

West Midlands Combined Authority – Decisions taken by the WMCA Board on Friday 17 March 2023

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| 1. | Apologies for Absence | Apologies for absence were received from Lee Barron (Midlands TUC), Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Greg Brackenridge (West Midlands Fire Authority), Councillor Ian Brookfield (Wolverhampton), Councillor Sebastian Lowe (Rugby), Councillor Olivia Lyons (Cannock Chase), Tom Westley (Black Country LEP) and Sarah Windrum (Coventry & Warwickshire LEP). |
| 2. | Chair's Remarks | The Chair thanked those members of the board who had represented the Black Country LEP and the Coventry & Warwickshire LEP since 2016. This was to be the last board meeting the two LEPs were present at ahead of them ceasing to exist on 31 March. |
| 3. | Minutes - 10 February 2023 | Agreed as a correct record. |
| 4. | Forward Plan | The plan of items to be reported to future meetings was noted. |
| 5. | Regional Activity & Delivery Update | The update was noted. |
| 6. | Financial Monitoring Report 2022/23 | <p>(1) The financial position as at 31 January 2023 was noted.</p> <p>(2) The latest full year forecast for 2022/23 was noted.</p> |

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| | | <p>(3) The new grant awards to the WMCA and the arrangements for these grants were noted.</p> <p>(4) With respect to the £15m Social Housing Fund, authority was delegated to the Executive Director of Finance & Business Hub (s.151 officer) to make payments to local authorities subject to the WMCA receiving the grant conditions, those conditions being acceptable and the distribution of payments between local authorities being in line with the necessary regional agreements.</p> <p>(5) Authority was delegated to the Executive Director of Finance & Business Hub (s.151 officer) to accept any funds awarded during the pre-election period and up to the WMCA Board meeting on 9 June, subject to satisfactory terms and conditions and all funds going through the Single Assurance Framework.</p> <p>(6) The risk management arrangements in place at the WMCA and the suggested revisions towards reporting exposure to risk were noted.</p> <p>(7) The specific details around the underwrite provided by the seven constituent member authorities were noted.</p> <p>(8) The annual allocations endorsed by WMCA Board at its meeting on 18 March 2022 for 2023/24 in respect of highways maintenance and the Local Network Improvement Plan within the City Region Sustainable Transport Settlement, were confirmed.</p> <p>(9) The City Region Sustainable Transport Settlement revenue allocation was approved.</p> |

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| 7. | West Midlands Growth Company Review | <p>(1) The findings of the review and the range of functions the West Midlands Growth Company could undertake were noted.</p> <p>(2) The proposed West Midlands Growth Company Ltd operating budget for the next two years was noted as building upon the one-year commitment of £4m of funding for 2023/24 approved by the WMCA Board at its meeting on 16 December 2022.</p> <p>(3) It was noted that the geographical footprint of the West Midlands Growth Company post the integration of Local Enterprise Partnership functions to the WMCA needed to be resolved and that the recommendations would be brought forward as soon as possible, to include clarifying the future relationship with Warwickshire.</p> <p>(4) The ongoing work required to attain long-term financial sustainability from April 2025, and the need to clarify roles and responsibilities and handovers across programmes of activity across the West Midlands Growth Company, the WMCA, local authorities and other partners, was noted.</p> <p>(5) It was agreed that the current funding envelope for the West Midlands Growth Company of £12m should be consolidated going forward and that West Midlands Growth Company activity should be re-focused to meet regional and local priorities ie. scenario 5 of the six scenarios for the future model of the West Midlands Growth Company that had been consulted upon.</p> <p>(6) It was agreed that the West Midlands Growth Company should continue to undertake the functions as set out within the report, and that the balance of activity across them should be determined by regional and local priorities.</p> |

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| | | <p>(7) It was agreed that the West Midlands Growth Company should undertake the additional role of Strategic Relationship Management if budget levels were broadly maintained at their current level and that the West Midlands Growth Company should work closely with local authorities and the WMCA to deliver this function.</p> <p>(8) The detailed work being undertaken with local authorities and with the WMCA to determine local and regional priorities, and that these were being used to inform the proposal for additional Commonwealth Games Legacy Enhancement Funding and would ultimately inform the West Midlands Growth Company’s Business Plan, was noted.</p> <p>(9) The progress in developing a framework of Objectives & Key Results was noted, and the further work that was being undertaken to determine thematic objectives, deliverables and specific leading and lagging indicators was noted.</p> <p>(10) It was noted that a proposal for £10m from the Commonwealth Games Legacy Enhancement Fund to support the Global West Midlands Investment & Tourism Programme over the next two years would be considered at item no. 8 below and, if successful, would enable the West Midlands Growth Company to have an overall budget of £10.15m in 2023/24 and £11.65m in 2024/25 ie. broadly realising the ambitions of ‘scenario 5’.</p> <p>(11) It was noted that the West Midlands Growth Company would achieve efficiency savings amounting to a 10% - 15% reduction in the regional workforce/third-party costs over the course of the year on the core activities.</p> <p>(12) It was agreed that identification of long-term sustainable funding for the West Midlands Growth Company, to support the consolidation of the West Midlands</p> |

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| | | <p>Growth Company budget at £12m, was returned to in early 2023/24 and that recommendations were to be brought forward to the Economic Growth Board for consideration and then on to the WMCA Board in due course.</p> <p>(13) Proposed changes to membership of the West Midlands Growth Company Board, were endorsed, specifically that the board should be expanded so that each local authority was represented on it, and that private sector membership should be reviewed when terms of office came to an end to ensure directors had the right suite of skills and experiences aligned to the West Midlands Growth Company’s future focus, noting that these changes would be for West Midlands Growth Company Ltd to formally agree and to enact.</p> <p>(14) It was agreed that from 2023/24, the Economic Growth Board should agree the West Midlands Growth Company's annual business plan, including its objectives and key results and that it should receive quarterly performance reports on progress from the West Midlands Growth Company.</p> <p>(15) Proposals to strengthen engagement with the local authorities and the WMCA at political and officer levels were approved, and it was agreed that partners would identify named senior officers and councillors by correspondence with the West Midlands Growth Company.</p> |
| 8. | Commonwealth Games Legacy Funding | <p>(1) The proposed programmes and funding allocations within the four pillars of the Commonwealth Games Legacy Enhancement Fund were approved, in order to enable officers to develop the business cases during the pre-election period, ahead of delivery starting from April.</p> |

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| | | <p>(2) The proposed approach to the management of underspends across the Commonwealth Games Legacy Enhancement Fund was approved.</p> <p>(3) The proposed approach to the inclusion of non-constituent authorities within the scope of Commonwealth Games Legacy Enhancement Fund programmes as direct funding recipients of two specific delivery programmes was approved.</p> <p>(4) Authority was delegated to the Executive Director of Finance & Business Hub (s.151 officer) in consultation with the Monitoring Officer to accept Commonwealth Games Legacy Enhancement funds awarded during the pre-election period commencing 24 March and up to the meeting of the Investment Board in June, subject to satisfactory terms and conditions and all funds going through the Single Assurance Framework.</p> <p>(5) Approval be given for the WMCA to enter into all necessary legal agreements in respect of the funding.</p> <p>(6) The update on the status of final Government sign-off of the Commonwealth Games Legacy Enhancement Fund was noted.</p> <p>(7) The next steps that delivery bodies would progress during the pre and post-election periods, including the intention to take some Q1 decisions at risk in order to avoid delivery delays to programmes, was noted.</p> |
| 9. | West Midlands Race Equalities Taskforce - Independent Strategy | <p>(1) The launch and progress of the West Midlands Race Equalities Taskforce, which was established by the WMCA Board at its meeting on 23 July 2021, was noted.</p> |

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| | | <p>(2) The West Midlands Race Equalities Taskforce’s independent strategy was endorsed.</p> <p>(3) Responding to the taskforce’s independent strategy was committed to, along with continued action to address race inequality across the West Midlands.</p> <p>(4) An elected member to represent each constituent authority would be nominated to sit on a Members Advisory Group for the Race Equalities Taskforce.</p> |
| 10. | Transport for West Midlands Capital Pressures | <p>(1) The submission of the City Region Sustainable Transport Settlement change control documentation to the Department for Transport as per the report submitted to the WMCA Board on 16 December 2022 was noted.</p> <p>(2) The updated position on the Transport for West Midlands capital pressures was noted.</p> <p>(3) The intention to return to the WMCA Board on 9 June with an update on the overall capital programme budget pressure solutions with an appropriately balanced programme was noted.</p> <p>(4) The approach towards integrating into the City Region Sustainable Transport Settlement programme the expected net deficit of £53.4m, where this funding was urgently needed for projects to continue in the delivery stage, was approved.</p> <p>(5) The power to amend budgets totalling (gross) £75.7m was delegated to the</p> |

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| | | <p>Executive Director for Finance & Business Hub (the s.151 officer), subject to adequate assurances concerning value for money, commercial challenge, technical challenge and the relevant third-party consents being in place.</p> <p>(6) It was approved that as part of on-going management of adverse cost pressures, the following schemes from the main Transport for West Midlands-delivered City Region Sustainable Transport Settlement programme were to be de-scoped to partly alleviate pressure against the overall programme: Rail Development (£2m) and Bus Retrofit (£2m), noting the on-going work to look at further items to de-scope in consultation with local authorities.</p> <p>(7) The decision to continue spending £38m (from the approved budget) on the Birmingham Eastside metro extension scheme at risk, in lieu of a funding solution being identified given the early indications around cost escalation, was approved, noting that the cost pressure would need to be met from the City Region Sustainable Transport Settlement programme if an alternative funding solution could not be found.</p> <p>(8) The release of further funds of £2m from the Birmingham Eastside metro budget was approved to allow continuation of works to Clayton Hotel, pending receipt and approval of Target Cost 2, noting that this would support early generation of revenue to support the metro programme funding model.</p> <p>(9) The additional risks being carried by the WMCA with respect to the Wednesbury - Brierley Hill Phase 2 and Metro Lifecycle were noted.</p> |
| 11. | Full Business Case Approval for | (1) The full business case submission from the City Region Sustainable Transport |

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| | <p>Spend Under City Region Sustainable Transport Settlement Metro Line 1 Renewals</p> | <p>Settlement scheme, as endorsed and agreed by the Investment Board at its meeting on 12 December 2022, was approved, and the full funding cost of £27.85m which brought the programme total to £30m was noted.</p> <p>(2) An initial draw down of funding of £8.381m against the full business case, in addition to the £2.15m approved by the Investment Board at its meeting on 14 November 2022, was approved.</p> <p>(3) It was noted that this incremental approval approach was designed to balance the need to cap overall spending (in advance of the report to the WMCA Board on 9 June looking holistically at transport capital pressures) with the urgent nature of the works.</p> <p>(4) It was noted that subject to a decision at the meeting of the WMCA Board on 9 June with respect to the overall transport pressures, a gated approval mechanism for future approvals may be recommended for this programme based on annual requirements.</p> <p>(5) Authority was delegated to the Executive Director of Transport for West Midlands, in consultation with the Executive Director of Finance & Business Hub (the s.151 officer), to award contracts to the successful tenderers for each package subject to:</p> <ul style="list-style-type: none"> (i) the contract being within the approved budget; and (ii) all funding agreements being signed and sealed to the satisfaction of the Executive Director of Finance & Business Hub (the s.151 officer) and the Executive Director of Transport for West Midlands. |

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| | | (6) The appraisal recommendations were accepted. |
| 12. | Transport Delivery Committee - 6 February 2023 | The minutes were noted. |
| 13. | Economic Growth Board - 15 February 2023 | The minutes were noted. |
| 14. | Wellbeing Board - 6 March 2023 | The minutes were noted. |
| 15. | Young Combined Authority - March Update | The report was noted. |
| 16. | Date of Next Meeting | Friday 9 June 2023 at 11.00am. |