **“Influencing Transport Lab”**. The Lab is to act as a Centre of Excellence for influencing behaviour change, facilitated by Transport for West Midlands and sponsored by the Department for Transport. The Lab will be locally driven but its intention is to benefit nationwide local authorities and sub-national government authorities.

There are a number of groups that face particular barriers to using transport in a world where they often already face systemic disadvantages due to their income level, disability, gender, race or religion. It is imperative we design our plans and policies to be fully inclusive to achieve a fairer transport system.

### People want transport options that...

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### TfWM will work with partners to:

- Better understand citizens needs, capabilities, and motivations as well as their experiences and satisfaction with the West Midlands transport system. Doing this to identify opportunities to improve and promote sustainable alternatives.
- Develop an Influencing Transport Lab to build greater expertise and capacity in supporting behaviour change to more sustainable modes.
- Ensure that the transport system meets the diverse needs of our population and developing an Inclusive Mobility Action Plan to support this.
- Develop a workforce plan for improving diversity within TfWM.

# Key policies and accountabilities to deliver the ambition

## Managing Demand for Car Travel

Many of our objectives from the Core Strategy will require us to reduce the number of cars on our roads. If we do not achieve this then we will not meet the region's 2041 net zero carbon targets, our roads will be less safe, communities will still suffer from poor air quality, and we will struggle to accommodate the needs of all users of our system.

We have to therefore invest in and promote modes which have lower overall levels of emissions, and in some cases reduce the attractiveness of travel by single-occupancy cars. Some policies will need to be delivered by central government (e.g. subsidies to reduce the cost of travel by public transport and pricing of fuel and road use to disincentivise unnecessary car travel). Our view on what needs to be done to increase the reduction in car use is shown on the table opposite.

Many of these themes are revisited in the other Big Moves, which include more specifics on how we think they can be achieved.

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### TfWM and its partners will:

- Engage with communities and residents to explore new ways of managing demand for car travel, and to provide more space and funding for sustainable transport infrastructure and services.
- Design places around 15-minute neighbourhood principles; travel planning for residential areas and businesses; exploring new pricing mechanisms, such as road user charging, workplace parking levies; allocating road space to give more priority to sustainable road users; and better enforcement of parking and moving traffic offences.
- Carefully consider the socio-economic impacts of any such policies to ensure they are fair.

How the region can work together to manage demand and deliver our Big Move:

Shaping places	Control over the use of space	Enforcement	The cost of travel
<p>To help people live their lives much closer to home we need to promote the development and repurposing of land to encourage higher densities and mixed use land patterns.</p> <p>New developments and changes to existing areas should focus on permeable streets for people to walk, wheel, cycle, scoot and ride.</p> <p>Ultimately we're seeking to create a series of connected '15 minute neighbourhoods' across the region by thinking carefully about how we create places with people's daily lives at their core.</p>	<p>By designing and re-designing the physical layout and control of space for transport it is possible to prioritise and enhance accessibility for our highest priority users.</p> <p>This can be achieved through reallocation of street space, controls on access, speed reduction measures, giving greater priority at junctions to sustainable transport users and managing the use of kerbsides for parking.</p> <p>We need a radical approach to how we use space on our road networks to balance the needs of all travellers and to actively promote travel choices which help us meet our regional objectives.</p>	<p>Effective enforcement is essential to ensuring the effectiveness of measures to manage demand and prioritise access for higher priority Sustainable Transport Users.</p> <p>Enforcement is now fully in direct control of local authorities and will be a vital tool to help ensure that the full intention of plans and policies are realised.</p> <p>A good example of this is enforcing pavement parking laws to give that space back to people walking or wheeling.</p>	<p>Local Government can use the cost of travel to directly influence choices. This could be something simple like raising car parking prices in certain locations to encourage more people to catch public transport to get to the shops; or perhaps something more complex like a workplace parking levy which aims to get more people to leave their cars at home when they commute. But policies need not always be to raise prices for driving, other ideas could include subsidising non car choices, although this needs to be set against challenging public sector finances.</p> <p>Any new policy would need to be designed very carefully so as not to impact certain groups of people unfairly. Pricing is also best targeted at places that are already very accessible by walk, wheel, cycle, scoot and public transport.</p>

# Key policies and accountabilities to deliver the ambition

## We need to work closely with our communities and businesses to deliver change

We recognise that some of the policies in this Big Move need to be developed through very close engagement with communities and businesses. Lifestyles are not easy to change, so we have to listen to our residents and businesses, understand their choices and involve them in shaping new policies. We can only move as fast as they will allow. We must also be upfront and honest with them about what is necessary to achieve some of our big ambitions for the economy, quality of life and a better environment. At the West Midlands Combined Authority we follow a set of simple principles for working with our communities, which will guide how we move our Local Transport Plan forward:

### TfWM and its partners will:

- Continue to develop human intelligence to better understand citizens to develop better policy and inform scheme development.
- Use this information to help us better engage with communities, residents and stakeholders to help us build awareness and consensus around how we can start to change travel behaviours.

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All voices are heard that are impacted by proposals, but ensuring those who face the greatest barriers to movement and accessibility are fairly heard.



Citizens are engaged to shape and make decisions on proposals that impact them, particularly those in their local area.



Deliberative techniques will be used where citizens will work together and with planners, to find solutions that represent collective consensus on trade-offs that need to be made.



# What's the pathway to our Behaviour Change ambition?

We have set out our ambitions under this Big Move for what we believe the region can become and what policies are needed to help us get there. Here we present how we believe we can incrementally move towards the full ambition.

There are things we can do now. We have the resources, powers, funding and now the policies in place start the process of moving towards our vision. To get there fully will require future change to a number of factors; either resourcing/funding, devolution of powers or we may need more broad local public and political consensus of what the right choices are before we can make the next steps. In some cases we may also need changes in national policy/priorities or a technological advancement to help us make the leaps towards our Big Move.



# **Big Move 2: Accessible & Inclusive Places**

# Vision and need for change

## What is this Big Move?

This Big Move is all about creating more accessible and inclusive places where people do not require a car to live good lives. This means careful planning of places with accessibility in mind, as well as improving sustainable transport and digital connectivity to allow people to access opportunities without needing a car.

*We want to create a new kind of city-region, one where people and businesses can thrive, access all that the West Midlands has to offer; but also where they can live more sustainably without having to make sacrifices.*

How we plan the growth and transformation of the places we live, work and play has a huge impact on the transport system we need to provide, and vice-versa, so we need to bring how we think of them together.

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### Where we are now:

Most existing communities and new developments are still planned around the needs of the private vehicles, with sustainable transport modes an after thought. This locks in car dependent behaviours, undermining efforts to encourage more sustainable travel.

### Where we would like to be if our Big Move is successful:

We will have reduced the impacts of growth on the region by using land more effectively and reducing additional travel demand by private car.

People will be living or working in places which do not need a car to access them. Those who need a car, can access a car club vehicle and have convenient access to electric vehicle charging infrastructure.

All communities have excellent walking, cycling and public transport access to local schools, shops, healthcare and leisure activities so that most local trips are made by sustainable modes of transport. As a result, neighbourhoods have less traffic, better air quality and people are more physically activity because they can safely and easily walk, wheel and cycle for everyday journeys.

Careful consideration is given to servicing and deliveries to minimise the impact of goods vehicles on local roads.

## What would our citizens like to see change?

“It should try to **ensure equal access to opportunities for all because it would allow people to all have an equal chance at pursuing something** rather than it depending on if you’re able to reach it due to being able to afford a car and the mobility it brings.”  
16-24, Dudley, 2 cars in HH, No licence

“I work on a hospital ward and so need to physically be at work. While I like the idea of avoiding travel by working from home etc. it wouldn’t work for a lot of people. I do think that people who are willing and able to work from home should be allowed to though as I feel this helps with work / life balance, **keeps cars off of the road during the rush hours and boosts the local economy** as people will be less likely to be in the busy town centres.”  
Female, 25-34, Sandwell

“Use of local services and amenities - By staying local we could get around by active travel and wouldn’t miss our cars. Active travel has environmental and health benefits and we can go at our own pace. Also **staying local helps the local economy and the increased use of local amenities will generate increased revenue which can be used to improve local services.**”  
Female, 60+, Dudley

“I know there are now electric scooters and bikes available near where I live. **I could not use these due to my mobility issues though**”  
Female, 45-59, Sandwell

“It makes things more accessible without a car. Currently it feels like the world is built for those who drive and the assumption is always that you will / do drive. I’d like everyone being on a level playing field, the bettering of public transport links and the cleaner air from less pollution.”  
Female, 25-34, Sandwell

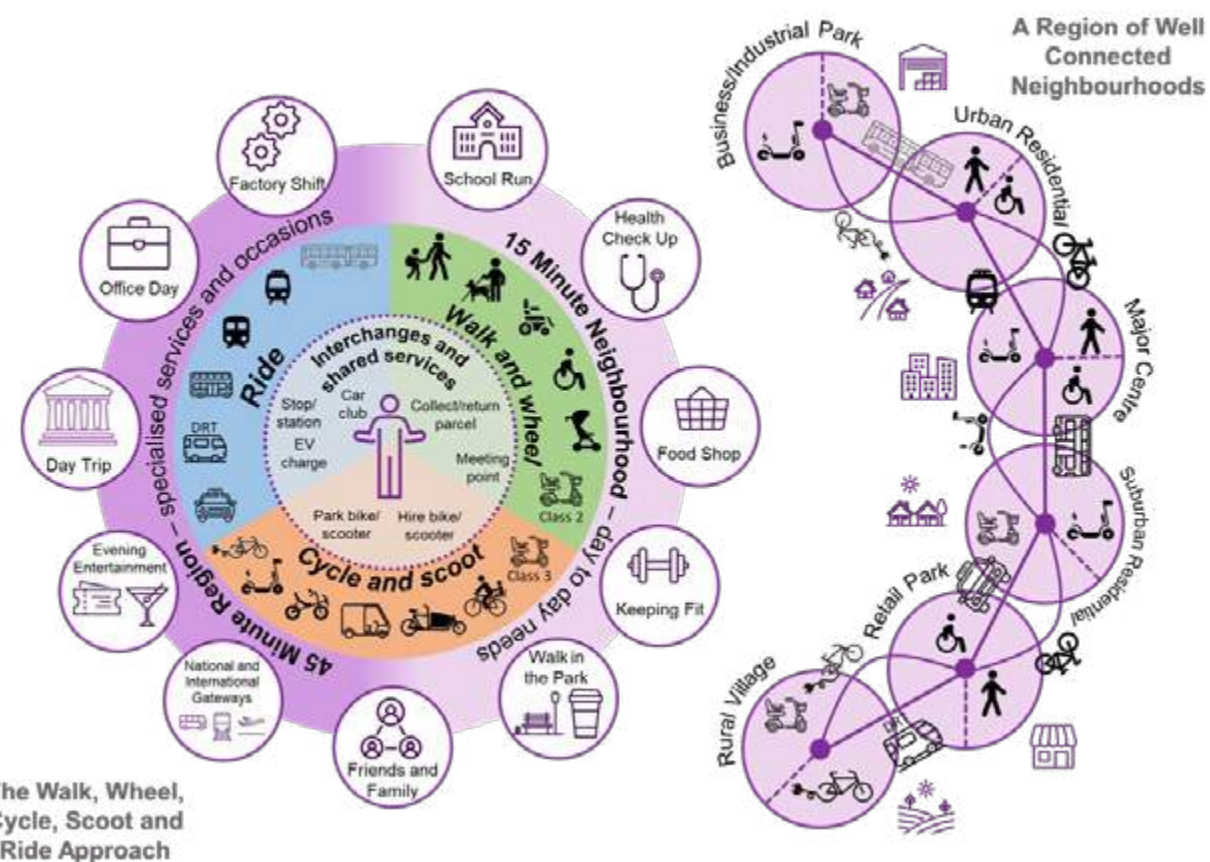


# What does this mean in practice?

## This Big Move is all about:

- How we will define and measure **accessibility** for future decision making. We need to move away from previous definitions which simply looked at journey times to access jobs and services, and instead recognise that people's accessibility is more complex than that. Our new way of thinking about accessibility for our residents and businesses will be crucial to our future decision making.
- How we need to think differently about our plans for changes in **land use** across the region, for both new developments and how our urban and rural areas evolve over time.
- How we need to incorporate **digital connectivity** into all of our thinking. As technology evolves it has a greater and greater potential to reduce our need to travel and is a vital tool to help us meet traffic reduction targets.

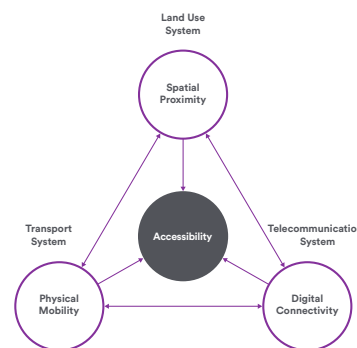
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The Walk, Wheel, Cycle, Scoot and Ride Approach

## Our Core Strategy says we need to:

### Improve Accessibility



## How our Big Move will contribute to these goals:

Improving accessibility through a positive 'decide and provide' approach should become the guiding principle for both new growth in the West Midlands (i.e. new developments) but also how we reimagine our urban areas over time.

Importantly first we'll need to redefine what we mean by 'accessibility'. Previously we would have narrowly defined this by how easy it is for people to use the transport system to get access to jobs and services. Now we need to think much more broadly about what accessibility means for people and businesses. In some cases the solution may not be a transport intervention, it could be that existing places need to change to bring more of people's everyday lives closer to where they live. To achieve this will need a far greater interaction between the way in which we plan places and transport and to reimagine neighbourhoods and communities to bring shops, schools, doctors etc back. How new areas are developed or changed over time will also need to include these kinds of principles.

The region will also need to keep ahead of the technology curve to ensure that our residents and businesses can take full advantage of advances in digital technology to support new ways of working and living. Although our region is largely well supplied with super-fast broadband and 4G connectivity, there are some cold-spots in the network that require filling and we will need to exploit all that 5G has to offer in the coming years.

### Reduce Traffic



We want to grow our region in a way which fundamentally improves people's way of life, preferably being able to do more of their daily activities within a short walk or wheel from where they live; which is our '15 minute neighbourhood' concept. In addition we need to exploit the opportunities at regional interchanges to ensure that people can access other services (e.g. health and leisure) by public transport; this is our '45 minute region' concept. A knock on impact of this will hopefully be fewer vehicles on the roads. However, we cannot just assume that one will lead to another.

As well as reducing the need to drive we also need to create the conditions where households feel that they can reduce the numbers of cars they own. In doing so we can create our virtuous circle where travelling by alternatives to the car just become habit for more and more journeys. In the case of new developments, this might also mean being restrictive on how we provide for parking to discourage high car ownership where there is less need to.

### Electrify Transport



Although we want to see lower levels of dependency on cars in the region, we do recognise that the car will remain the most flexible form of transport for many journeys. We therefore need to support the transition to zero emission vehicles to deliver growth in a sustainable way. We can do this by ensuring that new homes and developments are built with access to charging points and that existing communities, particularly those homes with no access to an off-street parking place, are able to charge on-street near home. In the future, more community-led car clubs and car sharing options will also support greater use of zero emission vehicles.

# Key policies and accountabilities to deliver the ambition

## Re-think how we consider and measure accessibility

Accessibility is at the crux of this Big Move and is a strong theme throughout all six Big Moves. We want to create a more accessible region and we recognise that access to opportunities is critical for inclusive growth. To do so we must be clearer on what good accessibility looks like and smarter on how we measure and plan for it. In the past we would have looked at where people live, where they want or need to go and how quickly/ conveniently we can transport them to their destination. Now we know that accessibility is about far more than that one simple measure.

The “Triple Access System” to the right shows how the accessibility of a place is determined not only by its transport infrastructure and services, but also its physical proximity and digital access to every day services and opportunities. It’s therefore crucial that we plan transport, land use and digital connectivity in a co-ordinated way whereby the environment, infrastructure and technology play an equal part in supporting an integrated system.

Similarly, we need to identify opportunities to improve accessibility in existing places e.g. by creating 15-minute neighbourhoods through the relocation of essential services to local areas; better walking, cycling and local public transport links; including improved digital connectivity and online provision of services/remote working.

Finally, we also need to consider accessibility as a measure of social inclusion. It’s about how we provide access to opportunity, access to options/choices, physical access to the system for those with additional needs and it’s about how we support social mobility.

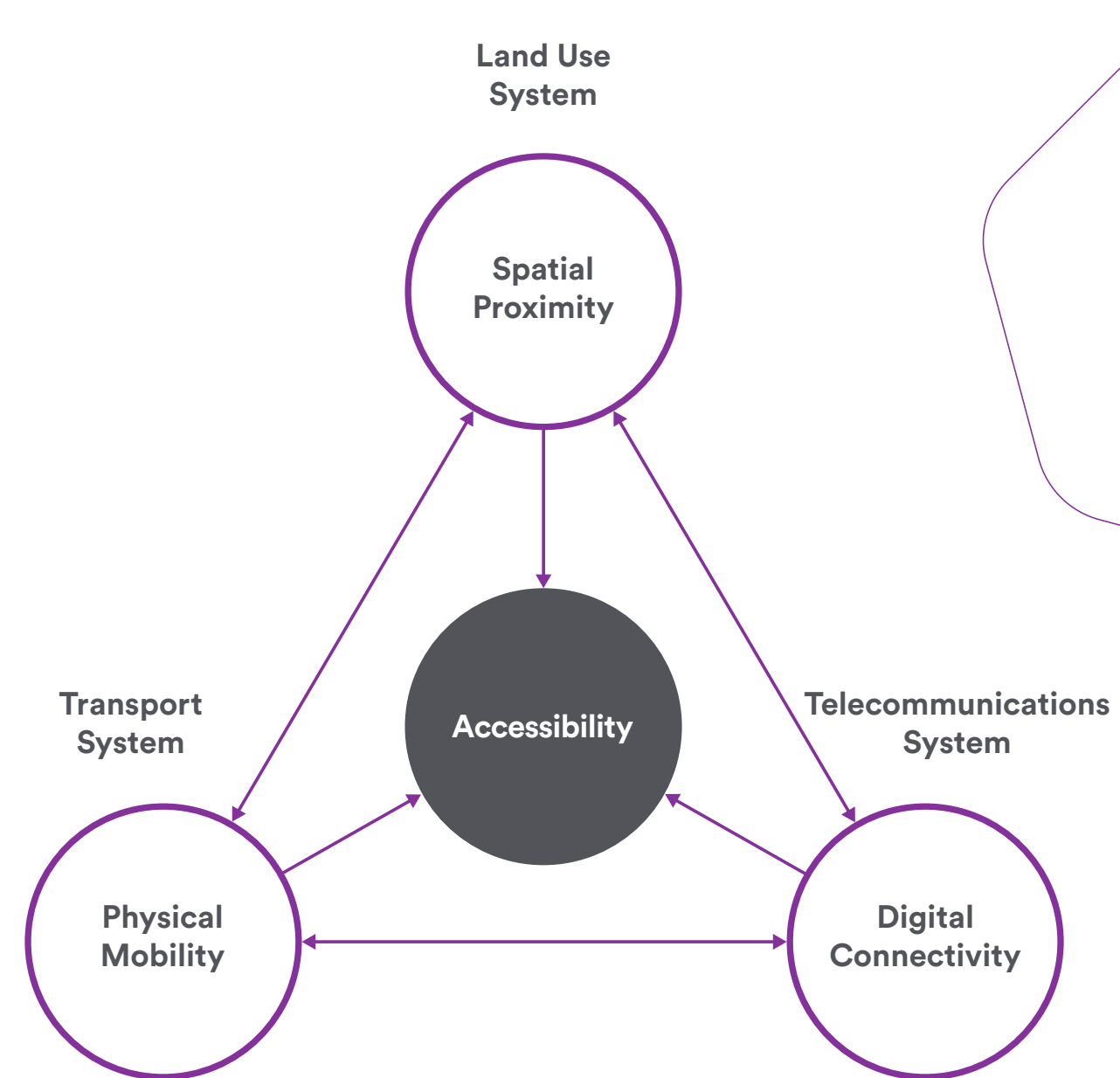
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### TfWM will:

- Adopt a ‘decide and provide’ (rather than ‘predict and provide’) approach to new developments and associated transport enhancements.
- Work with local authorities and developers to identify opportunities to enhance accessibility in local areas and new developments, including:
  - Adopting 15 minute neighbourhood principles
  - Providing good public transport and active travel links
  - Providing car clubs and other shared services
  - EV charging infrastructure
- Develop accessibility KPIs and targets to allow ongoing monitoring and improvement of people’s access to key services and opportunities by sustainable modes.

Using the ‘Triple Access System’ enables us to plan for a more accessible region in a way which is more true to the needs of our residents and businesses:

### The Triple Access System





# Key policies and accountabilities to deliver the ambition

## Change how we plan and deliver new development

According to the latest forecasts by the Office for National Statistics (2018 projections) the West Midlands Combined Authority area is expected to reach a total population of approximately 3.2 million by 2043. This is over 320,000 additional people and 160,000 new homes over the next 20 years. This is like adding the equivalent of another city the size of Coventry to our region. If this is not planned well then there could be some significant impacts on the efficiency of our transport system, the safety and attractiveness of our communities, as well as undermining our net zero carbon ambitions. A strong policy theme in this Big Move is to ensure that we plan new growth and new developments in a way that supports good access to key services and opportunities to support less car-dependent lifestyles.

### TfWM will:

- Work with local planning authorities to develop a new Transport and Development Design and Principles Guide, setting out how sustainable transport principles and triple access planning will be embedded into the planning process and any TfWM review of development proposals
- Work alongside Local Planning Authorities to encourage new development in accessible locations by:
  - encouraging higher density development in locations close to public transport corridors and hubs
  - promoting mixed use development
  - adopting a brownfield first approach
- Collaborate with local planning authorities to ensure that all local plans and supplementary planning documents are accompanied by a robust transport evidence base and policy framework, to maximise the accessibility and sustainability of new developments (in line with the Transport and Development Design and Principles Guide).
- Ensure that any enhancements to the Key Route or Public Transport Network are co-ordinated carefully with local plan proposals along the corridor to maximise the benefits of investment.

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There are already some excellent examples of new developments being planned and delivered in the way in which we would like all new growth to come forward in the West Midlands. The following case studies show what is possible if we plan in the most sustainable way possible:

### Eastern Green, Coventry



Eastern Green in Coventry is a 435 acre, residential led mixed use urban extension, with a range of developers and local companies involved including Coventry City Council and Homes England.

The site will deliver significant housing numbers and associated employment, retail and community uses including 2250 new homes, 15ha employment land, a new major district centre, and primary schools. It will be served by extensive green infrastructure and public open space as well as good bus services and cycleways. A car club is also being explored together with our West Midlands Cycle Hire service to ensure active travel within and beyond the site. Mobility credits will also be provided to families moving in, to help reduce car usage at the site and Very Light Rail is also being considered as part of the wider design of the site.

### Icknield Port Loop

This development sees a multi-million-pound investment programme to drive forward new housing in central Birmingham.

Port Loop, when completed will see 43 acres of derelict industrial land transformed into a new 1,150-home waterside district featuring two, three and four-bedroom houses, apartments, public and communal green spaces, as well as excellent walking and cycling links throughout the development and beyond including along the Old Main Line Canal.

The Port Loop investment is the latest from the WMCA's devolved housing and regeneration programme – providing new homes, jobs and commercial floorspace while supporting the region's economic recovery and ambitions to be a net-zero carbon region over the next 20 years.

This site is also helping protect the Green Belt while creating new jobs and communities on brownfield land, with active travel and excellent transport links at the heart of the development.



# Key policies and accountabilities to deliver the ambition

## Incorporating digital connectivity into all our plans

In our new definition and practical application of how we plan for a more accessible region, digital connectivity is an important component that can affect the demand for travel in different ways. People's ability to access services digitally will determine their ability to substitute or avoid certain journeys.

We will ensure that we deliver digital infrastructure while we deliver our transport infrastructure. To do so we need to work with all infrastructure delivery partners through a 'dig once' approach to design and delivery so that we put cables, conduits and power into the ground where it's needed whenever possible.

We will also maximise the use of digital solutions in our transport services. We will improve information, shared mobility and new thinking for 'mobility as a service' (MaaS) which would see far greater integration of the whole transport offer in the region. TfWM will continue to work with digital network planners to ensure digital infrastructure for citizens and businesses can be baked into transport infrastructure.

### TfWM will:

- Work with its partners to build a better understanding of how digital connectivity and accessibility can and does support wider accessibility to services; identifying locations and communities that are experiencing digital exclusion.
- Work with service providers, such as the NHS, identify opportunities for improving digital access to services
- Work with partners to ensure that all parts of West Midlands have excellent broadband and 4G/5G connectivity, with more integrated strategic planning for transport and digital infrastructure and new development.
- Work with partners to reduce digital exclusion in specific communities.
- Ensure digital infrastructure is planned into transport infrastructure (e.g. laying ducting for fibre when doing transport projects).
- Explore new opportunities to enhance travel information and transport services through enhanced digital platforms and by publishing transport data for others to use.
- Provide digital access points across the transport system including free Wi-Fi at stations and interchanges and on public transport services.

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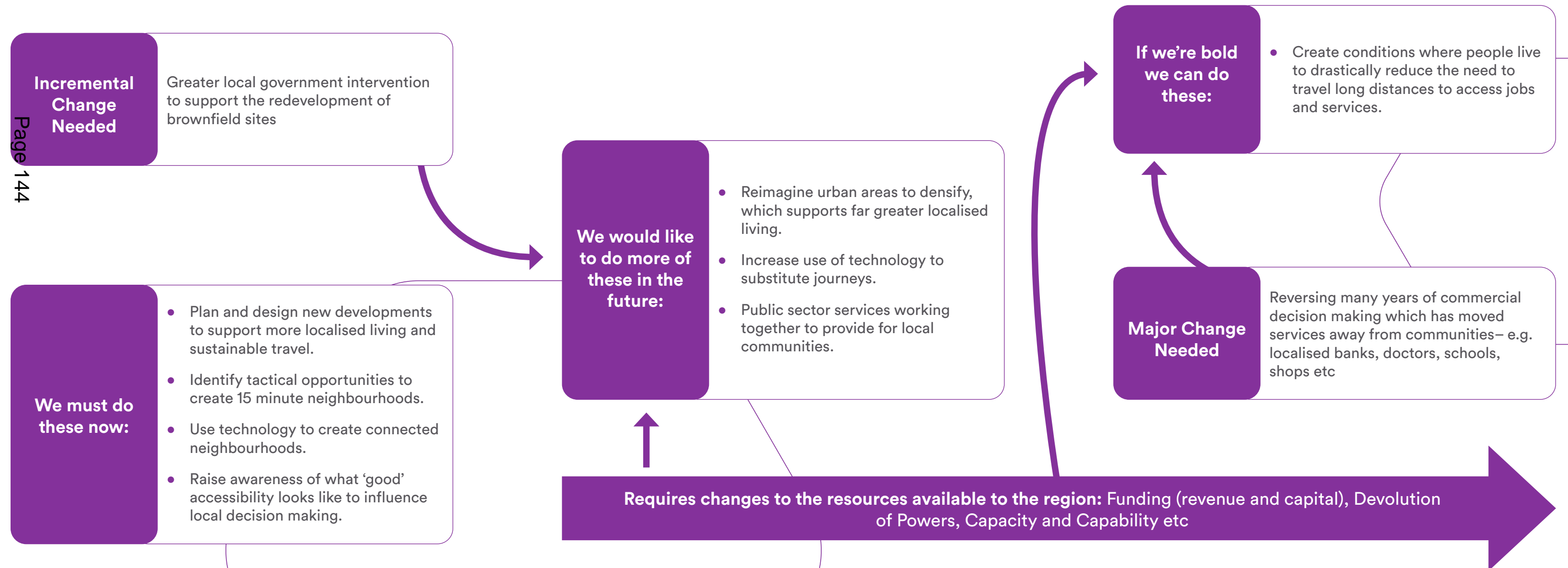




# What's the pathway to our Growth ambition?

We have set out our ambitions under this Big Move for what we believe the region can become and what policies are needed to help us get there. Here we present how we believe we can incrementally move towards the full ambition.

There are things we can do now. We have the resources, powers, funding and now the policies in place start the process of moving towards our vision. To get there fully will require future change to a number of factors; either resourcing/funding, devolution of powers or we may need more broad local public and political consensus of what the right choices are before we can make the next steps. In some cases we may also need changes in national policy/priorities or a technological advancement to help us make the leaps towards our Big Move.





# **Big Move 3: Walk, wheel, cycle and scoot**

# Vision and need for change

## What is this Big Move?

This Big Move is needed to support people to walk, wheel, cycle or scoot when and where they want, safely and conveniently. Our vision is that:

*Everyone in the West Midlands should be enabled to safely access a range of local destinations on foot, in a wheelchair or on a bike or scooter; with the aim of at least half of all trips in our area to be made by active modes by 2030.*



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### Where we are now:

Many of our existing streets have been designed around motor vehicles; creating environments that are not welcoming for people to spend time in and do not support more sustainable travel modes. In many parts of the region, people do not feel safe walking, wheeling, cycling or scooting which acts as a barrier to being more active and travelling by these modes. Cycling and scooting is particularly poorly catered for.

### Where we would like to be if our Big Move is successful:

People of all ages and from all walks of life can walk, wheel, cycle and scoot easily and safely around our neighbourhoods and local centres, as well as making some longer hops from one neighbourhood to another.

As we step out of our homes onto our streets, we're greeted by a safe and welcoming environment. Our pavements are decluttered and well-maintained, our local streets are quiet and feel safe to cycle/scoot and as we head toward main roads, we find segregated lanes/paths for cycling and scooting and safe crossing points. And when we arrive at our high streets and local centres, we find that these are environments where the congested high streets have given way to walking and wheeling friendly environments.

Through the creation of 15-minute neighbourhoods, people have better access to the day-to-day services and opportunities which enable them to lead a good life without needing to own a car.

As a result, these places are more pleasant to spend time in and people are healthier and happier because they are more physically active in their everyday lives.

## What would our citizens like to see change?

Walking, Cycling and E-Scooter use were ranked in the Top 5 alternatives to travel by car:



Walking (47%)



Cycling (45%)



E-Scooter (18%)

How would less cars on the road make it easier/ better to travel by alternatives?

26% say that cycling would be more safer/ accessible

“I think it would encourage people to cycle more especially. I am aware of several people who would like to become cyclists but are currently too fearful to give it ago and the volume of traffic around makes them feel unsafe to try.”  
Female, 60+, Dudley

However, concerns around safety and cost are holding back around one-third, particularly from using a scooter or bike

“Please consider those with accessibility needs, create an inclusive environment for all”  
Female, 16-24, Birmingham

# What does this mean in practice?

## This Big Move is all about:

- How important **leadership** will be in making bold decisions to create the best possible walk, wheel, cycle and scoot facilities for our residents and visitors.
- How we will plan and deliver **infrastructure** and **networks** which are compliant with the government's highest design standards (LTN1/20).
- How we can support more people to get **access to vehicles** (e.g. powered scooters/ hire bikes etc) to give them real choice for their journeys, and how we can **integrate these with the wider public transport network**.
- How we can raise the **awareness, skills and knowledge** of the options and opportunities available to people to help them travel confidently and safely.

### Walk and wheel

Walking and wheeling includes pedestrians, but it also includes people who use mobility aids such as powered/unpowered wheelchairs.

The use of prams and trolleys by those travelling also needs to be considered as well as other aids such as guide dogs, sticks and canes.



### Cycle and scoot

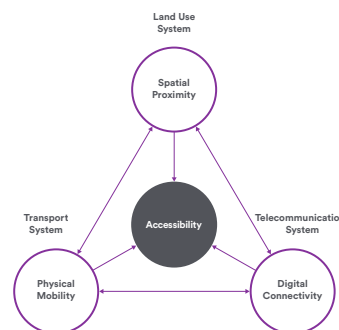
Cycling and scooting includes a range of pedal powered, electrically powered, and pedal assisted personal vehicles.

It includes vehicles that can currently legally be used on public highways and cycleways (such as pedal bikes), as well as new devices that Government is trialling and proposing to legislate for (such as escooters).



## Our Core Strategy says we need to:

### Improve Accessibility



## How our Big Move will contribute to these goals:

We need a fit for purpose network of routes for walking, wheeling, cycling and scooting that connect people with their neighbourhoods and the region beyond.

Every journey starts with walking or wheeling. It's not only critical for accessing 15 minute neighbourhoods, linking people to their local amenities and neighbours; it's also a key part of every journey. Our envisaged walk and wheel networks will support a huge shift in how accessible our region is.

But our every-day lives regularly take us beyond our 15 minute neighbourhoods. This is where cycling and scooting can help. It doesn't just help us travel around our local neighbourhoods more quickly, it can help us travel from one neighbourhood to the next and into nearby centres. Because cycling and scooting is so good at permeating the streets of our urban environment it will help to replace the go anywhere, anytime features of car travel, helping us to access more.

### Reduce Traffic



In this Big Move we put forward a comprehensive set of policies and strategies which will provide the networks, safe environments and access to the vehicles to support people to walk, wheel, cycle and scoot for their everyday journeys. If we are successful with this then one of the benefits could be to reduce traffic on our roads; which, as we've shown, in turn helps contribute to the virtuous circle needed to deliver Inclusive Growth across our region. Policies that help us reduce traffic will also support this Big Move as quieter streets give us greater confidence to walk, wheel, cycle and scoot.

### Electrify Transport



New mobility solutions, such as electric scooters, bikes and cargo-bikes have a huge role to play to offer far more choice to people for real alternatives to driving. Electric bikes increase both the range people are willing to ride, but importantly also the effort required. You do not need to be a super-fit cyclist to get about on an electric bike or scooter. They have the opportunity to liberate far more people to be fit and healthy and to leave cars at home. This Big Move will support the transition to these new ways of travelling by providing the kinds of streets and roads needed to enable people to use them safely, and access to the vehicles themselves to give people greater choice.



# Key policies and accountabilities to deliver the ambition

## Bold thinking and bold leadership

We know what needs to be done. We need a dense network of high quality facilities for people to use active modes for a high proportion of their every day journeys. They need to be safe, convenient, have sufficient space to accommodate high levels of use, and they need to connect the places people want to go. Planning is the easy bit. Achieving these aims will require strong leadership and decision making in order to allocate sufficient space to the modes of travel we need to prioritise on our streets and roads.

These decisions will need to be bold because there will be a challenge to balance the needs and desires of all road users, but in some cases the needs of some users will need to take precedence over others.



Allocating space on our roads for people to walk, wheel, cycle and scoot is an essential tool to help us achieve our goals:

## Low Traffic Neighbourhoods



Low Traffic Neighbourhoods (LTN's) are schemes which are designed in a way to limit the access of vehicular traffic to a street or collection of streets, in order to make them safer, easier and more appealing for cycling and walking.

Within the West Midlands, Birmingham City Council has trialled a number of LTN schemes across Kings Heath, Moseley, Bournville and Lozells as part of their Places for People initiative. Through use of the council's online engagement platform, residents, businesses and travellers in the area have been able to put forward their opinion on how each of these schemes is having an impact on the area. These are currently being reviewed.

Reactions to LTNs in Birmingham and across the UK has been mixed and sometimes divisive. In Walthamstow they have proved popular and have had a number of benefits such as reduced private car ownership and dependency and an increase in active travel.

Effective implementation of LTNs in appropriate areas is an effective way of reducing traffic and car accidents. Crucial to their success is their location and implementation which carries public support and enhances communities.

## TfWM and its partners will:

- Work collaboratively to rapidly increase the level of priority given to delivering safe streets for walking, wheeling, cycling and scooting. We will focus on:
  - increasing the proportion of investment in active travel;
  - increasing staffing and expertise through creation of a centre of excellence;
  - improving our decision-making tools;
  - showing leadership in making the case for greater investment; and
  - involving communities in designing schemes to build greater local consensus and support.

# Key policies and accountabilities to deliver the ambition

## Improving infrastructure and networks to boost cycling and scooting

There are many barriers to people choosing to walk, wheel cycle and scoot more in their daily lives. We need to break these barriers down so that people feel more inclined to travel by these modes.

The safety or feeling of safety for people when cycling in particular is a major barrier. We need to provide people with the environment to cycle in which they feel safe and secure. This means designing our infrastructure to the highest possible standards.

Sometimes actually owning or having access to a bike or scooter is the barrier to people using these to make their journeys. We will support more people to get access to vehicles through hire schemes, shared mobility and financial support schemes such as mobility credits and loans/leasing arrangements. We will have a particular emphasis on integrating access to bikes and scooters with our public transport network through the roll out of Mobility Hubs.

### TfWM and its partners will:

- Work with communities and key stakeholders to maintain a regional Local Cycling and Walking Infrastructure Plan (our Starley Network), identifying a coherent network of segregated routes which connect existing communities and new developments with key destinations.
- Design coherent, direct, safe, comfortable and attractive routes which meet or exceed LTN 1/20 design standards and sufficient capacity to meet future demand, and we will ensure that all new active travel infrastructure is kept clean, well-maintained and free from obstructions.
- Develop schemes to give people better access to bikes, e-bikes and e-cargo bikes, targeting those who can't afford to purchase their own vehicles.
- Work with government to develop appropriate regulations to enable the safe and legal operation of powered bikes and scooters in the West Midlands, minimising any negative impacts on more vulnerable road users.
- Seek to better integrate active travel and public transport provision.

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## Education, promotion and awareness

In addition to having access to a bike or scooter, we also know that a barrier to more people using these modes are the skills and knowledge they need to safely use transporters and how they can access the emerging network. We want to build on successes and programmes delivered in the region over the past few years to continue to give our residents access to training and education to support more people to walk, wheel, cycle and scoot safely for every day journeys.

One important area of promotion will be to raise the profile and awareness of what we do have available to our residents and businesses already, part of which will be to build on the new branding of the Starley Network shown overleaf.

### WMCA will:

- Work with local and national partners to develop coherent and well-resourced education, awareness raising and promotional activities that support more people to walk, wheel, cycle and scoot safely for everyday journeys, including training for motorists.



# Strategic cycle network and connected safer streets

We need a fit for purpose network of routes for walking, wheeling, cycling and scooting that connect people with their neighbourhoods and the region beyond. Our network planning will be integrated with the planning of wider transport infrastructure and placemaking to make the best use of space available, and ensure connections are integrated. Importantly we will need to consider the needs of all users of our new networks and ensure that they are designed to the highest levels of accessibility.

**The Starley Network** is a network of identified cycling and walking trails in the West Midlands. It's named after the Starley family from Coventry, who were innovators of the modern cycle. The Starley Network already covers 500 miles of connected routes. It forms the backbone of the strategic cycle network for the region and will connect into our local communities through safe streets.

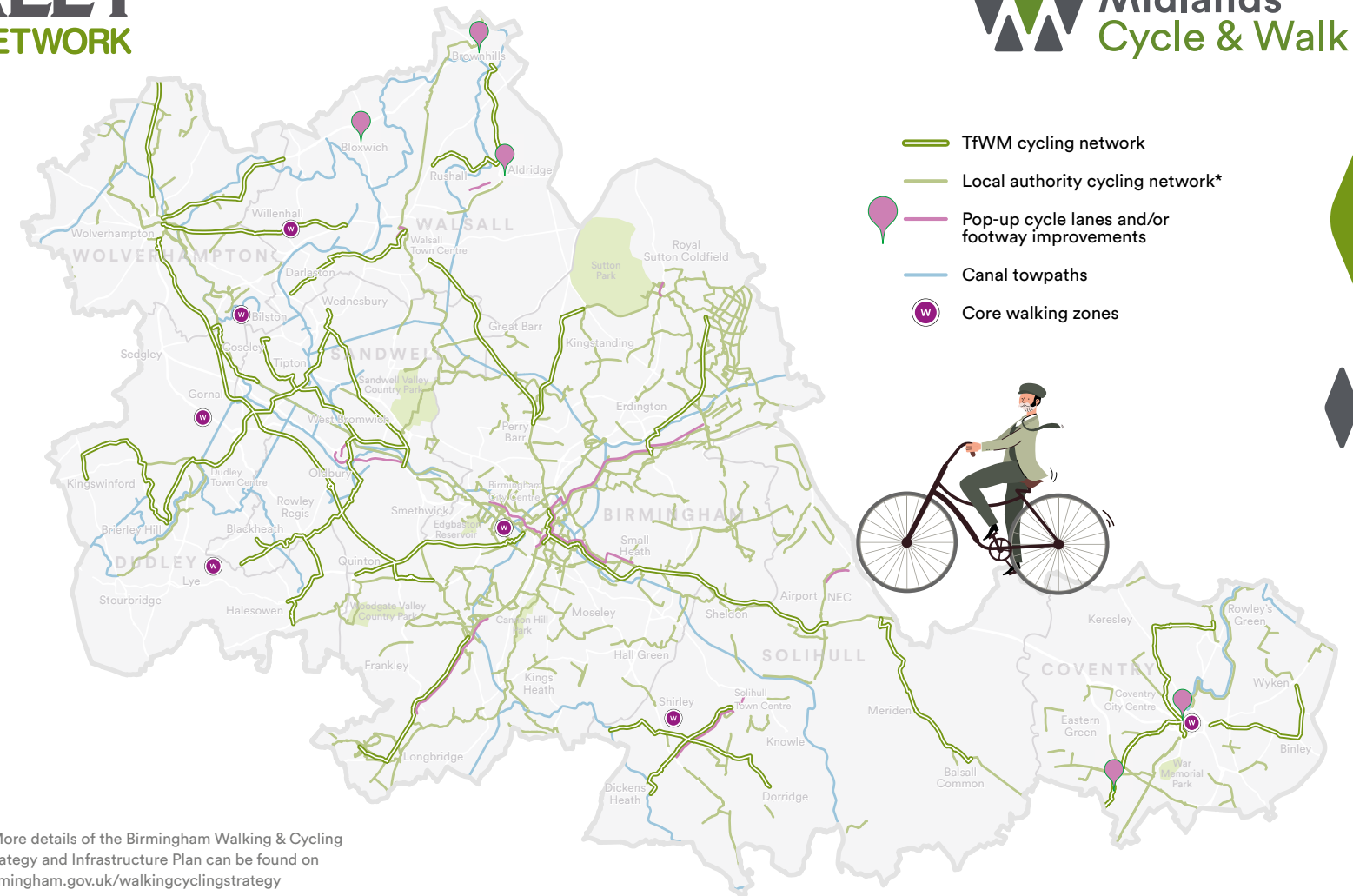
As things stand the network includes:

- cycle routes and towpaths
- new pop-up cycle lanes
- walking routes
- walking zones in towns and cities

We've worked with local authorities to launch the network.

**We'll keep extending it.**

## STARLEY NETWORK





# What's the pathway to our Safer Streets ambition?

We have set out our ambitions under this Big Move for what we believe the region can become and what policies are needed to help us get there. Here we present how we believe we can incrementally move towards the full ambition.

There are things we can do now. We have the resources, powers, funding and now the policies in place start the process of moving towards our vision. To get there fully will require future change to a number of factors; either resourcing/funding, devolution of powers or we may need more broad local public and political consensus of what the right choices are before we can make the next steps. In some cases we may also need changes in national policy/priorities or a technological advancement to help us make the leaps towards our Big Move.





# **Big Move 4: Public Transport and Shared Mobility**

# Vision and need for change

## What is this Big Move?

The public transport system is the backbone of our whole sustainable transport network and will play a key role in delivering our Vision for a 45-minute region with connected 15-minute neighbourhoods.

*Our ambition is to create a high quality and affordable public transport system of integrated networks (including fixed public transport services, and demand responsive and shared services) linked by accessible and secure interchanges and promoted and branded as a single system.*

## Key principles for the WM integrated transport network

Easy to understand network	One source of ticketing	Accessible and comfortable vehicles, stations and stops
Network efficiency	Regular public feedback and customer care	High levels of passenger safety and security
One public transport brand	Reliable travel times	Easy and reliable transfer
	Access to shared service vehicles complements the system	

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### Where we are now:

For many people and businesses, there isn't a reliable public transport network that gets people where they need to go, at the time they need to go. The lack of integration between different services and operators makes the system difficult and expensive to use. For some there is a lack of understanding of how to get the best out of the transport system

### Where we would like to be if our Big Move is successful:

The West Midlands has a public transport system that fulfils our goal of being a 45-minute region and connected 15-minute neighbourhoods. All residents can live good lives without needing to own a car.

The series of networks, integrated as one overall system, will be easy to understand, reliable, ticketing is easy and the services are efficient, accessible and comfortable.

Shared services (such as car clubs and bike hire) are incorporated into the overall system so are seen as complementary to public transport. This enables a 'go anywhere' integrated system to function as one entity for users.

## What would our residents like to see change?

"An extremely efficient public transport system, with buses or trams that cover all areas of the West Midlands, with people having to walk no more than 2 minutes to reach a bus stop regardless of where they live, and buses or trams arriving every 5 minutes. As part of this system would be a regular service for collecting and dropping off elderly and infirm like a ring and ride, but with more vehicles on the road"

25-44, Dudley, 1 car in HH, No licence

**1 in 2** think an improved public transport system would make themselves or people drive less

"Shared transportation is better for the environment. But, it has to be attractive enough to tempt motorists out of their cars and use public transport. Public transport and any shared transport reduces the number of cars on the roads, which in turn reduces congestion and pollution. Reduced vehicles on roads also results in fewer accidents"

45-64, Birmingham, No cars in HH, Driver

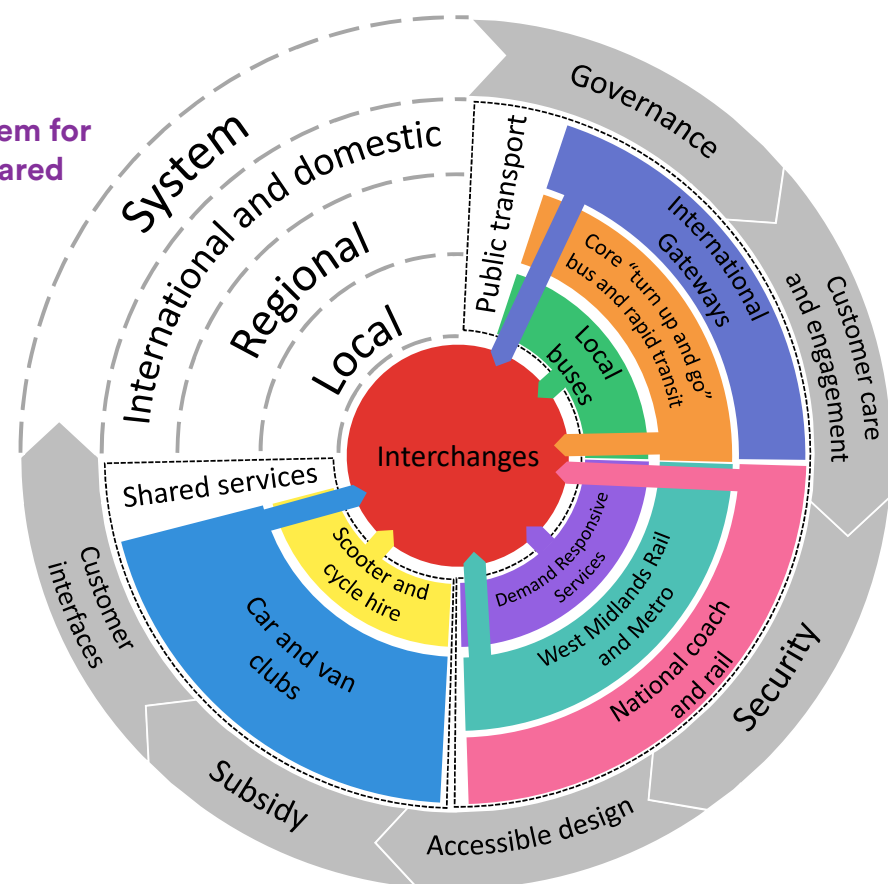
# What does this mean in practice?

## This Big Move is all about:

- How we will plan for and create a **truly integrated transport system**, not just between different public transport modes but also across all methods of travel. This is about providing real choice to people as to how they can make any journey.
- How we will support access to **shared services** that allow people to access vehicles (including bikes, scooters, cars or vans) to drive without having to own one. This is useful to citizens of the West Midlands when they might not be able to own a vehicle, they might need to access a vehicle away from home, or they might need a specialist vehicle to meet a less frequent need.
- How, as part of the integrated system, we will plan for and deliver well designed and safe **interchanges** which provide connections between services and are gateways to/from places
- How we will **manage the overall system** and make it as simple and easy as possible to use. This includes common branding, ticketing, information and promotion, supported by smart technology; with accessible design deployed throughout all elements of the system.

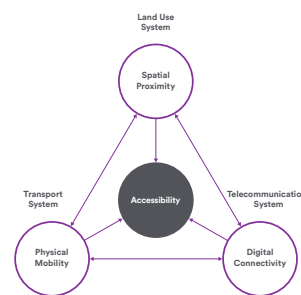
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How an integrated system for public transport and shared services will function



## Our Core Strategy says we need to:

### Improve Accessibility



## How our Big Move will contribute to these goals:

The core aim of this Big Move will be to improve the public transport 'reach' for the region. Particularly for those medium to longer distance journeys which are more difficult to walk or wheel. This Move needs to work closely with the 'Growth that helps everyone' to support our region to enable jobs and leisure activities to be within 45 mins by public transport for all communities.

Accessibility here means a lot more than simply being close to a bus or tram stop, it is also about the safety, affordability, clarity and physical accessibility of the entire network. Our plans and policies for this Move (described overleaf) reflect this wider definition.

### Reduce Traffic



We also want to create an attractive public transport experience which enables people to choose to leave their car at home or to decide to reduce the number of cars they own. This requires a public transport network which is reliable and with many journey times that are as quick or quicker than by car. As there is a finite amount of space for transport infrastructure in our region, and building new roads is expensive and environmentally damaging, we will need to dedicate more of our existing road space to sustainable modes, including public transport. If we do not do this then it will be difficult to achieve the public transport system we know our residents want to see, and this in turn will help to reduce traffic overtime as more people choose to use their cars less.

### Electrify Transport



Public transport is one of the easier aspects of our system to move to electric or other zero or ultra-low emission propulsion. There are vehicles already available and some in use in our region now. However, it will take significant public and private investment to transition the whole fleet to zero emission vehicles. It may be possible to incentivise private operators to switch more quickly, by partnership arrangements or restricting access to certain areas for more polluting vehicle types. It will be easier to make the case for investment in zero emission vehicles if we can reverse the long-term decline in public transport patronage, which is what this Big Move is all about.

# Key policies and accountabilities to deliver the ambition

## A truly integrated transport system incorporating shared services

- There are lots of ways in which a system needs to be integrated, from timetabling, ticketing, branding/ awareness, access to alternative vehicles, customer care and accessible design. Key to the integration will be getting the different elements of the public transport network (see overleaf) to work coherently together (including integrating international and national networks with our local public transport system).
- We will be seeking reforms to the way decisions are made, and how public transport is funded and delivered. Over time, as funding becomes available, we will also seek to improve the capacity of the network and to provide new bus, Metro and rail links or additional services to achieve our overall vision for the system.
- So called ‘shared services’ (e.g. cycle/scooter hire and car clubs) are a vitally important part of an overall integrated system. They can enable those with further to travel (i.e. where the bus stop is not at the end of the road) access into the wider public transport system. We need to spread the availability of these services and where possible integrate them into a single payment mechanism to make a multi-modal journey as simple and seamless as possible.
- We will also keep our “accessible transport” services, (including ring and ride, community transport, social care and home to school transport) under careful review to ensure they meet the needs of communities, whilst ensuring value for money.

## TfWM will work with its partners (including Central Government) to:

- Create a high quality and seamless Public Transport System comprised of integrated set of networks (including fixed public transport services and demand responsive services, and shared services) linked by interchanges and managed as one system.
- Optimise public and private sector funding for public transport services and concessions.
- Reform the way that public transport services are governed, funded and delivered to support our LTP Core Strategy outcomes.
- Support Birmingham Airport’s role as a key international gateway to the region by improving and promoting sustainable surface access to it.
- Improve links from the region to other major ports and airports.
- Ensure the aspirations of the West Midlands HS2 Growth Strategy are realised.
- Ensure that rail-based modes play their full part in the integrated public transport system, including improved capacity and service quality on the regional rail and Metro network, and exploration of new links where there is a business case.
- Seek Government support for a new rail partnership with Great British Railways, so that the region’s priorities are given greater consideration in future decisions on the local network.
- Develop and deliver a new network of Rapid Transit projects where there is a strong business case.
- Deliver an enhanced bus network that provides affordable, fast and reliable connections to key services and opportunities (as set out in the Bus Service Improvement Plan).
- Undertake a wider accessibility review to identify opportunities to improve provision in areas with poor access to public transport, including the potential for demand responsive transport services.
- Undertake regular reviews of “accessible transport” services, including ring and ride and community transport, to ensure that they meet the needs of communities whilst ensuring value for money. Such reviews will also consider social care transport and home to school transport as appropriate.
- Ensure that coaches, taxis and private higher vehicles play their full part in the integrated PT system.
- Support and promote lift sharing to increase vehicle occupancy and improve accessibility in the West Midlands.

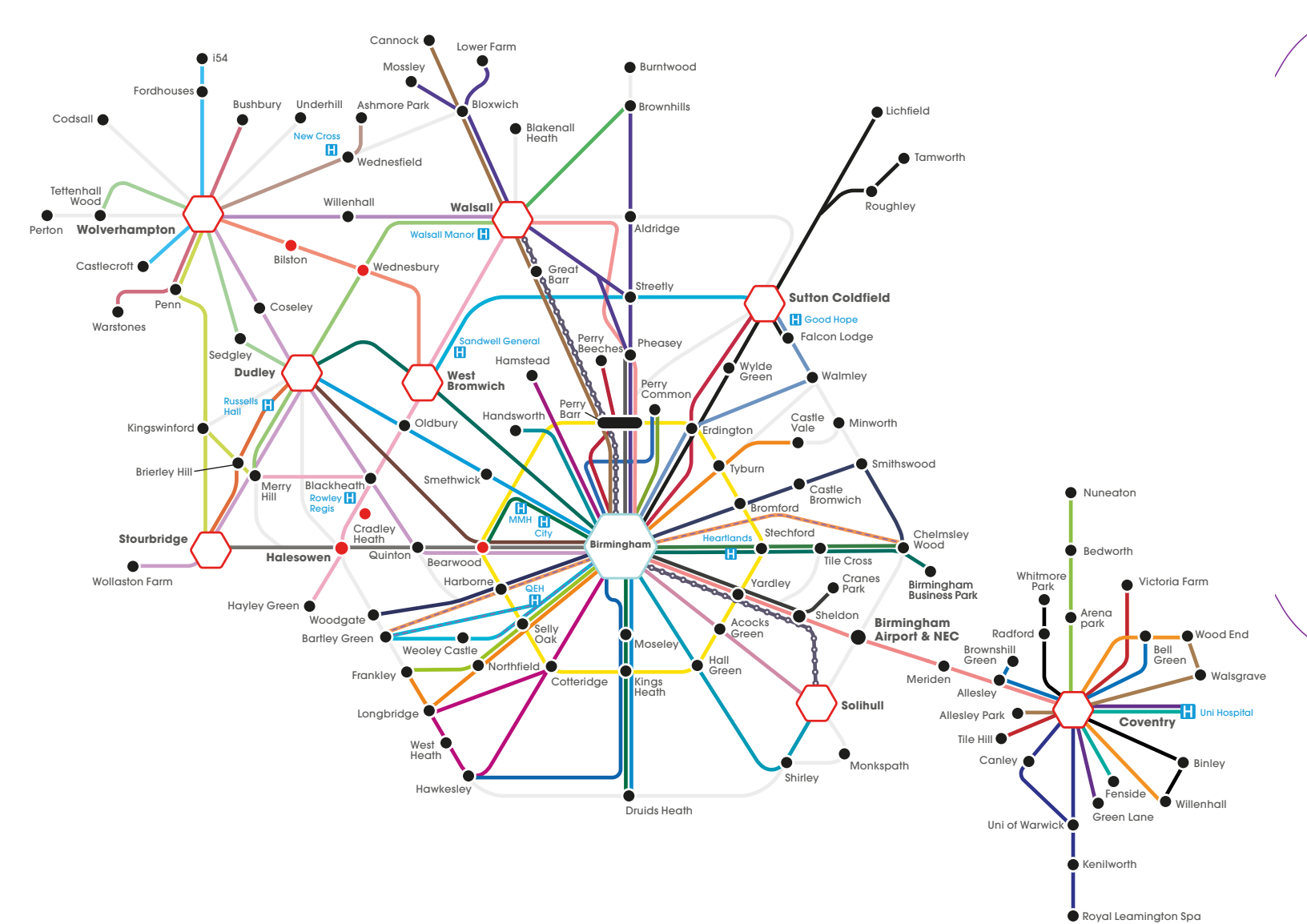
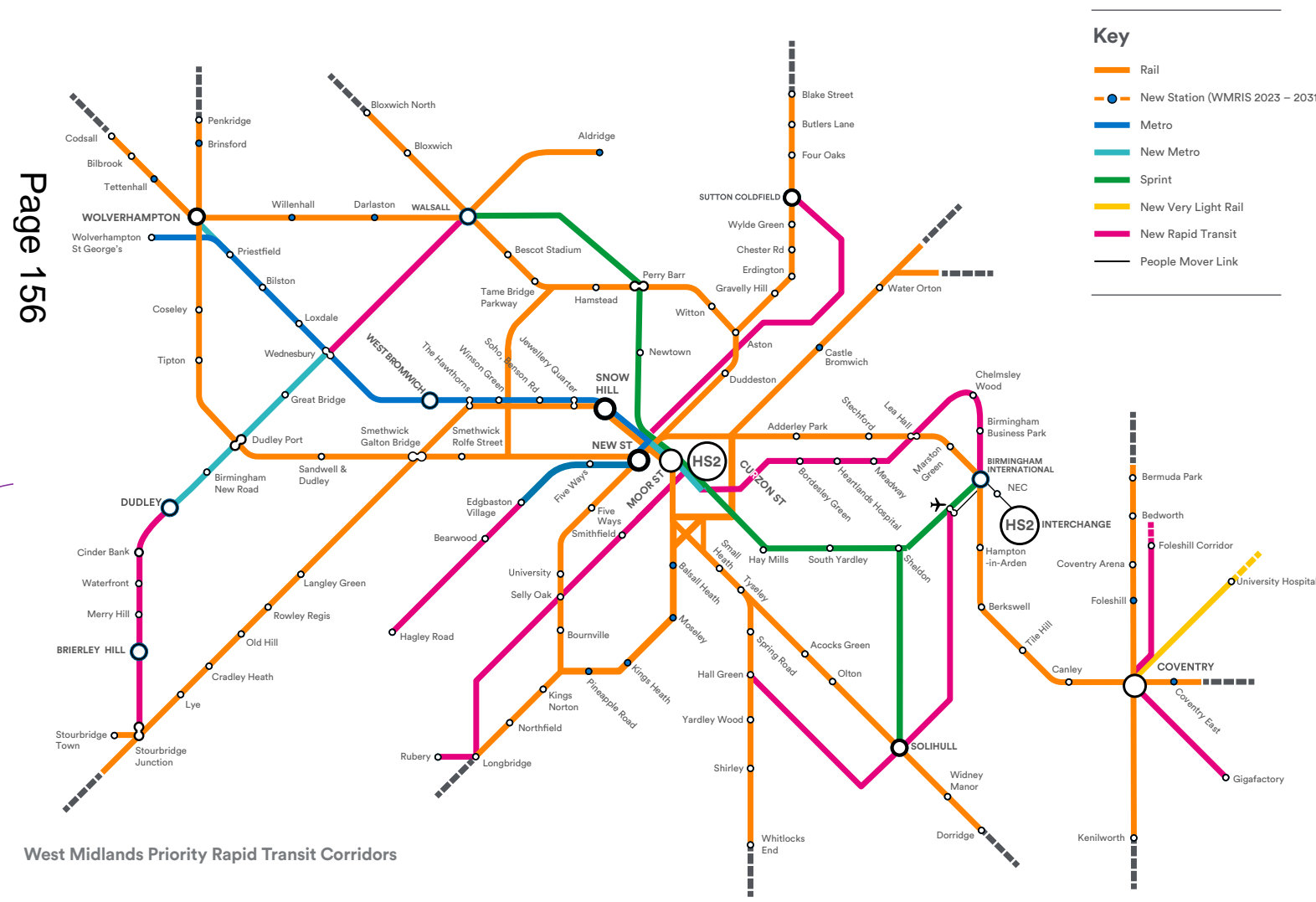


# Key elements of our integrated Public Transport network

The West Midlands seeks a public transport system that plays its full and proper part in achieving a 45-minute region and 15-minute neighbourhoods without the need to use a car. To achieve this, the West Midlands will seek to achieve a high quality integrated public transport system and complementary shared mobility services. The series of networks, integrated as one overall system will help us improve performance against these success factors. Two key elements of this system are shown below:

The **West Midlands rail and metro network** provides fast, high-capacity links between strategic centres, enabling public trips to be made across the conurbation. It also provides links between strategic centres and their inner and outer suburbs and the wider journey to work area. This is a key part of our '45-minute region' concept.

Our core **"turn up and go" network** comprises fixed-route bus services that connect our towns and cities with their surrounding suburbs. Compared to Rail and Metro, these services stop more frequently to allow people on and off (meaning it takes a little longer to travel further), use lower capacity vehicles, but offer very high frequencies allowing people to "turn up and go". TfWM will undertake a wider accessibility review to identify opportunities to improve network coverage in areas with poor access to public transport to explore potential for lower-frequency fixed route and/or demand responsive services to fill the gaps.



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West Midlands Priority Rapid Transit Corridors

# Maximising the opportunities from interchanges

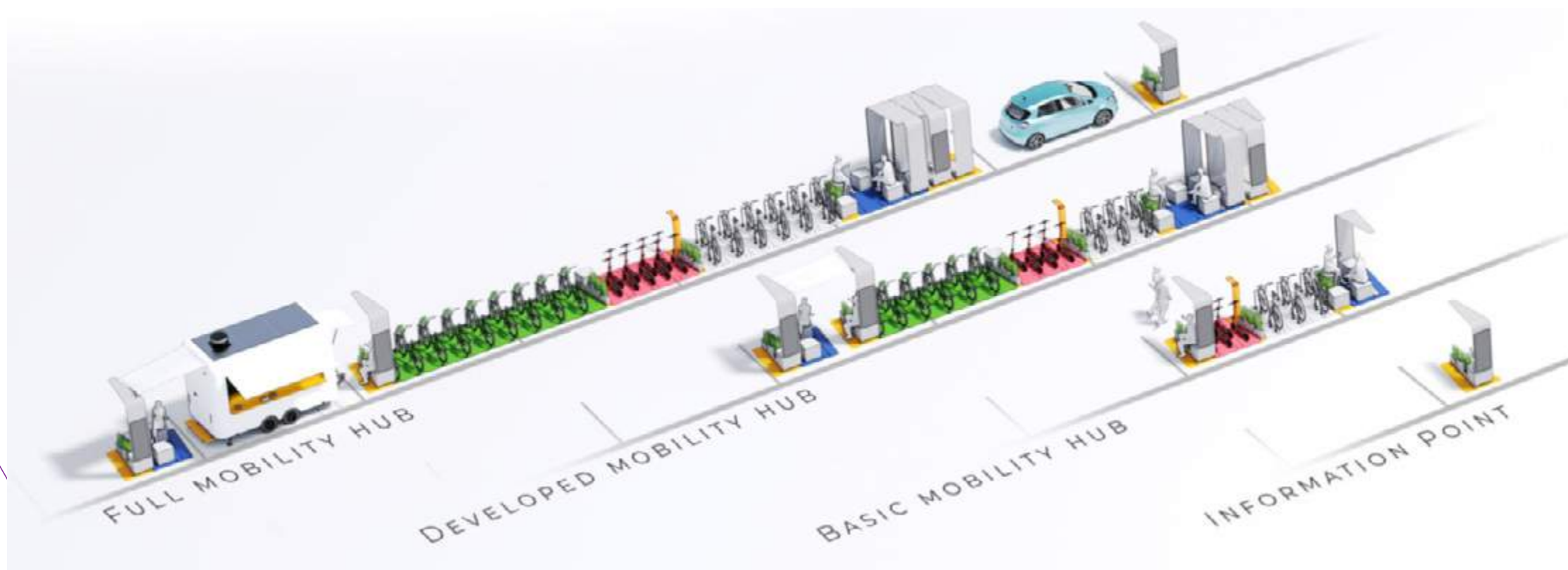
Interchanges are places where people can access transport services and transfer from one mode to another; they are a critical component of our integrated transport system providing connections between services and are gateways to local places. Where interchanges are, how they function and what opportunities there are to transition to another part of the system are a vital part of a fully integrated system.

Interchanges are not simply about being able to move from one mode of travel to another, they can also be destinations in their own right. Our network as a whole will work best if it in itself is integrated into how people in the region go about their daily lives.

Mobility hubs will be a key too in helping us to provide safe and convenient interchanges and to integrate options for onward (first-mile/last-mile) travel. Hubs will provide a consistent, high quality and safe customer experience at passenger facilities across the West Midlands. This will include working with disability groups to develop and achieve the highest possible accessible design standards.

## TfWM will work with partners to:

- Develop a programme of interchange improvements and mobility hubs based.
- Work with operators to establish more consistent and high quality customer experience standards, for all parts of the journey. Regular customer feedback will be used to identify customer pain-points and potential improvements.
- Improve the actual and perceived personal security of public transport use, including walking, wheeling, cycling or scooting, waiting, interchange, and in-vehicle elements of public transport trips.
- Improve park and ride provision at priority locations.
- Work with disability groups to ensure that accessible design standards are developed and applied across the network, working towards a barrier-free transport system, and will improve training for public transport staff to support vulnerable customers.



# Key policies and accountabilities to deliver the ambition

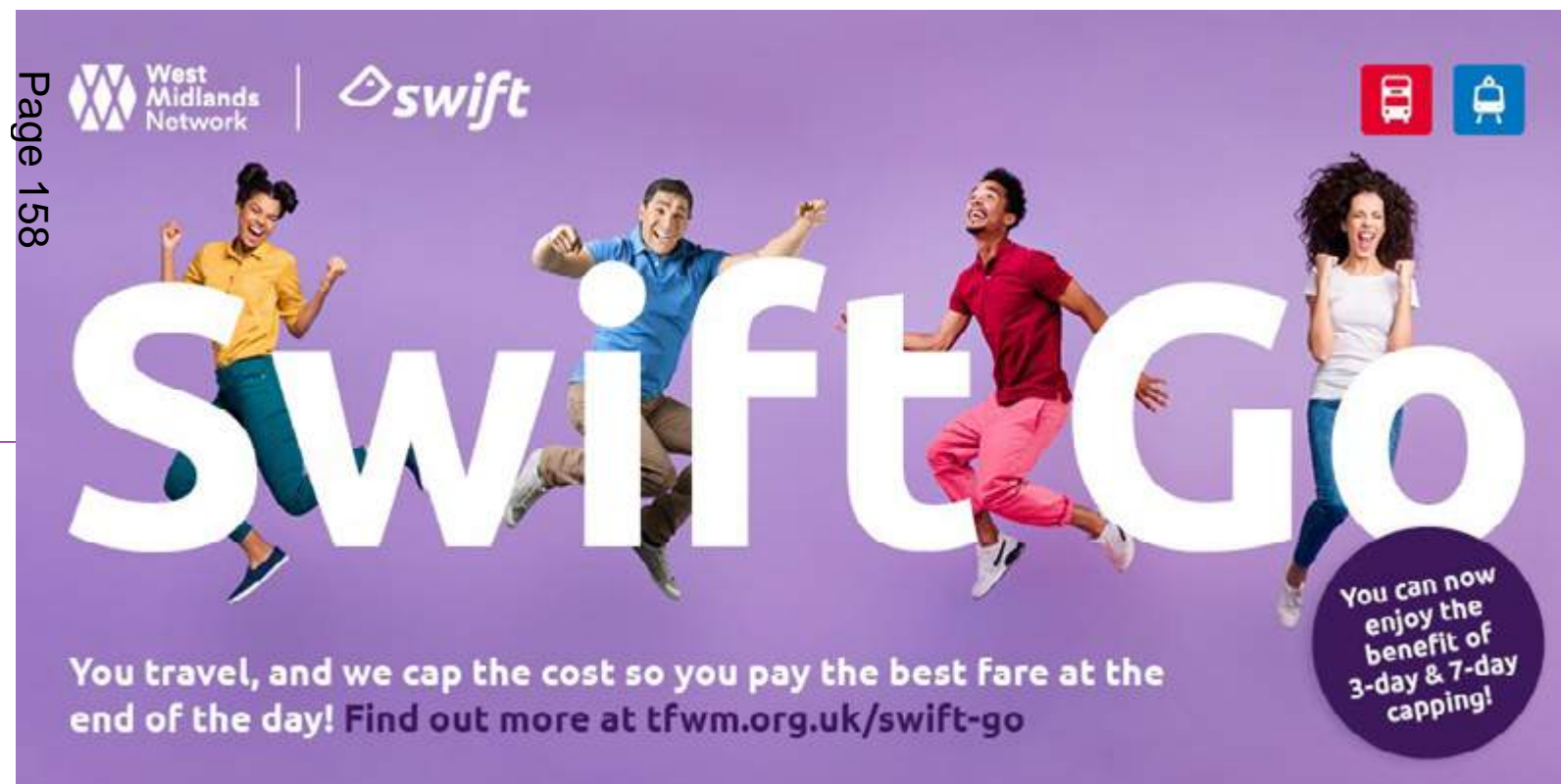
## Managing and promoting the system to provide the best experience for all users

A successful system is not just about the vehicles, the routes and how they interact, equally important is how easy it is to understand and navigate, particularly to encourage new users to it. We must therefore keep improving the information that's available to ensure that this is not a barrier to people using it more. Added to this is to promote what we've got, raising both awareness and interest in how people can travel differently. Finally, we need to support a range of different ways to pay to access the system, making sure we ensure that everyone can access the cheapest fare available to them for any journey or group of journeys without having to have an intimate knowledge of all of the options and permutations available.

### West Midlands partners will work collaboratively to:

- Develop and apply common branding across services, infrastructure and travel information to help the public recognise and navigate the public transport and shared mobility network.
- Provide a simple range of multi-modal, multi-operator, affordable fares for the public transport system, supported by smart ticketing and payment solutions and digital journey planning tools.
- Develop and deploy Mobility as a Service.

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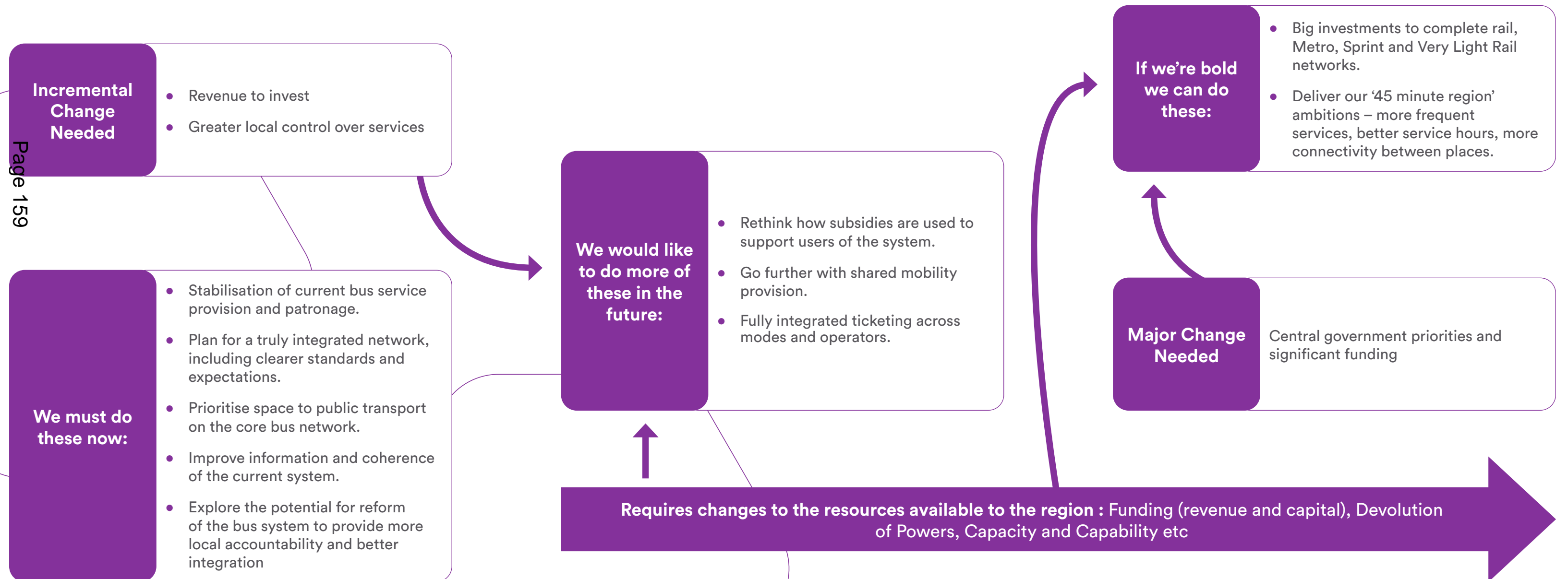




# What's the pathway to our Public Transport ambition?

We have set out our ambitions under this Big Move for what we believe the region can become and what policies are needed to help us get there. Here we present how we believe we can incrementally move towards the full ambition.

There are things we can do now. We have the resources, powers, funding and now the policies in place start the process of moving towards our vision. To get there fully will require future change to a number of factors; either resourcing/funding, devolution of powers or we may need more broad local public and political consensus of what the right choices are before we can make the next steps. In some cases we may also need changes in national policy/priorities or a technological advancement to help us make the leaps towards our Big Move.



**Big Move 5:  
A Safe, Efficient and  
Reliable transport  
network**

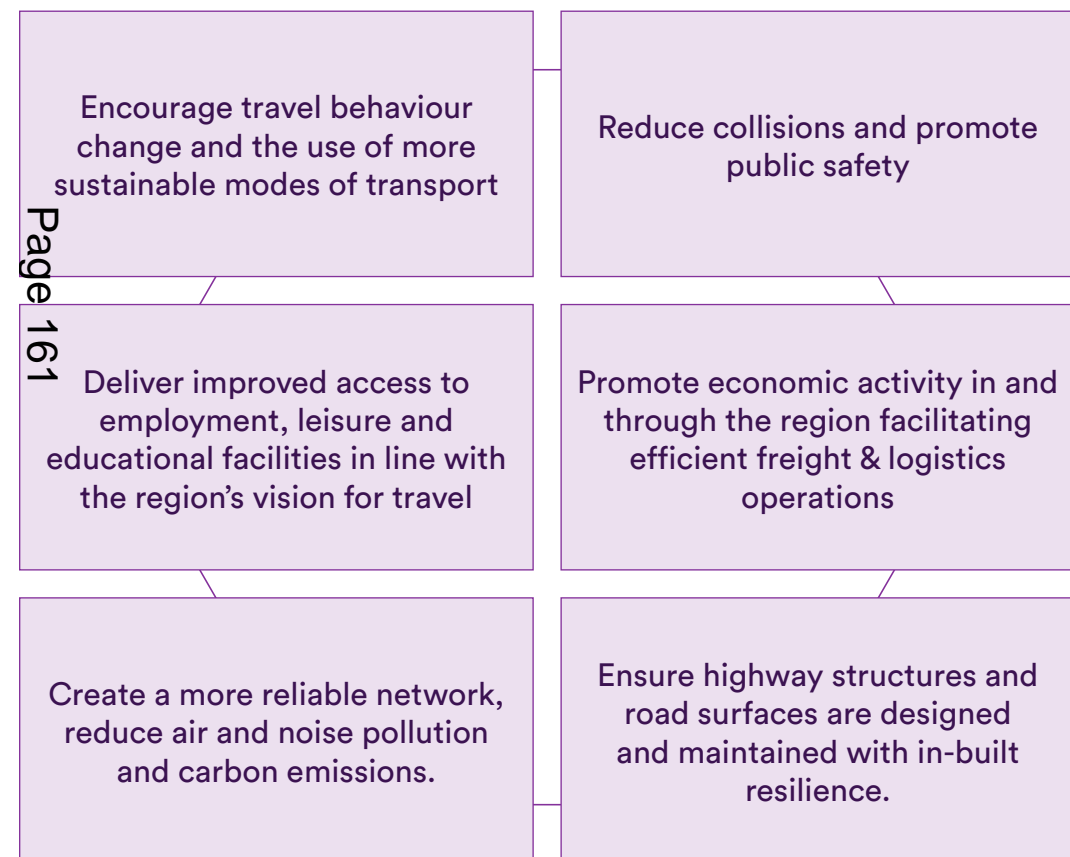
# Vision and need for change

## What is this Big Move?

This Big Move sets out the need to develop and manage the West Midlands highway network in a way that improves its reliability and resilience and better supports travel by more sustainable modes of transport.

*A network that adopts a shared approach to safer streets, one that responds to the needs and wants of existing and new users, and provides short- and long-term benefits to the users.*

**We want to use our road network to:**



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### Where we are now:

Our road networks are congested and we have challenges with keeping them well maintained. We have with high levels of air and noise pollution. Journeys by car, bus and goods vehicle are often unpredictable and unreliable, and walking, wheeling and cycling feel unsafe due to heavy and fast-moving traffic.

Managing and maintaining the network to ensure it adapts to

### Where we would like to be if our Big Move is successful:

Through better use of technology, partnership working and reallocation of space, our road network is reliable, safe and efficient for all users. It is well maintained and more resilient to extreme weather events, and road deaths are a thing of the past.

We make better use of our existing infrastructure by giving more space to modes which move people and goods most efficiently rather than trying to accommodate more cars, vans and lorries.

The road network supports our region's businesses to grow and thrive but balances this with creating safe and comfortable spaces on streets where people live or spend time.

## What would our residents like to see change?

“A healthier life expectancy is more beneficial however sometimes it’s hard to remember that when you’re running late or you’re tired and it is just easier to hop in the car. **I think if we knew that the public transport were more reliable and less crowded I believe more people would be inclined to use it more.**”  
25-44, Birmingham, 2 cars in HH, Driver

“**Good connectivity, ample car parking** at bus/coach stations, airports and railway stations. **Regular and reliable bus transport.** Trains that run on time and aren’t cancelled all the time. Cost of transport should be **affordable as well**, maybe cross subsidised by heavy fines for those that don’t pay when they use public transport.”  
25-44, Birmingham, 2 cars in HH, Driver

“The local community **should use public transport more and use the car less**, so we have less air pollution. **The planet as a whole should contribute to the green environment.**”  
16-24, Birmingham, One car in HH, Driver

“I would like to see everyone have a long-term benefit to an active lifestyle which means I will have a longer life expectancy, and I would also like people to be surrounded by **environmentally friendly modes of transport** which don’t deteriorate their health.”  
16-24, Birmingham, One car in HH, Driver

# What does this mean in practice?

## This Big Move is all about:

- How we will think about **planning, developing and making investment decisions** to improve the network for current and future generations.
- How we will effectively **manage the performance of the highway network** to make sure it is reliable and safe and provides good access to opportunities for all road users.
- How we will **maintain the existing highway network** to a high standard for everyone who uses it.



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## Our Core Strategy says we need to:

### Reduce Traffic

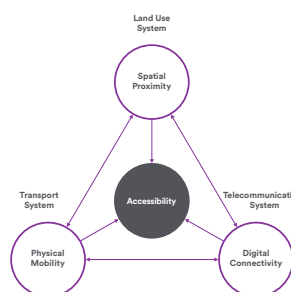


## How our Big Move will contribute to these goals:

We need to think differently about our roads, they are part of a holistic transport system to move people and goods, not just to move cars, vans and lorries. We can make roads more efficient and still reduce traffic. At the same time this can help create better places.

The use of space on our roads will be one of, if not the most influential way in which we can achieve our overall aims for the Core Strategy. It is a scarce resource and one which we will need to manage appropriately. Sometimes we may need to reduce the amount of space available for traffic, in order to give that space to active and public transport, which will in-turn discourage some car use.

### Improve Accessibility



Once again we need to think about accessibility differently. Previously we have been guilty of thinking in simple terms about how far a car, van or lorry can travel within a certain length of time. The further they could go was a measure of success. Unfortunately that kind of thinking simply re-enforces investment which seeks to continually improve this metric, often at the expense of other desirable outcomes (e.g. health and the environment). To think differently we need to consider that success could mean that journeys are made within a more predictable journey time, as opposed to simply faster, and that the journey has been safe and contributed less to air pollution.

Reliable and safe journeys can still help create an economically successful region. We need to be targeted as to what's the right approach for different parts of our network.

### Electrify Transport



As with all our Big Moves we need to support the transition to all types of zero emission vehicles. Recharging and refuelling needs can largely be grouped into three: at home/business, en-route and at destination. The en-route elements is particularly important for how we plan our road networks. By working with the private sector we can help deliver a network of recharging and refuelling opportunities which meet all three of these needs, which over time will create more and more confidence for residents and businesses to make the switch.



# Key policies and accountabilities to deliver the ambition

## A new way to think about we plan and develop the network to encourage reliable and safe travel

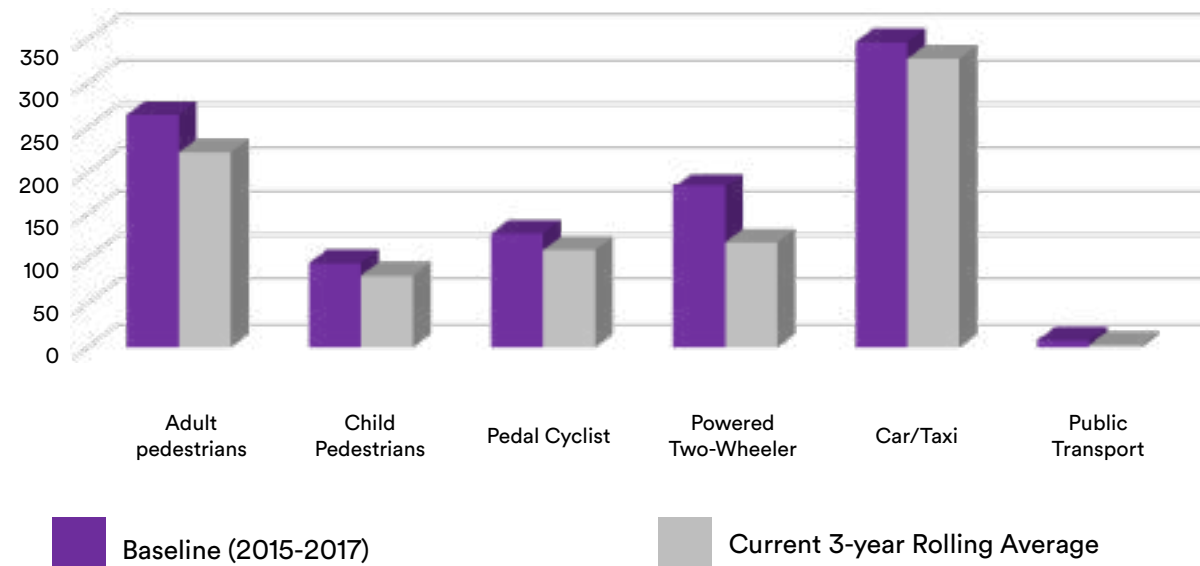
The need to consider how we use the space available to us is paramount, in future we will think about firstly who we want to give priority to and for what reasons, and secondly how we make the most efficient use of that space to move people and goods. As the home of UK transport innovation and leading the largest national transport innovation programme, we will continue to test and adopt new technology to improve our ability to manage and operate the transport network more reliably and safely.

We have known for some time that we cannot build our way out of congestion. More roads just produce more cars and the problems just repeat themselves. Given that much of our road network is in constrained urban environments, building new or widening existing roads is most often physically very difficult anyway. This means we need a new approach and guidance/policy on how/when and why we'll share the space available on our roads and streets. Our starting point will always be to find all ways possible not to increase the capacity of any road, but we should challenge ourselves to make alternatives work.

We recognise that deaths and serious injuries on the road are not an acceptable price to pay for mobility. This approach will enable a safe systems approach that considers safety on all aspects of the transport system and will be based on safe road users, safe vehicles, safe speeds, safe roads and mobility, and a post-crash response. In addition to achieving a 40% reduction in the amount of Killed and Seriously Injured (KSIs) across the region by 2028, the West Midlands will also adopt a more stretching target of a 50% reduction in killed and seriously injured road casualties per 100,000 population by 2030.

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**KSIs by Target Categories -  
Baseline (2015-2017) vs Current 3-Year Rolling Average (2019-2021)**



### WMCA and local authorities will:

- Develop a more consistent framework for using and improving different types of streets to enable more people to travel safely by sustainable modes. This will guide investment and network management decisions and will help to future proof our streets for new technologies and extreme weather events.
- Adopt a general presumption against investment in new roads and highways capacity, except where such capacity is justified to provide transformational sustainable transport provision or to sustainably unlock development sites.
- Adopt a Vision Zero approach to road danger reduction and will publish a new Regional Road Safety Strategy containing a more detailed action plan based on the safe systems approach.
- Any improvements to the highway network will be designed to minimise the negative environmental impacts (including reducing embodied carbon) and to enhance the urban and natural environment.



# Key policies and accountabilities to deliver the ambition

## Making the most of the network we have any ensuring it operates efficiently

We have to make what we already have operate as efficiently as possible. WMCA and local authorities will improve the operational efficiency and reliability of the transport network through a collaborative partnership approach, including National Highways and West Midlands Police, focusing on measures to better manage the operation and maintenance of the highway network including responding effectively to planned and unplanned disruption. This may require some tweaks or changes to the road layout but often it will be to utilise technology.

We have started to do this through our Regional Transport Co-ordination Centre (RTCC), which opened in 2020. But there is much more to come from that asset as technology improves and we can integrate more into it. TfWM and local authorities will also work with freight and logistics operators to ensure that the development and management of our network supports more efficient, safe, sustainable and reliable freight & logistics journeys.

Across the region area strategies will be developed and these will apply consistent approaches to managing car parking availability, pricing and enforcement in different locations, to manage the amount of space that is given to parked vehicles, to tackle issues such as pavement parking, and to support the shift to more sustainable modes. Enforcement and regulation are essential tools for managing the network effectively. People need to feel encouraged to make sustainable journeys, WMCA will support this through providing journey planning tools and information.

### The Regional Transport Co-ordination Centre (RTCC):



### WMCA will:

- Work collaboratively with local and national partners (including National Highways and West Midlands Police) to manage and monitor the West Midlands Key Route Network (KRN) to achieve LTP objectives, including identifying additional powers and funding required to improve the management of the KRN.
- Focus on improved use of RTCC and new technology; better enforcement of moving traffic offences and management of parking; better management of street works; and travel demand management measures.
- Work with local authorities to ensure that area strategies consider robust approaches to managing local car parking, cycle parking, and deliveries and servicing, to support the shift to more sustainable modes.
- Maintain a programme of interventions to encourage people to make sustainable journeys and make best use of available capacity, including journey planning tools and information and supporting road users during times of planned and unplanned disruption.
- Work with freight and logistics operators to ensure that transport network supports more efficient, safe, sustainable and reliable movement of goods.

## Making sure that our roads are well maintained and safe to use

We need to address the decline in road surface conditions and ensure all assets are maintained, but there are funding pressures which hamper this aspiration. Added to this comes the increased pressure of climate change causing more extreme weather (especially from hotter summers and colder winters) which is causing a faster degradation of our roads. As we develop new ways of delivering maintenance and greater use of technology to monitor the condition of our roads, we will ensure that we particularly consider the needs of vulnerable road users, such as people walking, wheeling, scooting or cycling.

### TfWM and local authorities will:

- Develop the Central Asset Repository for the Key Route Network to ensure that highways assets are maintained to a high standard for all road users through our Highway Maintenance Programme.
- Make best use of data to proactively maintain and improve the network.



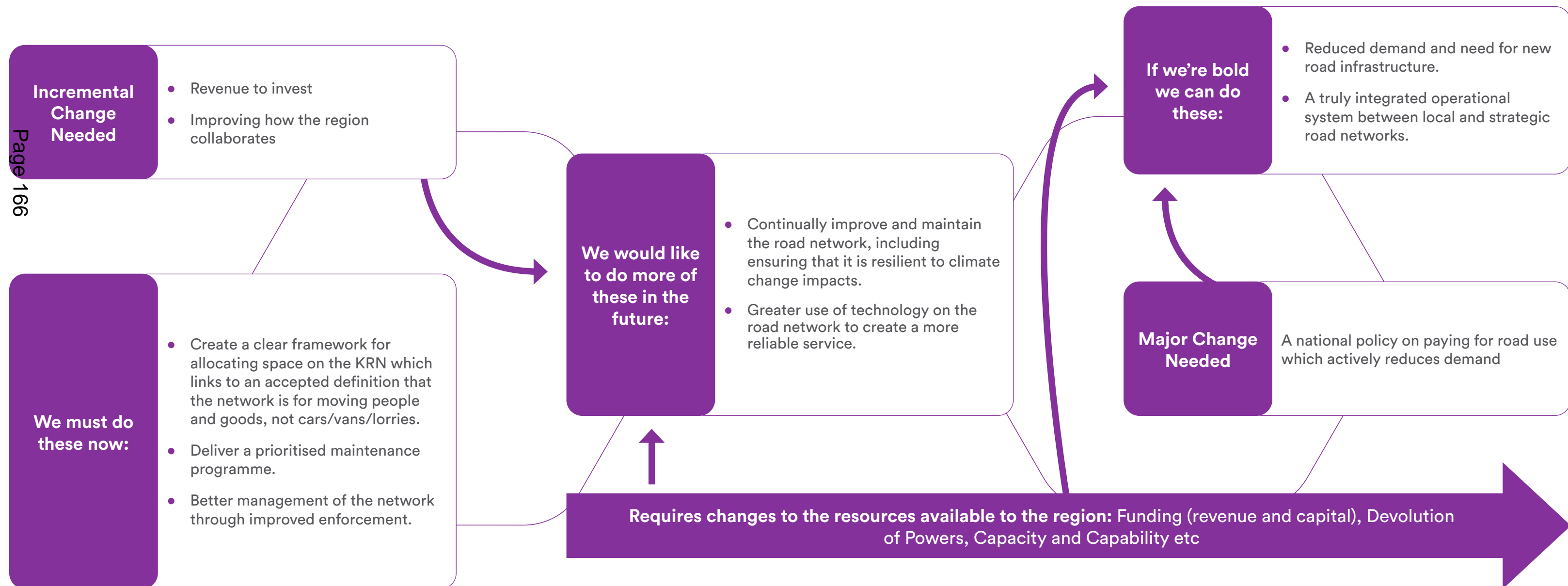




# What's the pathway to our Safe, Efficient & Reliable Network ambition?

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# **Big Move 6: A green transport revolution**

# Vision and need for change

## What is this Big Move?

The West Midlands Combined Authority has declared a climate emergency and committed to achieving a net-zero region by 2041. Our transport system needs to support this goal by accelerating the use of zero emission vehicles and supporting more sustainable lifestyles. The land, water and air that we depend on is being damaged at a rate that is unsustainable. We need to reduce our impacts by pursuing the appropriate policies and maximising our use of technology and innovation in an appropriate way to help us minimise and where possible turn back damage to our environment.

**Our region must work together to tackle the climate emergency, improve air quality and maintain biodiversity. We can achieve this by supporting sustainable lifestyles and supporting a technology revolution.**



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### Where we are now:

The pace and rollout of electric vehicle charging infrastructure is too slow and a known barrier to more people making the switch.

Innovation in the transport field often happens in silos which is holding back further opportunities and benefits, particularly to accelerate our trajectory to net-zero carbon by 2041.

Transport has a significant detrimental and ultimately unsustainable impact on the natural and built environment.

### Where we would like to be if our Big Move is successful:

We are exploiting our strengths in products such as public transport, connected and autonomous vehicles, 5G, Mobility as a Service and modern infrastructure construction techniques as well as battery technology to provide world-class transport services for residents and businesses.

Our region has become a place to test and trial innovative new ways of developing, managing and maintaining the transport network.

The extensive network of recharging and refueling hubs available supports a rapid transition to low-emission vehicles (car/van, lorries and public transport), creating cleaner air and meeting our net zero commitments.

## What would our residents like to see change?

“Our local high street is one of the most polluted in the midlands, both our kids have been in and out of hospital with breathing conditions exacerbated by pollution. **Reduce the amount of standing traffic. Pedestrianise the high street!**”

45-64, Sandwell, One car in HH, Non licence holder

“It is very important to reduce or carbon emissions. **Not only is it healthier for ourselves, but is good for the environment.** Polluting our planet is not something that we should continue to do as the knock on effect will be effect for years to come”

25-44, Birmingham, 2 cars in Household ,Driver

**Environmentally Friendly Alternatives**

“Car ownership has risen overtime and will continue to do so, but the cars we use will gradually change to more environmentally friendly models such as electric cars, but this will take time -similar to the switch from leaded to unleaded petrol.”

65+, Dudley, 1 car in HH, Driver

“I would like the planet to be more eco-friendly and the environment to be better, as well as pollution levels lowered.”

16-24, Sandwell, Three+ cars in HH, Driver

# What does this mean in practice?

## This Big Move is all about:

- Supporting the transition to a zero emission vehicle fleet in the West Midlands to radically reduce transport emissions. This requires the right **recharging and refuelling network** to support an accelerated shift away from internal combustion engines; and requires investment to support rapid transition of the public transport and shared transport fleet to zero emission vehicles.
- How we will ensure that all decisions we make will consider the impacts on and seek to improve the quality of **built and natural environments**.
- How we will embed **innovation** into our way of working through partnerships, both within the public sector and with the private sector. We are seeking to maximise the opportunities of the assets we hold, the expertise in our teams and the data we collect.



We can focus our innovative thinking towards creating a zero carbon transport system which brings our communities together.

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## Our Core Strategy says we need to:

### Electrifying Transport



## How our Big Move will contribute to these goals:

Accelerating the shift away from internal combustion engines is the main focus for this Big Move. We know that, despite excellent progress in recent years, our charging infrastructure network is not yet where it needs to be. We need to get infrastructure to where users need it: at home (for areas where there is little or no off-street parking), enroute for longer journeys and at the destinations people travel to. Each of those has their own needs (in terms of space, trickle/rapid or ultra-rapid charging) which will need to be planned for carefully.

There is also a need for us to think about integrating electric vehicles into a wider ‘public’ transport offer through the use of car clubs and the promotion of shared use/ownership models for EVs.

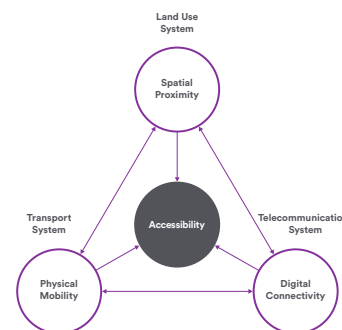
### Reduce Traffic



Technology will drive radical changes in transport in the next few decades with profound implications for transport users and businesses. Electrification, connectivity, automation, and real-time data collection and analysis are driving the development of new modes of travel and new ways to do business. Transport innovation has significant opportunities for the people and businesses of the region by making journeys more affordable, reliable and safer whilst reducing the impact on the environment.

There is more to our innovation work than to simply reduce traffic but technology will have a strong role to play in both managing demand and reducing the need to travel.

### Improve Accessibility



Digital connectivity forms part of our new definition and way of measuring accessibility for the West Midlands. Having access to good digital connectivity will have an increasing impact on people’s quality of life.

We will need to think carefully about some of the potential unintended consequences of future technology and innovation. We will ensure that it is a positive addition to our region and adds to our wider definition of how we want accessibility to improve. Without the right frameworks and policies in place new modes of transport and business models could have potentially disruptive impacts on accessibility.



# Key policies and accountabilities to deliver the ambition

## Supporting the switch to zero emission vehicles

- There is a strong theme through our LTP Core Strategy and these Big Moves to transition to a region where active and public transport are the first choice to make most journeys. However, we do recognise that cars will remain the most flexible form of transport. In order to meet our 2041 net-zero carbon targets we will therefore have to accelerate the take up of electric vehicles for residents, workers and visitors to our region. To meet the needs of existing and new communities and businesses across the region. Our plans for doing so will consider the needs of all types of vehicles and support an equitable transition to an electric future.
- It is not just cars that need to make the switch, we also need to find ways for businesses to electrify or use other alternative fuels for vans, lorries, buses and coaches. For buses, TfWM is aiming for a **100% zero emissions bus fleet by 2030**. This will use lessons learned from the Coventry zero emission bus project, identifying existing or new bus depot locations to accommodate vehicle infrastructure.
- We will work closely with Midlands Connect (the Sub-national Transport Body for the whole Midlands region) who are leading on national research and recommendations around the recharging and refuelling infrastructure needed to support the freight and logistics industry to decarbonise.

**WMCA, TfWM, Midlands Connect, local authority and energy partners will:**

- Work together with our local authorities and Midlands Connect to develop an updated Zero Emission Vehicle Strategy, to guide the provision of a public charging and refuelling infrastructure network to support an equitable transition to ZEVs. The strategy will consider the needs of both private vehicles and commercial vehicles, including public transport (targeting the bus, metro and rail networks).

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# Key policies and accountabilities to deliver the ambition

## Ensuring what we plan and deliver avoids harm to our built and natural environment

- Our Local Transport Plan commits us to embed sustainability practices into projects from the initial planning stages. Impacts on the natural environment occur throughout a project's lifecycle, so it is important to be proactive as we plan, deliver, operate (and decommission) the transport system and its component elements.
- Improving the environmental quality of urban areas is fundamental to securing a sustainable future for the people of the region. WMCA will develop a regional Air Quality Framework to ensure air quality is improved and the opportunities to improve it are considered for all new schemes and projects.
- We recognise the impact that new developments and transport infrastructure can have on the surrounding environment and biodiversity of areas. TfWM and local authorities will work together to conserve and enhance the urban environment, including heritage assets for all new projects.

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### WMCA, TfWM and local authorities partners will:

- Adopt PAS2080 standards to minimise embodied carbon emissions from new transport infrastructure, and meeting or exceeding statutory requirements with respect to issues such as Clean Air, Biodiversity Net Gain and conservation of the urban environment, including heritage assets.
- Place a strong emphasis on avoiding, mitigating and enhancing environmental impacts at all stages of developing and delivering transport improvements.

## Innovation to enhance our region

The region has great assets as a public authority to unlock innovation. This includes our ownership and operation of the road network, of public transport infrastructure and land/space to allocate to promoting new modes of travel. We will put these assets to use in a way that ensures we explore innovation ideas in a way that seeks to unlock opportunity to support the wider aims of our Local Transport Plan.

Examples of innovation principles / the assets that we bring to our projects currently:

Title	Explanation	Example
Access to public funding	Innovation projects rely on money. WMCA applies for grants from Government for varying different projects.	Future Transport Zone – £22 million for numerous different innovations, such as Mobility Hubs and Mobility as a Service.
Access to authority and powers to plan, develop and regulate	In order to appropriately test new technologies, sometimes regulatory powers need to be changed. This allows trials to work in areas they would not previously	Trailblazing Devolution Deal – being negotiated to devolve more power to the metropolitan county. Potentially including Regulatory Sandbox to give more ability to trial new innovations.
Access to our partnerships and influence with key agents	WMCA innovation relies on constituent local authorities in the West Midlands, other nearby local authorities, Local Enterprise Partnerships, other local services, private enterprise and more.	Drone project is in partnership with police and local authorities within the West Midlands.
Access to public infrastructure	While the road/transport infrastructure comes collectively under the responsibility TfWM, local authorities, national government and private sector businesses, we do maintain a significant function and control.	WMCA holds particular responsibility for the Key Route Network of roads, the 23 busiest routes in the West Midlands.
Access to skills and expertise	Institutional skills from across the WMCA assist in the identification and development of innovation. Knowledge and previous experience can guide new innovation projects.	West Midlands Metro advising on new Very Light Rail (VLR) projects, to give insight on challenges facing light rail projects.
Access to public data and information	In order to decide which innovations are necessary and assess any innovation projects, data collection and analysis is vital.	Regional Transport Co-Ordination Centre (RTCC) which gives the ability to view the transport network 24 hours a day.

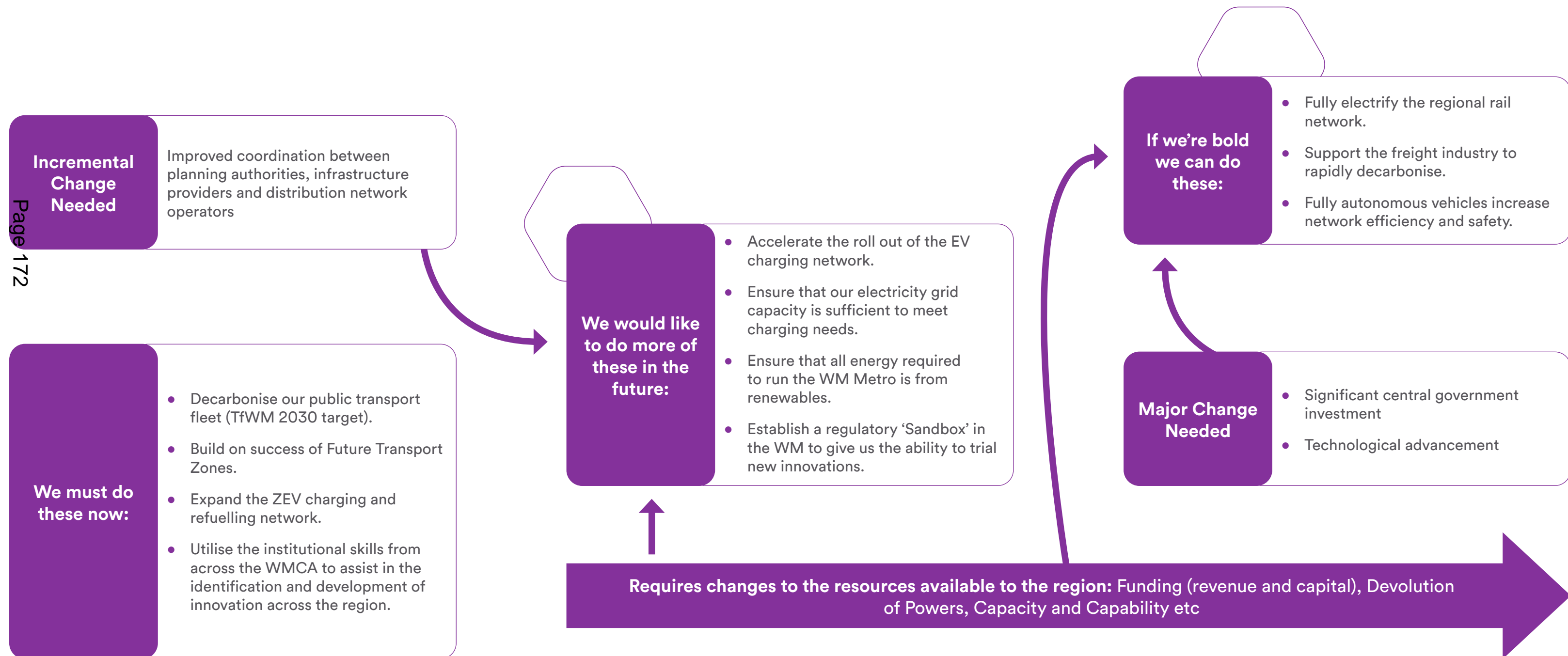
### TfWM and partners will:

- As the home of UK transport innovation and leading the largest national transport innovation programme, TfWM and our partners will continue to test and adopt new technology; maximising opportunities which support our objectives of our LTP, whilst mitigating any potential negative impacts.

# What's the pathway to our Green Revolution ambition?

We have set out our ambitions under this Big Move for what we believe the region can become and what policies are needed to help us get there. Here we present how we believe we can incrementally move towards the full ambition.

There are things we can do now. We have the resources, powers, funding and now the policies in place start the process of moving towards our vision. To get there fully will require future change to a number of factors; either resourcing/funding, devolution of powers or we may need more broad local public and political consensus of what the right choices are before we can make the next steps. In some cases we may also need changes in national policy/priorities or a technological advancement to help us make the leaps towards our Big Move.





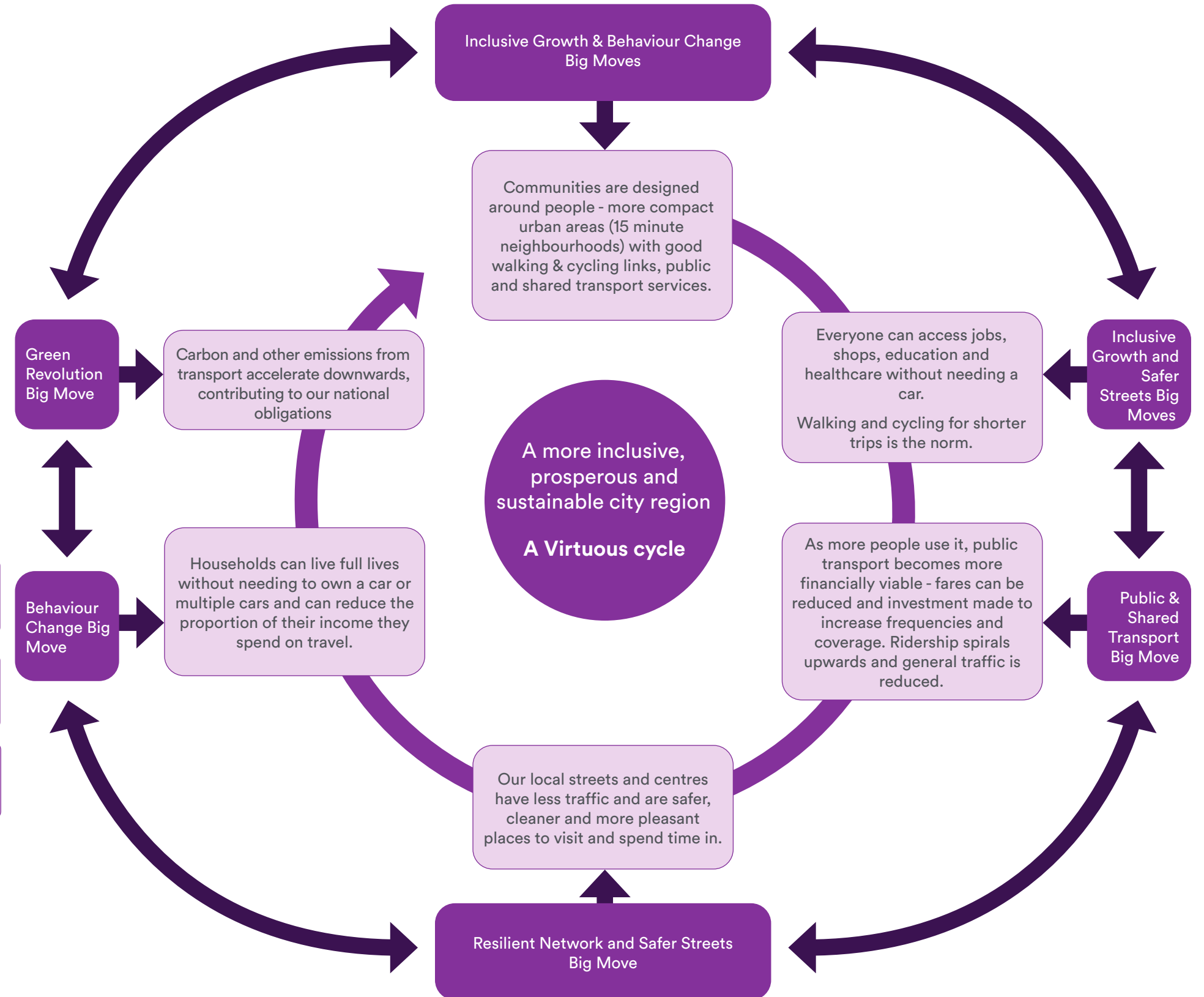
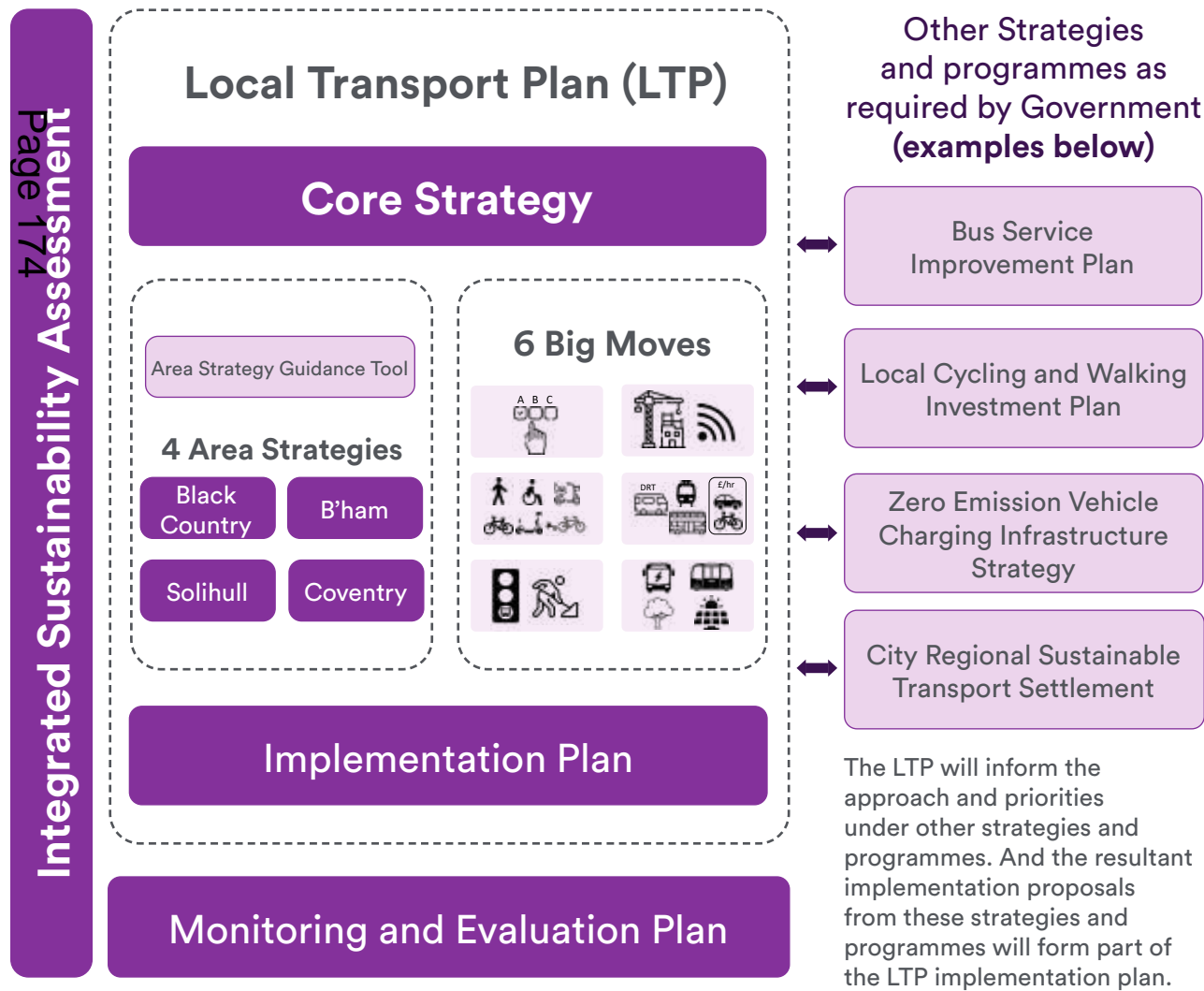
# Next steps towards our Big Moves

# Bringing our Big Moves together

## Our Big Moves must work together

The Big Moves summarised in this document are designed to be the policy representation of what the LTP Core Strategy says is required to meet the vision and objectives of our Local Transport Plan. They are also designed to be a guiding hand for translating the ambitions of the Core Strategy through to the four area strategies to come.

The Big Moves need to be taken and implemented as a whole and as we progress we need to look at how actions across all the big Moves can be delivered effectively together to deliver the most effective impacts. Our approach for area strategies will help us understand what works where, reflecting the diverse characteristics of our region. This will help us identify what needs to be delivered as no-regrets measures but also how and where we can be bolder in a way that helps us create the virtuous cycle of improvements we identified at the start of this document. They need to be delivered in a way so as to complement each other to achieve our aims.



# Things will start to change soon

## Change requires collaboration

As we set out at the start of this document, to deliver Inclusive Growth across our region, we break away from the vicious cycle of car dependence to the virtuous cycle of continuous improvement.

Change needs to start now. We need buy-in from across the region for the need for change, and for everyone to play their part in getting us there. To achieve our shared vision, we may need to make some decisions which will challenge the status quo and which could be initially unpopular with some. Delivering the Big Moves will require changes in the way we engage with our residents and businesses ensuring that they are well-informed and involved throughout their evolution.

## Change requires ongoing adaptation

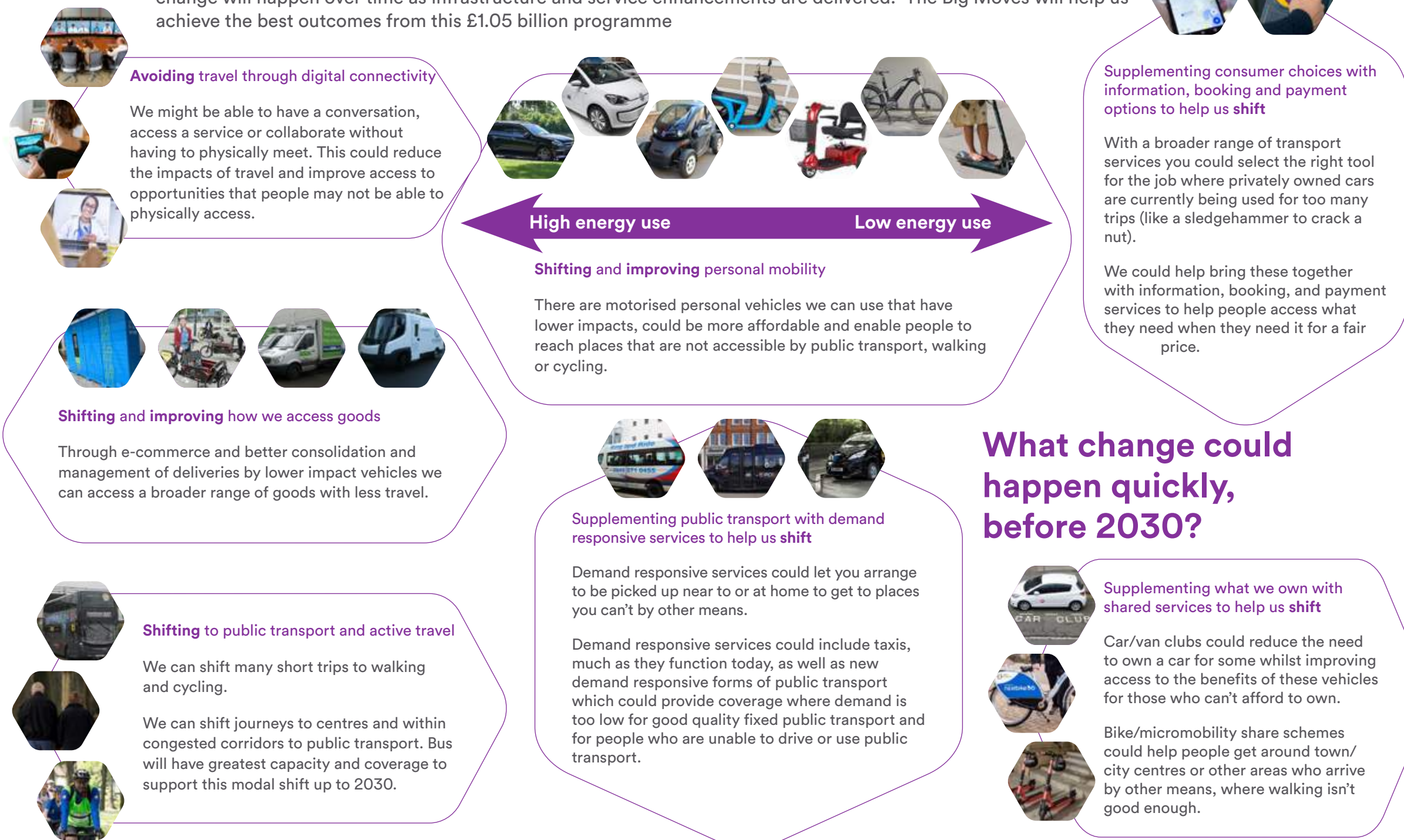
The future is inherently uncertain and some aspects of the Big Moves will need to be adapted over time, in response to changing circumstances. And for more innovative aspects of the plan, we may wish to trial some aspects in advance of rolling them out more widely across the whole region or on a permanent basis. Our success will be determined by our ability to be agile and to adapt our plans over time.

## Change requires conversation

Through developing this Local Transport Plan, from publishing the Green Paper in 2021 to the draft Big Moves in 2023, we have started a conversation about how we can reimagine transport in the West Midlands. We need to keep that discussion going and getting better at understanding people's needs and engaging on the challenges we face and the changes we need to make with the people and businesses of the region.

## Change starts now

For each Big Move we have given examples of what steps can be taken now with the funding, powers and policies we have in place. We also have a significant infrastructure programme to deliver over the next few years and so change will happen over time as infrastructure and service enhancements are delivered. The Big Moves will help us achieve the best outcomes from this £1.05 billion programme



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# What will we do next

## Transport Delivery Programme

Over the next 5 years TfWM and our partners will be delivering a significant £1.05 billion programme of transport improvements across our region. Our Big Moves policies provide additional support and direction for that exciting delivery programme by setting out a clear policy framework to guide our decision-making and priorities.

## Area Strategies

We are aware that for some of the Big Moves there is more work to do to develop our ideas and to tailor them to the needs of specific areas before we can deliver them. A key next step is to take the frameworks and policies set out in the big move documents, and develop bespoke area-based strategies which will see them translated into more specific area-based programmes. TfWM will work closely with our constituent local authorities to develop strategies for the Black Country, Birmingham, Solihull and Coventry. These will help us develop a LTP implementation plan later in 2023.

This work will draw on new data analysis techniques we have developed to map the characteristics of different communities in terms of levels of car ownership and access to every day services and opportunities. Along with significant local engagement, this will help to identify what sorts of interventions might be most appropriate in different locations, and to identify where non-transport actions are required (such as developing services closer to where people live or improving digital access to services).

## Monitoring and Evaluation

We know that the way we approach the Big Moves will need to evolve over time, in response to changes in local and national circumstances and needs. We are developing an assessment framework to help us understand the impacts of the LTP on our objectives. In particular ambitious reductions in transport related emissions are needed to achieve the region's 2041 net zero target and the UK's legally binding carbon budgets to be net zero by 2050. The Transport Decarbonisation Plan sets out that the UK Government will seek to "drive decarbonisation and transport improvements at a local level by making quantifiable carbon reductions a fundamental part of local transport planning and funding".

To do this the Government has set out that it expects Local Transport Plans to be able to demonstrate how local transport authorities will "deliver ambitious, quantifiable carbon reductions in transport, taking into account the different transport requirements of different areas. The approach we have developed for Area Strategies will form a key element of responding to the Government's requirements to do this.

We will keep the performance of the Local Transport Plan under regular review, ensuring that TfWM and its partners are delivering the commitments in the plan, and that they are having a positive impact on social, environmental and economic outcomes in the region. We will adapt the plan over time on the basis of this careful monitoring and evaluation, and in response to feedback from communities and businesses.



Transport for  
**West Midlands**

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# A summary of the Area Strategy Guidance Tool

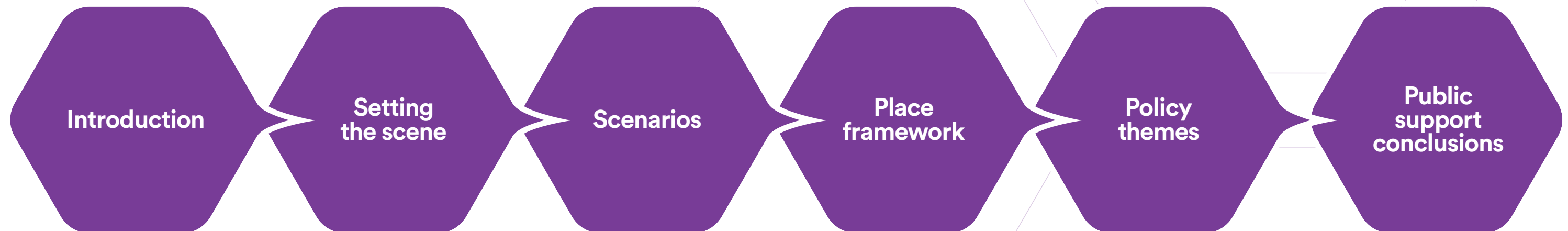
# Introduction

This document is a summary of the Reimagining Transport in the West Midlands Local Transport Plan Area Strategy Guidance Tool.

The guidance tool has been written to help West Midlands transport professionals work collectively from a common evidence base. This will help promote and co-ordinate policies which support the Local Transport Plan at a strategic and local level.

This summary document provides a high-level overview of the full Guidance document, highlighting the key stages of the step-by-step guide.

**The structure of this document is outlined in the following figure...**

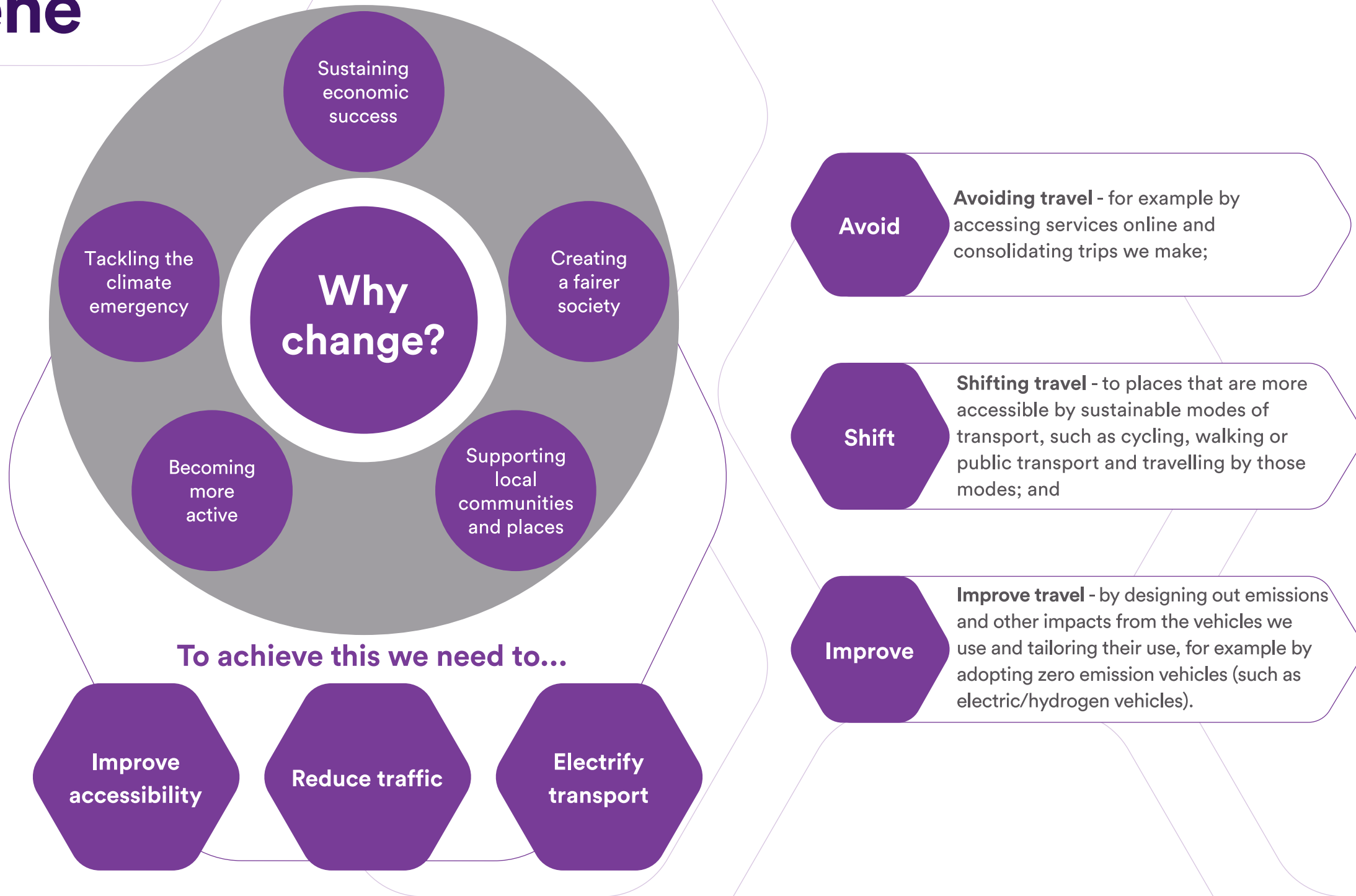


# Setting The Scene

The LTP Core Strategy sets out how we will make progress against the 5 Motives for Change. At the heart of this LTP is a need to deliver behaviour change – local and national analysis suggests that in order to achieve the rapid decarbonisation needed to meet climate change targets but also to create a more equitable transport system that works for everyone, significant behaviour change is needed.

The West Midlands is already delivering some significant improvements to the transport system. But as the LTP Green Paper explains our, current strategy won't be enough to enable us to make changes of the scale and pace required.

This guidance and tool will help us to navigate challenges and develop the most appropriate approaches that work for the different people and places of the West Midlands. It will help us develop a common understanding of existing issues and constraints, the sorts of policies and measures that might be effective and appropriate and understand their impacts to help us continue to review and improve our approach. In particular it will help us to ensure we consider how people feel about how we might change the transport system.

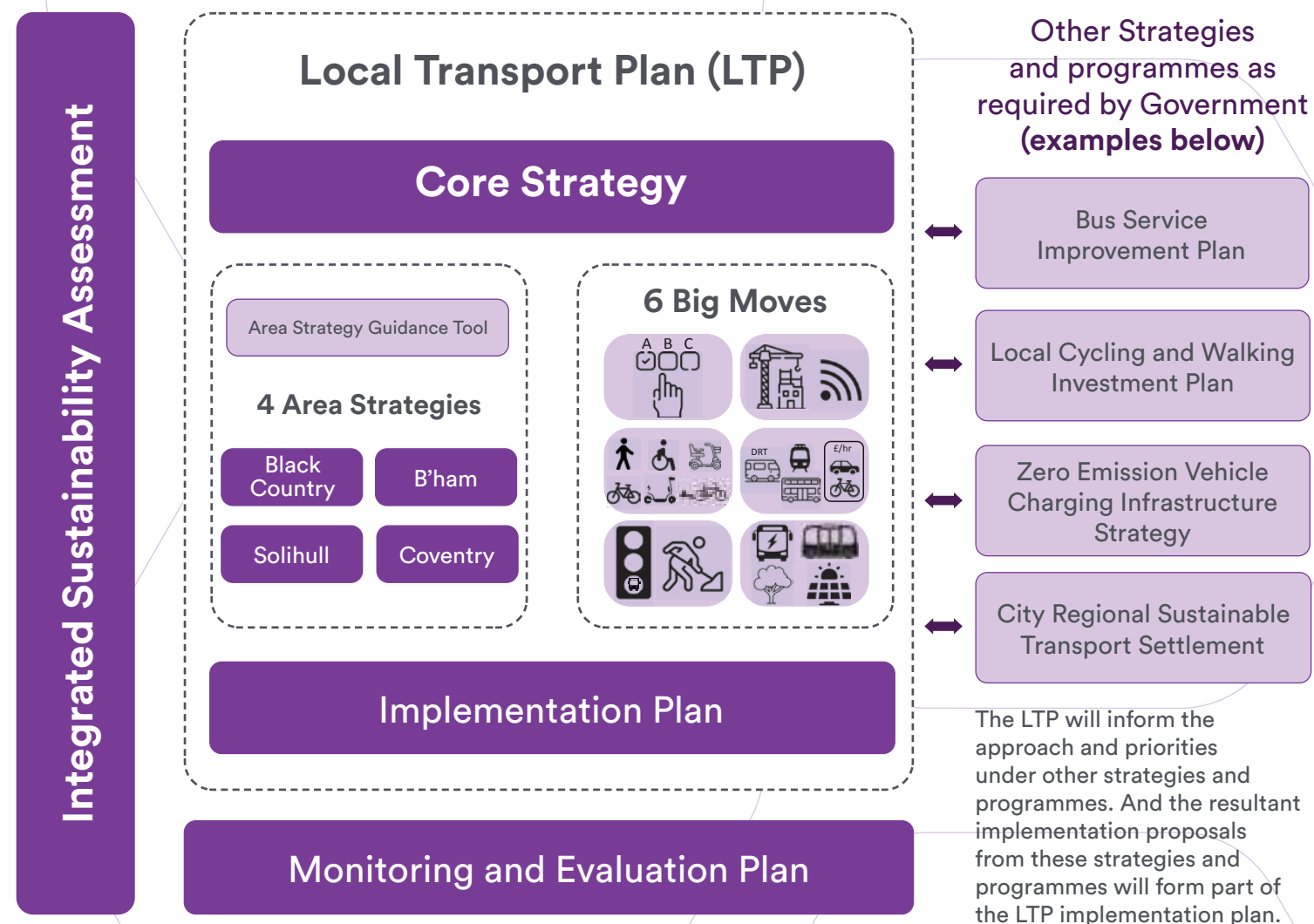


# Setting The Scene

The West Midlands LTP will include a number of component documents as set out in this diagram.

The Core Strategy sets out that we will develop four Area Strategies to help us with a strong and robust regional approach to tackling our shared challenges. This Area Strategy Guidance sets out a consistent approach to developing the four Area Strategies.

The Area Strategies will focus on the planning of measures across our neighbourhoods, centres and corridors. The Big Moves and Area Strategies will be developed in tandem. The Area Strategies will be particularly important for resolving how measures across the 6 Big Moves will be delivered alongside each other in particular places, and for accounting for the land use and development proposals within Local Development Plans.



# Setting The Scene

We need a consistent regional approach that provides long-term stability and aligns with DfT's LTP Guidance. A strategy that provides TfWM, local authorities and partners a starting place from which to develop the most effective localised approaches to the collective challenges that the region faces.

## Challenges

### Prevailing policy approaches

There is uncertainty around funding and consensus to manage demand (within and beyond our borders)

### Place

Delivering the motives for change requires a tailored strategy to enable place-specific solutions. Our traditional approach has not had a place focus on what works where.

### Public attitudes

There is uncertainty around the public's ability and willingness to accept change

## Techniques to address challenges

### Scenarios

Within Local Control Bold

### Place framework

Car ownership and use	High	Car dependent	Can shift but won't shift
	Med		
Low		Isolated and no choice	Car free (captive or choosing)
		Low	Med
		Triple-access Accessibility	

### Public attitudes



## How it helps

### Technical assessment

Identifies the good ideas that are viable and effective in delivering LTP goals

### Public support

Helps us understand which bits of strategy are easier/harder – helps us with tactics

**Guidance Tool**

# Scenarios

It is impossible to plan for every plausible future considering every plausible uncertainty, therefore we have focused on two extreme scenarios (“Within Local Control” and “Bold”) set around particular uncertainties that we considered would fundamentally affect the strategic context for intervention.

## Overview of LTP scenarios

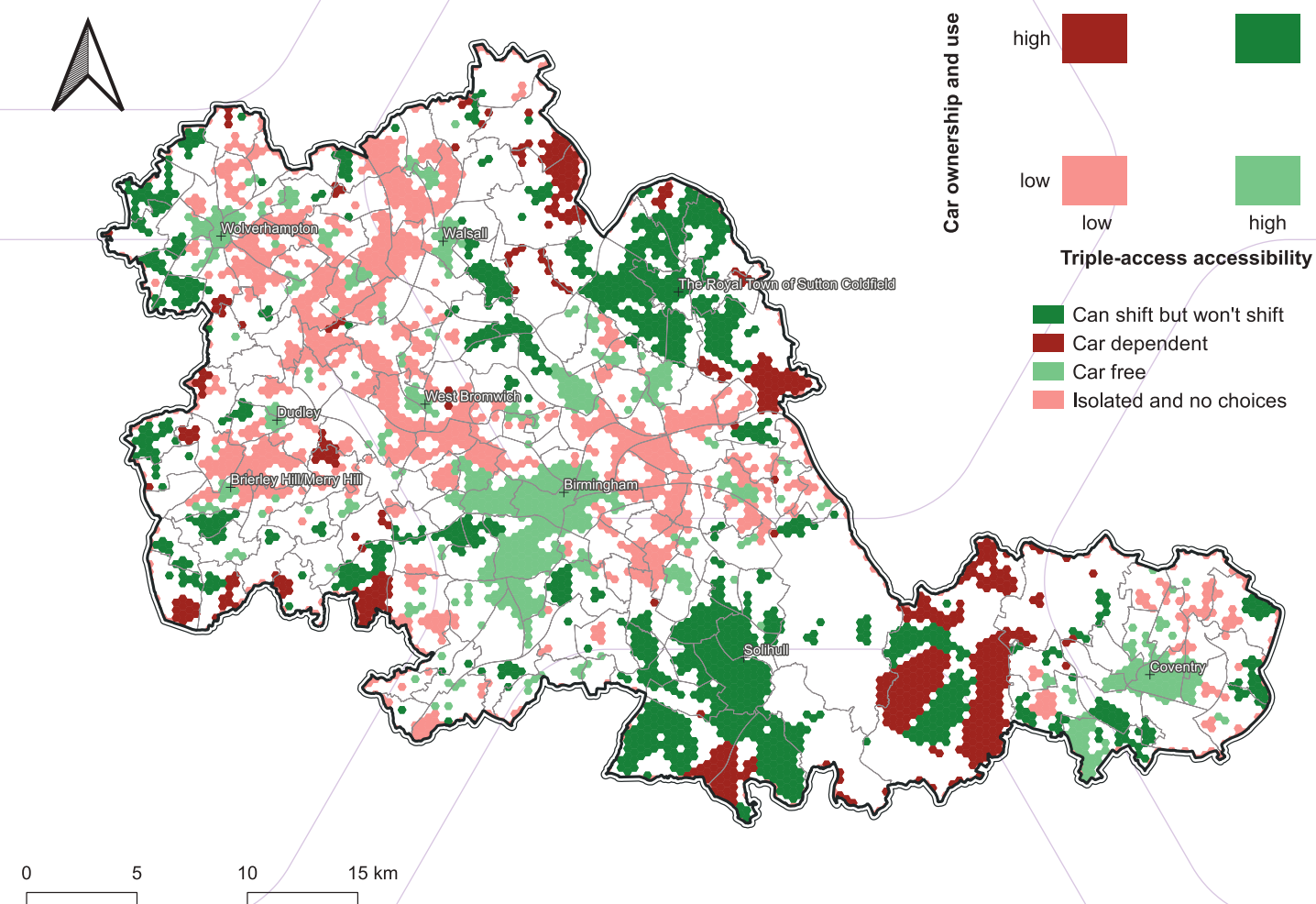
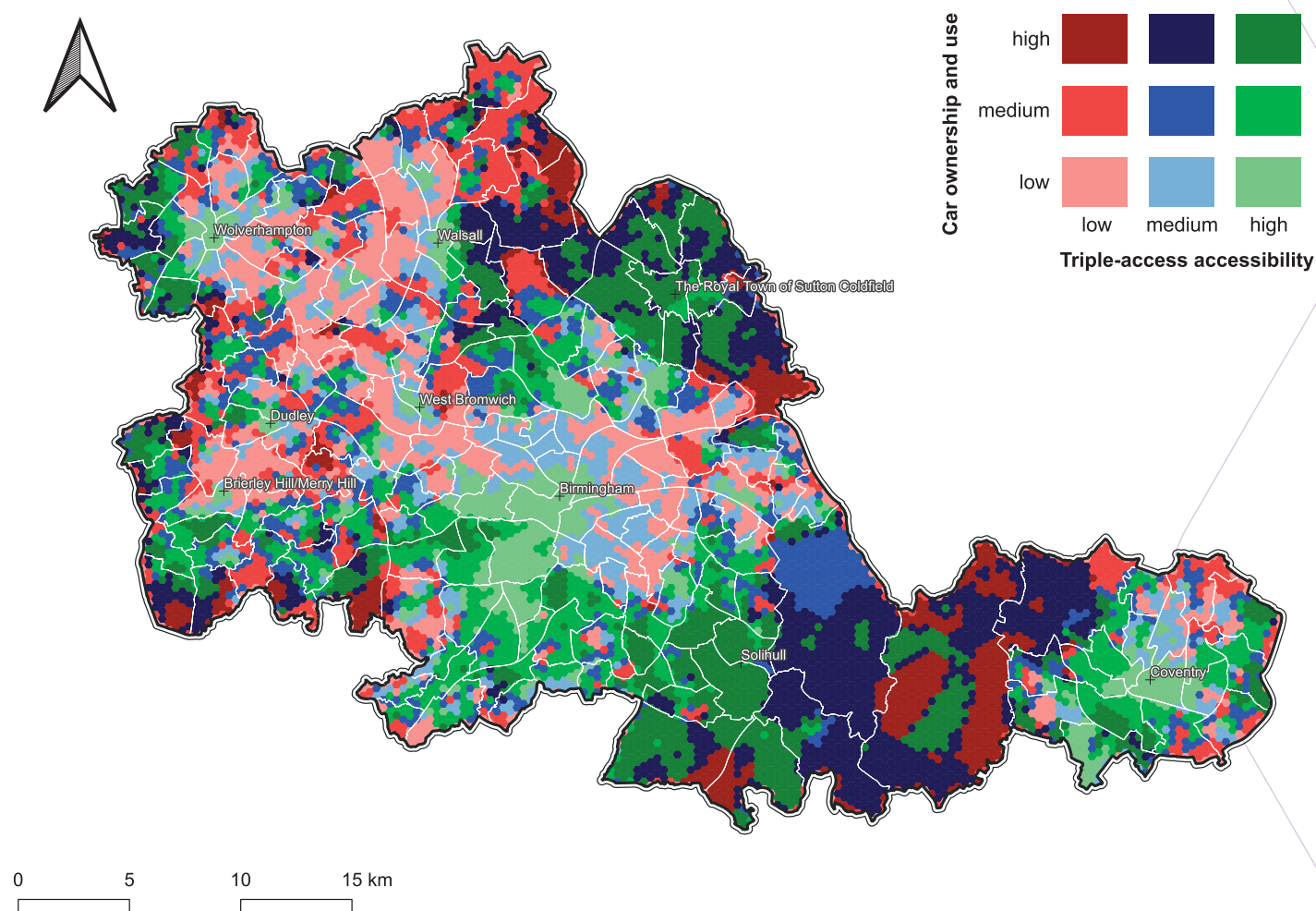
This is an overview of our “Within Local Control” and “Bold” LTP scenarios, more detail on the implications of these scenarios will be provided in guidance accompanying our LTP.





# Place Framework

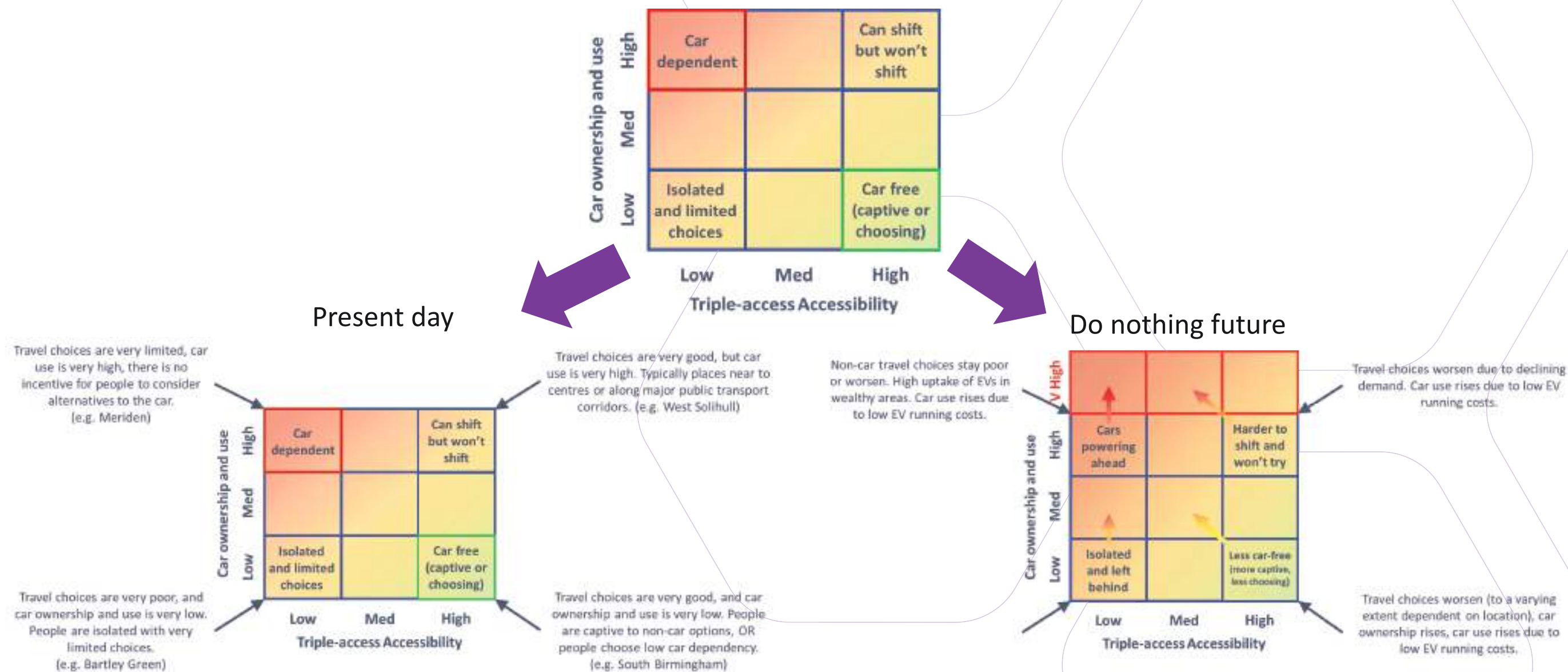
Using triple-access accessibility and car ownership and use, we categorised all places in the West Midlands as falling into 9 “bins” in a 3 X 3 matrix, describing relative access and car ownership and use. We have initially focused on the four extreme corners of the matrix to enable officers to apply critical thinking to how the key place (accessibility) and people (car ownership and use) factors would result in differences in how transport needs and options might evolve in different scenarios and places.



# Place Framework

We considered:

- General present day behaviours, available options and challenges,
- How places in the four corners might change if we take no action over the next 10-20 years,
- What local policy driven changes could be viable and effective under our “Within Local control” and “Bold” scenarios to best achieve LTP aims.

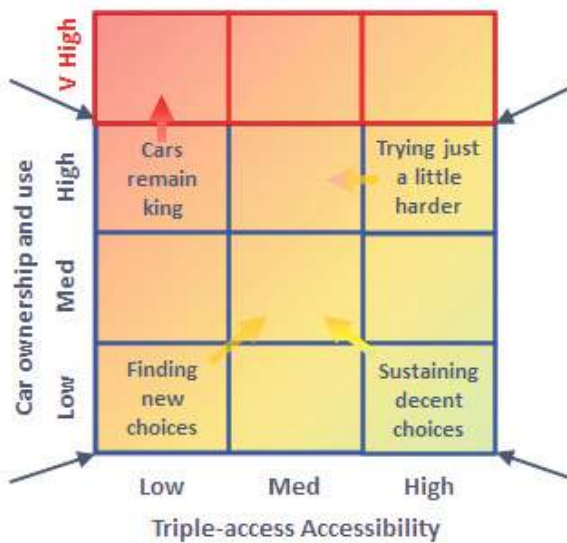




# “Within Local Control” Future

# “Bold” Future

Limited improvements to non-car travel choices. Public transport continues to struggle to compete, with service withdrawals (or replacement with DRT). High uptake of EVs in wealthy areas. Potential increase in car use, despite increased home-working.



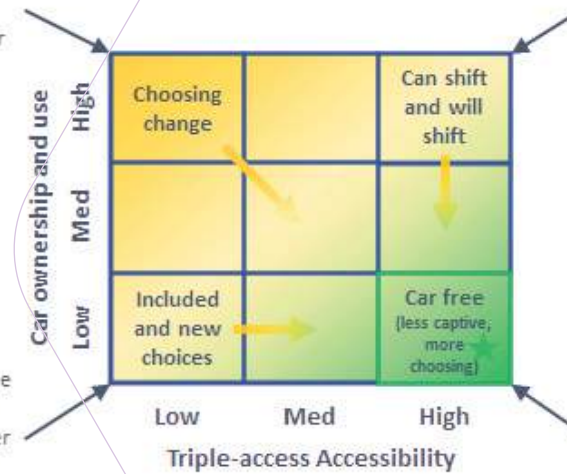
Some attempts made to encourage mode shift but swimming against the tide of a declining PT network. Service withdrawals (or some replacement with DRT). Introduction of micromobility and active travel improvements help to mitigate. This helps to mitigate rise in car use.

Improvements to active travel, micromobility and public transport (incl DRT, concessionary fares) to improve accessibility and inclusion. Car use starts to rise amongst some, although relatively modest due to costs of use and availability of alternatives.

Strong focus on improving active travel and introduction of micromobility. Public transport viability remains relatively strong, enabled by bus priority, mobility hubs and MaaS. But market dynamics could mean that there is some increase in car use in some communities.

Focus on doing the best we can for those who are unable to drive against a backdrop of declining levels of services such as public transport.

Significant improvements in Triple Access (improved local services, multi-modal connectivity). Widespread access to shared car services, less car use.



Travel choices further enhanced through Triple Access improvements (incl improved local services). Access to shared car services, less car use.

Significant improvements in Triple Access (local services, local connectivity). Shared cars to cater for more complex travel needs, but car use stays low.

World-class accessibility, delivered through close proximity to services and excellent travel choices. People opt to go car-free, occasionally using shared car services for complex journeys.

Focus on rapidly restructuring our transport system to accommodate behavioural shifts away from car use, aided by improved levels of demand for sustainable use of land and services such as PT and shared services.

On the next page we explain the implications of this for what policies can be pursued with no regrets, as opposed to those policies where we need to think more carefully because their future viability is impacted by what future we are in.

**NO REGRETS**

Policies that we can be more certain of pursuing in either scenario include:

- **Promoting accessible land use developments\*** – development in places that can be accessed without a car and designed to enable non-car mobility and integration into wider area.
- **Supporting access via digital connectivity\*** – supporting infrastructure, skills, and inclusively designed digital transport services
- **Supporting cycle and scoot** – enabling inclusive design and regulation of powered vehicles, enforcing rules, delivering education, and greater delivery of our cycle/scoot network.
- **Reliable core fixed PT** – our core network will weather uncertainty better than other services, we can deliver priority measures to enhance its reliability.
- **Walking and wheeling** - ensure footways/paths remain clear of obstacles, to provide safe crossing points, and to support pedestrian zones in some of our busiest high streets and centres.
- **Managing demand: reallocating space, access, and priority** – to support reliable core PT, walking and wheeling, and cycling and scooting, we will need to change how we use the space available for transport to create coherent, safe, convenient and reliable networks for these modes.
- **Electrifying transport: ZEV charging/refuelling** – whatever the future looks like, we need to reduce our use of ICE vehicles and this means we need sufficient charging/refuelling infrastructure. Care needs to be taken to strike a balance with overprovision of infrastructure as ZEV range improves and to avoid clutter that disrupts non-car travel.

\* These policies are viable in both scenarios but the extent of their impacts will be much more limited in the “Within Local Control” scenario, with a lack of wider market drivers to encourage more sustainable land uses, and digital connectivity modifying but not necessarily reducing overall travel.

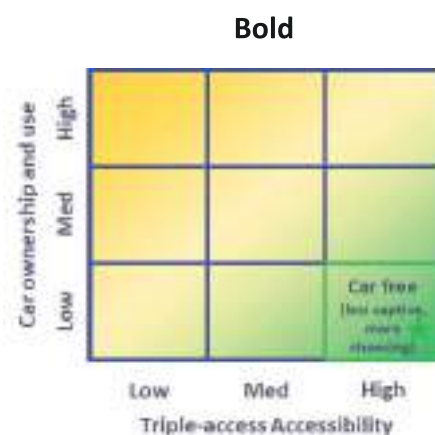
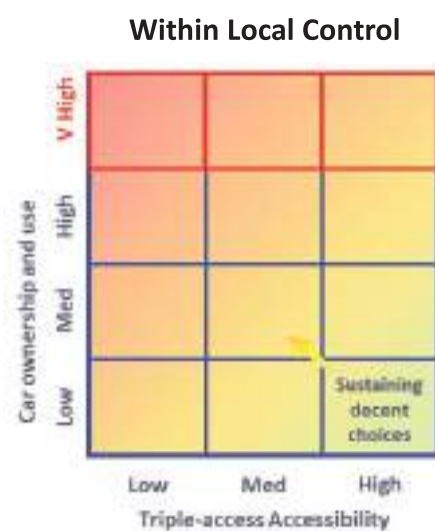
**THINK CAREFULLY**

Policies which deviate more significantly depending on scenario include:

Policy theme	Within Local Control	Bold
<b>Fixed PT</b>	With lower overall demand and subsidy for services we may find levels of service deteriorate, particularly away from the core network and there is more limited opportunity to upgrade to more operationally expensive rail and rapid transit services.	With higher levels of demand and subsidy, the overall levels of service (connectivity, frequency, hours of operation, coverage) for fixed public transport are likely to improve. Bolstering the core network (and with higher demands enabling wider upgrades to rail/rapid transit connectivity) and strengthening local bus services too, helping to connect isolated people in isolated communities to opportunity.
<b>Dynamic PT</b>	Dynamic PT may play a greater role where fixed PT services cannot be sustained, helping to maintain accessibility by shifting how we deliver services and subsidise transport.	The need for DRT to replace fixed services will diminish as fixed services strengthen in a bold future, but with additional subsidy and demands, it may also be viable for DRT to play a wider role in servicing some of the more disparate demands that fixed PT may be unable to cater for.
<b>Shared services (car clubs and bike/scooter hire)</b>	Like public transport, these services require paying customers and/or subsidy to survive. In a “Within Local Control” scenario, the extent of coverage of these services may be more limited. The viability of bike/scooter hire is likely to be stronger where car ownership/use is low and in busy centres. Car clubs may face more significant challenges with viability.	Higher levels of demand and subsidy will enable us to improve the availability of shared services across the West Midlands. With more people using fixed and dynamic public transport services, cycle and scooter hire may help last mile connections across the West Midlands. With people shifting away from car ownership by reducing their cars per household or going carless, the demand for car clubs will also improve.
<b>Managing demand: parking controls and pricing</b>	Without the wider consensus within our region and beyond to drive behaviour changes that help change how we use land and improve the availability of services to improve access, very localised hard constraints on parking and application of charges will face issues of equity. We need to think carefully about how we implement such policies to avoid unintended consequences.	With wider behavioural shifts and with the resultant improvements in accessibility (as land uses and services improve) the use of parking controls and pricing will become more equitable in more of the West Midlands. These will be key local measures helping in the wider efforts of our neighbours and nationally to manage demand to travel.

# Car Free

No regrets	Green
Most effective in bold	Yellow
Bold only	Red
Not relevant	White



Policy themes	Car free
Changing land use	Yellow
Digital alternatives	Yellow
Walking & wheeling	Green
Cycling & scooting	Green
Delivering a fixed PT network	Green
Delivering a dynamic PT network	Green
Shared services – bike and scooter	Green
Shared services – car clubs	Green
Electrified transport: EV charging	Green
Managing demand: reallocating road space	Green
Managing demand: parking controls	Green
Managing demand: pricing measures	Red

**Key challenges:** Whilst car ownership and use are relatively low, car ownership and use is still evident (with prevalent on-street parking). There are also challenges that traffic poses to walking, wheeling, cycling and scooting.

**No regrets policy themes:**

- Walking and wheeling
- Cycling and scooting
- Delivering a fixed PT network
- Shared services – bike and scooter
- Electrified transport – EV charging
- Managing demand – reallocating road space
- Managing demand – parking controls

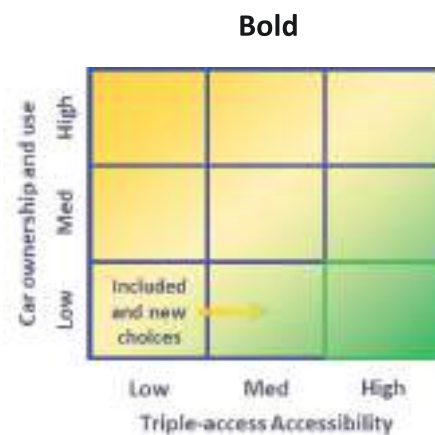
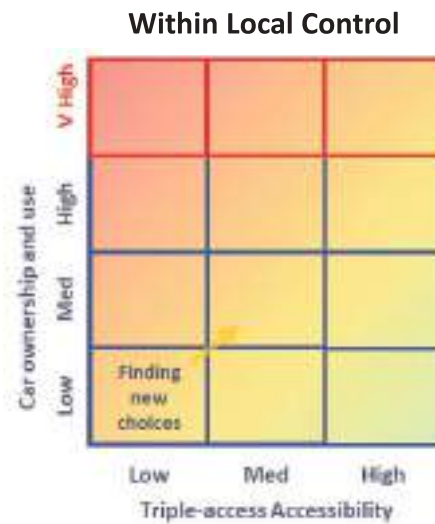
**Think carefully policy themes:**

- Changing land use
- Digital alternatives
- Managing demand: pricing measures



# Isolated and Limited Choices

No regrets	Green
Most effective in bold	Yellow
Bold only	Red
Not relevant	White



Policy themes	Isolated
Changing land use	Yellow
Digital alternatives	Yellow
Walking & wheeling	Green
Cycling & scooting	Green
Delivering a fixed PT network	Red
Delivering a dynamic PT network	Green
Shared services – bike and scooter	Green
Shared services – car clubs	Red
Electrified transport: EV charging	Green
Managing demand: reallocating road space	Green
Managing demand: parking controls	Green
Managing demand: pricing measures	Green

**Key challenges:** People suffer high levels of transport-related social exclusion due to the poor transport options and relatively low levels of access to cars to make journeys.

**No regrets policy themes:**

- Walking and wheeling
- Cycling and scooting
- Delivering a dynamic PT network
- Shared Services – bike and scooter
- Electrified transport: EV charging
- Managing demand: reallocating road space
- Managing demand – parking controls

**Think carefully policy themes:**

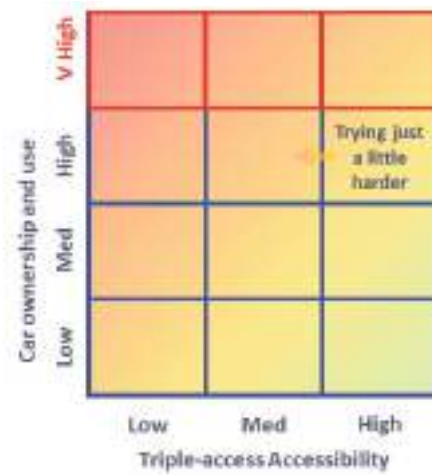
- Changing land use
- Digital alternatives
- Delivering a fixed PT network
- Shared services – car clubs



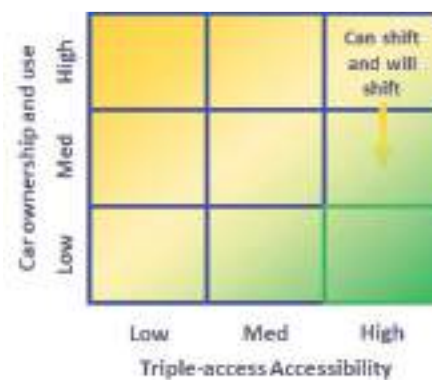
# Can Shift Won't Shift

No regrets	Green
Most effective in bold	Yellow
Bold only	Red
Not relevant	White

Within Local Control



Bold



Policy themes	Can shift
Changing land use	Yellow
Digital alternatives	Yellow
Walking & wheeling	Green
Cycling & scooting	Green
Delivering a fixed PT network	Red
Delivering a dynamic PT network	Red
Shared services – bike and scooter	Red
Shared services – car clubs	Red
Electrified transport: EV charging	Green
Managing demand: reallocating road space	Green
Managing demand: parking controls	Red
Managing demand: pricing measures	Red

**Key challenges:** There is potential for car ownership to increase even further. In particular, there is likely to be a greater uptake of EVs in these areas.

**No regrets policy themes:**

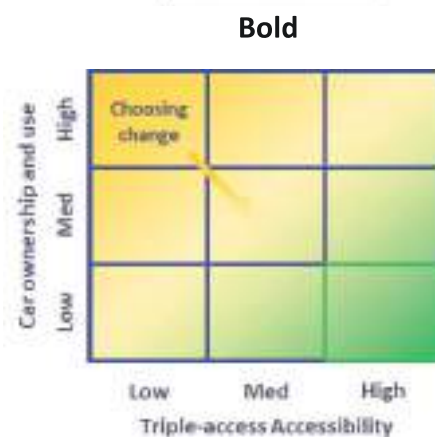
- Cycling and Scooting
- Walking and Wheeling
- Electrified Transport – EV Charging
- Managing demand – Reallocating road space

**Think carefully policy themes:**

- Changing land use
- Digital alternatives
- Delivering a fixed PT network
- Delivering a dynamic PT network
- Shared services – bike and scooter
- Shared services – car clubs
- Managing demand: parking controls
- Managing demand: pricing measures

# Car Dependent

No regrets	Green
Most effective in bold	Yellow
Bold only	Red
Not relevant	White



Policy themes	Car dependent
Changing land use	Yellow
Digital alternatives	Yellow
Walking & wheeling	Green
Cycling & scooting	Green
Delivering a fixed PT network	Red
Delivering a dynamic PT network	Green
Shared services – bike and scooter	Red
Shared services – car clubs	Green
Electrified transport: EV charging	Green
Managing demand: reallocating road space	Green
Managing demand: parking controls	Red
Managing demand: pricing measures	Red

**Key challenges:** There is potential for car ownership to increase even further. In particular, there is likely to be a greater uptake of EVs in these areas. Furthermore, existing bus services may deteriorate to the point where they offer limited practical value (along with the already limited local amenities).

**No regrets policy themes:**

- Cycling and scooting
- Delivering a Dynamic PT Network
- Electrified transport: EV charging
- Managing demand: reallocating road space

**Think carefully policy themes:**

- Changing land use
- Digital alternatives
- Delivering a fixed PT network
- Shared services – bike and scooter
- Managing demand: parking controls
- Managing demand: pricing measures

# Policy Themes Summary

Twelve policy themes aligned with the 6 Big Moves have been identified to deliver the primary outcomes of 'Improve Accessibility', 'Reduce Traffic' and 'Electrify Transport'. We have outlined key considerations under each policy theme in relation to 'no regrets' and 'think carefully'.

## Land use

### No regrets

Land use policies to encourage accessible mixed use permeable denser development are a no regrets action, but success may be limited in the "Within Local Control" scenario.

### Think carefully

Changing land uses to improve spatial proximity is outside of TfWM's control and requires close working with the planning authorities. In addition, interventions such as car free developments may backfire if not done in the right place; there are many examples of "car-free developments" resulting in car dependency and/or littered with nuisance parking.

## Digital alternatives

### No regrets

Delivering programmes to enhance digital infrastructure, skills and access to hardware (targeting those who need support) are generally no regrets, as long as people aren't left behind.

### Think carefully

Improving digital connectivity is outside of TfWM's control and requires close working with external parties to achieve digital delivery or digital upskilling. Digital alternatives can't be relied upon to reduce traffic; they improve accessibility.

## Walking and wheeling

### No regrets

Keeping pavements clear, routes well lit and maintained, and addressing severance issues are generally no regrets (albeit with less case in car dependent places in the "Within Local Control").

### Think carefully

Breaking of impermeable street layouts and installing infrastructure where there currently is nothing requires substantial resource, the case for which is likely to be higher in the bold scenario. Ensuring natural surveillance and lighting is critical.

## Cycling and scooting

### No regrets

Segregated routes and quiet streets for cycling and scooting is critical both in the context of declining PT under the "Within Local Control", and in the context of reduced car ownership in the bold (esp in car oriented urban environments). Policies to help people with limited space store vehicles securely are also no-regrets.

### Think carefully

Cycle/scoot infrastructure needs to be delivered so as to enable a range of vehicles for a range of users to be used.

Natural surveillance and lighting are critical – isolated green/blue routes through parks and canals may be a poor investment.

We should get infrastructure right the first time. We need to build aspirationally even in the "Within Local Control".

## Delivering a fixed PT network

### No regrets

Bus priority measures on the core network may be important in both scenarios.

### Think carefully

Delivering significant rail and light rail improvements may be unsustainable in the "Within Local Control" scenario, and may represent a substantial opportunity cost where other policies can better support access.

## Delivering a dynamic PT network

### No regrets

The role of and case for DRT in providing connectivity where accessibility is poor (and deteriorating) should be explored and the need for alternatives for those who struggle to use other alternatives to the car will continue.

### Think carefully

The wider case for DRT may be limited. Careful comparisons are needed between the role of DRT and fixed PT.

Improve accessibility

Reduce traffic

Electrify transport

# Policy Themes Summary

## Bike and scooter hire

### No regrets

In areas of high demand for those who cannot afford their own vehicle (or find it difficult to perhaps owing to a lack of space) with limited alternatives, and around popular public transport destinations, there may be a more sustainable case for shared scooter/bike hire.

### Think carefully

A scatter gun approach is not recommended for these shared services – thought needs to be given in particular to how the ability to own a powered cycle/scoot mode might alter demand.

## Car clubs

### No regrets

Installing some car club bays where it is understood that there may be commercial demand (likely to be limited locations) is a no-regrets action and may help complement wider policies to manage parking/kerbside controls.

### Think carefully

Overall, the priority for car clubs is unlikely to be very high, don't look to these to play a substantial role in facilitating access; they are a complimentary measure to be considered when other priorities are addressed.

## EV charging

### No regrets

Focus on introducing infrastructure where households and businesses are unlikely to be able to provide for their own, and some limited hubs at key points on the KRN.

Keep infrastructure for walk, wheel, cycle and scoot clear of obstruction – sacrifice space for parking instead.

### Think carefully

Overprovision of charging may risk redundancy in future and encouraging car lock-in.

## Reallocate road space

### No regrets

Across both the bold and the "Within Local Control", reallocation of roadspace and related access controls are our greatest tools to deliver LTP aims.

If we aren't prepared to reduce accessibility for general traffic to cater for sustainable travel, then we will marginalise those who are unable to drive in the pragmatic and will not provide the capacity needed to enable shifting behaviours in the bold.

### Think carefully

Limit don't eliminate access for lower priority road users (with limited exceptions).

## Parking controls

### No regrets

Limiting supply in otherwise accessible centres is sensible. Keeping main corridors unobstructed. Restraining on-street parking where off-street provision exists. Managing on-street parking where off-street provision is absent.

### Think carefully

Removing parking supply altogether and severely constraining it outside of our most accessible locations may not be practical and will likely be ignored.

## Pricing measures

### No regrets

Setting parking charges to encourage sustainable access where it is stronger.

### Think carefully

Strong localised pricing measures risk marginalising groups and discouraging access where applied without alternatives.

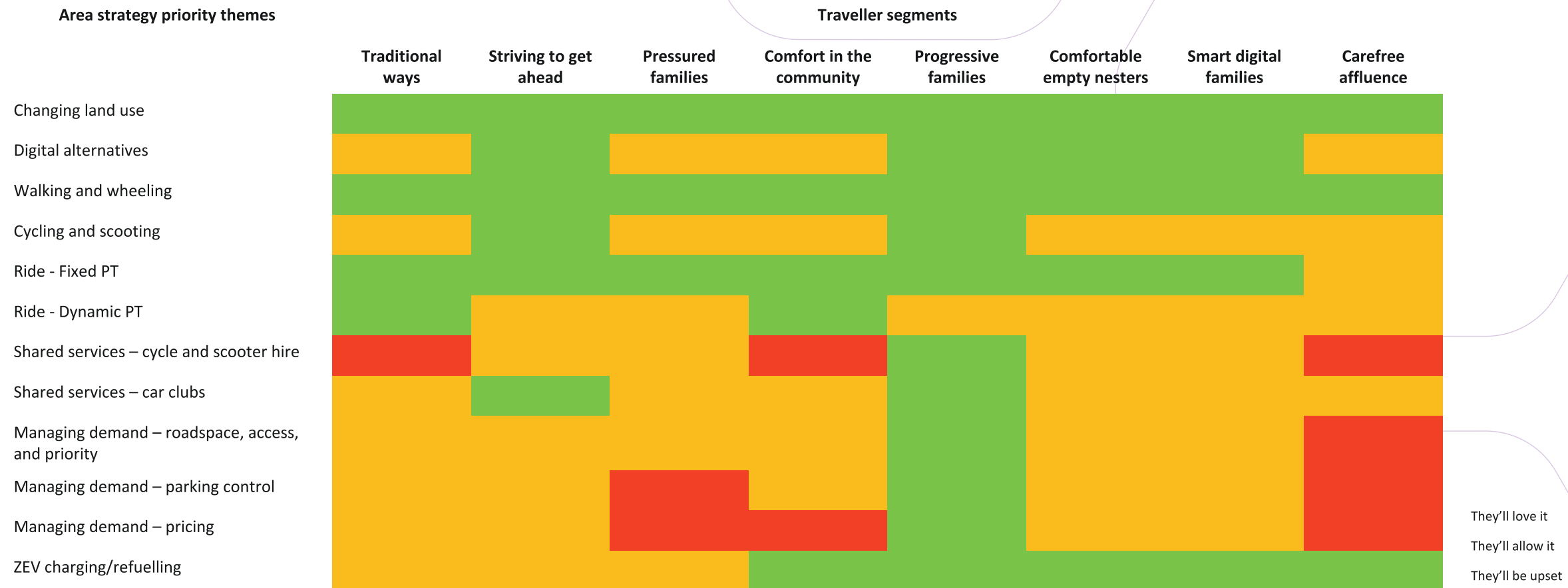
Improve accessibility

Reduce traffic

Electrify transport

# Public Support

The West Midlands is made up of a range of different people who have different motivations and attitudes towards travel. To simplify our assessment of public support, we used TfWM's 8 traveller segments. Our assessment of acceptability of progress under policy themes was based on assessment of the travel needs, attitudes and desires of the different segments described. We identified that what people support and what has been identified as viable and effective interventions don't always align. This will require local tactics to be identified to overcome these barriers.





# Conclusions

We have identified a series of ‘no regrets’ policy themes, where we are confident that underlying interventions would be viable and effective in both “Within Local Control” and “Bold” scenarios and in all place types:

- Walking and wheeling
- Cycling and scooting
- Electrified transport: EV charging
- Managing demand: reallocating roadspace
- Changing land use  
(viable but more effective in “Bold”)
- Digital alternatives  
(viable but more effective in “Bold”)

We have also identified ‘think carefully’ policy themes, where we are less confident that underlying interventions would be viable and effective in all place types and across both scenarios:

- Delivering a dynamic PT network
- Shared Services – bike and scooter
- Managing demand – parking controls and pricing
- Delivering a fixed PT network
- Shared services – car clubs

We are aware that the public acceptability assessment that we have presented in this Area Strategy Guidance Tool is based on officer understanding of population segments and therefore requires validation and refinement through public engagement. We will work with the public to help them understand where decisions can have most impact.

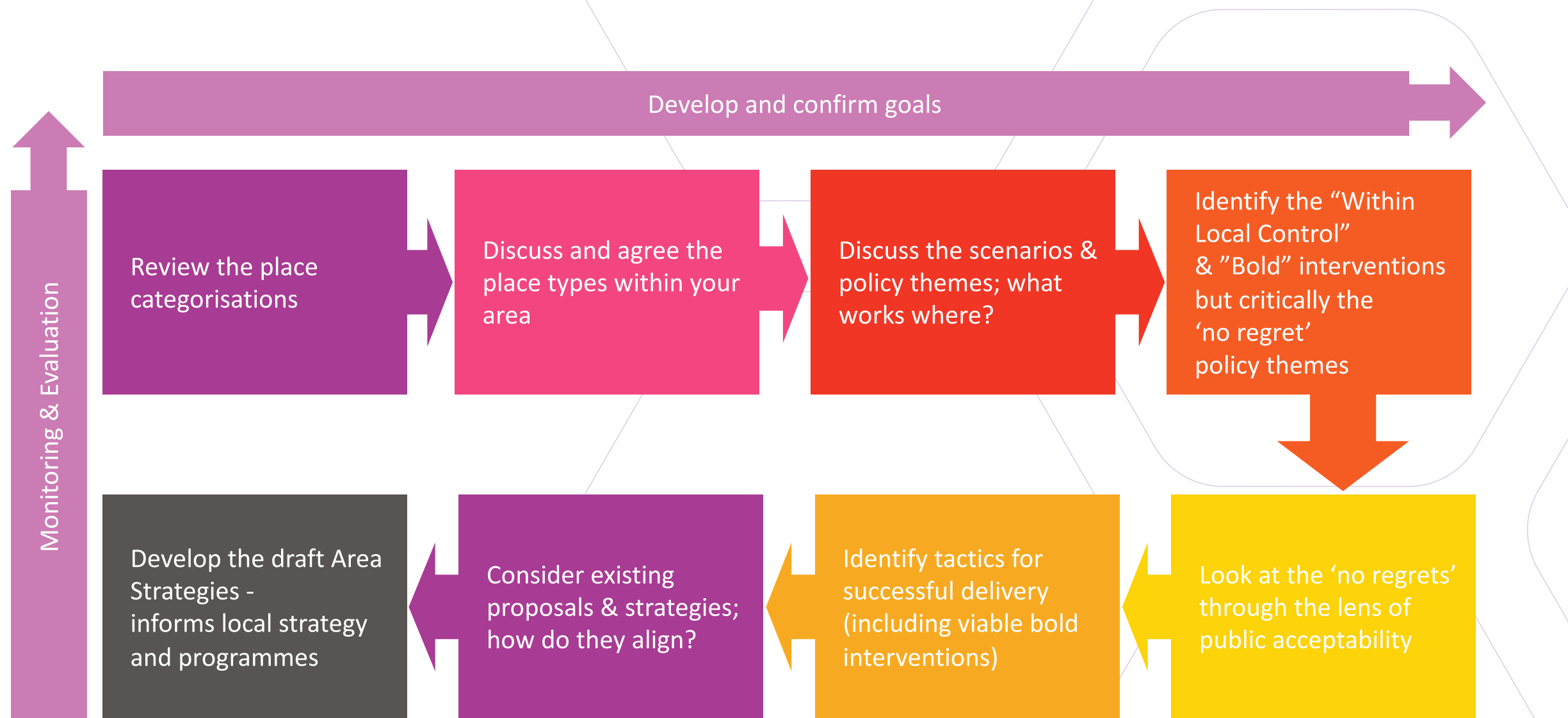
Our next step in the LTP process will be to use the Guidance Tool to develop area strategies for the four West Midlands Authority areas. For each Area Strategy we will work collaboratively through the guidance by focusing on the tactics and the changes needed to affect future policy and deliver impact on the ground.

A consistent approach for Area Strategy development will deliver a number of benefits for the West Midlands which should help to secure future funding and leave the area on the ‘front foot’ for when LTP guidance is published by the DfT.



# Next Steps

For each Area Strategy we propose to work with each local authority to...







**West Midlands  
Combined Authority**

## **Investment Board**

**Monday 9 January 2023 at 11.00 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)  
Councillor Karen Grinsell  
Councillor Bob Piper  
Councillor Stephen Simkins  
Nick Abell

Portfolio Lead for Finance & Investments  
Solihull Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
City of Wolverhampton Council  
Coventry & Warwickshire Local  
Enterprise Partnership  
Greater Birmingham & Solihull Local  
Enterprise Partnership

Gary Taylor

#### **In Attendance via MS Teams**

Councillor Steve Clark

Dudley Metropolitan Borough Council

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

#### **108. Apologies for Absence**

Apologies for absence were received from Councillor Mike Bird (Walsall), Paul Brown (Black Country LEP), Councillor Tony Jefferson (non-constituent authorities), Councillor Brigid Jones (Birmingham), Councillor Jim O' Boyle (Coventry) and Sue Summers.

#### **109. Minutes -12 December 2022**

The minutes of the meeting held on 12 December 2022 were agreed as a correct record.

#### **110. WMCA Collective Investment Fund (CIF) - Dashboard**

The board considered a report detailing the Collective Investment Fund dashboard (public iteration) as at 1 January 2023.

Resolved:

The report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund dashboard as at 1 January 2023.

Resolved:

The report be noted.

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

The board considered a report detailing the Revolving Investment Fund dashboard as at 1 January 2023.

Resolved:

That the report be noted.

**113. 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).

**114. Covanta, Fryers Road**

The board considered a report from West Midlands Development Capital (WMDC) that sought approval for loan funding from the Collective Investment Fund (CIF) for the sum specified in the report for the 'Company' to support the remediation of land and to allow for the subsequent redevelopment of the property into a waste to energy plant.

It was noted that once complete, the facility would provide power to 93,000 homes in the area as well as exporting heat in the form of steam or hot water to local users and would additionally create 450 indirect jobs during the construction phase and 50 direct jobs in operating the plant, regenerating 8.2 acres of vacant brownfield land.

In relation to the loan, this would represent a maximum of 70% loan to security value with a parental company guarantee from a suitable group counterpart and the WMCA would have first charge over the site/property.

The Director of Investment and Commercial Activities, Ian Martin reported that the parental company guarantee was a little unusual and this would need to be acceptable to Finance colleagues. He also requested that WMDC provide a back stop date to draw funds.

Councillor Simkins reported he supported taking forward this scheme but sought assurance on the financial arrangements and asked whether an update could be provided on the matter at the next meeting.

Nick Oakley (WMDC) advised that information had been received from the Company showing Net Tangible Assets of the guarantor counterparty at £620m, the proposed guarantee being £3.2m. WMDC were in the process of independently confirming the guarantor balance sheet. When completed this would be shared with WMCA's Finance colleagues shortly. He added that he would update the board at the next meeting if the matter had been concluded at that point and assured the board that with Covanta committing £13.7m of equity to the project and the security proposed, the loan was structured on a low risk basis.

In relation to an enquiry from Gary Taylor regarding the Company funding any additional costs associated with land remediation themselves and whether this would be covered by the guarantee, the Chair reported that this would be taken on board.

Resolved:

That loan funding from the Collective Investment Fund for the sum specified in the report be approved to support the remediation of the property and to allow for the subsequent delivery of the development, subject to WMCA's Finance colleagues being satisfied with the loan guarantee.

**115. Change Request - Additional Bootcamp Funding**

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that sought approval to allow the utilisation of an additional £15.1m from the Department of Education to continue to fund the Skills Bootcamp provision on the West Midlands during the period 2023/24.

The Senior Delivery Manager Higher Level Skills, Louise Phipps, outlined the key highlights from the report and informed the board that the request for funding follows an initial £5m award to test the design of bootcamps in 2018 and subsequent scale up awards totalling £3m and £11.25m for 2022/23 where the WMCA has proven its ability to deliver and has been instrumental in the design and delivery of the national programme.

It was noted that 4,000 residents have completed the programme and 75% have secured a positive outcome which includes a new job, entry into self-employment, a promotion within existing employment and significant additional responsibilities within existing employment.

Councillor Simkins reported on the need to ensure the programme targets those people who will benefit the most, in particular those people in deprived communities.

Councillor Piper reported that he would like to know the outcome of the additional £15.1m funding at the end of the programme and further to this, Councillor Grinsell enquired whether the Economic Growth Board would be advised of the outcomes from the programme.

The Chair asked that the Senior Delivery Manager Higher Level Skills, feedback to the board on the governance process for the programme. [Louise Phipps subsequently advised that the programme was governed by the Skills Advisory Board].

Resolved:

Noting that the matter was now scheduled to go to WMCA Board, endorsement only was required and given to allow the utilisation of an additional £15.1m from the Department of Education to continue to fund the Skills Bootcamp provision in the West Midlands during the period 2023/24 be agreed.

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

The board considered a report detailing the Collective Investment Fund dashboard (private iteration) as at 1 January 2023.

Resolved:

That the report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund (private iteration) as at 1 January 2023.

Nick Oakley provided an update on the undrawn funds and reported on the largest undrawn scheme, Shard End Yardley Brook, a residential scheme in Birmingham that was approved by the board in 2017. He advised that the scheme would be subject to a full review if it is taken forward and also that the contract dates had not been met meaning that this commitment had technically expired. Following a decision by the Board in relation to a paper concerning BLPDF considered 17<sup>th</sup> October 2022, revised proposals for Shard End Yardley Brook had been requested from Birmingham City Council to be submitted by the end of December 2022. It was reported that these had not been received to date.

It was noted BLPDF was currently fully committed and was unable to support other commercial job creation funding applications which had been received by West Midlands Development Capital.

If the Yardley Brook scheme did not proceed within the agreed timescales, funding could be re-allocated to support one or more these sites that would come forward within the next 3-6 months.

In relation to the recent clawback in respect of a scheme in Telford, the board noted an extension had been granted in the first instance before clawback was undertaken.



The board therefore agreed to extend the deadline in respect of WMCA's receipt of the detailed revised Yardley Brook proposals to the end of February 2023, with the Board to be in a position to make a decision as soon as possible after this date.

Resolved:

That the report be noted.

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

The board considered a report detailing the Revolving Investment Fund dashboard (private iteration) as at 1 January 2023.

Resolved:

That the report be noted.

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

The board considered a report detailing the Land and Property Investment Fund dashboard as at 1 January 2023.

Resolved:

That the report be noted.

**120. Housing & Land Fund Dashboards**

The board considered a report detailing the Housing and Land Fund dashboards as at 1 January 2023.

The Executive Director Housing, Property and Regeneration provided updates with regards to the three funds; Brownfield Housing Fund, National Competitive Fund and the Land Fund.

Resolved:

That the report be noted.

The meeting ended at 11.48 am.

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**West Midlands  
Combined Authority**

## Skills Advisory Board

**Date:** Monday 9 January 2023  
**Time:** 10.30am  
**Location:** Microsoft Teams

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### Attendees

Councillor George Duggins (Chair)	WMCA Portfolio Lead for Skills & Productivity
Dr Fiona Aldridge	West Midlands Combined Authority
Julian Beer	Birmingham City University
Councillor Christopher Burden	City of Wolverhampton Council
Corin Crane	Coventry & Warwickshire Chamber of Commerce
Rachel Egan	Solihull Metropolitan Borough Council
David Gaughan	West Midlands Combined Authority
Clare Hatton	West Midlands Combined Authority
Michael Jarrett	Sandwell Metropolitan Borough Council
Mike Lewis	West Midlands Combined Authority
Kirston Nelson	Coventry City Council
Dr Julie Nugent	West Midlands Combined Authority
Julie Obada	City of Wolverhampton Council
Miriam O'Leary	Colleges West Midlands
Carmen Pardavilla	Department for Work & Pensions
Marion Plant	North Warwickshire & Leicestershire College
Matthew Pointon	TUC
Darren Priest	Department for Work and Pensions
Councillor Kindy Sandhu	Coventry City Council
Tim Steele	University of Wolverhampton
Lowell Williams	Colleges West Midlands

### 1. Introductions / Notes and Actions of Last Meeting

Apologies were received from: Nick Page (Solihull Metropolitan Borough Council), Helene Dearn (Department for Works and Pensions), Councillor Ian Brookfield (City of Wolverhampton Council), Anica Goodwin (Tamworth Borough Council), Matt Jones (ParentPay), Marc Romain (Barclays), Ron Lee (Ron Lee Consulting), Tim Pile (North Warwickshire and Leicestershire College) and Councillor Brigid Jones (Birmingham City Council)

The minutes of the meeting held on 11 July 2022 were agreed as a correct record. The Chair noted that the actions arising from that meeting were to be addressed as part of item 3.

## 2. **Setting the Scene: Local Labour Market**

The Board received a presentation from Dr Fiona Aldridge, Head of Insight & Intelligence, outlining the latest local labour market position for the region. She explained that much of the current outlook is down to national and international factors. Further work is being undertaken, to understand in more detail the implications for skills provision in the region.

Rachel Egan queried whether other data could be sourced to help policy leads gain better insight into the causes of economic inactivity, as this would help focus how resources like the UK Shared Prosperity Fund is used. Dr Fiona Aldridge confirmed that the Insight Team uses publicly available data and agreed that it is key to work with local stakeholders such as Local Authorities and DWP who can provide more granular data and insight into the challenges facing the region. Councillor Kindy Sandhu also queried the availability of employment data relating to women, people with disabilities, BME and those impacted by Covid. Dr Fiona Aldridge acknowledged that the data presented was high level, but that further analysis is undertaken by particular demographics. Julie Obada flagged that Wolverhampton Council is using Experian data to look at houses with disposable income across the LA Area, this is helping to assess the impact of the cost-of-living crisis in Wolverhampton. She also mentioned that the Council was working with DWP to access specific data sets and would be happy to engage with the WMCA on this. Councillor Christopher Burden highlighted that more needed to be done to support the LGBT community in the region, as data indicated that the West Midlands is lagging behind other regions in supporting LGBT employers and employees.

**ACTION:** For the WMCA's and Wolverhampton Insight Teams to meet and share data that will enable a better understanding of labour market challenges.

## 3. **Careers Strategy**

The Board received an update from Clare Hatton, Director of Employment & Skills and Kirston Nelson, Chief Partnerships Officer & Director of Education and Skills on this item. The update outlined the ambition for an all-age careers offer, provided the latest position on the devolution asks of Government in respect of careers provision and an update on the transition of the Careers Hub function from LEPs to the WMCA and local authorities on a hub and spoke model.

Kirston Nelson spoke on behalf of the West Midlands Education Skills Partnership, sharing that the current careers advice approach had been inconsistent for the region, and would welcome the concept of a more place-based approach ensuring better integration, with more local intelligence being shared as well as better local relationships being formed. She also highlighted the need to focus on primary education to build a workforce for the future.

Julie Obada expressed her commitment to the careers strategy. She also explained policy leads needed to understand the implications of the Government announcements on the new statutory duty for schools. Michael Jarret also explained that Sandwell LA was currently engaging with DfE on educational priorities for the Borough.

Marion Plant shared her frustration on the lack of information available for parents, teachers and young people. She stated that the careers strategy provided a new opportunity to create some clear materials around the journey from school to employment and the opportunities available after training. Clare Hatton then stated that there is an opportunity to do this jointly across the region and also to make sure that young people are signposted to national and global opportunities to match their ambitions. Lowell Williams emphasised Marion's point and asked if Colleges West Midlands could coordinate the collection of skills training information.

**ACTION:** WMCA to further explore how Colleges West Midlands can support the collection of skills training information.

#### 4. Local Skills Improvement Plan

Corin Crane, Chief Executive, Coventry & Warwickshire Chamber of Commerce provided an overview of the West Midlands & Warwickshire Local Skills Improvement Plan (LSIPs), along with a summary of the sectoral focus and key activities, a timetable for completion and the role of the WMCA in accordance with the statutory guidance. He outlined the three tier governance structure, which is an Employer Board, an operational steering group and working with existing skills structures across the region. David Gaughan, Head of Employer Services presented the WMCA's perspective on the LSIP and explained the role the CA will have throughout the process. He emphasised the need to ensure LSIP research accelerates and doesn't duplicate what is already known. He then expanded on the WMCA's role within LSIPs, including engaging with the Secretary of State and how the CA will respond to the LSIPs research findings.

Councillor Kindy Sandhu commented on the importance of companies been able to understand what skills they need to grow, and the need for those contributing to the LSIP research from business to be well informed on that need. Corin explained that this is all being factored into the LSIP work.

Marion Plant highlighted that the East Midlands was also developing a Local Skills Improvement Plan and was keen to understand what engagement had taken place. Corin Crane confirmed that discussions regarding Local Skills Improvement Plans were taking place at a national level along with good partnership work with relevant individuals from the East Midlands.

Rachel Egan queried whether the NHS are being engaged as employers. Corin Crane explained that this was a challenge and asked for support in doing this. Rachel Egan agreed to support this. Dr. Julie Nugent recommended an offline conversation to discuss which local businesses are being contacted to avoid duplication.

**ACTION:** Rachel Egan and Corin Crane to work together on garnering more engagement from the NHS.

Julian Beer, asked for Corin Crane to engage with the Innovation Board as part of the LSIPs work. Dr Julie Nugent provided assurance that work is taking place to join up the work of the LSIP with that of the Innovation Board.

**5. Plan for Growth**

The Board received a presentation from Dr Fiona Aldridge, Head of Insight & Intelligence. She provided the background to the strategy, explored the role of technical skills as a key driver of growth and the skills implications of the strategy. She then led a discussion on how to collaboratively work together to create a stronger technical skills offer at levels 4/5 to support delivery of the Plan for Growth.

Lowell Williams felt that colleges would respond positively to developing capacity in the areas highlighted. He also said that consideration was required in terms of engagement with employers, as well as developing a network of highly technical specialist facilities. Michael Nichols said there are merits to looking at regional technical infrastructure which already exists, agreeing with the points made by Lowell Williams.

**6. Any Other Business**

There were no further items for discussion. The Chair confirmed that the date of the next meeting would be confirmed in due course to members.





## West Midlands Combined Authority

### Transport Delivery Committee

Monday 9 January 2023 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 Zaker Choudhry	Birmingham City Council
Councillor Shabrana Hussain	Birmingham City Council
Councillor Carol Hyatt	City of Wolverhampton Council
Councillor Anne Millward	Dudley Metropolitan Borough Council
Councillor Josh O'Nyons	Solihull Metropolitan Borough Council
Councillor Clare Simm	City of Wolverhampton Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Julie Webb	Sandwell Metropolitan Borough Council

#### In Attendance via Microsoft Teams

Councillor Robert Grinsell	Solihull Metropolitan Borough Council
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#### Item Title No.

#### 49. Apologies for Absence

Apologies for absence were received from Councillor Linda Bigham (Coventry), Councillor Bill Gavan (Sandwell), Councillor Narinder Kaur Kooner (Birmingham), Councillor Saddack Miah (Birmingham) and Councillor Gurmeet Singh Sohal (Walsall).

#### 50. Chair's Remarks

##### (a) Malcolm Holmes, Director of Rail, Transport for West Midlands

The Chair noted that Malcolm Holmes was to shortly leave Transport for West Midlands to take up a new post of General Manager at Great Central Railway. The committee expressed its thanks to Malcolm Holmes for his significant contribution towards improving rail services in the West Midlands and wished him well in his new role.

#### 51. Minutes - 14 November 2022

The minutes of the meeting held on 14 November 2022 were agreed as a correct record, subject to an amendment to the list of apologies for absence that had been received to correctly spell Councillor *Clare* Simm's name.

**52. Matters Arising**

The matters arising from the minutes of the previous meeting were noted.

In respect of minute no. 83 ('Capital Programme Delivery Monitoring'), the Chair indicated that the Dudley Interchange scheme site visit would now be held at 10.00am on 30 January.

In respect of the three outstanding actions identified on the Action Log relating to Dudley Interchange, the Director of Integrated Transport Services, Transport for West Midlands indicated an update on these would be submitted to the next meeting of the committee on 6 February.

**53. Forward Plan**

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

**54. Financial Monitoring Report 2022/23**

The committee considered a report from the Executive Director of Finance & Business Hub setting out the financial position as at 30 November 2022 in respect of the transport delivery revenue and capital budgets.

The year to date position on the transport revenue budget showed an adverse variance of £600,000 against budget. The most notable variance at this early stage of the year related to concessions, where there was lower than budgeted patronage and fare levels. These savings had been partly offset by lower than budgeted drawdown of reserves to support the overall budget as they had not yet been required. Overall, capital programme expenditure totalled £181m, which was £78.6m below the year to date budget, with the variance primarily contained within the Investment Programme portfolio.

Councillor Robert Grinsell noted that the maintenance costs of the metro were significant, and enquired as to the effect this might have on other projects that were intended to be funded from the City Region Sustainable Transport Settlement. The Executive Director, Transport for West Midlands explained that the City Region Sustainable Transport Settlement did allow for capital renewal works and the metro works had been built into the WMCA's funding submission that had been signed off by the WMCA Board. She undertook to provide a more detailed written response to this that would be shared with all members of the committee.

Resolved:

- (1) It be noted that the year to date position as at the end of November 2022 against the Transport for West Midlands revenue budget showed an adverse variance of £600,000.
- (2) It be noted that the Transport for West Midlands capital programme expenditure as at the end of November 2022 totalled £181m, which was £78.6m below budget.

**55. Rail Delivery Monitoring Report**

The committee considered a report from the Director of Rail, Transport for West Midlands that provided an update relating to the performance, operation and delivery of rail services in the West Midlands, including West Midlands Rail Executive activity.

The report provided details on recent activity relating to rail service delivery, the Great British Railways Partnership, Midlands Railway Hub, West Midlands Rail Investment Strategy, Transport for West Midlands new stations study, the forthcoming rail fares review and the West Midlands Grand Rail Collaboration.

Councillor Pervez Akhtar noted the significant impact that the current rail industry strikes were having on services, and the damage that was being caused to passenger confidence that was still recovering from the impact of the COVID-19 pandemic. He urged the Mayor to do all he could to help resolve the dispute to the satisfaction of all parties.

Councillor Robert Alden noted that there had been a marked reduction in the standards of service since Avanti West Coast had been awarded the West Coast Main Line franchise. He also sought an update on the planned timescales for completing the University station works, along with the causes of the delays to date. The Head of Rail Delivery, West Midlands Rail Executive indicated that the WMCA Board had agreed to write to Avanti West Midlands to express its own dissatisfaction with the current service when it met on 16 December 2022. He understood that Avanti West Coast was also meeting with West Midlands Trains to learn any lessons that might help improve its own services. The Executive Director, Transport for West Midlands indicated that an updated project delivery programme for the University station works would be brought to a future meeting of the committee, but she understood a number of the delays to date had been caused by the impact of construction sector inflation and the delivery pressures relating to the Commonwealth Games.

Resolved:

The report be noted.

**56. Swift Delivery Monitoring Report**

The committee considered a report from the Executive Director, Transport for West Midlands providing an update on the Swift programme, detailing recent growth in usage and satisfaction and setting out recently delivered projects and those currently in the delivery phase.

The report provided further details of those key projects that had recently been delivered, along with upcoming projects that would further develop and enhance the Swift card facility.

Councillor Clare Simm noted a recent bus journey using her Swift card when the driver had asked her which particular ticket she wishes to purchase. She understood that Swift should automatically calculate the most cost-effective ticket, rather than requiring the passenger to have a detailed knowledge of this. The Technical Director - Swift, Transport for West Midlands confirmed that this was a functionality of the Swift card and passengers did not need to be asked. He suspected it was an error by the driver during the early days of its implementation, but asked for further feedback if the issue arose again.

Councillor Carol Hyatt noted that the Oyster card in London also acted as a photo identification card, and enquired whether there were similar plans for the Swift card in the West Midlands. The Technical Director - Swift, Transport for West Midlands explained that whilst it was technically capable of operating in this way, there were currently discussions on-going as to whether the photograph should be removed from the card as it was considered a potential barrier to its wider take up due to new users being required to submit a photograph during the application process.

The Chair noted that there was currently no Lead Member for Swift and proposed that the committee should appoint one of its members to this important role.

Resolved:

- (1) The progress made towards the delivery of the Swift programme be noted.
- (2) The increase in both growth of Swift usage and customer satisfaction be welcomed.
- (3) Councillor Clare Simm be appointed the committee's Lead Member for Swift.

## **57. Transport Services Update**

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

The first tranche of Bus Service Improvement Plan funding was expected to be received on 20 January, which would allow the activities included within the plan to commence. The Government's Bus Recovery Grant funding was due to finish at the end of March. There was currently no funding that had been agreed to continue this support, but the Government had indicated a willingness to continue to support bus services after this date and was currently considering options. Further information on this was expected from the Government in February. There was concern in respect of how a delay in funding certainty would impact on the registration of bus services as operators were required to provide notification by 20 January of those services they intended to withdraw on 31 March.

Resolved:

The update be noted.

**58. Update on the West Midlands Bus Network**

The committee considered a report from the Director of Integrated Transport Services, Transport for West Midlands on an update on the review of bus services in the West Midlands which launched on 1 January.

The report provided further details on the outcome of the comprehensive operator-led network review that was undertaken last year with the intention of establishing a network that operators believed was sustainable in the longer term. This review had resulted in Transport for West Midlands identifying 39 services that were potentially 'at risk', and the report set out in detail the action then taken as a result of this, including the eight services that had been retained with no changes.

Councillor Robert Grinsell reported that he had contacted the [memberenquiries@tfwm.org.uk](mailto:memberenquiries@tfwm.org.uk) email address on a number of occasions with matters he required a response to and to date had not received any responses. A number of other members of the committee shared similar experiences. The Head of Bus, Transport for West Midlands apologised for this, noting that he understood the email inbox had been receiving a considerably high number of enquiries. He undertook to respond to Councillor Robert Grinsell's responses directly after the meeting.

Councillor Robert Alden welcomed the retention of school bus services that had been threatened with deregistration, but called upon bus operators to refrain from proposing deregistrations during the school year, rather than waiting until the end of the school year to review their services. In respect of bus service no. 46, the Head of Bus, Transport for West Midlands undertook to send a further briefing note on this service to Councillor Julie Webb.

Resolved:

- (1) The report be noted.
- (2) The Mayor and the Portfolio Lead for Transport be requested to do their utmost to persuade the Government to adequately fund bus services in the West Midlands in the long term beyond March 2023.

**59. Notice of Motion**

The committee considered a notice of motion submitted by Councillor Richard Worrall.

Resolved:

The following motion be approved, as amended:

“Transport Delivery Committee is concerned that a bus operator serving the West Midlands is presently unwilling to take part in the Government’s £2 maximum single fare initiative. This not only penalises affected bus passengers in particular areas of the West Midlands, but also leads to would-be bus users’ confusion as to which bus operators are, and are not, in the scheme. We ask Transport for West Midlands to contact the operator in question as soon as possible to (a) urge them to reconsider their view to joining the scheme at the earliest, and (b) to ask them to set out their reasons for not taking part.

This information is to be communicated to all Transport Delivery Committee members and to the meeting of the committee on 6 February 2023. Furthermore, we note that this is a short term scheme funded by the Department for Transport until the end of March only, when we believe there would be major benefit in an adequately funded, affordable longer term Department for Transport single bus fare scheme. We therefore recommend to the WMCA that they ask the Department for Transport to extend the scheme on a long term basis.”

#### **60. Member Engagement Groups Update**

The committee considered a report of the Governance Services Officer noting recent developments and meetings of the six Member Engagement Groups. The report highlighted the discussions held at the following meetings:

- Safe & Sustainable Travel MEG - 5 December
- Finance & Performance MEG - 12 December
- Rail & Metro MEG - 12 December
- Putting Passengers First MEG - 14 December
- Air Quality, Congestion & Environmental Impact MEG - 4 January

Councillor David Stanley noted the issue he had raised at the Putting Passengers First MEG in respect of the potential confusion caused to passengers when real-time information displays were showing scheduled travel information. The Head of Bus, Transport for West Midlands indicated that he would provide a more detailed briefing to members on this issue at the next MEG.

Resolved:

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



**61. Transport for West Midlands Capital Pressures**

The committee considered a report that had been submitted to the WMCA Board on 16 December 2022 on the current budget pressures being experienced on transport capital projects in delivery, the reasons for these and the potential solutions available to ensure that they could be completed successfully within a managed way which prevented any revenue cost exposure to the WMCA and local authorities.

Over the last couple of years, there had been a number of projects increase in costs due to scope changes and construction challenges which had emerged on site. Standard practice was to allow for programme and budget contingencies to accommodate these pressures and this had been the case in all Transport for West Midlands projects. However, the last few years had thrown up a number of extraordinary further challenges, notably in relation to hyperinflation which was a national and global issue. The potential scale meant that Transport for West Midlands was unable to contain this within the existing capital resources and was therefore required to take some actions to mitigate any cost exposure to the WMCA.

The WMCA was heavily constrained in terms of the discretion it could exercise over its capital funding. Whilst the overall programme was substantial, many projects were funded on a project specific basis. The Transforming Cities Fund was 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 was also a devolved pot, the Department for Transport and the Treasury did retain some influence in how the funding was used to deliver clearly documented deliverables and outcomes.

Resolved:

The report be noted.

**62. 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 item of business as it was likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.

**63. Confidential Appendix to Transport Capital Pressures Report**

The committee considered a confidential appendix report that had been submitted to the WMCA Board on 16 December 2022 on the scheme specific details concerning the Transport for West Midlands capital pressures which were considered commercially sensitive.

The report summarised the projects which were exposed to the issues highlighted in minute no. 61 above, together with indicative estimates of additional budget requirements post mitigation. Three schemes required an immediate uplift in budget, which the report sought to address. The remaining schemes were shown as early warnings, but all were highly likely to mature into a cost pressure to some degree over the short to medium term.

Councillor Robert Alden highlighted the delays to the University station project and sought assurances that there would be no further budget allocation required. The Executive Director of Transport for West Midlands indicated that work was currently being undertaken to rebaseline the project and fully understand the remaining costs. Once this work was completed, expected within the next few weeks, greater certainty on overall project costs would be known.

Councillor Pervez Akhtar sought assurances that Transport for West Midlands was undertaking proper planning for these projects. The Executive Director of Transport for West Midlands explained that all projects had a risk register that included mitigation measures, but the nature of construction was often that some costs would only become apparent during the course of carrying out the works.

Resolved:

The report be noted.

- 64. Date of Next Meeting**  
Monday 6 February 2023 at 1.00pm.

The meeting ended at 3.15 pm.



## HS2 Regional Enterprise Board

Tuesday 10 January 2023 at 10.00am

### Minutes

#### Present

Councillor Ian Courts (Chair)	Portfolio Lead for Environment, Energy & HS2
Councillor Ian Ward	Birmingham City Council
Lynda Rawsthorne	Department for Transport
Damien Byrne	HS2 Ltd
Julie King	HS2 Ltd
Luke Nipen	HS2 Ltd
Mark Thurston	HS2 Ltd
Rebecca Young	HS2 Ltd
Tremaine Herbert	HS2 Ltd
Councillor Peter Hughes	Sandwell Metropolitan Borough Council
Jonathan Bretherton	Urban Growth Company
Nick Brown	Urban Growth Company
Councillor Martin Watson	Warwickshire County Council
Chris Egan	Warwickshire County Council
Carl Beet	West Midlands Combined Authority
Craig Wakeman	West Midlands Combined Authority
Dr Fiona Aldridge	West Midlands Combined Authority
Kirstie Blakeman	West Midlands Combined Authority
Paul Cobain	West Midlands Combined Authority
Sandeep Shingadia	West Midlands Combined Authority

#### 1. Apologies for Absence

Apologies for absence were received from K Hawkins, A Shaw, M Morrissey, S Maxey, D Ayton-Hill, P Mountford, A Over, C Hatton, J Nugent

#### Actions from the last meeting

**ACTION: HS2-031 HS2 Ltd to organise a site visit for Regional Enterprise Board members who wished to take part, following Board members advising of their availability.**

It was confirmed this had been deferred to a later date with a suggestion to review in April 2023. It was agreed that Luke Nipen would be the point of contact for any site visits members wished to arrange.

**ACTION: HS2-034 HS2 Ltd to present drone footage with commentary provided during the next meeting.**

It was confirmed a link would be circulated via Luke Nipen for members to view the footage.

**ACTION: HS2-035 HS2 Ltd to present at a future meeting on the blind auditioning model adopted throughout the organisation.**

It was suggested that members contact Luke Nipen with a specific interest for a specific briefing to be provided.

**ACTION: HS2-036 Craig Wakeman to liaise with HS2 Ltd and Local Authority colleagues to co-ordinate a press release.**

It was confirmed this had been completed, with a press release being issued by HS2 Ltd with supporting quotes from partner organisations.

**ACTION: HS2-037 HS2 Ltd to seek guidance and/or provide information regarding successful and unsuccessful bids from businesses in the West Midlands, to assist with the data gathering exercise in the 10-point action plan of the HS2 Strategic Supply Chain Panel.**

It was confirmed this would be covered during the meeting.

**ACTION: HS2-038 HS2 Ltd to share information produced by the Business Engagement team with Craig Wakeman to disseminate to Local Authorities for information and sharing within their networks.**

It was confirmed the engagement information had been shared on numerous occasions and it had been disseminated by colleagues.

**ACTION: HS2-039 A further update on the HS2 Strategic Supply Chain Panel to be presented at the next Regional Enterprise Board meeting.**

It was agreed this would be covered during the meeting.

**ACTION: HS2-040 HS2 Ltd to provide an artist impression of the Kingsbury Compound to Councillor Watson in order to share with residents.**

It was confirmed this would be provided once available.

**ACTION: HS2-041 HS2 Ltd to liaise with Alan Over with regard to getting a press release issued which could then be shared across the local authorities within the region.**

It was confirmed this had been completed.

**ACTION: HS2-042 TfWM to provide an update on the Regional Transport Strategy at the next Regional Enterprise Board meeting.**

It was confirmed this would be covered during the meeting.

**2. HS2 Ltd Strategic Programme of Works & Recent/Future Activities (inc. communications)**

The board received a presentation from Mark Thurston and Julie King which provided an update on overall activity since the last meeting.

HS2 Ltd has continued to grow with 30,000 employees across the whole programme with over 350 sites between London and Crewe and approached the enrolment of the one thousandth apprentice, against a target of 2,000.

A Select Committee has been appointed for Phase 2b West route and are starting to mobilise with preliminary meetings scheduled for the end of January, at present approximately 140 petitions had been received. Preliminary work is underway for HS2 East with the Department for Transport, which will be looking at the potential of high-speed trains running through the Delta Junction towards East Midlands Parkway.

HS2 Ltd were now five years into their extensive environment programme to create more than 33 square kilometres of new wildlife habitats, with approximately 850,000 trees and shrubs being planted across the line of route to date. Within the West Midlands, 43 habitats had been created plus 74 new ponds with BBV planning to plant 1,000 hectares of woodland, wildflower grassland and wetland across the region as part of HS2's Green Corridor.

£4,296,103 had been awarded in the West Midlands (Warwickshire, Solihull and Birmingham) from HS2's Community and Environment Fund (CEF) and Business and Local Economy Fund (BLEF). 81 local projects in the West Midlands had received funding since 2017.

### **3. HS2 Ltd / WMCA Jobs & Skills Quarterly Update**

The board received a presentation from Rebecca Young and Dr Fiona Aldridge which reported on the HS2 skills, employment, and education outputs in the West Midlands region since the last meeting.

As of September 2022, there were 849 West Midlands residents working on the project, with the majority having a Birmingham post code, which represents approximately 47% of the workforce.

There were 729 workless job starts within the West Midlands, with the majority of unemployed residents living in Birmingham and Solihull who had gained employment on the project, this was an increase of 100 people from the last quarter. There were 399 apprenticeship starts during the last quarter.

To date, the WMCA had supported 4,487 residents with training in programmes associated with HS2 since 2019 with 897 residents being supported during 1<sup>st</sup> August to 1<sup>st</sup> December 2022. There are currently eighteen training providers across the WMCA area supporting a variety of residents.

The WMCA will continue to review the overall workforce planning for the next five years with partners such as BBV and their supply chain as the lead regional project delivery partners, to produce a clear road map of jobs and related training needed in advance, as well as providing additional training to the offer aligned to emerging workforce requirements.

The board were asked to assist with the communication of the training available to residents within the WMCA region, to ensure residents were aware and could engage.

#### **4. Regional Transport Strategy**

The board received a presentation from Carl Beet which provided an update on the Regional Transport Strategy, which focussed on the HS2 connectivity package and the ongoing work to start delivering the package as part of wider transport improvements.

A study had been carried out on the East Birmingham North Solihull corridor which highlighted the need for a range of localised interventions that reflect some of the mainly short trip making in the area, in a sustainable way. It also confirmed the need for strategic connectivity across the corridor, not just east/west but also north/south in order to support access to emerging economic opportunities for residents (eg. UKC Area, Curzon HS2, etc.).

Nick Brown welcomed the presentation and felt that although some of the schemes had been around for ten years, they were the right things to do for the region in terms of connectivity within the conurbation. It was felt the next challenge would be with HS2 and highlighting what was being done for citizens of the region. A suggestion was made to consider building the Metro from Birmingham Airport and Birmingham International Station towards Birmingham to connect where people live with job opportunities sooner, addressing some of the wider social issues.

#### **5. Developing an Active Travel Network**

Paul Cobain provided a presentation on the work undertaken to date on the of an active travel network at both the Delta Junction site in Warwickshire and the 'Wider Curzon Area' which covers the areas surrounding the proposed HS2 Curzon Street Station.

The presentation outlined the work to date and outlined what the next steps in the work would be to achieve as greater connectivity as possible both in and around both of these key sites.

#### **6. Washwood Heath Update**

Damian Byrne (HS2 Ltd) gave REB an update on the current position of Washwood Heath Masterplan outlining key dates for delivery. The presentation outlined some of the key development sites that would become available within the Washwood Heath site but also gave an indication of some of the potential opportunities with Saltley Business Park. DB also explained how the 'green corridor' ran across the entire site (East to West) and how this would link in to other initiatives that had been discussed like the work done following the 'Urban Integration Study' and the Active & Sustainable transport network.

#### **7. HS2 Investment Strategy Update**

Linda Rawsthorne gave a brief update on the progress being made on the creation of the HS2 Investment brochure. Work is continuing in the development of the document and members of the Bioard were asked to encourage their respective teams to engage with this process so as to ensure it encapsulated some of the key outcome & objectives that they and the region are seeking to achieve from HS2.



**8. Levelling Up Zones**

Craig Wakeman gave an update on the potential opportunities to explore opportunities for the development of a wider regional HS2 investment strategy give the work that had been undertaken on the previous Government initiative of 'Investment Zones' and the potential changes in current policy to HS2 Ltd land release, in light of the work undertaken at the Interchange site. CW also outlined that there was also synergies with work being undertaken with eth CWG Legacy funds that might lend itself to be included in these discussions as they progress.

**Action HS2-043** CW to initiate discussions with key partners about potential opportunities around the development of a regional HS2 investment strategy.

**9. Revised Communications Strategy**

The revised strategy had been shared with member of both REB and HS2 operations board and Kirstie Blakeman asked if there were any further additions or amendments before this was published and activities begun. All members were happy with this document to be now made public and the respective actions to begin.

**10. Any Other Business**

N/A

**11. Date of Next Meeting**

Tuesday 11 April 2023

[The meeting ended at 11:51 pm]

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## West Midlands Combined Authority

### Overview & Scrutiny Committee

Thursday 12 January 2023 at 10.00 am

#### Minutes

##### Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar (Vice-Chair)	Coventry City Council
Councillor Samantha Gethen	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 Mike Sutherland	Staffordshire Non-Constituent Local Authorities
Councillor Paul Sweet	City of Wolverhampton Council
Councillor Jamie Tennant	Birmingham City Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

##### In Attendance

Councillor Mike Bird	Portfolio Lead Member for Housing & Land
Dan Essex	Governance Services Manager
Linda Horne	Executive Director of Finance and Business Hub
Rob Lamond	Head of Strategy & Analysis
Dr Julie Nugent	Executive Director of Economic Delivery, Skills & Communities
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Chief Executive

##### Item Title No.

##### 105. Apologies for Absence

Apologies for absence were received from Councillor Andrew Burrow (Solihull), Councillor Lauren Rainbow (Birmingham), Councillor Karen Simms (Sandwell) and Amanda Tomlinson (Black Country LEP).

##### 106. Inquorate Meeting

The meeting was inquorate and therefore decisions taken at the meeting would be submitted to the WMCA Board on 10 February 2023 for formal approval.

**107. Minutes - 17 October, 20 October and 15 December 2022**

The minutes of the meetings held on 17 October, 20 October and 15 December 2022 were agreed as a correct record.

**108. Matters Arising**

**(a) Trailblazer Devolution Deal (minute no. 92)**

At its meeting on 17 October 2022, members considered the findings of the scrutiny working groups that considered each of the trailblazer devolution proposals.

The Chief Executive provided an update on the negotiations with the Government to finalise the trailblazer devolution deal and noted that productive meetings continued to be held with them, with conversations mostly focussing on fiscal devolution and the WMCA's priorities for levelling up zones.

**109. Mayoral Question Time: Policy - Response to Observations Presented to the WMCA Board on 16 December 2022**

The committee received a response in respect of the observations it had identified following the Mayoral Q&A session on 20 October 2022, based on WMCA policy related matters. The Chair advised that an updated response from the Mayor would be shared in due course.

Recommended to the WMCA Board:

A response from the Mayor to the observations identified by the Overview & Scrutiny Committee following the Mayoral Q&A on 20 October 2022 be shared with the committee.

**110. Future Homes Strategy**

The committee considered a report of the Head of Strategy & Analysis on the progress in developing a Future Homes Strategy and an aligned technical standard commissioned by the Housing & Land Delivery Board.

It was proposed that once approved, the technical standard would be embedded as an investment criterion for the WMCA's devolved housing & land funds which would enable implementation of the strategy through the WMCA's investment decisions, site acquisitions, disposals and strategic partnerships.

The committee discussed and shared comments in relation to the effectiveness of modern methods of construction and the need for more local manufacturers within the West Midlands, the success of Green Square Accord, the number of modular builds delivered within the region, links between the automotive industry, local supply chain, the level of technical standards, diversity in the design of homes and the need to consider water recycling and retention within new builds.

The Chair sought clarity as to how the relationship between the WMCA and local authorities encouraged local authorities to utilise the opportunities available to enable the speedy delivery of good quality, affordable, carbon

neutral housing. It was proposed that, as part of the development of the Future Homes Strategy, a wider session with members and local authority officers to encourage the utilisation of the opportunities available for new developments would be beneficial.

Recommended to the WMCA Board:

- (1) The work to date to develop a Future Homes Strategy, as commissioned by the Housing & Land Delivery Board, including specialist support and input from the Future Homes Taskforce and local authority partners across the region be noted.
- (2) The next steps and basis for future performance measurement set out within the report be noted.
- (3) A site visit to Green Square Accord be arranged for members of the Overview & Scrutiny Committee.
- (4) As part of the development of the Future Homes Strategy, the proposal to hold a wider session with members and local authority officers to encourage the proactive utilisation of the opportunities available to deliver speedy, affordable and carbon neutral housing be supported.
- (5) The increase in the local supply chain and an aim to drive a locally produced percentage of components be encouraged.

#### **111. Affordable Housing Supply Strategy**

The committee considered a report of the Head of Strategy & Analysis on the work to date on the preparation of an Affordable Homes Supply Strategy following the steers of the Housing & Land Delivery Board.

The strategy would contribute directly to WMCA policy objectives and would also be informed by, and aligned with, the recommendations of the Overview & Scrutiny Committee's 2021/22 'Helping to Deliver Affordable and Social Housing' scrutiny review.

The provision of additional social housing in the region was important, and although social rents were prescribed by the Government, it was key for the WMCA to lobby for a change in the legislation. Also, whilst it was important for homes to be affordable to buy, it was equally important for them to be affordable in terms of location and running costs. Members considered that new housing developments had created an increase in car ownership and stressed that the local infrastructure and the WMCA's Local Transport Plan needed to recognise this.

In terms of the number of affordable homes being delivered in the region, members expressed their disappointment where development sites had not produced a mix of available tenure for occupation.

Recommended to the WMCA Board:

- (1) Progress with developing an 'Affordable Homes Supply Strategy', as commissioned by the Housing & Land Delivery Board, to help drive the increased provision of a range of affordable homes within the region to meet local needs and establish the West Midlands as the leading region in terms of affordable homes policy and delivery be noted.
- (2) It be noted that the product of this work would be an integrated strategy, co-developed with partners, that directly supported key policy agendas of the WMCA and local authorities through enabling affordable housing delivery and driving delivery of Future Homes and design quality and the Trailblazer Devolution Deal proposals to the Government.
- (3) The observations of the Overview & Scrutiny Committee regarding the need for genuine affordable housing, an improvement in the relationship between the WMCA, local authorities and developers to secure the delivery of a mix of tenure and the importance of local infrastructure to support the increase in car ownership be noted.
- (4) The next steps as set out within the report be supported.

#### **112. Affordable Housing Delivery Pilot**

The committee considered a report of the Head of Strategy & Analysis on the progress being made on the ongoing work of the WMCA and housing association partners to establish a more comprehensive joined up and collective approach to the delivery of additional affordable housing across the region.

In order to deliver the significant additional affordable homes required in the region, the WMCA was focussing on providing added value to the affordable housing supply. The WMCA had been engaging with housing associations with a view to finding collaborative methods that could support the provision of additional social housing within the region. The Affordable Housing Pilot proposed a collaborative partnership with five regional registered providers including, Bromford, Citizen, Green Square Accord, Midland Heart and WHG.

The committee commended the pilot and the ambition to deliver 100% affordable homes. In addition, members questioned and shared comments on a 'brownfield first' approach, the five registered providers, disposal of public assets, the governance process and the consideration of the wider impacts of the pilot including, the impact on local schools and local GP surgeries.

The committee thanked Councillor Mike Bird, Portfolio Lead for Housing & Land for attending the meeting and for his valuable contribution.

Recommended to the WMCA Board:

- (1) The progress with the work taking place under the Housing & Land Delivery Board to improve the collaboration and co-investment in the region between housing associations, public sector bodies and the WMCA to secure more social and affordable housing, a key

recommendation of the Scrutiny Review and a key deliverable for the Housing & Land Delivery Board, be welcomed.

- (2) The progress of work on a pilot which was an innovative joint approach with a group of housing associations in the region to deliver additional affordable housing and wider socio-economic outcomes on specific WMCA-owned sites be welcomed.
- (3) The Overview & Scrutiny Committee receive a future update on the progress being made with the delivery of the Affordable Housing Delivery Pilot and an outline of the governance process.

**113. Grant Register**

The committee considered a report of the Executive Director of Finance & Business Hub that provided an update on the grant register which contained all current 'live' grants where the WMCA was the accountable body and captured a comprehensive total of grants, awarding body, time period for delivery and a description of what the grant delivered.

In relation to the Social Housing Decarbonisation Fund Wave 1 grant, the end date had been extended from 31 March to 31 August 2023 to allow funds to be fully utilised. The committee requested a further report to a future meeting on the utilisation of this fund.

Recommended to the WMCA Board:

- (1) The report be noted.
- (2) A report on the utilisation of the Social Housing Decarbonisation Fund Wave 1 including, which local authorities had utilised the fund, be submitted to a future meeting of the Overview & Scrutiny Committee.

**114. Minutes - Transport Scrutiny Sub-Committee - 24 November 2022**

The committee received the minutes of the Transport Scrutiny Sub-Committee held on 24 November 2022.

Recommended to the WMCA Board:

The minutes of the meeting held on 24 November 2022 be agreed.

**115. Work Programme**

The committee received a work programme of items that were to be reported to future meetings.

Recommended to the WMCA Board:

The work programme of items to be reported to future meetings be noted.

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

Resolved:



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

**117. Pre-Decision Scrutiny: LEP Integration: Submission of West Midlands LEP Integration Plan**

The committee considered a report of the Executive Director of Economic Delivery, Skills & Communities on the integration of the local enterprise partnership roles and functions into the WMCA.

Members discussed and shared comments on the draft LEP Integration Plan, including the transparency of the process, key risks and the importance of the continuation of the 'business voice' on WMCA committees and boards to help strengthen decision making.

Recommended to the WMCA Board:

The Overview & Scrutiny Committee support the approval of the recommendations contained within the report and being considered by the WMCA Board at its meeting on 13 January 2023.

**118. Date of Next Meeting**

Monday 13 March 2023 at 10:00am.

The meeting ended at 12.00 pm.



**West Midlands  
Combined Authority**

## **Housing & Land Delivery Board**

**Monday 23 January 2023 at 10.00 am**

### **Minutes**

#### **Present**

Councillor Mike Bird (Chair)  
Councillor Andy Mackiewicz  
Councillor Charn Padda  
Jo Nugent  
Councillor Richard Smith

Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Homes England  
Nuneaton and Bedworth Borough Council

#### **In Attendance via MS Team**

Councillor Richard Overton

Telford and Wrekin Council

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

#### **39. Inquorate meeting**

It was reported that the meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board on 10 February 2023 for formal approval and adoption.

#### **40. Apologies for Absence**

Apologies for absence were received from Councillor Butlin (Warwickshire), Councillor Fitzgerald (Cannock), Councillor Gakhal (Wolverhampton), Councillor Sullivan (Dudley), Kevin Rodgers (West Midlands Housing Association Partnership) Dawn Ward (Greater Birmingham & Solihull Local Enterprise Partnership), Suzanne Ward (Environment Agency) and Councillor Welsh (Coventry).

#### **41. Minutes - 16 November 2022**

It be recommended to the WMCA Board that:

The minutes of the meeting held on 16 November 2022 be agreed as a true record.

#### **42. Trailblazer Devolution Deal and Investment Zones: Update on Housing & Land Asks**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an update on discussions with Government relating to the Trailblazer Devolution Deal.

The Head of Strategy and Analysis, Rob Lamond outlined the report and highlighted the four headline Housing and Land Portfolio asks of Government within the Trailblazer Devolution Deal which comprised of a Single West Midlands Regeneration Fund; a West Midlands Land Reform Programme; Affordable Housing; and Levelling Up Zones. It was noted that these Levelling Up Zones are distinct from the Investment Zones proposed by HM Government in October 2022. The Head of Strategy and Analysis stated that WMCA is working with local authority partners on a regular basis to develop these further.

The Chair asked about the Wednesbury to Brierley Hill Levelling Up Zone given that it is based on the proposed Metro extension. Rob Lamond confirmed that WMCA remained committed to the Metro extension and that discussions were continuing with Transport for West Midlands and local authority partners, especially Dudley Metropolitan Borough Council.

The board welcomed the report that set out the positive progress made in discussions with Government to secure funding for the region.

It be recommended to the WMCA Board that:

1. The development of the Housing and Land Asks within the Trailblazer Devolution Deal be noted and
2. The latest version of the Housing and Land Asks (as set out in Section 3 of the report) be supported.

**43. Quarterly Report on Housing & Land Portfolio Deliverables, progress on Housing & Land Annual Business Plan and proposed High Level Deliverables for 2023/24**

The board considered a report that provided a regular quarterly update on deliverable progress and sought endorsement for the proposed High Level Deliverables for 2023/24.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford, reported on key highlights during the quarter which included the West Midlands Place Pilots, private and public sector engagement and pipeline building, and the Trailblazer Devolution Deal. In relation to the new High Level Deliverables for 2023/24 it was noted these build on the current High Level Deliverables and were included for comment/review prior to consideration by the WMCA Board on 10 February 2023.

In relation to the West Midlands Place Pilots, the Chair reported on the need to re-invent town and city centres following the decline of retail outlets and to utilise the opportunity for housing that would attract people back into the centres. The Chair noted that more people living in town and city centres will encourage expenditure in the local economy and highlighted that some change of use, from retail to residential, can be achieved through permitted development rights in certain circumstances. He also enquired as to the progress being made on the WMCA's target for homes in the region.

Gareth Bradford advised that 16,700 houses had been built in the region in 2021/22 and that the housing numbers would continue to be monitored closely this year. He undertook to include this information as part of the main (public) report going forward.

It be recommended to the WMCA Board that:

1. The positive progress in achieving the Housing and Land Portfolio's approved Annual Deliverables in Q3 2022/2023 be noted;
2. The key performance highlights set out in Section 3 of the report be noted;
3. The positive performance and effective deployment of WMCA's Devolved Housing & Land Fund illustrated by the schemes summarised in the confidential annexe to this report (many of these schemes are now in the delivery phase, having progressed through to the end of the process which shows the role of the WMCA in unlocking, accelerating and problem solving on '*difficult to deliver*' schemes) be noted; and
4. The draft High Level Deliverables for the Housing and Land Portfolio for 2023/24 (attached as Appendix 1 to the report) be endorsed prior to consideration by the WMCA Board on 10 February 2023.

#### **44. Future Homes Strategy: Update on progress**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an update on progress on one of the key approved deliverables for the Housing and Land Portfolio – the development of a Future Homes Strategy.

The Head of Policy and Planning, Pat Willoughby, outlined the report and highlighted that excellent feedback has been received from the Delivery Steering Group and Future Homes Taskforce on the structure and content of the emerging strategy and Future Homes Technical Standard which supports it. She further stated that WMCA is canvassing a broad range of opinion in developing the Future Homes Strategy including developers, investors, technical specialists, suppliers, etc. Based on our work to date, we expect this engagement to give confidence that, when the Future Homes Strategy is presented to the Housing & Land Delivery Board for consideration, it will be deliverable and achievable.

Councillor Mackiewicz reported that the building trade is reluctant to change unless change is forced upon them and considered that the WMCA should consult with the sector to understand the timescales which are needed to implement any changes. He added that, when given clarity on what needs to happen, the building trade does adapt and the imperative for WMCA was to progress the strategy as quickly as possible. Councillor Mackiewicz further stated that the reluctance of the building trade to change current practices is as much about culture as it is about cost.

The Chair highlighted the need for the strategy to consider a wide range of new construction techniques: there are multiple methods of Advanced Manufacturing of Construction (AMC) not just timber frame. He also reminded Members of WMCA's ambition, supported by local authorities, to develop factories in the West Midlands, thereby increasing the capacity of the region.

Gareth Bradford agreed on the need for clarity, particularly if the West Midlands is to be a market leader in this field. He stated that work is progressing to help WMCA understand what the true costs for developers of implementing the strategy might be. He highlighted that the West Midlands has a history of innovation. He also reminded Members of the likely benefits to occupiers from the new future homes standard.

It be recommended to the WMCA Board that:

1. Progress with work to date to develop a Future Homes Strategy (one of the Housing and Land Portfolio Deliverables) including support from local authorities, specialist consultancy and input from the members of the Future Homes Taskforce be noted;
2. The proposed direction of travel for the Future Homes Strategy and the work taking place to prepare supporting materials be endorsed;
3. The intention that, when approved the technical standard will be an investment criterion for WMCA's devolved Housing and Land Funds be noted; and
4. The intention to incorporate the standards and aspirations of the strategy into existing and future strategic partnerships and joint ventures be noted.

#### **45. West Midlands Local Transport Plan: Update**

The board considered a report of the Principal Policy & Strategy Officer, Transport for the West Midlands. This provides a summary of the WMCA Board report that seeks approval to adopt the final version of the West Midlands LTP5 '*Reimagining Transport in the West Midlands*' Core Strategy; and also seeks approval for undertaking engagement on the draft LTP5 Big Move documents which form a part of the suite of documents within the wider LTP framework.

The Principal Policy & Strategy Officer, Helen Davies, outlined the report that follows the Draft LTP 5 and Big Move document, '*Accessible and Inclusive Places*' that was presented to the board in July 2022. She explained that the '*Accessible and Inclusive Places*' document includes a number of policies in 5 key areas: accessibility; spatial planning; transport design; digital transport/connectivity and digital infrastructure/platforms. The LTP document has been developed and shared with local authority officers and, subject to WMCA approval on 10 February 2023, the Big Moves document would go out to public consultation in February 2023.

The Chair stated that the document makes inadequate provision for the car which is still a mode of transport and is often the only choice of transport for many people. He considered that public transport needs to be convenient, reliable and on time in order to encourage its use.

Councillor Mackiewicz concurred with the Chair and reported that rural parts of the West Midlands have no alternative to the car and enquired whether autonomous vehicles could be considered for rural areas as there would be no costs for drivers. He also reported on the need to link North Solihull with South Solihull and for superfast broadband to be seen as a priority for rural areas. He also expressed the view that broadband is now an essential utility.

Councillor Padda also considered the car needs to feature in the Local Transport Plan and for parking facilities to be considered when new rail stations are built. He added that the automotive industry creates substantial revenue for the West Midlands region.

The Chair reiterated his comments on the provision of the car in the Local Transport Plan and added that rates of revenue and return need to be considered in the development of the West Midlands Metro. He highlighted the impact of new ways of working and innovative thinking on existing space.

Helen Davies noted all comments and suggestions on the Local Transport Plan from Members and stated that these will be communicated to colleagues within Transport for West Midlands.

It be recommended to the WMCA Board that:

1. The update on progress in developing the new West Midlands Local Transport Plan, 'Reimagining Transport in the West Midlands (LTP5) and linkages between the LTP and the work of the Housing and Land Portfolio be noted;
2. The LTP 5 Core Strategy sets out the principles and overarching approach on how TfWM approaches transport strategy in the West Midlands be noted; and
3. That the next steps (approval of the final adoption of the Core Strategy, consultation on the draft Big Moves documents and the draft Area Strategy guidance at the WMCA Board meeting on 10 February 2023) be noted.

#### **46. 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).

**47. Appendix to Quarterly Report - Performance on Housing & Land Devolved Funds**

The board considered the Housing and Land dashboards on the Brownfield Housing Fund, National Competitive Fund and Land Fund that provided an update on performance since the last meeting.

It be recommended to the WMCA Board that:

The report be noted.

The meeting ended at 11.00 am.





West Midlands  
Combined Authority

## Audit, Risk & Assurance Committee

Tuesday 24 January 2023 at 10.00 am

### Minutes

#### Present

Mark Smith (Chair)

Councillor Dave Borley

Councillor Craig Collingswood

Councillor Nick Bardsley

Councillor Mike Sutherland

Councillor Richard Baxter-Payne

Lisa Ritchie

Dudley Metropolitan Council

City of Wolverhampton Council

Shropshire Council Non- Constituent  
Authorities

Staffordshire non-constituent authorities

Warwickshire Non-Constituent  
Authorities

Greater Birmingham and Solihull Local  
Enterprise Partnership

#### Item Title No.

#### 32. Inquorate meeting

It was reported that the meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board on 10 February 2023 for formal approval and adoption.

#### 33. Apologies for Absence

Apologies for absence were received from Councillor Allen (Sandwell), Councillor Lakha (Coventry), Councillor Meeson (Solihull) and Kate Shaw (Greater Birmingham & Solihull Local Enterprise Partnership)

#### 34. Nomination of Substitutes

Kate Shaw (Greater Birmingham & Solihull Local Enterprise Partnership) had nominated Lisa Ritchie to attend the meeting on her behalf.

#### 35. Chair's Remarks

The Chair provided an update on meetings with the Mayor, the WMCA Board, the Overview and Scrutiny Committee and the Investment Board that he had attended since the last meeting of the committee on 4 October. In particular, he referred to a recent meeting of the West Midlands Audit Committee Chairs Forum that had looked at the key principles of audit committees in the public sector and their role as set in recent guidance from CIPFA (a copy of the slide presentation was included in the document pack for the meeting for information/reference).

The Chair noted that he took some reassurance that the WMCA ARAC appeared to be structured and focused on those matters consistent with this guidance. However, it was noted that the recent guidance did recommend that audit committees should have two Independent members, and thus this would be noted for consideration by the Monitoring Officer in her Governance review.

Councillor Collingswood also took the opportunity to invite members to a free Audit Committee Forum event that the City of Wolverhampton Council are hosting in partnership with Grant Thornton on Thursday 2 March 2023 at the Art Gallery in Wolverhampton City Centre.

**36. Minutes - 4 October 2022**

It be recommended to the WMCA Board that:

The minutes of the meeting held on 4 October 2022 be agreed as a true record.

**37. Matters Arising**

*21. Matters Arising- Minute No. 14 Cyber Essentials Report*

The Chair asked that feedback on the WMCA's new submission against the enhanced Cyber Essentials accreditation in September 2022 be reported to the next meeting.

*23. Public Sector Audit Appointments: Audit Quality Monitoring Report 2021 and Auditor Appointments for 2023-2028*

The Chair reported that Grant Thornton had been re-appointed as the WMCA's external auditors for a further 5 years from 2023/24 through to 2027/28.

*26. Strategic Risk Update*

In relation to the update on the pension fund risk that is to be submitted to the next meeting, Grant Patterson (Grant Thornton) asked that the WMCA's Finance Team contact him on the matter if they would like Grant Thornton to have input into this item.

**38. Forward Plan**

The committee considered a report on agenda items to be submitted to the next meeting, currently scheduled for 18 April 2023.

The Chair identified the following additional reports:

- Value for Money Audit Findings (Grant Thornton); and
- Overview of the WMCA's budget for 2023/24

It be recommended to the WMCA Board that:

The report be noted.

**39. Annual Accounts 2021/22 for West Midlands Combined Authority**

The report considered a report of the Executive Director of Finance and Business Hub that had been prepared for the committee to approve the annual accounts of the West Midlands Combined Authority (WMCA) for the financial year ended 31 March 2022.

The committee also received Grant Thornton's draft Audit Findings Report dated 2 December 2022 including the Letter of Representation.

The Chair advised that as the meeting was inquorate, the WMCA Board would be asked to approve the accounts as part of the minutes for this meeting.

It was noted that a copy of the draft accounts had been shared with the committee on 27 June 2022. The Chair also noted that there had been 2 updates to these draft accounts in relation to Pensions and the valuation of Land assets, as set out on page 3 of the report from Grant Thornton. Finally, the Chair also noted that he had reviewed the updated draft accounts and highlighted some relatively minor recommended changes, primarily reflecting that the narrative reports required updating to reflect circumstances up to January 2023.

The Head of Financial Management, Louise Cowen presented the report on behalf of the Executive Director of Finance and Business Hub and expressed her thanks to the WMCA's Finance Team for their work in producing the accounts and also thanked Grant Thornton's Finance Team for their work on the accounts, noting the resourcing difficulties they had experienced.

Grant Patterson (Grant Thornton) reported that he was looking for the accounts to be signed off on 10 February 2023, whilst with regard to the Value for Money report, he advised that the audit would be certified closed in April and the committee would receive that report at its April meeting. The Chair requested that a final copy of the Audit Findings report be provided at the time that the accounts are signed.

Grant Patterson highlighted key issues referred to in the draft Audit Findings report.

In relation to financial statements and the significant risk relating to over 78,000 journals being processed, the Chair asked that the Head of Financial Management follow-up on how the transactions are broken down.

In relation to the testing of journals which included an expense claim for the Chief Executive that was authorised by the Chief Executive, it was reported that whilst this was an isolated incident and Grant Thornton had confirmed that they were comfortable that the expense was valid, management should review their governance processes around senior management expenses, so they are authorised by a different member of the management team. The committee noted that an appropriate approvals process needs to be put in place.

Councillor Bardsley noted that the matter being highlighted by Grant Thornton on page 15 of their report in relation to the complexity of audit trails, appeared to be a matter that they had also raised in the prior year. Louise Cowen responded that management had made some progress on addressing this matter in relation to the consolidation process, but further work was required in relation to grant income.

Councillor Sutherland commented that it would be useful if the report categorised risks according to a red, amber, green rating which would make it easier to focus on issues requiring more attention.

The Chair reported that he would like a response from the WMCA for all items highlighted in the Audit Findings report.

The Chair added that, whilst he acknowledged that this was sector wide issue, he was disappointed that the 2021/22 accounts were being considered for approval in January 2023, 10 months after the year end. He asked that management and Grant Thornton report to the next meeting on the plans that they have to ensure that the 2022/23 accounts can be signed off on a more timely basis.

It be recommended to the WMCA Board that:

1. The annual accounts be approved;
2. The draft Audit Findings Report presented by Grant Thornton be noted;
3. Grant Thornton propose to issue an unqualified audit opinion for the accounts;
4. The signing of the letter of representation by the Executive Director of Finance and Business Hub as set out in Appendix F of the Audit Findings Report be approved;
5. The Chair of Audit, Risk and Assurance Committee be authorised to sign off any further changes required to the Statement of Accounts for 2021/22 prior to publication be approved; and
6. Subject to no further issues being raised by Grant Thornton, that the Mayor and the Executive Director of the Finance and Business Hub be authorised to sign the accounts on behalf of the WMCA.

#### **40. Midland Metro Limited Annual Accounts**

The committee considered a report of the Executive Director of Finance and Business Hub that had been prepared to enable the Audit, Risk & Assurance Committee to retrospectively approve the annual accounts of Midland Metro Limited for the financial year ended 31 March 2022.

The Head of Financial Management, Louise Cowen, presented the report and advised that because the Committee's November 2022 meeting was cancelled, Midland Metro Limited were not able to seek the Committee's approval of the accounts prior to them being filed with Companies House in line with the statutory timetable.

The Chair asked that for future years, Midland Metro Limited's External Auditors, Williamson & Croft, submit their audit plan to the ARAC in advance of undertaking their audit, and that they present an audit findings report prior to consideration of the MML annual accounts. He reported that this committee should have the ability to provide greater oversight of the financial matters for the company and for this to be in place for the 2022-23 financial year.

The Head of Financial Management concurred with the Chair and considered it would be good to invite Midland Metro Limited's Finance Managers and Auditors to this committee in future.

It be recommended to the WMCA Board that:

1. The annual accounts for Midland Metro Limited for the year ended 31 March 2022 be approved;
2. the independent auditors issued an unqualified audit opinion for the year ended 31 March 2022 be noted; and
3. Midland Metro Limited's accounts were filed with Companies House within the statutory timetable be noted.

#### **41. Internal Audit Report**

The committee considered a report of the Director of Law and Governance that provided an update on the work completed by Internal Audit, so far this year.

The Head of Audit, Peter Farrow provided an update on an audit recently completed in respect of WM2042 Delivery Programme (Environmental Recovery) that was awarded a satisfactory level of assurance and on work going forward.

He advised the committee that an unforeseen absence within the City of Wolverhampton Council's audit team, was having an impact on the delivery of the internal audit plan in line with the original indicative workplan, but steps were being taken to recruit temporary resource to address the matter.

It was noted that an abridged internal audit plan would therefore be delivered this year, albeit the Internal Audit team still expected to be able to provide a level of assurance to the Committee in respect of the Annual Governance statement for 2022-23.

The Chair asked that he continue to be provided with feedback on a regular basis as to the status of the delivery of this year's audit plan.

It be recommended to the WMCA Board that:

The contents of the Internal Audit report be noted.

**42. Draft 2023/ 24 Internal Audit Plan**

The committee considered a report of the Director of Law and Governance that set out the proposed audits contained in the draft, risk based Internal Audit plan for 2023/24.

The Head of Audit, Peter Farrow, reported that the Internal Audit Plan had been prepared by the Internal Audit Liaison Officer, Loraine Quibell that was linked to the organisation's Strategic Risk Register. He considered the Plan was strong and comprehensive and discussions were now underway as to how it would be delivered.

The Chair noted that the Plan might be supplemented by a special review in relation to the management of the transport budget.

The Chair also sought reassurance from the Head of Audit as to the skills of the Internal Auditors who would be reviewing the Treasury activities.

It be recommended to the WMCA Board that:

The proposed audits contained in the draft, risk based Internal Audit plan for 2023/24 be agreed.

**43. Strategic Risk Register**

The committee considered a report of the Executive Director of Finance and Business Hub that provided an update on the Strategic Risk Register.

The Strategic Risk Manager, Peter Astrella reported on the key headlines since the last meeting on 4 October 2022 and advised the committee that attention was now focused on the cost of living crisis, inflation and global supply chain issues.

In relation to an enquiry from Councillor Collingswood as to whether the lack of funding awarded to the region as part of the recent Levelling-Up announcements had been identified as a risk, the Strategic Risk Manager advised that he not yet spoken to the WMCA's Strategic Leadership Team on the matter, but a new business plan would shortly be agreed for the new financial year and he assumed this would be captured at that point.

It be recommended to the WMCA Board that:

1. The key messages in the Strategic Risk Update be noted; and
2. The revision or planned revisions to the Strategic Risk Register be noted.

**44. Treasury Management Mid-Year Report**

The committee considered a report of the Executive Director of Finance and Business Hub that provided an update on mid-year Treasury Management position.

The Lead Treasury Accountant, Mark Finnegan, presented the report that had been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management.

The report provided an update on WMCA borrowing and investments held at 1 April 2022 and 30 September 2022.

It be recommended to the WMCA Board that:

The report be noted.

**45. 2023/ 24 Treasury Management Policy, Strategy & Practices**

The committee considered a report of the Executive Director of Finance and Business Hub that set out the draft Treasury Management Policy Statement and draft Treasury Management Strategy for 2023/24 for endorsement prior to approval by the WMCA Board in February. The report also sought agreement that the Authority's Treasury Management Practices are adequately maintained.

The Lead Treasury Accountant, Mark Finnegan outlined the report and referred to section 3.3 of the report which summarised the principal changes between the current (2022/23) strategy and those for financial year 2023/24.

It be recommended to the WMCA Board that:

1. The draft 2023/24 Treasury Management Policy Statement (referred to in Section 2 of the report) be endorsed for onward approval by WMCA Board in February 2023;
2. The draft 2023/24 Treasury Management Strategy (Appendix 1) including the 2023/24 Investment Strategy and criteria for specified and non-specified investments (Appendix 2) be endorsed for onward approval by WMCA Board in February 2023; and
3. The arrangements for ensuring Treasury Management Practices are adequately maintained (Section 4 of the report) be noted and agreed.

**46. Housing Investigation - Action Plan**

The committee considered a joint report of the Director of Law and Governance and the Executive Director of Housing, Property and Regeneration that sought agreement to the Action Plan following a housing investigation.

It was noted that the Action Plan was produced in response to the recommendations from the independent housing investigation carried out by CBRE following a complaint received by the WMCA on 19 January 2022.



The Executive Director of Housing, Property and Regeneration, Gareth Bradford presented the report and advised the committee that the recommendations contained within the Action Plan had been taken forward and all would be implemented by June 2023.

It was noted that delivery of the agreed actions would be monitored with a further report on progress and delivery provided to committee in September.

The Chair commented that the WMCA needs to speed up its processes in responding to complaints of this nature as it had taken 12 months to complete this review.

It be recommended to the WMCA Board that:

1. The Action Plan in response to the recommendations of the independent investigation be agreed; and
2. An update on progress in relation to the Action Plan be brought back to the Committee in September 2023 be agreed.

**47. Investigation into Financial Breach - Metro City Centre Extension Wolverhampton**

The Chair reported that the Director of Law and Governance and Monitoring Officer, Helen Edwards, was intending to provide a verbal update on this item but due to personal circumstances was unable to attend the meeting today.

However, she had prepared the following statement that the Chair read out to the committee.

*'A report was taken to the WMCA Board on 16 December 2022 when it was noted that there was a breach of financial regulations in respect of the Metro, Wolverhampton City Centre Extension. The Board agreed for an investigation to be undertaken through the Chair of ARAC.*

*The former Monitoring Officer instructed Mazars, who have commenced an investigation. They have interviewed a number of people, but one key witness was on holiday and unavailable, so they have not yet concluded their investigations. Their current view is there are likely to be recommendations to review and strengthen procedures.*

*Their final report is expected shortly and will be reported to Board on 10 February.*

*It is recommended that that ARAC agrees that the Monitoring Officer should consult with the Chair of ARAC on the recommendations to made to the Board in respect of the final report.'*

The Chair reported that he expected a report would be submitted to this committee in due course.

The course of action as outlined was noted and endorsed.

**48. 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).

**49. Appendix to Midland Metro Limited Annual Accounts - Audit Findings Report**

The board considered the Audit Findings Report for Midland Metro Limited in respect of their 2021-22 accounts, that were considered earlier on the agenda.

The Chair noted that this report was dated 21 July 2022 and therefore he expressed disappointment that it was only be brought for consideration at this meeting, six months later.

It be recommended to the WMCA Board:

That the MML Audit Findings Report be noted.

**50. Track replacement works re: Corporation Street & issues with the original contractor, Balfour Beatty**

The committee considered a report of the Executive Director for Transport for the West Midlands (TfWM) that informed them of the response from Balfour Beatty in relation to the Corporation Street, Birmingham track replacement works.

The West Midlands Metro Project Director, Michael Anderson, presented the report and outlined the legal position with regard to the works undertaken by Balfour Beatty and the goodwill measures that would be delivered as recognition of the need to replace part of the track.

He also advised the committee of the safeguards that have been implemented to ensure there is no reoccurrence of the problems encountered with regards to Corporation Street.

It be recommended to the WMCA Board that:

1. The legal position with regards to the works undertaken by Balfour Beatty in delivering the metro extension to New Street be noted;

2. The goodwill measures delivered by Balfour Beatty as recognition of the need to replace part of this track and the disruption on residents and businesses be noted; and

3. The management assurances that have been provided be noted.

The meeting ended at 12.06 pm.