



## WMCA Board

**Date:** Friday 9 June 2023

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

**Venue:** Council Chamber, Birmingham City Council, Council House, Victoria Square, Birmingham, B1 1BB

### Membership

#### Constituent Members

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

Councillor Mike Bird  
Councillor Paul Bradley  
Councillor Ian Brookfield  
Councillor Kerrie Carmichael  
Councillor John Cotton  
Councillor Ian Courts  
Councillor George Duggins  
Councillor Patrick Harley  
Councillor Abdul Khan  
Councillor Garry Perry  
Councillor Bob Piper  
Councillor Stephen Simkins  
Councillor Sharon Thompson

#### Appointing Authority

Mayor of the West Midlands Combined Authority  
Solihull Metropolitan Borough Council

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

#### Non-Constituent Members

Councillor Shaun Davies  
Councillor Matthew Dormer  
Councillor Tony Johnson  
Councillor Susan Juned  
Councillor Lezley Picton  
Councillor Derek Poole  
Councillor Izzi Seccombe  
Councillor Paul Turner  
Councillor Kristofer Wilson  
Councillor David A Wright

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

**Observers Awaiting Membership**

Councillor Ian Davison

Warwick District Council

**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:

**Contact**

Dan Essex, Governance Services Manager

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# AGENDA

No.	Item	Presenting	Pages
1.	Apologies for Absence	Chair	None
<b>Items of Public Business</b>			
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 - 17 March 2023	Chair	1 - 12
5.	Forward Plan	Chair	13 - 18
6.	Appointment of WMCA Boards and Committees 2023/24	Chair	19 - 38
7.	Financial Monitoring Report	Councillor Bob Sleigh	39 - 78
8.	Transport Governance Review	Councillor Bob Sleigh	79 - 88
9.	Report of the Independent Remuneration Panel	Chair of Independent Remuneration Panel	89 - 98
10.	West Midlands Investment Zone	Councillor Mike Bird	99 - 112
11.	Deeper Devolution Deal - Statutory Processes	Chair	113 - 144
12.	Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures	Councillor Bob Sleigh	145 - 150
13.	West Midlands Transport Investment Programme & CRSTS Review	Councillor Bob Sleigh	151 - 184
14.	Overview & Scrutiny Committee - Annual Report	Councillor Cathy Bayton	185 - 214
<b>Minutes</b>			
15.	Housing & Land Delivery Board - 22 March 2023	Councillor Mike Bird	215 - 220
16.	Investment Board - 29 March 2023	Councillor Bob Sleigh	221 - 230

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 items of business as they are likely to involve the disclosure of exempt information as specified in paragraph 3 of the Act.]	Chair	None
<b>Items of Private Business</b>			
18.	Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures	Councillor Bob Sleigh	231 - 236
19.	West Midlands Transport Investment Programme & CRSTS Review	Councillor Bob Sleigh	237 - 244
<b>Date of Next Meeting</b>			
20.	Friday 21 July 2023 at 11.00am	Chair	None



**West Midlands  
Combined Authority**

## **WMCA Board**

**Friday 17 March 2023 at 11.00 am**

### **Minutes**

#### **Constituent Members**

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Bob Sleigh (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Kerrie Carmichael	Sandwell Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Patrick Harley	Dudley Metropolitan Borough Council
Councillor Brigid Jones	Birmingham City Council
Councillor Abdul Khan	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council

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

Councillor Matthew Dormer	Redditch Borough Council
Councillor Izzi Seccombe	Warwickshire County Council

#### **In Attendance**

Councillor Cathy Bayton	Overview & Scrutiny Committee
Simran Johal	Young Combined Authority
Hamaam Shire	Young Combined Authority
Mark Smith	Audit, Risk & Assurance Committee

#### **In Virtual Attendance Online**

Councillor Mary Locke	Transport Delivery Committee
Councillor Ian Ward	Birmingham City Council

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

##### **118. 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).

**119. Chair's Remarks**

**(a) Local Enterprise Partnerships**

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.

**120. Minutes - 10 February 2023**

The minutes of the meeting held on 10 February 2023 were agreed as a correct record.

**121. Forward Plan**

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

**122. Regional Activity & Delivery Update**

The board received an update from the Chief Executive on the current activity of the WMCA, including the recently announced 'in principle' agreement of a Deeper Devolution Deal with the Government that included a single funding settlement, greater flexibility in housing and 10 years of business rates retention. Work was now starting to commence about how the region could make best use of this new funding and powers.

Councillor Brigid Jones welcomed the devolution announcement, including the commitment to 'double devolution' to the constituent authorities. Councillor Izzi Seccombe recognised the importance of Wellbeing Board having greater oversight of the increased health funding coming into the region. Councillor Ian Courts thanked everyone involved in securing this agreement, particularly the efforts of the Mayor in seeking to unlock additional powers for the region. He stressed the importance of local authorities and the WMCA working collaboratively to ensure the benefits of the agreement were felt by local residents.

Resolved:

The update be noted.

**123. 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 31 January 2023.

The overall position year to date at the end of January was a favourable variance to budget of £2.6m. Within transport, there was a surplus of £6.4m which represented a favourable variance from budget of £2.7m. The most notable variances related to concessions, where savings to lower patronage and fare levels had been transferred to a reserve to protect against future risks in relation to the transport network. In respect of the Capital Programme, actual costs totalled £281.7m, resulting in a favourable variance of £186m against budget. This variance was primarily contained within transport (£111.3m) and housing (£39.7m).

Councillor Stephen Simkins stressed the importance of ensuring that the WMCA secured longer term financial stability. The Executive Director of Finance & Business Hub indicated that work was currently being undertaken to refresh the Medium Term Financial Plan in light of the budget agreed by this board at its last meeting and the recently announced Deeper Devolution Deal. This work would then be brought back to this board for approval later in the year. Councillor Mike Bird stressed the importance of ensuring the WMCA was able to spend the additional funding expected to come out of the devolution deal.

Resolved:

- (1) The financial position as at 31 January 2023 be noted.
- (2) The latest full year forecast for 2022/23 be noted.
- (3) The new grant awards to the WMCA and the arrangements for these grants be noted.
- (4) With respect to the £15m Social Housing Fund, authority be 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.
- (5) Authority be 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.
- (6) The risk management arrangements in place at the WMCA and the suggested revisions towards reporting exposure to risk be noted.
- (7) The specific details around the underwrite provided by the seven constituent member authorities be noted.
- (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, be confirmed.
- (9) The City Region Sustainable Transport Settlement revenue allocation be approved.

#### **124. West Midlands Growth Company Review**

The board considered a report of the Director of Policy & Partnerships, West Midlands Growth Company on the findings of the review into the company, outlining feedback from consultations into its future model, setting out recommendations in a number of areas and highlighting issues where further work was required.

At its meeting on 23 September 2022, the Economic Growth Board commissioned a review of the West Midlands Growth Company's functions, funding and governance with the purpose of making recommendations on its future scope, scale and sustainable funding of activity. The review was overseen by a Sponsors Group of the Economic Growth Board Chair, Mayor and Chair of the West Midlands Growth Company. It was led by a leadership team of the WMCA's Chief Executive, Chief Executive of the City of Wolverhampton Council and Chief Executive of growth company. The findings of the review and the emerging feedback from the consultation were considered by the Economic Growth Board on 17 February.

Councillor Stephen Simkins welcomed the review but stressed the need for local authorities to be active partners in the activity of the growth company to ensure they maximised the benefit received from it. Councillor Izzi Seccombe noted that Warwickshire already participated in a successful growth company but undertook to discuss the relationship it might have with the West Midlands Growth Company. The Chief Executive of the West Midlands Growth Company stressed that he had listened to the concerns previously expressed regarding accountability and delivery and he hoped the recommendations arising out of the review addressed these concerns.

Resolved:

- (1) The findings of the review and the range of functions the West Midlands Growth Company could undertake be noted.
- (2) The proposed West Midlands Growth Company Ltd operating budget for the next two years be 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.
- (3) It be 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.
- (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, be noted.
- (5) It be 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.



- (6) It be 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.
- (7) It be 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.
- (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, be noted.
- (9) The progress in developing a framework of Objectives & Key Results be noted, and the further work that was being undertaken to determine thematic objectives, deliverables and specific leading and lagging indicators be noted.
- (10) It be 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 minute no. 125 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'.
- (11) It be 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.
- (12) It be agreed that identification of long-term sustainable funding for the West Midlands Growth Company, to support the consolidation of the West Midlands Growth Company budget at £12m, be 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.
- (13) Proposed changes to membership of the West Midlands Growth Company Board, be 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.

- (14) It be 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.
- (15) Proposals to strengthen engagement with the local authorities and the WMCA at political and officer levels be approved, and it be agreed that partners would identify named senior officers and councillors by correspondence with the West Midlands Growth Company.

#### **125. Commonwealth Games Legacy Funding**

The board considered a report of the Executive Director of Strategy, Integration & Net Zero providing an update on the £70m Commonwealth Games Legacy Enhancement Fund grant funding to be provided by the Department for Culture, Media & Sport to the WMCA.

The Commonwealth Games Legacy Enhancement Fund was a £70m fund to ensure the region built on the existing success of the Commonwealth Games legacy. Since the funding was announced in October 2022, WMCA officers had been working closely with games partners, local authorities and other stakeholder groups to shape the programmes that would be delivered in each pillar. Work had also been undertaken with the Department for Culture, Media & Sport on the terms of a formal agreement on the funding conditions for the £70m, which needed to be spent across financial years 2023/24 and 2024/25. Final Government sign-off of the funding was now expected to follow this board's sign-off.

Councillor Brigid Jones welcomed the report and congratulated all those who had been involved in ensuring that the Commonwealth Games had been delivered under budget, enabling this additional funding source to become available to the region.

Resolved:

- (1) The proposed programmes and funding allocations within the four pillars of the Commonwealth Games Legacy Enhancement Fund be approved, in order to enable officers to develop the business cases during the pre-election period, ahead of delivery starting from April.
- (2) The proposed approach to the management of underspends across the Commonwealth Games Legacy Enhancement Fund be approved.
- (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 be approved.

- (4) Authority be 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 on 19 June, subject to satisfactory terms and conditions and all funds going through the Single Assurance Framework.
- (5) Approval be given for the WMCA to enter into all necessary legal agreements in respect of the funding.
- (6) The update on the status of final Government sign-off of the Commonwealth Games Legacy Enhancement Fund be noted.
- (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, be noted.

**126. West Midlands Race Equalities Taskforce - Independent Strategy**

The board considered a report of the Race Equalities Taskforce Programme Manager and the Head of Systems Change & Inclusion seeking endorsement of the Race Equality Taskforce's independent strategy and on-going commitment to taking action to address race inequality within communities. The taskforce was an independent group that brought together a wide range of people and partners from across the West Midlands to find new and sustainable ways to tackle race disparities.

Its chair, Yetunde Dania, reported that the taskforce had produced a five-year strategy setting out how it intended to achieve its goals across three cross-cutting priorities. She stressed that the strategy was a call to action and urged all partners to read, share and respond to it to help bring about lasting change.

All members of the board welcomed the publication of this strategy. Councillor Patrick Harley stressed the importance of tailoring its delivery to local circumstances and needs and pledged the support of Dudley's officers in the delivery of this. The Chief Executive of the Office of the West Midlands Police & Crime Commissioner welcomed the report, noting the clear evidence of the impact that young people's treatment in the criminal justice system had. The Police & Crime Commissioner had indicated his full support to implementing the strategy. Yetunde Dania thanked the board for its support and urged everyone not to waste the opportunities available to make the changes the region needed.

The Chair thanked Yetunde Dania and the Race Equalities Taskforce for their work in producing the strategy.

Resolved:

- (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, be noted.
- (2) The West Midlands Race Equalities Taskforce's independent strategy be endorsed.
- (3) Responding to the taskforce's independent strategy be committed to, along with continued action to address race inequality across the West Midlands.
- (4) An elected member to represent each constituent authority be nominated to sit on a Members Advisory Group for the Race Equalities Taskforce.

**127. Transport for West Midlands Capital Pressures**

The board considered a report from the Executive Director of Transport for West Midlands and the Executive Director of Finance & Business Hub providing an update on the transport capital programme further to the report on cost pressures considered by this board at its meeting on 16 December 2022.

Transport and construction projects had been facing extraordinary cost inflation pressures as a result of various national and international pressures. Consequently, there was a need to accommodate additional these cost pressures within the region's City Region Sustainable Transport Settlement programme, which was the only significant funding source for transport which was not already fully committed. The report set out the cost mitigation measures that were proposed to address these pressures.

Resolved:

- (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 be noted.
- (2) The updated position on the Transport for West Midlands capital pressures be noted.
- (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 be noted.
- (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, be approved.

- (5) The power to amend budgets totalling (gross) £75.7m be delegated to the 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.
- (6) It be 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 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.
- (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, be 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.
- (8) The release of further funds of £2m from the Birmingham Eastside metro budget be 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.
- (9) The additional risks being carried by the WMCA with respect to the Wednesbury - Brierley Hill Phase 2 and Metro Lifecycle be noted.

**128. Full Business Case Approval for Spend Under City Region Sustainable Transport Settlement Metro Line 1 Renewals**

The board considered a report of the Executive Director of Transport for West Midlands setting out the on-going investment in the existing metro infrastructure required to keep the network safe, reliable and operational.

The Line 1 infrastructure was over 20 years old and had had little significant replacement of equipment over this time. When its operation and maintenance was brought in-house at the end of the former operator concession, it was clear that the system was in a poor state of repair, with an increasing number of failures of the existing equipment which caused a closure of the whole line. The report provided details on those works that were required on Line 1

Resolved:

- (1) The full business case submission from the City Region Sustainable Transport Settlement scheme, as endorsed and agreed by the Investment Board at its meeting on 12 December 2022, be approved, and the full funding cost of £27.85m which brought the programme total to £30m be noted.

- (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, be approved.
- (3) It be 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.
- (4) It be 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.
- (5) Authority be 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:
  - (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.
- (6) The appraisal recommendations be accepted.

**129. Transport Delivery Committee - 6 February 2023**

The board considered the minutes of the Transport Delivery Committee meeting held on 6 February 2023.

Resolved:

The minutes of the meeting held on 6 February 2023 be noted.

**130. Economic Growth Board - 15 February 2023**

The board considered the minutes of the Economic Growth Board meeting held on 15 February 2023.

Resolved:

The minutes of the inquorate meeting held on 15 February 2023 be noted.

**131. Wellbeing Board - 6 March 2023**

The board considered the minutes of the Wellbeing Board meeting held on 6 March 2023.

Resolved:

The minutes of the meeting held on 6 March 2023 be noted.

**132. Young Combined Authority - March Update**

The board considered an update report from the Young Combined Authority setting out its activity during March.

Simran Johal and Hamaam Shire reported that there had been a number of mental health focused meetings held recently. YCAs from across the country had also come together to share findings from the National Youth Transport Survey, which had highlighted the need for more affordable public transport and proposed a cross-regional travel card to simplify travel for young people.

Resolved:

The report be noted.

**133. Date of Next Meeting**

Friday 9 June 2023 at 11.00am.

The meeting ended at 12.35 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>Appointment of WMCA Boards and Committees 2023/24</b> To approve consider the appointments to boards, chairs and meetings dates for 2023/24.	WMCA Board 9 June 2023	Open	Andy Street Mayor	Helen Edwards Director of Law and Governance
<b>Transport Governance Review</b> To consider the recommendations arising out of the review of the WMCA's transport governance.	WMCA Board 9 June 2023	Open	Councillor Bob Sleigh Deputy Mayor	Helen Edwards Director of Law and Governance
<b>Overview and Scrutiny Annual Report</b> To consider a report setting out the activity of overview & scrutiny during 2022/23.	WMCA Board 9 June 2023	Open	Councillor Bob Sleigh Deputy Mayor	Helen Edwards Director of Law and Governance
<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.	WMCA Board 9 June 2023	Open	Councillor Bob Sleigh Finance Portfolio Lead	Linda Horne Executive Director of Finance & Business Hub
<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.	WMCA Board 9 June 2023	Open	Councillor Ian Ward Transport Portfolio Lead	Mike Waters Director of Policy, Strategy and Innovation - TfWM

<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>	<p>WMCA Board 9 June 2023</p>	<p>Part exempt</p>	<p>Councillor Ian Ward Transport Portfolio Lead</p>	<p>Anne Shaw Executive Director of Transport for West Midlands</p>
<p><b>Deeper Devolution Deal: Implementation and Next Steps</b> Trailblazer Devolution Deal</p>	<p>WMCA Board 9 June 2023</p>	<p>Open</p>	<p>Andy Street Mayor</p>	<p>Ed Cox, Executive Director of Strategy, Integration &amp; Net Zero,</p>
<p><b>Investment Zone</b> To formalise Priority Sector and Investment Zone Criteria</p>	<p>WMCA Board 9 June 2023</p>	<p>Open</p>	<p>Councillor Ian Brookfield Economy &amp; Innovation Portfolio Lead</p>	<p>Gareth Bradford Executive Director of Housing, Property &amp; Regeneration</p>
<p><b>Report of the Independent Remuneration Panel</b> To consider the report of the Independent Remuneration Panel</p>	<p>WMCA Board 9 June 2023</p>	<p>Open</p>	<p>Councillor Bob Sleight Finance Portfolio Lead</p>	<p>Julia Cleary Head of Corporate Support &amp; Governance</p>
<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 21 July 2023</p>	<p>Open</p>	<p>Councillor Ian Ward Transport Portfolio Lead</p>	<p>Mike Waters, Director of Policy, Strategy and Innovation</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.

### 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>	9 June 2023
<b>Report title</b>	Appointment of WMCA Boards and Committees 2023/24
<b>Accountable Chief Executive</b>	Laura Shoaf, Chief Executive, West Midlands Combined Authority email: laura.shoaf@tfwm.org.uk
<b>Accountable Employee</b>	Helen Edwards, Director of Law & Governance and Monitoring Officer email: helen.edwards@wmca.org.uk

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

#### The WMCA Board is recommended to:

- (1) Note the members nominated by constituent, non-constituent and observer member authorities to sit on the WMCA Board and its committees/sub-boards as detailed in appendix A.
- (2) Appoint the chairs of the Overview & Scrutiny Committee and Transport Delivery Overview & Scrutiny Committee (paragraph 4.1).
- (3) Note the appointments made by the Mayor to the Portfolio Lead positions (to be reported at the board meeting itself) (paragraph 5.2).
- (4) Agree the timetable of meetings for 2023/24 as detailed in appendix B.
- (5) Give delegated authority to the Director of Law & Governance to approve any subsequent minor changes to the individual appointments made to boards/committees.

### 1. Purpose

- 1.1 To note the appointments made by constituent, non-constituent and observer member authorities to the WMCA Board and its committees/sub-boards for 2023/24.
- 1.2 To agree the timetable of meetings for the WMCA Board and its committees/sub-boards for 2023/24.

## 2. Background

2.1 In addition to the WMCA Board meeting itself, there are a number of other committees and boards that meet throughout the year to discharge the authority that has been delegated to them by the West Midlands Combined Authority. Each constituent, non-constituent and observer member authority has made appointments for its representatives to sit on these meetings. The constitution adopted by the WMCA Board specifies the representation authorities have at each meeting.

## 3. Membership of Boards/Committees

3.1 Appendix A sets out all of the appointments made for 2023/24 by the constituent, non-constituent and observer members of the combined authority at their recent AGMs.

## 4. Appointment of Committee/Board Chairs

4.1 Along with agreeing the membership of its committees/sub-boards, the WMCA Board must also appoint the chairs of these meetings, specifically:

- Overview & Scrutiny Committee (*previously Councillor Cathy Bayton*)
- Transport Delivery Overview & Scrutiny Committee (*new committee*)

4.2 In addition, a number of other committees/sub-boards are chaired by the appropriate Portfolio Lead, and it is intended to carry on these arrangements for 2023/24:

- Economic Growth Board - Portfolio Lead for Economy & Innovation
- Environment & Energy Board - Portfolio Lead for Environment, Energy & HS2
- Housing & Land Delivery Board - Portfolio Lead for Housing & Land
- Investment Board - Portfolio Lead for Finance
- Wellbeing Board - Portfolio Lead for Wellbeing

4.3 Scrutiny Champions are appointed at the first meetings of the overview & scrutiny committees to align with each committee's work areas and priorities for the forthcoming year from amongst the political groups represented on each committee.

## 5. Portfolio Leads

5.1 The Mayor appoints the Portfolio Leads for the WMCA and will work closely with them to deliver the priorities of the WMCA.

5.2 For 2023/24 the Mayor will update the board at the meeting with these appointments:

### **Portfolio**

Culture & Digital

Economy & Innovation

Environment, Energy & HS2

Finance

Housing & Land

Inclusive Communities

Levelling Up

Skills & Productivity

Transport

Wellbeing



## **6. Timetable of Meetings**

6.1 Appendix B sets out a timetable of meetings for the WMCA Board and its other committees/boards.

## **7. Financial Implications**

7.1 There are no direct financial implications arising out of the contents of this report.

## **8. Legal Implications**

8.1 There are no direct legal implications arising out of the contents of this report.

## **9. Equalities Implications**

9.1 There are no direct equalities implications arising out of the contents of this report.

## **10. Inclusive Growth Implications**

10.1 There are no direct inclusive growth implications arising out of the contents of this report.

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

11.1 The WMCA's boards and committees comprised members appointed by constituent and non-constituent authorities.

## **12. Schedule of Background Papers**

12.1 Correspondence received from constituent and non-constituent authorities setting out their nominations to the WMCA's boards and committees for 2023/24.



# West Midlands Combined Authority

## WMCA Board

<b>Representing</b>	<b>Nominee</b>	<b>Substitute</b>
Birmingham City Council	Councillor John Cotton Councillor Sharon Thompson	Councillor Brigid Jones Councillor Mariam Khan
Coventry City Council	Councillor George Duggins Councillor Abdul Khan	Councillor Jim O'Boyle Councillor David Welsh
Dudley Metropolitan Borough Council	Councillor Patrick Harley Councillor Paul Bradley	Councillor Damian Cornfield Councillor Laura Taylor-Childs
Sandwell Metropolitan Borough Council	Councillor Kerrie Carmichael Councillor Bob Piper	Councillor Peter Hughes Councillor Susan Hartwell
Solihull Metropolitan Borough Council	Councillor Ian Courts Councillor Bob Sleigh	Councillor Karen Grinsell Councillor Ken Hawkins
Walsall Metropolitan Borough Council	Councillor Mike Bird Councillor Garry Perry	Councillor Adrian Andrew Councillor Kerry Murphy
City of Wolverhampton Council	Councillor Ian Brookfield Councillor Stephen Simkins	TBC TBC
Cannock Chase District Council	Councillor Tony Johnson	Councillor Josh Newbury
North Warwickshire Borough Council	Councillor David Wright	Councillor Mark Reilly
Nuneaton & Bedworth Borough Council	Councillor Kris Wilson	TBC

Redditch Borough Council	Councillor Matt Dormer	Councillor Craig Warhurst
Rugby Borough Council	Councillor Derek Poole	TBC
Shropshire Council	Councillor Lezley Picton	Councillor Steve Charmley
Stratford-on-Avon District Council	Councillor Susan Juned	TBC
Tamworth Borough Council	Councillor Paul Turner	TBC
Telford & Wrekin Council	Councillor Shaun Davies	Councillor Lee Carter
Warwickshire County Council	Councillor Izzi Seccombe	Councillor Peter Butlin
Warwick District Council	Councillor Ian Davison	TBC
West Midlands Fire Authority	Councillor Greg Brackenridge	TBC
West Midlands Police & Crime Commissioner	Simon Foster	TBC

### Audit, Risk & Assurance Committee

<b>Representing</b>	<b>Nominee</b>	<b>Substitute</b>
Birmingham City Council	Councillor Brigid Jones	Councillor Marje Bridle
Coventry City Council	Councillor Ram Lahka	Councillor Naeem Akhtar
Dudley Metropolitan Borough Council	Councillor Dave Borley	Councillor Phil Atkins
Sandwell Metropolitan Borough Council	Councillor Liam Preece	Councillor Luke Giles
Solihull Metropolitan Borough Council	Councillor Leslie Kaye	Councillor James Butler
Walsall Metropolitan Borough Council	Councillor Rose Martin	Councillor Gurmeet Singh Sohal
City of Wolverhampton Council	Councillor Jaspreet Jaspal	Councillor Mary Bateman
Shropshire non-constituent authorities	TBC	TBC
Staffordshire non-constituent authorities	TBC	TBC
Warwickshire non-constituent authorities	TBC	TBC
Worcestershire non-constituent authorities	Councillor Karen Ashley	TBC
Business representative	Kate Shaw	Sarah Windrum
Independent member	Mark Smith	n/a

### Economic Growth Board

<b>Representing</b>	<b>Nominee</b>
Portfolio Lead for Economy & Innovation (Chair)	TBC
Mayor of the West Midlands	Andy Street
Portfolio Lead for Finance	TBC
Birmingham City Council	Councillor John Cotton
Coventry City Council	Councillor George Duggins
Dudley Metropolitan Borough Council	Councillor Paul Bradley
Sandwell Metropolitan Borough Council	Councillor Bob Piper
Solihull Metropolitan Borough Council	Councillor Ian Courts
Walsall Metropolitan Borough Council	Councillor Adrian Andrew
City of Wolverhampton Council	Councillor Stephen Simkins
Non-Constituent authorities	Councillor Matt Dormer
Business representatives	Tom Westley Sarah Windrum
Greater Birmingham & Solihull LEP	Anita Bhalla
Black Country Chamber of Commerce	Corin Crane
West Midlands Growth Company	Matthew Hammond

West Midlands Innovation Board	Mike Wright
Higher Education Sector	Stuart Croft
Midlands Trades Union Congress	Lee Barron

## Environment & Energy Board

<b>Representing</b>	<b>Nominee</b>
Portfolio Lead for Environment, Energy & HS2 (Chair)	TBC
Birmingham City Council	Councillor Majid Mahmood
Coventry City Council	Councillor Jim O'Boyle
Dudley Metropolitan Borough Council	Councillor Rob Clinton
Sandwell Metropolitan Borough Council	Councillor Peter Hughes
Solihull Metropolitan Borough Council	Councillor Andy Mackiewicz
Walsall Metropolitan Borough Council	Councillor Kerry Murphy
City of Wolverhampton Council	Councillor Craig Collingswood
Energy Capital	Matthew Rhodes
Environment Agency	Suzanne Ward

### Housing & Land Delivery Board

<b>Representing</b>	<b>Nominee</b>
Portfolio Lead for Housing & Land (Chair)	TBC
Birmingham City Council	Councillor Jayne Francis
Coventry City Council	Councillor David Welsh
Dudley Metropolitan Borough Council	Councillor Wayne Little
Sandwell Metropolitan Borough Council	Councillor Laura Rollins
Solihull Metropolitan Borough	Councillor Andy Mackiewicz
City of Wolverhampton Council	Councillor Steve Evans
Cannock Chase District Council	Councillor Tony Johnson
Greater Birmingham & Solihull LEP	Dawn Ward
North Warwickshire Borough Council	Councillor David Wright
Nuneaton & Bedworth Borough Council	Councillor Richard Smith
Redditch Borough Council	Councillor Matt Dormer
Shropshire Council	Councillor Ed Potter
Stratford-on-Avon District Council	TBC



Tamworth Borough Council	Councillor Paul Turner
Telford & Wrekin Council	Councillor Richard Overton
Warwickshire County Council	Councillor Peter Butlin
Environment Agency	Suzanne Ward
Homes England	Jo Nugent
West Midlands Housing Association Partnership	Kevin Rogers

### Investment Board

<b>Representing</b>	<b>Nominee</b>
Portfolio Lead for Finance (Chair)	TBC
Birmingham City Council	Councillor Sharon Thompson
Coventry City Council	Councillor Jim O'Boyle
Dudley Metropolitan Borough Council	Councillor Steve Clark
Sandwell Metropolitan Borough Council	Councillor Peter Hughes
Solihull Metropolitan Borough Council	Councillor Karen Grinsell
Walsall Metropolitan Borough Council	Councillor Adrian Andrew
City of Wolverhampton Council	Councillor Stephen Simkins
Non-constituent authorities	TBC
Business representative	Paul Brown
Greater Birmingham & Solihull LEP	Gary Taylor
West Midlands Development Capital	Sue Summers

## Overview & Scrutiny Committee

<b>Representing</b>	<b>Nominee</b>	<b>Substitute</b>
Birmingham City Council	Councillor Lauren Rainbow Councillor Jamie Tennant Councillor Ken Wood	Councillor David Barker Councillor Miranda Perks Councillor Ewan Mackey
Coventry City Council	Councillor Naeem Akhtar	Councillor Robert Thay
Dudley Metropolitan Borough Council	Councillor Shaun Keasey	Councillor Ian Kettle
Sandwell Metropolitan Borough Council	Councillor Paul Moore	Councillor Caroline Owen
Solihull Metropolitan Borough Council	Councillor Andrew Burrow	Councillor Martin McCarthy
Walsall Metropolitan Borough Council	Councillor Vera Waters	Councillor Ram Mehmi
City of Wolverhampton Council	Councillor Philip Bateman	Councillor Jacqui Coogan
Joint Dudley/Sandwell/ Walsall/Wolverhampton representative	Councillor Cathy Bayton* <i>* to be confirmed at ABCA AGM</i>	TBC*
Shropshire non-constituent authorities	TBC	TBC
Staffordshire non-constituent authorities	TBC	TBC
Warwickshire non-constituent authorities	TBC	TBC
Worcestershire non-constituent authorities	Councillor Emma Marshall	TBC
Business representative	Amanda Tomlinson	TBC

## Transport Delivery Overview & Scrutiny Committee

<b>Representing</b>	<b>Nominee</b>	<b>Substitute</b>
Birmingham City Council	Councillor Robert Alden Councillor Zaker Choudhry Councillor Timothy Huxtable Councillor Narinder Kaur Kooner Councillor Mary Locke Councillor Saddack Miah Councillor Ian Ward	TBC TBC TBC TBC TBC TBC TBC
Coventry City Council	Councillor Pervez Akhtar * Councillor John McNicholas * Councillor Antony Tucker * <i>* subject to confirmation</i>	TBC TBC TBC
Dudley Metropolitan Borough Council	Councillor David Stanley Councillor Alan Taylor	TBC TBC
Sandwell Metropolitan Borough Council	Councillor Aqeela Choudhry Councillor Steve Melia	TBC TBC
Solihull Metropolitan Borough Council	Councillor Martin McCarthy Councillor Josh O'Nyons	Councillor Alan Feeney Councillor Ken Hawkins
Walsall Metropolitan Borough Council	Councillor Amo Hussain Councillor Gurmeet Singh Sohal	TBC TBC
City of Wolverhampton Council	Councillor Carol Hyatt Councillor Barbara McGarrity	TBC TBC
Shropshire non-constituent authorities	TBC	TBC
Staffordshire non-constituent authorities	TBC	TBC

Warwickshire non-constituent authorities	TBC	TBC
Worcestershire non-constituent authorities	Councillor Emma Marshall	TBC

### Wellbeing Board

<b>Representing</b>	<b>Nominee</b>
Portfolio Lead for Wellbeing (Chair)	TBC
Birmingham City Council	Councillor Karen McCarthy
Coventry City Council	Councillor Kamran Caan
Dudley Metropolitan Borough Council	Councillor Ian Bevan
Sandwell Metropolitan Borough Council	Councillor Suzanne Hartwell
Solihull Metropolitan Borough Council	Councillor Tony Diccico
Walsall Metropolitan Borough Council	Councillor Gary Flint
City of Wolverhampton Council	Councillor Jasbir Jaspal
Nuneaton & Bedworth Borough Council	Councillor Julian Gutteridge
Warwickshire County Council	Councillor Margaret Bell
Association of Directors of Public Health	Karen Wright
Birmingham & Solihull Integrated Care System	Will Taylor
Black Country Integrated Care System	Mark Axcell
GP Representative	Sarah Marwick
NHS England	Mike Wade

Office for Health Improvement & Disparities	Sue Ibbotson
Universities West Midlands	Sean Russell
West Midlands Fire Service	Pete Wilson

**West Midlands Combined Authority Meeting Schedule 2023/24**

Meeting	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024
<b>WMCA Board</b> (1100)	9	21	-	15	13	17	-	12	9	15	-	-	14
<b>Audit, Risk &amp; Assurance Cttee</b> (1000)	-	19	-	-	4		4	30	-	11	-	-	-
<b>Economic Growth Board</b>	-	12 (2pm)	-	22 (9am)	-	16 (1.30pm)	13 (10am)	-	-	6 (2pm)	-	-	-
<b>Environment &amp; Energy Board</b> (1000)	-	12	-	7	-	-	7	-	-	7	-	-	-
<b>Housing &amp; Land Delivery Board</b> (1000)	28	-	-	-	18	-	-	17	-	13	-	-	-
<b>Investment Board</b> (1000)	19	17	14	18	16	13	11	15	12	18	15	-	24
<b>Overview &amp; Scrutiny Cttee</b> (1000)	-	10	-	4	19 Q&A	6	14 Q&A	29	-	4	-	-	-
<b>Skills Advisory Board</b>	-	24	-	-	-	-	-	-	19	-	-	-	-



Meeting	June 2023	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024
Transport Delivery Overview & Scrutiny Committee (1300)	-	3	-	4	30	-	11	22	26	-	-	-	-
Wellbeing Board	-	3	-	11	-	27	-	-	-	11	-	-	-

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## WMCA Board

<b>Date</b>	9 June 2023
<b>Report title</b>	Financial Monitoring Report
<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>	Executive Board – 31 May 2023 WM FDs – 31 May 2023

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

#### The WMCA Board is recommended to:

- (1) Note the latest update on the production of Statutory Accounts.
- (2) Note the financial position as at 31 March 2023, as detailed in Sections 3 and 4.
- (3) Approve the proposed transfers to earmarked reserves as outlined in paragraph 3.7.
- (4) Note the updates to the 2023/24 revenue budget as outlined in Section 5 of this report.
- (5) Approve delegated authority to the S151 Officer, Executive Director of TfWM and Transport Portfolio Lead to submit a change request in respect of BSIP funds to allow funds to be used to maintain existing services.
- (6) Delegate authority to the S151 officer to utilise the transport risk reserves as necessary to support the transport network, including £5m to support existing network services.
- (7) Approve the continuation of payments of concessions to operators at pre-pandemic levels until 31 March 2024.

- (8) Approve the rebased 2023/24 capital programme as detailed in Section 5 and Appendices 6 to 9 of this report.
- (9) Note the new grant awards to the WMCA as outlined in Section 6, and the arrangements for these grants.
- (10) Delegate authority to accept the funding to be provided to WMCA following the Deeper Devolution Deal agreement; subject to the terms and conditions of those grants being to the satisfaction of the WMCA Section 151 Officer (Section 7).
- (11) Note the intended use of the DLUHC Capital funds of £25m to be awarded to WMCA which will be subject to business cases progressing through the SAF in the normal way (Section 7).
- (12) Note the financial position as at 31st March 2023 and future project life forecast projections for West Midlands Cycle Hire (WMCH) as detailed in Section 8 of this report.
- (13) Note the receipt of funding totalling £3.6m for the West Midlands Region for Additional Highways Maintenance and Pothole repair announced within the Central Government 2023 Budget Statement and endorse the allocation of this funding to relevant Local Authorities as set out at Section 9 of this report.
- (14) Delegate authority to the WMCA Section 151 Officer and to the TfWM Executive Director for Transport (in consultation with the WMCA Portfolio Holder for Transport) and the three programme partners to enter into funding agreements for funding and outputs for the first gateway stage of the Very Light Rail project only, noting the terms and conditions are considered materially different from those approved by WMCA Board in January 2023. (Section 10)
- (15) Delegate authority to the WMCA Section 151 Officer and TfWM Executive Director for Transport (in consultation with the WMCA Portfolio Holder for Transport) to enter into subsequent agreements for subsequent gateway stages at a later time, up to a total value of c. £36.8m (subject to any changes from the original Board approval not being of a material nature).

## **1. Purpose**

- 1.1 This report provides a summary of the financial position for the 2022/23 Revenue and Capital Budgets, updates on the Investment Programme, Administered Funds and the Balance Sheet as at 31 March 2023. The figures represent the provisional outturn position for the 2022/23 financial year. External audit procedures will be completed between July and September 2023, with anticipated signing date for the 2022/23 Statutory Accounts at the end of September 2023.

## **2. Statutory Accounts Update**

- 2.1 WMCA's external auditors Grant Thornton have completed their initial audit of the 2021/22 financial statements and reported their initial findings to Audit, Risk and Assurance Committee on 24 January 2023. They are currently awaiting the resolution of a sector wide issue on pensions before finalising their audit report for the year to enable WMCA's audited accounts for 2021/22 to be published.

- 2.2 During the pandemic, the target date for publishing draft accounts was extended from 31 May until the end of July each year with audited accounts required to be published by 30 November. The Department for Levelling Up, Communities and Housing confirmed earlier this year that the pre-pandemic target date for the publication of draft accounts of 31 May will again apply from 2022/23 onwards with audited accounts required to be published by 30 September.
- 2.3 Following the prolonged audit process for 2021/22 which has not yet concluded, the Finance Team are currently on track to complete the draft accounts for 2022/23 by the end of June 2023 to enable the audit process to commence in early July 2023. This unfortunately means that the target date for the faster close of 31 May will not be achieved and although there are no specific implications to report, it is clearly disappointing.

### 3. 2022/23 Revenue Position

- 3.1 Appendix 1 shows the overall consolidated 2022/23 outturn revenue position for the West Midlands Combined Authority and Appendices 2 to 4 present the detailed summaries for Transport, the WMCA Portfolios budget and the Mayoral office respectively.
- 3.2 The overall 2022/23 outturn position is a favourable variance to budget of £2.8m. The position is after all budgeted reserves for both the Transport and Portfolios have been fully utilised as well as proposed appropriations to earmarked reserves, totalling £21.4m to provide additional financial resilience and as a prudent measure for risk mitigation.
- 3.3 The surplus has been taken to WMCA's General Reserves, leaving a balance of £4.4m on 31 March 2023.
- 3.4 Within Transport there is a surplus at the end of March of £4.6m before transfers to reserves. This is largely due to Concession savings arising from reduced patronage and fare levels. In line with previous reports, this saving has been transferred to an earmarked reserve to protect against risks in relation to the bus network going forward. In addition, there were savings arising from vacancies, reduced spend on non-pay budgets and increased Digital Advertising revenue compared to budgeted expectations. Savings of £1.1m have been realised within Accessible Transport due to lower contractual payments and reduced costs against budget due to a reduction in service demand. The savings mitigate the adverse variation of £1.9m on the Metro Services budget due to an increased MML operating costs requirement of £4.2m in year which is partly offset by Local Transport Fund grant income that has been received and savings on insurance premiums.
- 3.5 Within the Portfolio budgets there is a favourable variance of £1.1m compared to budget. Savings arise from staffing vacancies and lower than budgeted expenditure on external advice.
- 3.6 The Mayoral Office position as at the end of March 2023 was broadly in line with budget.
- 3.7 Details of proposed transfers to earmarked reserves include:
- **£11.5m** of Concessions savings and unutilised in year grant funding transferred to transport reserves to protect against future risks. The WMCA Board has already endorsed the transfer of Concessions savings as previous reports have signalled that all surplus generated within 2022/23 would be taken to Transport reserves to support the 2023/24 Transport Budget and protect against future risks in relation to the transport network which were outlined in the 2023/24 budget report.

- **£4.8m** as contingency for capital pressures. Of this total, £2.4m was previously reported in the Financial Monitoring Report to Board in January.
- **£1.9m** of other transfers to reserves, with £1m earmarked to fund activity deferred to 2023/24.
- **£2.7m** Enabling Services surplus arising from a strong Treasury management strategy and reaping the upside of interest rate changes on investment income. It should be noted that this surplus is based on market conditions and therefore cannot be guaranteed to continue.
- **£0.5m** for funding of upcoming Transport events. This was already reported in the January Board report.

3.8 The proposed transfers to earmarked reserves replaces the £14.1m of reserves that have been used to support the 2022/23 transport budgetary position. It should be noted that reserves are one-off and therefore while this provides some resilience against future fiscal shocks, it cannot be relied on as a permanent funding solution.

#### **4. 2022/23 Capital Programme Position**

4.1 Appendix 5 sets out the position on the Capital Programme as at the end of March 2023. Actual costs totalled £345.2m, resulting in a favourable variance of £245.7m against budget.

4.2 The expenditure to budget variance is primarily contained within Transport (£155.7m) and Housing (£45.7m).

4.3 The Transport Programme has been categorised into six sub programmes. The largest of these is the Investment Programme with a full year budget of £196.5m, including all the Rail, Sprint & Metro extension schemes.

4.4 At the end of March, actual costs for the Investment Programme are £58.9mm below the budget of £196.5m. The main variances are within the Metro Programme totalling £35.4m and the Rail Programme totalling £20.9m. The variations within Metro are due to various reasons including rescheduling of design approvals and some procurement activities, whilst the Rail project has encountered a number of operational issues at each site which impacted on progress.

4.5 Within Housing, the variance primarily relates to Brownfield Housing Fund ('BHF') and BLPDF Pipeline projects where projects have not yet been able to be taken to Investment Board for approval and/or move from approval to signed funding agreements due to delays resulting from the impact of the economic climate, national policy changes (e.g., on planning), land negotiations, and applicants not being able to secure the relevant planning permissions and resolve construction and energy cost issues. These include Telford Station Quarter (£2.4m), Shard End (£2.5m) and Icknield Port Loop (£2.1m). Furthermore, there has been a review of costs on Phoenix Park (£4.3m) due to cost inflation and this is now due to go back for Investment Board approval in 2023/24. In addition, works within the Land and Property Investment Fund, managed outside of the Housing and Land Portfolio and totalling £5.5m, related to the Phoenix 10 project and the uncommitted funds have now been deferred to future years.

4.6 Further details about full in year spend against the Authority Capital Programme is available in Appendix 5.

## 5. 2023/24 Revenue and Capital Budgets Update

- 5.1 The Authority approved a balanced budget at its meeting on 10 February 2023. At this early stage in the financial year, there are no material variances to report. However, the Authority continues to monitor risks in relation to the national economic picture specifically in relation to pay and price inflation and global supply issues. There are also continuing revenue risks to the West Midlands transport network, estimated to be in the region of £30m. As last year, these risks are being closely monitored and updates on the emerging funding for the region along with implications will be reported in each financial report throughout this year, along with any mitigations taken by the WMCA to reduce/manage the risks. A verbal update will be given to the Board in relation to the latest position with regards to transport risks.
- 5.2 The consolidated revenue budget as reported to the February Board was £345.0m. Since that time, the revenue budget has been revised upwards by £27.9m to take account of new grants received to support Portfolio delivery, including UKSPF £14.3m and funding for Digital Skills £10.6m. As reported previously, the Adult Education Budget funding for financial year 2023/24 (including Free Courses for Jobs) has also increased by £0.8m compared to budgeted assumptions reported to Board in February 2023. Most of the changes impact on the Economic Delivery, Skills and Communities Directorate. The changes are depicted in the table below and have an overall net nil impact.

	2023/24 Original Budget £m	Funding adjustment £m	2023/24 Current Budget £m
Transport Levy	119.4		119.4
Commonwealth Games	0.0		0.0
Investment Programme	36.5		36.5
Adult Education Budget	140.6	0.8	141.4
Share of Business Rates	12.0		12.0
Revenue Grants & Other Income	17.1	27.1	44.1
Constituent Membership	4.6		4.6
Non Constituent Members	0.4		0.4
Investment Income	5.2		5.2
Mayoral Precept	0.0		0.0
Use of Reserves	9.2		9.2
Unsecured Mayoral Election Funding	0.0		0.0
<b>Total Funding</b>	<b>345.0</b>	<b>27.9</b>	<b>372.9</b>
Transport for West Midlands	133.2		133.2
Commonwealth Games	0.0		0.0
Housing & Rengeneration	1.8	0.0	1.9
Strategy, Integration and Net Zero	5.5	1.4	7.0
Economic Delivery, Skills & Communities	159.4	26.5	185.8
Portfolio Support	3.7		3.7
Investment Programme	40.4		40.4
Mayoral Office	0.9		0.9
Mayoral Election	0.0		0.0
Enabling Services	0.0		0.0
<b>Total Expenditure</b>	<b>345.0</b>	<b>27.9</b>	<b>372.9</b>

- 5.3 When the WMCA Board approved the 2023/24 capital budget in February 2023, it was made explicit that the figures were indicative only and would be updated when there was clarity on the 2022/23 outturn position. This update has now taken place, and the capital budgets have been rephased to take account of the outturn position, capital financing pressures, new grants received by the Authority of £17.7m, as well as resourcing capacity and practical delivery expectations. Today's Board Agenda contains a separate update on capital cost pressures, and any identified mitigations.
- 5.4 The proposed budget 2023/24 is £591.9m, which is £213.3m less than the indicative capital budget reported at the February meeting and £246.7m higher than the 2022/23 outturn. The main increases on the outturn position are on Investment Programme £107.3m, CRSTS £89.2m and Housing £47.9m.
- 5.5 The Investment programme, totalling £244.9m for 2023/24, includes an allocation for ongoing construction of the Wednesbury to Brierley Hill and Birmingham Eastside Metro tram extensions £164.8m, ongoing work on the new railway services and stations on the Birmingham Camp Hill and Walsall to Wolverhampton lines £55.6m and the Buy Before Boarding Project £5.2m. The CRSTS programme assumes that several local authority projects will be delivered in the second half of 2023/24 following securing of the necessary business case approvals, with a total of £142.2m to be expended in year. The rephasing also commits £67.4m in 2023/24 for housing and land projects targeted on supporting the WMCA's brownfield regeneration programme to unlock and redevelop more derelict urban land and help safeguard the green belt.
- 5.6 The phasing changes in the capital programme can be summarised as shown in the table below:

	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m
Indicative capital budget (February 2023)	805.2	671.0	550.1	361.2	352.6	2,740.1
Investment Programme	244.9	152.0	82.1	15.8	0.0	494.8
Transport Legacy Programme	13.2	0.0	0.0	0.0	0.0	13.2
Other Major Programmes	17.8	65.2	28.0	0.0	0.0	110.9
Minor Work Programme	8.2	3.1	0.0	0.0	0.0	11.3
Grants to Local Authorities	23.6	42.3	0.0	0.0	0.0	65.9
CRSTS	142.2	285.7	243.9	215.4	11.5	898.7
<b>Total Transport Programme</b>	<b>449.9</b>	<b>548.3</b>	<b>354.0</b>	<b>231.2</b>	<b>11.5</b>	<b>1,594.8</b>
IP Grants to Local Authorities	67.5	148.4	163.6	135.7	111.9	627.1
Housing	67.4	73.2	60.6	24.2	13.6	239.0
Net Zero	7.1	1.3	0.1	0.0	0.0	8.5
<b>Total Other Portfolio Programme</b>	<b>142.0</b>	<b>222.9</b>	<b>224.3</b>	<b>159.9</b>	<b>125.6</b>	<b>874.6</b>
Revised capital budgets (May 2023)	591.9	771.2	578.3	391.0	137.1	2,469.5
<b>Reduction/ (Increase) in profile across years</b>	<b>213.3</b>	<b>(100.2)</b>	<b>(28.2)</b>	<b>(29.8)</b>	<b>215.5</b>	<b>270.6</b>

- 5.7 Further details on the rephased capital budgets can be found in Appendix 6-9 of this report.

## 6. New Funding

- 6.1 The WMCA continues to secure external funding to deliver on its priorities and make a positive impact for the region. Since the last report, new grant funding, totalling £71.2m has been secured. Details of these grants are summarised in the table below.



Grant name	Value	Grant period		Purpose
	£m	From	To	
Social Decarbonisation Fund (Wave 2.1)	17.780	Apr-23	Mar-25	Funding to make homes more energy efficient through retrofitting with better insulation, new doors and windows and greener heating systems. This will be matched by further £35 million from registered social housing providers across the region to benefit approximately 3000 homes.
Homes Upgrade Grant	16.000	Apr-23	Mar-25	Retrofit off gas grid homes in Birmingham, Dudley and Sandwell, Dudley. The bid was part of the Midlands Net Zero Hub consortium that successfully bid for £140 million for the wider Midlands area.
Levelling Up Capacity Grant	0.625	Apr-22	Mar-23	Following successful bid to DLUHC on 24/02/2023, the grant has provided funding to build the necessary capacity and capability support infrastructure to support local authorities within the MCAs geographical area to deliver their capital projects. A further 2 years of funding will be made available, subject to delivery of outcomes outlined in the proposal to DLUHC.
Local Transport Fund- Bus Recovery Fund extension	6.087	Apr-23	Jun-23	March Board report indicated that Government had extended the funding for support of the bus network to June 2023 in light of the challenges that the sector continues to face. This report confirms the value
DLUHC Capital funding	25.900	Apr-23	Not specified	Grant to support delivery of the following schemes: i. The extension to the West Midlands Metro network that will link Dudley and Brierley Hill via Line One to Wolverhampton and Birmingham ii. The extension of the Wolverhampton Metro iii. A package of works to renew life-expired sections of key systems on Metro Line One iv. Funding for the renewal of University station v. The provision of digital devices through the Connected Services Project
Highways Maintenance Funding	3.617	Apr-23	Mar-24	For Additional Highways Maintenance and Pothole repair announced within the Central Government 2023 Budget Statement
Cycling facilities (velodrome)	0.040	May-23	Maximum term of 7 years specified	Grant to fund expert consultants to determine whether there is a business case for specialist cycling facilities in the West Midlands. The consultancy will make recommendations to a Cycling Facility Advisory Group chaired by the WM Walking and Cycling Commissioner as to whether there is a strategic, site allocation; business, commercial, management and financial business case(s) for such facilities.
Local Investment in Natural Capital Programme	1.000	Mar-23	Mar-25	DEFRA funding to support the establishment of a natural environment investment fund.
One Public Estate Opportunity Development Fund	0.140	Apr-23	Not specified	The Opportunity Development Fund (ODF) will fund a comprehensive forward-looking assessment of the region's public estate. The assessment will identify pipeline opportunities for land release to deliver new homes, employment, health and community space alongside wider inclusive growth benefits.
Events Screening	0.045	May-23	May-23	Department for Digital, Culture, Media & Sport grant of £30k for coronation screening events across the region plus £10k for the Eurovision screening,
<b>Total</b>	<b>71.234</b>			

- 6.2 Grants will progress through the necessary governance processes to ensure satisfactory terms and be reflected in the budgets once completed.
- 6.3 Government has announced further funding the bus network to 31 March 25. WMCA are awaiting formal confirmation of the amount that will flow to the region and a verbal update will be given at the meeting. It is also expected that there will be a relaxation around the use of BSIP funds to allow those funds to be used more flexibly to maintain existing services. WMCA will be putting forward a change request to DfT requesting to reallocate funds shortly. WMCA will also be seeking to utilise up to £5m of its transport reserves to support the existing network. In support of this and in line with the Statutory Instrument extension, WMCA will continue to pay concessions to operators at pre pandemic budget levels until March 2024.

## 7. Deeper Devolution Deal

7.1 In February 2022 Government published the Levelling Up White Paper which made a commitment to ‘extend, deepen, and simplify’ devolution in England. Within this, Government confirmed an intention to negotiate new “Trailblazer Devolution Deals” with the West Midlands and Greater Manchester. In March 2023, as part of the 2023 Budget Settlement, the Chancellor announced the Trailblazer Devolution Deal for the West Midlands, following months of negotiations.

7.2 The Deeper Devolution Deal (previously called Trailblazer Devolution Deal) shows confidence in the WMCA as a forerunner in the delivery of activity, granting new powers (e.g., public health, careers advice, devolving retrofit funding and bus service operators grant) and financial flexibilities, some of which will materialise after the next Spending Review, so 2025/26 onwards. It commits the WMCA to partnership arrangements with Government and other organisations on areas such as national arts and culture, targeted employment support, local oversight and control of public transport services etc. It provides certainty around some income streams to fund existing revenue activity and provides additional resources for the remaining schemes in the 2016 Investment Programme.

7.3 The key financial features of the devolution deal include:

- A long-term commitment to the current arrangements in respect of business rates, extending the 100% business rates retention scheme pilot for a further 10 years.
- New ‘growth zones’ (Levelling Up Zones) which are subject to further design but where business rates growth above an agreed baseline can be retained for 25 years.
- Commitment to a single settlement across the next Spending Review period (multi-year settlement), intended to allow more autonomy over investment decisions locally.
- Commitment to a £25m capital fund to support business decarbonisation, culture, environmental programmes and the West Midlands’ Smart City Region initiative.
- Commitment to a £60m capital grant to help fund the Wednesbury to Brierley Hill Metro extension.
- Commitment to £100m for a single regeneration fund.
- Funding of £4m for Digital Devices (included in a wider funding award to WMCA of £25.9m as detailed in Section 5 above).

7.4 With respect to the £25m granted to West Midlands, the value of initial business cases provided during the DDD negotiation vs the funding confirmed as available through the deal vary. Notwithstanding this, it is considered those initial priorities are all still deliverable within the resources available and the recommended allocation of funds is detailed below; these have been provisionally endorsed by the WMCA Executive Board:

<b>Project</b>	<b>Initial Value</b>	<b>Suggested Revised Value</b>
WM Smart City Region	£12.1m	£10.0m
Industrial Decarbonisation	£14.5m	£10.5m
Cultural Infrastructure Fund	£5.0m	£4.0m
Air Quality Sensors	£0.9m	£0.5m
<b>TOTAL</b>	<b>£32.5m</b>	<b>£25.0m</b>

- 7.5 From an external approval perspective, progression of all the above will be subject to DLUHC confirming the funding, the process for which is expected to be through the submission of individual business cases. It is possible also that DLUHC may not finally confirm the availability of funding until the full deal is ratified by Board, expected to be in October 2023; WMCA are discussing the programme impacts of this with DLUHC.
- 7.6 From an internal perspective, once the terms and conditions of the funding are received, they will be reviewed to ensure they are to the satisfaction of the WMCA Section 151 Officer. In addition, all cases will progress through the Single Assurance Framework to ensure business cases are properly appraised and assured.
- 7.7 There is a separate report on the Board agenda which deals with the implementation arrangements for the Devolution Deal.

## 8. Cycle Hire

- 8.1 The WMCH FBC was approved by WMCA Board in July 2020 with a central case operating deficit of £2.7m over 5 years. In response to the uncertain economic climate in 2020, as a public body, WMCA cannot take on any undue financial risk exposure. As such, to protect against any downside risk, a total financial provision of £4.6m over the 5-year period (including the central case deficit of £2.7m) was set. Serco were awarded the 5-year contract to October 2025 to deliver the scheme.
- 8.2 As at March 2023, the scheme has an operating deficit of £3m since operations began. Current scheme modelling has a forecast outturn by October 2025 of £6.4m, a shortfall of £1.8m against the current approved business case. In terms of performance, following two successive months of reductions in the month-on-month scheme revenue, February 2023 revenue saw an increase of 12.1% compared to February 2022 (35.6% increase in number of rides). Furthermore, there are various activities taking place which aim to increase the uptake of the scheme and improve the financial position utilising the current fleet of bikes and docking stations that are in operation. WMCA also continues to explore sponsorship opportunities for the scheme. As such WMCA will continue to operate the scheme within the £4.6m funding set aside and return to a future board with an update and options.

## 9. Additional Highways Maintenance Funding

- 9.1 On 15th March 2023, within the Budget 2023 Central Government announced a further £200 million of funding for Highways Maintenance would be made available to Local Authorities in the financial year 2023-24. This funding is in addition to the existing Highways Maintenance funding included within the Region's City Region Sustainable Transport Settlement.
- 9.2 This funding is to be used by Local Authorities to maintain and improve local highways networks based upon their local knowledge, circumstances and priorities.
- 9.3 Once WMCA receive the Terms and Conditions (and these are acceptable to the Section 151 Officer), it is proposed that the funding is disbursed by WMCA to the Local Authorities using the DfT ratio adopted for CRSTS Highways Maintenance Funding is set out below:

	<b>Allocation</b>
WMCA	-
Birmingham	Covered by PFI
Coventry	613,839
Dudley	673,884
Sandwell	712,227

Solihull	581,646
Walsall	536,069
Wolverhampton	499,535
<b>Total</b>	<b>3,617,200</b>

## 10. Very Light Rail

- 10.1 The WMCA board approved at their meeting in January 2023 the Very Light Rail SOBC and the release of CRSTS funds, via completion of four gateway stages of £36.8m. This scheme is a retained scheme by DfT within the CRSTS programme and is also subject to their sign off. The WMCA board decision was conditional on this. There has been ongoing dialogue with DfT regarding VLR and the exact approvals route through which they appraise it. Initially they had been reviewing the business case in line with that used for traditional transport projects and have confirmed their firm support in principle for the scheme. However, following further consideration the DfT now appreciates the extensive innovation, research and development elements of this project. DfT have consequently now opted to review an updated business case for the scheme through an innovation lens. This will therefore change how the project is appraised through the three later gateways of the previously approved SOBC (with the work within the first gateway expected to remain substantively unchanged). This will change the exact trigger points for each gateway for the release of funding.
- 10.2 The DfT have authorised the release of £7,312,500, out of the £10,787,777 required to deliver first gateway, which is necessary to cover commitments already made and to ensure that the project can continue to progress without a period of de-mobilisation and re-mobilisation (which would introduce significant risk to the programme). DfT have provided this authorisation by way of two letters and the funds will be drawn from the CRSTS monies already received by the WMCA.
- 10.3 Work continues between DfT, Coventry City Council (CCC), Dudley Metropolitan Borough Council (DMBC) and TfWM to ensure the region can move forward with the programme, which has many benefits to the economy of the region and will enable the testing and trialling of new innovative track and vehicles, which could reduce costs for future investment in light rail projects overall (including conventional Metro).
- 10.4 The current form of approval from DfT is not in full alignment with the January 2023 WMCA board report and to ensure the WMCA can release funds to CCC, who are the programme partner most adversely impacted by this change, WMCA Board is recommended to approve delegated authority to the WMCA Section 151 Officer and to the TfWM Executive Director for Transport (in consultation with the WMCA Portfolio Holder for Transport) and the three programme partners to enter into funding agreements for funding and outputs for the first gateway stage of the project only. This approach represents a material change to that endorsed by WMCA Board in January 2023, hence the requirement for approval from WMCA Board.
- 10.5 WMCA Board is advised to note that the terms and conditions endorsed in January will not apply to the funding agreements for the first gateway phase, and in particular will not be subject to the same CRSTS Local Contribution requirement and clawback conditions. WMCA Board is advised to note the material change and delegate authority to the WMCA Section 151 Officer and TfWM Executive Director for Transport (in consultation with the WMCA Portfolio Holder for Transport) to agree appropriate terms and conditions in respect of gateway phase 1.

- 10.6 WMCA Board is also recommended to approve delegated authority to the WMCA Section 151 Officer and TfWM Executive Director for Transport (in consultation with the WMCA Portfolio Holder for Transport) to enter into any necessary agreements for subsequent gateway stages at a later time, up to a total value of £36.8m (subject to any changes from the original Board approval not being of a material nature).
- 10.7 This change is considered necessary to ensure the project progress can continue in line with the DfT retained scheme approval, and the agreements entered into align with the level of authorisation provided to the WMCA from the DfT in line with the DfT's own approvals processes.
- 10.8 The recommended approach will allow scope for some variation within the detail of the SOBC as the relevant stakeholders adapt to meet DfT's requirements, but without repeatedly needing to seek individual approvals through the WMCA for each variation (providing those changes are not material versus the original Board approval in January 2023), as DfT provide clarity on their own approvals.
- 10.9 Progress and any detail changes will be reported through the CRSTS quarterly reporting to the WMCA Investment Board. Once full clarity is obtained from the DfT on their requirements, if necessary, a consolidating Change Control process will be initiated through the WMCA SAF. This approach will ensure that CCC, DMBC and TfWM are able to progress the targeted business case outcomes in the face of currently emerging DfT governance and incremental approvals steps, whilst also retaining the critical flexibility and agility which an innovation programme such as the Very Light Rail project needs in order to be a success.

## **11. Commercial Risks**

- 11.1 Details on the Commercial project financial risks can be found in Appendix 15 of this report. Commercial risks are shared with West Midlands Finance Directors monthly and changes between months are discussed. This enables the West Midlands Finance Directors to gauge the overall risk profile of the Combined Authority and can be used when considering how appropriate it may be to import additional risk into the Authority when considering potential, new initiatives.

## **12. WMCA Investment Programme**

- 12.1 The March expenditure for the West Midlands Regional Investment Programme is shown at Appendix 11, which reports the gross delivery totals for programmes delivered by both WMCA and other entities (being primarily constituent member local authorities).
- 12.2 Appendix 12 summarises grant funding commitments approved by WMCA for projects within the WMCA Investment Programme, which total £853.7m as at 31st March 2023 (no overall change from the last reporting at January 2023).
- 12.3 WMCA Investment Programme funding drawn / incurred by projects against these funding commitments as at 31st March 2023 totals £507.3m.
- 12.4 WMCA Board is advised to note that WMCA are in contact with the Department for Levelling Up, Housing and Communities ('DLUHC') in respect of an interim gateway review which is expected to complete in February 2024.

### **13. Administered Funds**

- 13.1 Administered Funds totalled £77.7m as of 31 March 2023. This sum excludes funds fully utilised and concluded by 31 March 2022. A breakdown of this amount is included within Appendix 13.
- 13.2 These funds do not form part of the Authority's own revenue and capital budgets but are effectively funds received by WMCA and passported to partner authorities for delivery.
- 13.3 Elements of the overarching grants listed in Appendix 13 which are not passported are excluded from this appendix.

### **14. Balance Sheet**

- 14.1 Appendix 14 presents the West Midlands Combined Authority Balance Sheet which shows a healthy financial position as at 31 March 2023.
- 14.2 The increase in property, plant and equipment reflects TfWM capital spend in relation to the Metro extension.
- 14.3 The reduction in short-term deposits is largely due to payments in respect of PWLB principal loan repayments, Adult Education Budget, Investment Programme and Metro extension schemes. This is offset by grant receipts in respect of DfT Active Travel Fund of £12m and Collective Investment Funds loans repayments.
- 14.4 Payments for the Investment Programme and Adult Education Budget contributed to the net £18.5m reduction in earmarked reserves.
- 14.5 The £7.7m increase in short-term creditors/accruals is reflective of year end activities, relating to higher grant and accounts payable accruals. Grants received in advance have reduced by £20.3m due mainly to the payments for the Metro extension schemes.

### **15. Financial Implications**

- 15.1 The financial implications are set out in the report.

### **16. Legal Implications**

- 16.1 In respect of the funding and passporting of funds there will be conditions that WMCA will need to adhere to. Legal support will be required for any legal documentation entered into in respect of the above.

### **17. Other Implications**

- 17.1 There are no Equalities, Inclusive Growth, Geographical or Other implications arising from this report.

### **18. Appendices**

- Appendix 1 – WMCA Consolidated Summary – March 2023
- Appendix 2 – WMCA Transport Revenue Summary – March 2023
- Appendix 3 – WMCA Delivery Budget Summary – March 2023
- Appendix 4 – WMCA Mayor Revenue Summary – March 2023
- Appendix 5 – WMCA Capital Programme – March 2023

- Appendix 6 – WMCA 2022/23 Transport Capital Programme
- Appendix 7 – WMCA 2022/23 Housing and Land Capital Programme
- Appendix 8 – WMCA 2022/23 Investment Programme to Local Authorities Programme
- Appendix 9 – WMCA 2022/23 City Regional Sustainable Transport Settlement Programme
- Appendix 10 – CRSTS Commitments – March 2023
- Appendix 11 – Total Regional Investment Programme Expenditure – March 2023
- Appendix 12 – WMCA Investment Programme Commitments – March 2023
- Appendix 13 – WMCA Administered Funds – March 2023
- Appendix 14 – WMCA Balance Sheet – March 2023
- Appendix 15 – Commercial Risks

## Appendix 1

### WMCA Consolidated Revenue Budget Summary – March 2023

£000's	Full Year			Full Year		
	Actual	Budget	Variance	Actual	Forecast	Variance
Transport Levy	117,015	117,015	0	117,015	117,015	0
Commonwealth Games	27,306	18,656	8,650	27,306	27,346	(40)
Revenue Grants & Other Income	35,369	8,338	27,031	35,369	36,351	(982)
Adult Education Funding	124,574	140,577	(16,003)	124,574	129,204	(4,630)
Share of Business Rates	10,500	10,500	0	10,500	10,500	0
Constituent Membership	4,644	4,644	0	4,644	4,644	0
Non Constituent Members	510	510	0	510	510	0
Investment Programme	36,500	36,500	0	36,500	36,500	0
Investment Income	3,035	898	2,137	3,035	2,932	103
Use of Reserves	15,824	15,195	629	15,824	15,910	(86)
<b>Total Funding</b>	<b>375,277</b>	<b>352,833</b>	<b>22,444</b>	<b>375,277</b>	<b>380,912</b>	<b>(5,635)</b>
Transport for West Midlands	122,124	126,093	3,969	122,124	123,521	1,397
Commonwealth Games	27,306	18,656	(8,650)	27,306	27,346	40
Economic Delivery, Skills & Communities	149,801	149,446	(355)	149,801	155,689	5,888
Strategy, Integration and Net Zero	14,600	6,177	(8,423)	14,600	15,063	463
Housing & Regeneration	1,904	1,455	(449)	1,904	1,545	(359)
Portfolio Support	3,855	3,055	(800)	3,855	3,855	0
Investment Programme	49,137	47,105	(2,032)	49,137	49,113	(24)
Mayoral Office	846	846	0	846	846	0
Mayoral Election	0	0	0	0	0	0
<b>Total Expenditure</b>	<b>369,573</b>	<b>352,833</b>	<b>(16,740)</b>	<b>369,573</b>	<b>376,978</b>	<b>7,405</b>
<b>Net Expenditure (before earmarked reserves)</b>	<b>5,704</b>	<b>0</b>	<b>5,704</b>	<b>5,704</b>	<b>3,934</b>	<b>1,770</b>
Transfer to earmarked reserve (2023/24) Capital Pressures	2,400	0	(2,400)	2,400	2,400	0
Transfer to earmarked reserve (2023/24) Transport Events	500	0	(500)	500	500	0
<b>Net Expenditure (after transfers to earmarked reserves)</b>	<b>2,804</b>	<b>0</b>	<b>2,804</b>	<b>2,804</b>	<b>1,034</b>	<b>1,770</b>
Transport	1,697	0	1,697	1,697	387	1,310
Portfolios	1,107	0	1,107	1,107	647	460
Investment Programme	0	0	0	0	0	0
Mayoral Office	0	0	0	0	0	0
<b>Total Surplus / (Deficit)</b>	<b>2,804</b>	<b>0</b>	<b>2,804</b>	<b>2,804</b>	<b>1,034</b>	<b>1,770</b>

The final outturn position at the end of March shows a surplus of £2.804m. This comprises £1.7m within Transport and £1.1m within Portfolios and represents a favourable variance from forecast of £1.8m which has largely occurred within the Bus Infrastructure area in Transport and lower expenditure largely against external advice budgets across various Portfolios.

Within Transport savings largely relate to higher advertising income than budgeted (£1.2m), savings against the Accessible Transport budget (£1.1m), external advice (£2.1m) which were diverted to fund an additional Metro subsidy requirement of £4.2m and staffing budgets due to vacant posts. Savings within the concessions budgets are due to lower patronage and fare levels and have been transferred to an ear-marked reserve to protect against risks in relation to the bus network going forward.

Provisions have been made for future funding pressures within the capital programme (£2.4m) and to support WMCA in hosting transport events (£0.5m) such as the 2027 Intelligent Transport Systems World Congress bid as reported to September 2022 WMCA Board.



Within the Portfolios budgets, the surplus is largely due to vacant posts across several Portfolios resulting in savings against staffing budgets and external advice due to activity being re-profiled pending recruitment during the year.

Reserves earmarked to support the overall Transport and Portfolio budgets have been drawn down in line with budget.

## Appendix 2

### Transport for West Midlands Revenue Budget Position 31<sup>st</sup> March 2023

At the end of March 2023 there is a £1.7m favourable variance against budget. This represents a favourable variance from forecast of £1.3m which is largely within the Bus Stations and Infrastructure budget due to higher than forecast advertising income (£0.4m) and lower than forecast expenditure across various other budgets in this area.

	ACTUAL £000			BUDGET £000			YTD VARIANCE FAV / (ADVERSE) £000	ACTUAL NET	FORECAST £000 NET	FULL YEAR VARIANCE FAV / (ADVERSE) £000
	INCOME	EXPENDITURE	NET	INCOME	EXPENDITURE	NET				
Transport Levy	117,015	0	117,015	117,015	0	117,015	0	117,015	117,015	(0)
Use of Reserves	8,972	0	8,972	9,078	0	9,078	(106)	8,972	9,059	(87)
<b>TOTAL FUNDING</b>	<b>125,986</b>	<b>0</b>	<b>125,986</b>	<b>126,092</b>	<b>0</b>	<b>126,092</b>	<b>(106)</b>	<b>125,986</b>	<b>126,074</b>	<b>(87)</b>
<b>Concessions</b>										
National Bus Concession	134	48,688	(48,554)	212	48,055	(47,843)	(711)	(48,554)	(48,467)	(87)
Metro / Rail	0	4,532	(4,532)	0	4,576	(4,576)	44	(4,532)	(4,550)	18
Child Concession	0	5,718	(5,718)	0	6,710	(6,710)	992	(5,718)	(5,815)	96
	134	58,938	(58,804)	212	59,342	(59,130)	325	(58,804)	(58,832)	27
<b>Bus Services</b>										
Bus Stations / Infrastructure	8,705	12,665	(3,960)	7,684	13,328	(5,643)	1,683	(3,960)	(4,985)	1,025
Subsidised Network	30,192	43,612	(13,420)	2,044	15,465	(13,420)	0	(13,420)	(13,420)	(0)
Accessible Transport	204	5,728	(5,524)	0	6,638	(6,638)	1,114	(5,524)	(5,664)	140
	39,100	62,005	(22,905)	9,729	35,430	(25,702)	2,797	(22,905)	(24,070)	1,165
<b>Rail and Metro Services</b>										
Metro Services	8	8,014	(8,006)	204	6,341	(6,137)	(1,869)	(8,006)	(8,004)	(2)
Rail Services	1,340	4,769	(3,429)	1,626	5,791	(4,165)	736	(3,429)	(3,395)	(34)
	1,348	12,783	(11,435)	1,830	12,132	(10,302)	(1,133)	(11,435)	(11,399)	(36)
<b>Integration</b>										
Safety and Security	765	1,736	(971)	674	1,931	(1,257)	286	(971)	(908)	(63)
Passenger Information	26,036	31,943	(5,907)	999	7,959	(6,959)	1,052	(5,907)	(6,050)	143
Sustainable Travel	24	1,575	(1,551)	155	2,047	(1,893)	342	(1,551)	(1,660)	109
	26,825	35,254	(8,429)	1,828	11,937	(10,109)	1,680	(8,429)	(8,618)	189
<b>Network Resilience</b>										
	17	3,333	(3,316)	55	3,799	(3,744)	428	(3,316)	(3,379)	63
<b>Commonwealth Games</b>										
	27,306	27,306	0	18,656	18,656	0	0	0	0	0
<b>Business and Democratic Support</b>										
	(0)	3,518	(3,519)	(500)	3,197	(3,697)	178	(3,519)	(3,444)	(75)
<b>Strategic Development</b>										
	1,165	5,610	(4,445)	2,435	7,299	(4,863)	418	(4,445)	(4,490)	45
<b>Transport Governance</b>										
	21	148	(127)	0	135	(135)	9	(127)	(145)	18
<b>Capital Finance Charges</b>										
	0	8,410	(8,410)	0	8,410	(8,410)	(0)	(8,410)	(8,410)	0
<b>TOTAL EXPENDITURE</b>	<b>95,916</b>	<b>217,306</b>	<b>(121,390)</b>	<b>34,245</b>	<b>160,337</b>	<b>(126,092)</b>	<b>4,702</b>	<b>(121,390)</b>	<b>(122,787)</b>	<b>1,397</b>
<b>NET before Earmarked Reserves</b>	<b>221,902</b>	<b>217,306</b>	<b>4,596</b>	<b>160,337</b>	<b>160,337</b>		<b>4,596</b>	<b>4,596</b>	<b>3,285</b>	<b>1,312</b>
<b>Earmarked Reserve (2023/24) Capital Pressures</b>	<b>(2,400)</b>	<b>0</b>	<b>(2,400)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>(2,400)</b>	<b>(2,400)</b>	<b>(2,400)</b>	
<b>Earmarked Reserve (2023/24) Transport Events</b>	<b>(500)</b>	<b>0</b>	<b>(500)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>(500)</b>	<b>(500)</b>	<b>(500)</b>	
<b>NET after Earmarked Reserves</b>	<b>219,002</b>	<b>217,306</b>	<b>1,696</b>	<b>160,337</b>	<b>160,337</b>		<b>1,696</b>	<b>1,696</b>	<b>387</b>	<b>1,310</b>

## Concessions

Savings in year within the ENCTS and Child concessions budgets are due to lower patronage and fare levels and have been transferred to an ear-marked reserve to protect against risks in relation to the bus network going forward.

## **Bus Services**

There are savings across Bus Infrastructure budgets of £1.7m in the main relating to additional variable advertising income alongside savings against external advice and cleaning budgets.

The Subsidised Bus position is in line with budget with Local Transport Funding (LTF) offsetting the increased subsidised service costs largely due to Diamond.

Within Accessible Transport there are in year savings of £1.1m. This largely reflects savings against contractual costs, reduced costs against budget due to a reduction in service partly offset by costs relating to the Accessible Transport joint commission with Birmingham City Council.

## **Rail & Metro**

The Metro Services budget has an adverse variance of £1.9m due to an increased MML operating costs requirement of £4.2m in year which is partly offset by LTF grant income that has been received in relation to the first half of year, alongside savings on general insurance premiums to date.

Within Rail Services the savings of £0.7m are largely within the external advice budget where savings have been committed to help fund the additional Metro subsidy requirement.

## **Integration**

Within Passenger information savings of £1.1m largely relate to staffing where there are vacant posts across several budgets, savings against external budgets and additional commission receivable.

In addition, there are savings against contractual Safety and Security costs along with increased capital recharges due to the extension of the Active Travel Fund.

## **Network Resilience**

Within the Network Resilience budget there are full year savings of £0.4m mostly relating to Software Maintenance costs due to completion of RTCC activity now expected to complete in 2023/24 and against the Staffing budget due to vacant posts.

## **Strategic Development**

In year savings of £0.4m largely relate to lower than anticipated spend on staffing and external advice.

## **Reserves**

Use of reserves drawn down relate to budgeted support for the 2022/23 Transport Budget and the delivery of the West Midlands Cycle Hire scheme.

## Appendix 3

### West Midlands Combined Authority Portfolios Budget – March 2023

Final outturn within the Portfolio budgets is a £1.1m surplus which represents at £0.5m favourable movement from forecast which is largely within the Economic Delivery, Skills and Communities Portfolio.

FINANCIAL SUMMARY AS AT MARCH 2023	FULL YEAR 2022/23			FULL YEAR 2022/23			
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000	
<b>Operational Income</b>							
Mayoral Capacity Funding	154	154	0	154	154	0	The full year position reflects budgeted investment income that will now instead be utilised to fund an increased provision against loans defaulting within the Collective Investment Fund due to the loan portfolio increasing.
Other Revenue Income	0	500	(500)	0	0	0	
Notional Interest Receivable	898	794	104	898	820	78	
Contribution - 7 Met Councils	4,644	4,644	0	4,644	4,644	0	
Contribution - Non constituent members	510	510	0	510	510	0	
<b>Total Income</b>	<b>6,206</b>	<b>6,602</b>	<b>(396)</b>	<b>6,206</b>	<b>6,128</b>	<b>78</b>	
Corporate Support Recharges to Portfolios	2,262	2,562	(300)	2,262	2,262	0	
<b>Total Expenditure</b>	<b>2,262</b>	<b>2,562</b>	<b>(300)</b>	<b>2,262</b>	<b>2,262</b>	<b>0</b>	
<b>Operational Income Net Total</b>	<b>8,468</b>	<b>9,164</b>	<b>(696)</b>	<b>8,468</b>	<b>8,390</b>	<b>78</b>	
<b>Economy &amp; Innovation</b>							
Other Industrial Strategy Income	3,275	567	2,708	3,275	2,514	761	The favourable variance is largely due to additional Create Central funding secured post budget. There is additional grant income with Policy and Programme Development relating to the UK Community Renewal Fund which was carried forward from last FY.
DDCMS - Creative Scale Up	20	200	(180)	20	20	0	
Economic Delivery	85	0	85	85	85	0	
Create Central Projects	746	410	336	746	714	32	
Policy and Programme Development	3,271	0	3,271	3,271	3,446	(175)	
IAWM	133	108	25	133	132	1	
<b>Total Income</b>	<b>7,530</b>	<b>1,285</b>	<b>6,245</b>	<b>7,530</b>	<b>6,911</b>	<b>619</b>	
Industrial Strategy	(3,423)	(732)	(2,691)	(3,423)	(2,729)	(694)	
DDCMS - Creative Scale Up	(43)	(200)	157	(43)	(43)	0	
Economic Delivery	(151)	0	(151)	(151)	(149)	(2)	
Create Central Projects	(830)	(915)	85	(830)	(797)	(33)	
Policy and Programme Development	(3,271)	0	(3,271)	(3,271)	(3,446)	175	
IAWM	(133)	(108)	(25)	(133)	(131)	(2)	
Economic Intelligence	(72)	(240)	168	(72)	(79)	7	
Funding For Growth	(700)	(700)	0	(700)	(700)	0	
<b>Total Expenditure</b>	<b>(8,623)</b>	<b>(2,895)</b>	<b>(5,728)</b>	<b>(8,623)</b>	<b>(8,074)</b>	<b>(549)</b>	
<b>Economy &amp; Innovation Net Total</b>	<b>(1,093)</b>	<b>(1,610)</b>	<b>517</b>	<b>(1,093)</b>	<b>(1,163)</b>	<b>70</b>	
<b>Health and Communities</b>							
Head of Health & Communities	136	0	136	136	125	11	Additional grant income has been used to cover core costs which has led to a favourable position.
Thrive at Work	218	76	142	218	295	(77)	
IPS Programme	287	155	132	287	300	(13)	
<b>Total Income</b>	<b>641</b>	<b>231</b>	<b>410</b>	<b>641</b>	<b>720</b>	<b>(79)</b>	
Head of Health & Communities	(727)	(761)	34	(727)	(846)	119	
Thrive at Work	(338)	(287)	(51)	(338)	(417)	79	
IPS Programme	(287)	(155)	(132)	(287)	(300)	13	
<b>Total Expenditure</b>	<b>(1,352)</b>	<b>(1,203)</b>	<b>(149)</b>	<b>(1,352)</b>	<b>(1,563)</b>	<b>211</b>	
<b>Health and Communities Net Total</b>	<b>(711)</b>	<b>(972)</b>	<b>261</b>	<b>(711)</b>	<b>(843)</b>	<b>132</b>	
<b>Employment and Skills</b>							
Employment & Skills	125	30	95	125	125	0	Grant income relating to CITB previously written off in 2021/22 has been recovered resulting in a favourable position in the current financial year (£508k).
Employment Support	48	0	48	48	71	(23)	
Construction Skills	(387)	0	(387)	(387)	(377)	(10)	
Adult Education	124,574	140,577	(16,003)	124,574	129,204	(4,630)	
Careers	7	0	7	7	7	0	
Digital Skills	7,121	0	7,121	7,121	6,000	1,121	
Investment Programme (Skills)	290	298	(8)	290	290	0	
Commonwealth Games	444	470	(26)	444	440	4	
European Structural & Investment Funding	1,289	2,068	(779)	1,289	1,384	(95)	
Multiply	3,052	0	3,052	3,052	4,873	(1,821)	
UKSPF	2,101	0	2,101	2,101	2,791	(690)	
Health Inequalities	59	0	59	59	0	59	
<b>Total Income</b>	<b>138,723</b>	<b>143,443</b>	<b>(4,720)</b>	<b>138,723</b>	<b>144,808</b>	<b>(6,085)</b>	
Employment & Skills	(1,606)	(1,935)	329	(1,606)	(1,735)	129	
Employment Support	(48)	0	(48)	(48)	(71)	23	
Construction Skills	387	0	387	387	377	10	
Adult Education	(124,067)	(140,577)	16,510	(124,067)	(128,696)	4,629	
Careers	(7)	0	(7)	(7)	(7)	0	
Digital Skills	(7,121)	0	(7,121)	(7,121)	(6,000)	(1,121)	
Investment Programme (Skills)	(290)	(298)	8	(290)	(290)	0	
Commonwealth Games	(444)	(470)	26	(444)	(440)	(4)	
European Structural & Investment Funding	(1,289)	(2,068)	779	(1,289)	(1,384)	95	
Multiply	(3,052)	0	(3,052)	(3,052)	(4,873)	1,821	
UKSPF	(2,268)	0	(2,268)	(2,268)	(2,937)	669	
Health Inequalities	(59)	0	(59)	(59)	0	(59)	
<b>Total Expenditure</b>	<b>(139,864)</b>	<b>(145,348)</b>	<b>5,484</b>	<b>(139,864)</b>	<b>(146,056)</b>	<b>6,192</b>	
<b>Employment and Skills Net Total</b>	<b>(1,141)</b>	<b>(1,905)</b>	<b>764</b>	<b>(1,141)</b>	<b>(1,248)</b>	<b>107</b>	

<b>Business and Tourism Programme</b>							
Tourism, Trade and Investment Programme	7,419	0	7,419	7,419	8,057	(639)	Grant and Investment Programme funding is passported to WMGC who manage delivery of the Programme.
<b>Total Income</b>	<b>7,419</b>	<b>0</b>	<b>7,419</b>	<b>7,419</b>	<b>8,057</b>	<b>(639)</b>	
Tourism, Trade and Investment Programme	(7,419)	0	(7,419)	(7,419)	(8,057)	638	
<b>Total Expenditure</b>	<b>(7,419)</b>	<b>0</b>	<b>0</b>	<b>(7,419)</b>	<b>(8,057)</b>	<b>0</b>	
<b>Business Tourism Programme Net Total</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	
<b>Levelling Up</b>							Spend has accelerated in the last quarter of the year resulting in the final outturn being in line with budget and forecast.
Office of Data Analytics	33	81	(48)	33	33	0	
Head of Policy & Public Affairs	0	0	0	0	9	(9)	
<b>Total Income</b>	<b>33</b>	<b>81</b>	<b>(48)</b>	<b>33</b>	<b>42</b>	<b>(9)</b>	
Office of Data Analytics	(271)	(261)	(10)	(271)	(246)	(25)	
Executive Director of Strategy, Integration and Ne	(1,518)	(1,552)	34	(1,518)	(1,526)	8	
Head of Research & Intelligence	(380)	(371)	(9)	(380)	(365)	(15)	
Head of Policy & Public Affairs	(353)	(315)	(38)	(353)	(361)	8	
Public Affairs	(80)	(154)	74	(80)	(115)	35	
<b>Total Expenditure</b>	<b>(2,602)</b>	<b>(2,653)</b>	<b>51</b>	<b>(2,602)</b>	<b>(2,613)</b>	<b>11</b>	
<b>Public Service Reform &amp; Social Economy Net Total</b>	<b>(2,569)</b>	<b>(2,572)</b>	<b>3</b>	<b>(2,569)</b>	<b>(2,571)</b>	<b>2</b>	
<b>Inclusive Communities</b>							The favourable variance is due to the Head of Service started mid-way through the year with related activity budgeted on external advice reprofiled accordingly.
Homelessness	537	478	59	537	412	125	
<b>Total Income</b>	<b>537</b>	<b>478</b>	<b>59</b>	<b>537</b>	<b>412</b>	<b>125</b>	
Head of Systems Change & Inclusion	(244)	(365)	121	(244)	(275)	31	
Youth Combined Authority	(181)	(223)	42	(181)	(215)	34	
Homelessness	(579)	(523)	(56)	(579)	(457)	(122)	
Inclusion	(148)	(151)	3	(148)	(150)	2	
<b>Total Expenditure</b>	<b>(1,152)</b>	<b>(1,262)</b>	<b>110</b>	<b>(1,152)</b>	<b>(1,097)</b>	<b>(55)</b>	
<b>Inclusive Communities Net Total</b>	<b>(615)</b>	<b>(784)</b>	<b>169</b>	<b>(615)</b>	<b>(685)</b>	<b>70</b>	
<b>Culture and Digital</b>							Slightly lower activity than planned within the Digital budget pending the appointment of a Head of Directorate.
Culture	77	0	77	77	56	21	
<b>Total Income</b>	<b>77</b>	<b>0</b>	<b>77</b>	<b>77</b>	<b>56</b>	<b>21</b>	
Culture	(274)	(178)	(96)	(274)	(257)	(17)	
Digital	(198)	(245)	47	(198)	(205)	7	
<b>Total Expenditure</b>	<b>(472)</b>	<b>(423)</b>	<b>(49)</b>	<b>(472)</b>	<b>(462)</b>	<b>(10)</b>	
<b>Culture and Digital Net Total</b>	<b>(395)</b>	<b>(423)</b>	<b>28</b>	<b>(395)</b>	<b>(406)</b>	<b>11</b>	
<b>Environment &amp; Energy, HS2</b>							Staff savings due to three vacant posts with recruitment planned in later part of the year, there are also resultant lower levels of activity on external advice.
Environment	187	210	(23)	187	195	(8)	
Community Green	409	47	362	409	443	(34)	
<b>Total Income</b>	<b>596</b>	<b>257</b>	<b>339</b>	<b>596</b>	<b>638</b>	<b>(42)</b>	
Environment	(986)	(1,108)	122	(986)	(994)	8	
Community Green	(409)	(47)	(362)	(409)	(443)	34	
<b>Total Expenditure</b>	<b>(1,395)</b>	<b>(1,155)</b>	<b>(240)</b>	<b>(1,395)</b>	<b>(1,437)</b>	<b>42</b>	
<b>Environment &amp; Energy, HS2 Net Total</b>	<b>(799)</b>	<b>(898)</b>	<b>99</b>	<b>(799)</b>	<b>(799)</b>	<b>0</b>	
<b>Energy Capital</b>							There are minor over-spends within the Energy Capital budget.
Energy Capital	956	625	331	956	844	112	
Net Zero Neighbourhood	600	59	541	600	570	30	
<b>Total Income</b>	<b>1,556</b>	<b>684</b>	<b>872</b>	<b>1,556</b>	<b>1,414</b>	<b>142</b>	
Energy Capital	(966)	(625)	(341)	(966)	(844)	(122)	
Net Zero Neighbourhood	(628)	(59)	(569)	(628)	(598)	(30)	
<b>Total Expenditure</b>	<b>(1,594)</b>	<b>(684)</b>	<b>(910)</b>	<b>(1,594)</b>	<b>(1,442)</b>	<b>(152)</b>	
<b>Energy Capital Net Total</b>	<b>(38)</b>	<b>0</b>	<b>(38)</b>	<b>(38)</b>	<b>(28)</b>	<b>(10)</b>	
<b>Housing &amp; Regeneration</b>							
Director of Housing & Regeneration	1,904	1,455	449	1,904	1,546	358	
<b>Total Income</b>	<b>1,904</b>	<b>1,455</b>	<b>449</b>	<b>1,904</b>	<b>1,546</b>	<b>358</b>	
Director of Housing & Regeneration	(1,904)	(1,455)	(449)	(1,904)	(1,546)	(358)	
<b>Total Expenditure</b>	<b>(1,904)</b>	<b>(1,455)</b>	<b>(449)</b>	<b>(1,904)</b>	<b>(1,546)</b>	<b>(358)</b>	
<b>Housing &amp; Regeneration Net Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Operational Income Net Total</b>	<b>1,107</b>	<b>0</b>	<b>1,107</b>	<b>1,107</b>	<b>647</b>	<b>460</b>	

## Appendix 4 West Midlands Combined Authority Mayoral Budget – March 2023

	MARCH YEAR TO DATE			FULL YEAR 2022/23		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000

### MAYORAL OFFICE

Other Grants	846,411	846,411	0	846,411	845,750	661
Other Income	51,666	0	51,666	51,666	51,666	0
Use of Reserves	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>898,077</b>	<b>846,411</b>	<b>51,666</b>	<b>898,077</b>	<b>897,416</b>	<b>661</b>
Staff Costs	757,380	788,440	(31,061)	757,380	756,920	460
IT	0	8,750	(8,750)	0	0	0
Travel & Subsistence	17,570	44,845	(27,276)	17,570	17,504	66
Other	71,461	4,375	67,087	71,461	71,326	135
Mayoral Events	51,666	0	51,666	51,666	51,666	0
<b>TOTAL EXPENDITURE</b>	<b>898,077</b>	<b>846,410</b>	<b>51,667</b>	<b>898,077</b>	<b>897,416</b>	<b>661</b>

There are no material variations from budget within the Mayors Office.  
Expenditure on Mayoral events totalled #51.7k during the year, this was funded by sponsorship income.

### MAYORAL ELECTION

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Other Income	35,000	0	35,000	35,000	35,000	0
Use of Reserves	0	0	0	0	0	0
<b>TOTAL INCOME</b>	<b>35,000</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>
Mayoral Election Costs	35,000	0	35,000	35,000	35,000	0
<b>TOTAL EXPENDITURE</b>	<b>35,000</b>	<b>0</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>
<b>NET MAYORAL BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix 5

### West Midlands Combined Authority Transport Delivery Capital Programme – March 2023

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Metro	115,922	151,277	35,355	115,922	125,596	9,674
Rail	21,515	42,436	20,920	21,515	26,000	4,484
Sprint	196	2,810	2,614	196	331	135
<b>TRANSPORT - INVESTMENT PROGRAMME</b>	<b>137,633</b>	<b>196,522</b>	<b>58,889</b>	<b>137,633</b>	<b>151,926</b>	<b>14,293</b>

#### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £58.9m lower than budget.

#### Metro

**Wednesbury to Brierley Hill Extension £18.0m** – Target Cost 2 approved for phase 1, with some activities now rephased into phase 2.

**Birmingham Eastside Extension £7.9m** – This is made up of £18.5m utilities works not undertaken this year, offset by accelerated physical construction work of £7.6m.

**Wolverhampton WIP Contingency £2.1m** – Expenditure has been re-profiled into 2023/24.

**Buy Before Boarding £5.4m** - Civil enabling work programme has been rephased and procurement of validators and ticket vending machines is expected 2023/24.

**Metro Wolverhampton City Centre Extension (£5.8m)** - Additional costs are a result of the timing of approvals and added scope of the project.

#### Rail

**Camp Hill Line Local Enhancements Package 2 £13.1m** – This is largely attributable to physical construction, due to the timing of the signing of construction contract and subsequent mobilisation, along with the time scales in agreeing site land access.

**Walsall to Wolverhampton Local Enhancements Package 1 £7.6m** – Rephasing of project works due to identification of mining infrastructure on construction site. Enabling works are anticipated to start in Q1 2023/24.

**Perry Barr Rail Station 3.5m** - This is largely attributable to the timing of closing station construction contracts and also bus interchange contracts.

#### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £14.3m lower than forecast.

#### Metro

**Wednesbury to Brierley Hill Ext £1.4m** – Target Cost 2 approved for phase 1, with some activities now rephased into phase 2.

**Birmingham Eastside Ext £2m** – Rescheduling of design and construction activities. Utility works have also been re-phased into 2023/24 due to approval from the relevant party stakeholders, Birmingham City Council and Traffic Management.

**Metro Wolverhampton City Centre Extension £3.5m** - Construction has been re-profiled due to the timing of design approval (£2.5m) and the timing of land valuation, estimated at £0.8m.

**Buy Before Boarding £1.0m** - Civil enabling work programme has been rephased and procurement of validators and ticket vending machines is expected in later periods.

**MML Life Cycle Projects £1.0m** - Due to re-profiling of expenditure between financial years.

**Rail**

**Camp Hill Line Local Enhancements Package 2 £4.0m** – This is largely attributable to physical construction, due to later than anticipated signing of construction contract and subsequent mobilisation along with the time scales in agreeing site land access



	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Highway	4,965	8,723	3,759	4,965	5,368	403
Other	589	590	1	589	590	1
Rail	24,783	28,548	3,765	24,783	28,620	3,837
Sprint	21,266	22,073	807	21,266	21,583	317
<b>TRANSPORT - COMMONWEALTH GAMES</b>	<b>51,603</b>	<b>59,934</b>	<b>8,332</b>	<b>51,603</b>	<b>56,161</b>	<b>4,558</b>

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £8.3m under budget.

#### Highway

**RTCC - Highway Interventions £2.5m** - Rephasing of works due to outstanding signed agreements with Local Authorities to commence installation of traffic signals, cameras and weather stations.

**RTCC Data - Tactical and Operational Intelligence £0.2m.** A saving of £0.1m on consultancy data modeling has been identified and will now be utilised on additional camera installation. A web service costs of £0.1m will be expect in Q1 2023/24.

#### Rail

**Perry Barr Station Improvement £3.5m** - The variance is largely made up of the contingency for contract close out while compensation events are resolved.

#### Sprint

**A34 Walsall to Birmingham £0.5m** - Phase 1 physical works are complete with just minor snagging work taking place, requiring review and approval of a significant number of compensation events.

**A45 Birmingham to Airport and Solihull £0.3m** – Phase 1 physical works are complete with minor snagging works taking place. The variance is due to the review and approval of compensation events which are ongoing and are expected to continue into Q1 2023/24.

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £4.6m under forecast.

#### Rail

**University Station Improvement Project £3.1m** - The variance is largely made up of the contingency for contract close out while compensation events are resolved.

**Perry Barr Rail Station £0.8m** - Variance is due to the delay in resolving compensation events with main construction contract partner and also with bus interchange construction partner Birmingham City Council.

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Bus	10,777	29,128	18,351	10,777	10,952	175
Cycling	91	311	220	91	281	190
Other	3,156	9,439	6,283	3,156	3,608	452
<b>TRANSPORT - OTHER MAJOR PROGRAMMES</b>	<b>14,024</b>	<b>38,878</b>	<b>24,853</b>	<b>14,024</b>	<b>14,841</b>	<b>817</b>

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £24.9m below budget.

#### Bus

Coventry Electric Bus City £6.3m - £1.5m of this is related to a power supply connection scheduled to be completed which may not now be required, owing to contractors arranging separately. A further £3m is due to an order for single deck buses which is on hold pending the Coventry network review to better understand what services are required going forward. Remaining £1.8m relates to payments awaiting release once TfWM are satisfied charging infrastructure works have begun.

Cross City Bus - Dudley - Druids Heath Package £4.2m - The full business case submission has been rephased. Scheme delivery is not expected until 2023/24.

Cross City Bus - City Centre Package £1.5m - Rephasing of works, delivery of Cross City Package 1 expected to commence June 2023.

Zero Emission Bus Regional Area (ZEBRA) £5.7m - Largely due to six-month deferral request submitted to DFT in late 2022.

#### Other

**Future Mobility Zone Enabling Data Exploitation £1.2m** – The primary variance relates to resource allocation for the Mobility as a Service Project (MaaS).

**Future Mobility Zone - Transport Network Data £2.7m** - The Regional Strategic modelling and Insight Tool is behind schedule due to the timing of procurement.

**Future Mobility Zone – Innovation Showcases £1.3m** – Phase 2 Hub Design and Development costs are now expected in 2023/24

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £0.8m under Forecast due to minor variances across a number of projects.

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Minor Work Programme	7,329	12,426	5,097	7,329	8,124	795
TRANSPORT - MINOR WORKS	7,329	12,426	5,097	7,329	8,124	795

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £5.1m below budget.

**A435 Alcester Road Bus Priority Revitalisation £1.2m** - Rephasing of construction works into Q1 2023/24 due to timing of obtaining a TRO from the relevant local authority.

**Asset Management Programme £0.7m** - Rephasing of procurement materials, to be used for upgrades to bus stations and rail park & ride sites, will commence in the coming months.

**Air Quality Grant Scheme 2021 £1m** - Project team is looking to reassign a new operator for this project and costs are likely to be incurred in the next financial year.

**Key Route Network Safety £0.6m** - This variance is likely to be phased into the next financial year as plans to spend this are being considered.

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £0.8m under Forecast.

**Better Streets Community Fund - £0.4m** Variance due to Birmingham City Council and Coventry City Council claims being lower than budgeted.

**Key Route Network Safety - £0.3m** largely relates to delay in compliance process and tag guidance. Costs are expected to be occurred in 2023/24.

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Grants to Local Authorities	13,917	38,861	24,944	13,917	14,139	222
<b>Total Grants to Local Authorities</b>	<b>13,917</b>	<b>38,861</b>	<b>24,944</b>	<b>13,917</b>	<b>14,139</b>	<b>222</b>

### ACTUAL V BUDGET VARIANCE COMMENTARY

At the end of March 2023, actual expenditure was £24.9m below budget.

**Active Travel Fund - Tranche 3 £16.0m** - variance is due to the Commonwealth Games physical construction embargo and local authority resourcing capacity. The programme business case has now been approved and Local Authorities are progressing individual business cases as per grant conditions. Expenditure has been profiled from 2023/24.

**Priority 1 Delivery- A45 Coventry Road Birmingham £4.5m** - Project not yet commenced due to timing of submission of business cases.

**Priority 1 Delivery - Perry Barr to Sutton Coldfield £1.5m** – funding agreements between the two parties have not been signed yet to enable the local authority to submit their grant claim.

**MRN - A450 Bham Midd-Eastside £0.4m** – Local authority claim is lower than expected. Delay due to parking survey requirements, claims will fall in 2023/24.

**Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road £0.3m** - due to rescheduling of design. Will now be completed in 2023/24.

**Priority 1 Delivery- WTBH Metro Corridor Access Improvements £0.7m** – Local authority claims are lower than budgeted.

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £0.2m below forecast.

**MRN - A461- Sandwell £0.1m** Expected to complete Q1 2023/24, delayed due to governance OBC.

**MRN-A4540 Bham Midd.- Eastside £0.1m**- Local authority claim is lower than expected. Delay due to parking survey requirements, claims will fall in 2023/24.

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
CRSTS	52,983	86,602	33,619	52,983	56,628	3,645
Total Grants to Local Authorities	52,983	86,602	33,619	52,983	56,628	3,645

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £33.6m under budget.

**Metro Line 1 Renovation £6.3m** - The budget assumed Board approval would take place in April 2022 but actual approval happened in March 2023.

**Metro Network Enhancements** - Wednesbury Depot Upgrades £5.5m - Construction work for a power upgrade has been rephased due to restricted access to works site.

**BSIP Bus Priority Cross City Routes £4.0m** - The programme business case has been approved for an initial £0.5m to complete design works to confirm the scope and delivery costs for the project.

**Swift cEMV Contactless Payment Broker £6.1m** - original budget was phased indicatively, as the project has advanced activity will accelerate into 2023/24.

**CRSTS - VLR Phase 2 Coventry Demonstration Route £2.5m** - The VLR phase 2 project SOC was approved at January 2023 WMCA Board.

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £3.6m forecast.

**Sprint Ph2 A34 / A45-1.6m** There are underspend across programme primarily due to delay in commencing early design works and pending decision regards to " Re-imagine" initiative.

**Metro Line 1 Renovation costs -1.7m** OLE parafil works were due to transfer to this project in February 2023, this has not taken place due to a separate funding source has been identified for OLE project. Also, Application 1 less than forecast.

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Investment Programme (Grants to Local Authorities)	46,729	83,593	36,864	46,729	50,769	4,040
<b>Total Investment Programme Grants to Local Authorities</b>	<b>46,729</b>	<b>83,593</b>	<b>36,864</b>	<b>46,729</b>	<b>50,769</b>	<b>4,040</b>

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £36.9m under budget.

**Coventry City Centre South Regeneration - Coventry City Centre South £19.4m** – deferred land acquisition costs to future years as the main property developer is looking for a development partner and it will take some time before the right party is selected and construction costs are incurred.

**CoW Technical Centre £6.1m** - Funding agreement has now been exchanged between the two parties, however no funding claim has yet been received.

**UK Central HS2 Interchange £5.2m** - this project is made up of several sub projects, the roundabout over trace is underspent by £2.4m and NEC Roundabout by £1.3m, these variances represent changes to the phasing of expenditure not expected project life expenditure.

**UK Central Infrastructure Package £4.1m** - 24 sub-projects make up this project. The following sub-projects have seen slippage: Solihull Town Centre Low Carbon Energy Network £0.8m, A45 Damson Parkway Junction Improvements £0.3m, Accelerated Housing Delivery £0.4m, A452 Chester Road Corridor Enhancement £0.3m, Playing Pitch implementation strategy £0.3m.

**Coventry Friargate Business District Phase 1 (£1.6m)** - this variance is due to accelerated construction, plot acquisition and infrastructure costs as construction works are now expected to be complete by May 2023.

### Actual v Forecast variance commentary

At the end of March 2023, actual expenditure was £4.0m less than forecast.

**Coventry City Centre South Regeneration - Coventry Friargate Business District Phase 1 - £3.4m** variance primarily due to construction, plot acquisition, letting and infrastructure costs deferred to the 2023/24 financial year.

## West Midlands Combined Authority Housing Capital Programme – March 2023

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Housing	19,500	65,167	45,667	19,500	20,148	648
<b>Total Housing</b>	<b>19,500</b>	<b>65,167</b>	<b>45,667</b>	<b>19,500</b>	<b>20,148</b>	<b>648</b>

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £45.7m under budget.

**BHF - Pipeline £21m** - Several projects are not commenced due to various factors such as rising construction costs, inflation, complex land negotiations and securing planning permissions.

**BLPDF £6.9m** – the underspend is largely due to the Shard End project which is now at risk of not progressing due to environmental issues and delays in work progressing with the local authority. Viability of this project to be reviewed given the significant delays.

**LF - Icknield Port Loop Phase 2a and 2b £2.7m** – Solvency issues with the supply chain resulted in the project stalling progress during 2022/23. The scheme will require a variation to the existing funding agreement with new grant conditions.

**BHF - Phoenix Park £2.5m** - project cost inflation has been considered and the project is now due to go to Board early 2023.

**Black Country Land and Property Investment Fund – LPIF £5.5m** - Large variance due to Phoenix 10 scheme where spend is deferred and City Council are costs are expected in 2023/24.

**LF Port Loop phase 3&4 £2.1m** – As reported to Investment board, this scheme was not approved by WMCA due to issue with applicants complying with WMCA terms and conditions including security.

## West Midlands Combined Authority Net Zero Capital Programme – March 2023

	FULL YEAR			FULL YEAR		
	ACTUAL £000	BUDGET £000	VARIANCE £000	ACTUAL £000	FORECAST £000	VARIANCE £000
Net Zero Programme	1,036	8,894	7,858	1,036	3,803	2,767
<b>Total Retrofit</b>	<b>1,036</b>	<b>8,894</b>	<b>7,858</b>	<b>1,036</b>	<b>3,803</b>	<b>2,767</b>

### Actual v Budget variance commentary

At the end of March 2023, actual expenditure was £7.9m under budget.

**Social Housing Decarbonisation £5.4m** - The project has timing issues due to prolonged procurement process and hurdles in seeking suppliers as such an extension has now been agreed.

**Sustainable Warmth Competition £2.5m** - The scheme is in the mobilisation phase, with the customer recruitment and property assessment and the installations is to take place in 2023/24.

### Actual v Forecast variance commentary

**Sustainable Warmth Competition- £1.8m** variance is due delayed supplier selection issues.



## Appendix 6 2023/24 Transport Capital Programme

TRANSPORT CAPITAL PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL
Investment Programme - Metro	Metro Wednesbury to Brierley Hill Extension	99.8	90.9	69.6	-	-	260.4
	Metro Centenary Square Extension	0.6	-	-	-	-	0.6
	Metro Birmingham Eastside Extension	65.0	35.3	4.2	-	-	104.5
	Metro Edgbaston Extension	3.7	-	-	-	-	3.7
	Metro Network Enhancements	3.2	2.1	0.2	0.0	-	5.5
	Wolverhampton Metro Extension	7.9	-	-	-	-	7.9
	Buy Before Boarding	5.2	3.0	3.0	-	-	11.2
	Metro Enabling and Other Works	0.9	0.6	-	-	-	1.5
Investment Programme - Rail	Rail - Camp Hill Line Local Enhancements (Package 2)	34.8	3.8	-	-	-	38.4
	Rail - Walsall to Wolverhampton Local Enhancements (Package 1)	20.8	14.7	-	-	-	35.5
	Rail - Sutton Coldfield Gateway	0.3	0.2	5.0	15.8	-	21.3
Investment Programme - Sprint	Sprint - Hagley Road Phase 1	2.4	1.8	-	-	-	4.0
	Sprint - Longbridge to Birmingham	0.1	-	-	-	-	0.1
	Sprint - Hall Green to Interchange via Solihull	0.2	-	-	-	-	0.2
	Sprint - Hagley Road Phase 2	0.1	-	-	-	-	0.1
	Sprint - Sutton Coldfield to Birmingham	-	-	-	-	-	-
<b>INVESTMENT PROGRAMME TOTAL</b>		<b>244.9</b>	<b>152.0</b>	<b>82.1</b>	<b>15.8</b>	<b>-</b>	<b>494.8</b>
CWG Programme	Sprint - A45 Birmingham to Airport and Solihull	1.4	-	-	-	-	1.4
	Sprint - A34 Walsall to Birmingham	0.3	-	-	-	-	0.3
	University Station Improvement Project	3.8	-	-	-	-	3.8
	Perry Barr Rail Station	3.5	-	-	-	-	3.5
	Regional Traffic Control Centre	3.9	-	-	-	-	3.9
	Birchley Island - Sandwell MBC	0.3	-	-	-	-	0.3
<b>CWG PROGRAMME TOTAL</b>		<b>13.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.2</b>
Other Major Programmes	Dudley Interchange	3.1	15.3	0.1	-	-	18.5
	Cross City Bus - City Centre & Druids Heath	2.5	9.8	9.5	0.0	-	21.8
	Coventry City Electric Bus	6.0	27.8	0.1	-	-	33.7
	Zero Emission Bus Regional Area (ZEBRA)	-	12.1	18.3	-	-	30.4
	Future Mobility Zone	5.6	0.3	-	-	-	5.9
	Other Works - Other Major Programmes	0.5	-	-	-	-	0.5
<b>OTHER MAJOR SCHEMES PROGRAMME TOTAL</b>		<b>17.8</b>	<b>65.2</b>	<b>28.0</b>	<b>0.0</b>	<b>-</b>	<b>110.9</b>
Minor Works Programme	A435 Alcester Rd Bus Priority Revitalisation	1.1	-	-	-	-	1.1
	Strategic Transport Officer Group Top Slice	0.3	-	-	-	-	0.3
	Priority One Development Schemes	0.7	-	-	-	-	0.7
	Tackling Nitrogen Dioxide	0.1	-	-	-	-	0.1
	Asset Management Programme	2.0	-	-	-	-	2.0
	M6 Toll - In Vehicle Messaging	0.2	-	-	-	-	0.2
	Air Quality	1.0	-	-	-	-	1.0
	Local EV Infrastructure Fund	1.0	2.0	-	-	-	3.0
	Multi-Area Connected Automated Mobility	0.4	1.1	-	-	-	1.5
	Other Works - Minor Works Programme	1.5	-	-	-	-	1.5
<b>MINOR WORKS PROGRAMME TOTAL</b>		<b>8.2</b>	<b>3.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.3</b>
Grants to Local Authorities Programme	Active Travel Fund- Tranche 3	8.7	8.1	-	-	-	16.8
	Active Travel Fund- Tranche 4	1.3	10.8	-	-	-	12.0
	Priority 1 Delivery- Perry Barr- Sutton Coldfield	1.3	0.2	-	-	-	1.5
	Priority 1 Delivery- A45 Coventry Road Birmingham	0.5	4.0	-	-	-	4.5
	Priority 1 Delivery- Binley Road Coventry	0.1	-	-	-	-	0.1
	Priority 1 Delivery- WTBH Metro Corridor Access Improvements	0.5	0.2	-	-	-	0.7
	New St/High St/Victoria Sq Public Realm - Birmingham CC	0.0	-	-	-	-	0.0
	MRN-A4123 Corridor -A4150 Ring Road to A456 Hagley Road	0.2	-	-	-	-	0.2
	MRN - M5 J1 - Sandwell	0.2	-	-	-	-	0.2
	MRN-Cov North Package Link M6	0.2	-	-	-	-	0.2
	MRN-A452 Balsall Common Bypass	0.2	-	-	-	-	0.2
	Major Road Network- A454 Wolverhampton to Neachells	0.1	-	-	-	-	0.1
	Major Road Network-A449 Stafford Rd M54 J2 to A4150 Ring Road	0.3	-	-	-	-	0.3
	Major Road Network- A46 Link Road Coventry	0.1	-	-	-	-	0.1
	Major Road Network - A461	0.5	-	-	-	-	0.5
	MRN-A4540 Bham Middleway -Eastside	0.2	-	-	-	-	0.2
	UKSPF Communities and Places	9.0	19.0	-	-	-	28.0
	Other Works - Grants to Local Authority Programme	0.4	-	-	-	-	0.4
<b>GRANTS TO LOCAL AUTHORITIES PROGRAMME TOTAL</b>		<b>23.6</b>	<b>42.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65.9</b>
<b>TRANSPORT TOTAL</b>		<b>307.7</b>	<b>262.6</b>	<b>110.0</b>	<b>15.8</b>	<b>-</b>	<b>696.1</b>

## Appendix 7 2023/24 Housing and Land Capital Budget

HOUSING AND LAND CAPITAL PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL
IP Land Remediation	Brownfield Land & Property Development Fund (BLPDF)	5.6	2.0	2.8	0.0	0.0	10.4
	LPIF (Black Country Consortium)	22.1	3.1	0.1	-	-	25.2
Land Fund	Land Fund - Simon Digby	0.0	2.5	-	0.6	-	3.0
	Land Fund - Stone Yard	-	0.0	1.0	0.0	1.0	2.1
	LF - Abbots Lane	0.7	0.0	-	-	-	0.7
	Land Fund - Aga	-	-	0.7	-	0.8	1.5
	Land Fund - Portersfield	0.0	0.4	3.8	1.9	-	6.1
	Land Fund - Fountain Lane	0.9	0.6	-	-	-	1.5
	Land Fund - Brierley Hill	0.1	0.1	-	-	-	0.1
	Land Fund - Culwell St	1.5	3.5	0.2	-	-	5.2
	Brownfield Land - Pipeline	29.2	47.5	33.4	8.6	0.1	119.0
	Woodend Henley Manor Farm	0.2	0.0	-	-	-	0.2
	Brownfield Land - Phoenix Park	0.7	2.9	-	-	-	3.6
	Brownfield Land - Murdoch and Pitman	0.0	0.0	1.7	-	-	1.7
	Brownfield Land - Globe House	0.3	0.3	-	-	-	0.6
	Brownfield Land - Erdington Baths	0.9	1.1	0.0	-	-	2.0
	National Competitive Fund - Pipeline	2.6	3.6	4.3	4.2	2.9	17.6
	National Competitive Fund - West Longbridge	0.0	0.0	0.0	0.0	0.0	0.1
	Land Fund - Dobbs Street	0.1	0.2	0.2	-	-	0.5
	Land Fund - Lioncourt	0.2	-	-	-	-	0.2
	Land Fund - Friar Park	0.3	2.3	2.1	0.0	0.0	4.7
	Land Fund - Pipeline	0.9	1.0	8.8	8.7	8.7	28.1
	Land Fund - Abberley Street	0.3	0.1	0.0	0.0	-	0.4
	Land Fund - Cranford Way	0.1	0.0	-	-	-	0.1
	Land Fund - Caparo	0.4	0.5	0.0	-	-	0.9
	Land Fund - Icknield Port Loop Phase 2a and 2b	0.0	1.4	1.3	-	-	2.7
Land Fund - Cookley Works	0.5	-	-	-	-	0.5	
Land Fund - Other	0.0	0.1	0.1	0.1	0.1	0.3	
<b>HOUSING AND REGENERATION PROGRAMME TOTAL</b>		<b>67.4</b>	<b>73.2</b>	<b>60.6</b>	<b>24.2</b>	<b>13.6</b>	<b>239.1</b>
OTHER CAPITAL PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL
Net Zero	Social Housing Decarbonisation	5.4	-	-	-	-	5.4
	Sustainable Warmth Competition	1.6	-	-	-	-	1.6
	Net Zero Neighbourhood - Capital	0.1	1.3	0.1	-	-	1.5
<b>OTHER TOTAL</b>		<b>7.1</b>	<b>1.3</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>8.5</b>

## Appendix 8 2023/24 Investment Programme Grants to Local Authorities Programme

INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES CAPITAL PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL
IP Grants to Local Authorities	Coventry City Centre South Regeneration - City Centre	45.2	15.0	5.1	2.7	9.8	77.7
	Coventry City Centre South Regeneration - Friargate	6.3	-	0.0	-	-	6.3
	Coventry UKC Plus - Coventry South Package	0.2	8.5	23.4	30.9	16.0	79.0
	Coventry UKC Plus - Coventry North Package	-	4.0	11.3	6.2	-	21.4
	UK Central Infrastructure Package - Programme Total	5.1	74.5	57.0	44.4	43.6	224.6
	UK Central HS2 Interchange - Programme Total	4.5	45.2	66.8	51.6	42.5	210.5
	CoW Technical Centre	6.2	1.3	-	-	-	7.5
<b>IP GRANTS TO LOCAL AUTHORITIES</b>		<b>67.5</b>	<b>148.4</b>	<b>163.6</b>	<b>135.7</b>	<b>111.9</b>	<b>627.1</b>

## Appendix 9 2023/24 City Regional Sustainable Transport Settlement Programme

This appendix provides an overview of the forecast utilisation of funding from the West Midlands Region £1.05bn capital CRSTS Settlement, for which WMCA is accountable. It does not provide an overview of the expected gross expenditure for projects within the CRSTS programme, inclusive of expenditure funded from other funding sources administered by WMCA, or match funding sources administered by local authority partners.

Gross expenditure recognised by WMCA is reported within the Transport Capital Programme is detailed at **Appendices 5** and **6**. A reconciliation to the expenditure within the appropriate sections of these appendices is provided below.

CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME (£M)		2023 / 2024	2024 / 2025	2025 / 2026	2026 / 2027	2027 / 2028	TOTAL	
City Region Sustainable Transport Settlement Programme	<b>Grants to Local Authorities</b>							
	Highways Maintenance	24.1	24.1	24.1	24.1	-	96.3	
	Local Network Improvement Plan	16.0	16.0	16.0	16.0	-	64.1	
	<b>Grants to Local Authority Projects</b>							
	Bus	1.5	10.0	3.5	4.0	-	19.0	
	Rail	7.1	27.6	20.2	17.7	-	72.6	
	Sustainable Travel	31.6	81.3	101.3	98.6	-	312.8	
	<b>Grants to Local Authorities Subtotal</b>	<b>80.3</b>	<b>159.0</b>	<b>165.1</b>	<b>160.5</b>	<b>-</b>	<b>564.9</b>	
	<b>Projects Delivered by TFWM</b>							
	Bus	4.1	23.1	29.7	25.8	-	82.8	
	Digital and Data	1.7	1.7	1.7	1.8	-	6.9	
	Metro	27.1	28.7	15.6	0.0	-	71.4	
	Rail	3.7	10.2	14.3	16.7	-	44.9	
	Sprint	15.7	31.1	7.7	10.5	11.5	76.5	
	Sustainable Travel	9.7	25.9	9.8	-	-	45.4	
	WMCA Local Network Improvement Plan	5.5	5.5	5.5	5.5	-	21.9	
	Transforming Cities Fund 2	32.3	-	-	-	-	32.3	
	<b>Projects Delivered by TFWM Subtotal</b>	<b>99.6</b>	<b>126.2</b>	<b>84.3</b>	<b>60.4</b>	<b>11.5</b>	<b>382.0</b>	
	<b>CITY REGION SUSTAINABLE TRANSPORT SETTLEMENT PROGRAMME</b>		<b>180.0</b>	<b>285.2</b>	<b>249.4</b>	<b>220.8</b>	<b>11.5</b>	<b>946.9</b>

*Note: Prior period CRSTS funded expenditure amounted to £103m, which combined with the budgeted £946.3m totals £1.05bn.*

**Appendix 10**  
**CRSTS Funding Awarded as at 31 May 2023**

<b>Delivery Body</b>	<b>Expected CRSTS Funding</b>	<b>Approved</b>	<b>Unapproved</b>
Birmingham	125,067,500	33,134,558	91,932,942
Coventry	106,602,000	67,426,246	39,175,754
Dudley	53,732,500	32,765,410	20,967,090
Sandwell	68,896,000	34,246,000	34,650,000
Solihull	79,381,000	25,281,000	54,100,000
Walsall	58,259,000	26,009,000	32,250,000
Wolverhampton	117,737,000	26,312,000	91,425,000
<b>Local Authority Sub-Total</b>	<b>609,675,000</b>	<b>245,174,214</b>	<b>364,500,786</b>
WMCA	440,325,000	257,949,001	182,375,999
<b>Total</b>	<b>1,050,000,000</b>	<b>503,123,215</b>	<b>546,876,785</b>

## Appendix 11

### Total Regional Investment Programme Expenditure as at 31<sup>st</sup> March 2023

PROGRAMME	COST TO COMPLETION			
	PRIOR PERIOD SPEND	2022 / 2023 ACTUAL	FUTURE YEARS FORECAST	TOTAL FORECAST OUTTURN
	£000	£000	£000	£000
COVENTRY UKC PLUS	194,167	10,714	509,208	714,089
SPRINT PROGRAMME	75,519	21,462	195,547	292,528
RAIL PROGRAMME	47,690	25,678	160,997	234,364
METRO PROGRAMME	488,958	113,022	1,101,201	1,703,182
UK CENTRAL INFRASTRUCTURE PACKAGE	88,655	86,422	1,180,762	1,355,839
UK CENTRAL HS2 INTERCHANGE	35,297	8,049	585,969	629,315
<b>HS2 GROWTH STRATEGY TOTAL</b>	<b>930,286</b>	<b>265,347</b>	<b>3,733,684</b>	<b>4,929,316</b>
COVENTRY CITY CENTRE SOUTH REGENERATION	55,370	31,803	247,674	334,846
INNOVATION PROGRAMME	37,876	5,531	151,592	194,999
LAND RECLAMATION AND REMEDIATION	55,918	11,463	132,619	200,000
COMMONWEALTH GAMES 2022	73,028	5,320	-	78,348
EMPLOYMENT, EDUCATION & SKILLS	1,023	290	18,687	20,000
BUSINESS AND TOURISM PROJECT - BATP	10,745	11,788	1,415	23,948
COVENTRY ELECTRIC BUS CITY	11,407	9,866	118,162	139,434
REGIONAL RECOVERY & RISKS	11,754	1,637	36,437	49,828
COLLECTIVE INVESTMENT FUND	87,111	36,371	876,518	1,000,000
<b>OTHER INVESTMENT PROGRAMME SCHEMES</b>	<b>344,231</b>	<b>114,069</b>	<b>1,583,103</b>	<b>2,041,403</b>
<b>GRAND TOTAL</b>	<b>1,274,517</b>	<b>379,416</b>	<b>5,316,787</b>	<b>6,970,719</b>

## Appendix 12

### WMCA Investment Programme Commitments as at 31st March 2023

£m	Total Expected Approvals	Approved Commitments	Actual Spend (Mar-23)
Coventry UK Central Plus	288.1	94.8	94.4
Sprint Programme	217.4	47.0	42.3
Rail Programme	113.9	63.0	9.4
Metro Programme	227.0	227.0	106.0
UK Central Infrastructure Package	288.0	35.1	27.4
UK Central HS2 Interchange	398.0	57.5	41.9
<b>SUB TOTAL HS2 GROWTH STRATEGY</b>	<b>1,532.4</b>	<b>524.6</b>	<b>321.5</b>
Coventry City Centre South Regeneration	150.0	150.0	62.9
Innovation Programme	50.0	16.1	14.5
Land Reclamation and Remediation	200.0	103.0	67.4
Commonwealth Games 2022	25.0	25.0	25.0
Employment, Education & Skills	20.0	1.3	1.3
Business and Tourism Project - B ATP	2.6	2.6	1.2
Coventry Electric Bus City	5.0	5.0	0.5
Regional Recovery & Risks	37.1	26.2	13.0
<b>OTHER INVESTMENT PROGRAMME</b>	<b>489.6</b>	<b>329.2</b>	<b>185.8</b>
<b>TOTAL</b>	<b>2,022.0</b>	<b>853.7</b>	<b>507.3</b>

**Appendix 13**  
**WMCA Administered Funds – March 2023**

<b>Funding Stream</b>	<b>Grant Awarded £'000</b>	<b>Spend to Date £'000</b>	<b>Purpose</b>
Midlands Connect	30,867	28,790	Revenue funding. Midlands Connect researches, develops and progresses transport projects that will benefit the region, its people and its businesses. The overall ambition is to make the Midlands region fairer, greener and stronger for everyone who lives here.
One Public Estate	1,903	886	Revenue funding. Agreed by WMCA Board that WMCA would assume accountable body status for this grant award, which is delivering various projects to secure more from public sector assets through collective action.
Community Renewal Fund	5,145	5,015	Revenue funding. This fund aims to support people and communities most in need across the UK. The fund will pilot programmes and new approaches to invest in skills, community and place, local business and supporting people into employment.
Active Travel Fund - Capital	38,611	4,483	Funding awarded to external local authorities for the delivery of an array of capital schemes to support the production of cycling and walking facilities throughout the region.
Active Travel Fund - Revenue	1,157	498	Revenue funding to support the above.
<b>Total</b>	<b>77,683</b>	<b>39,671</b>	

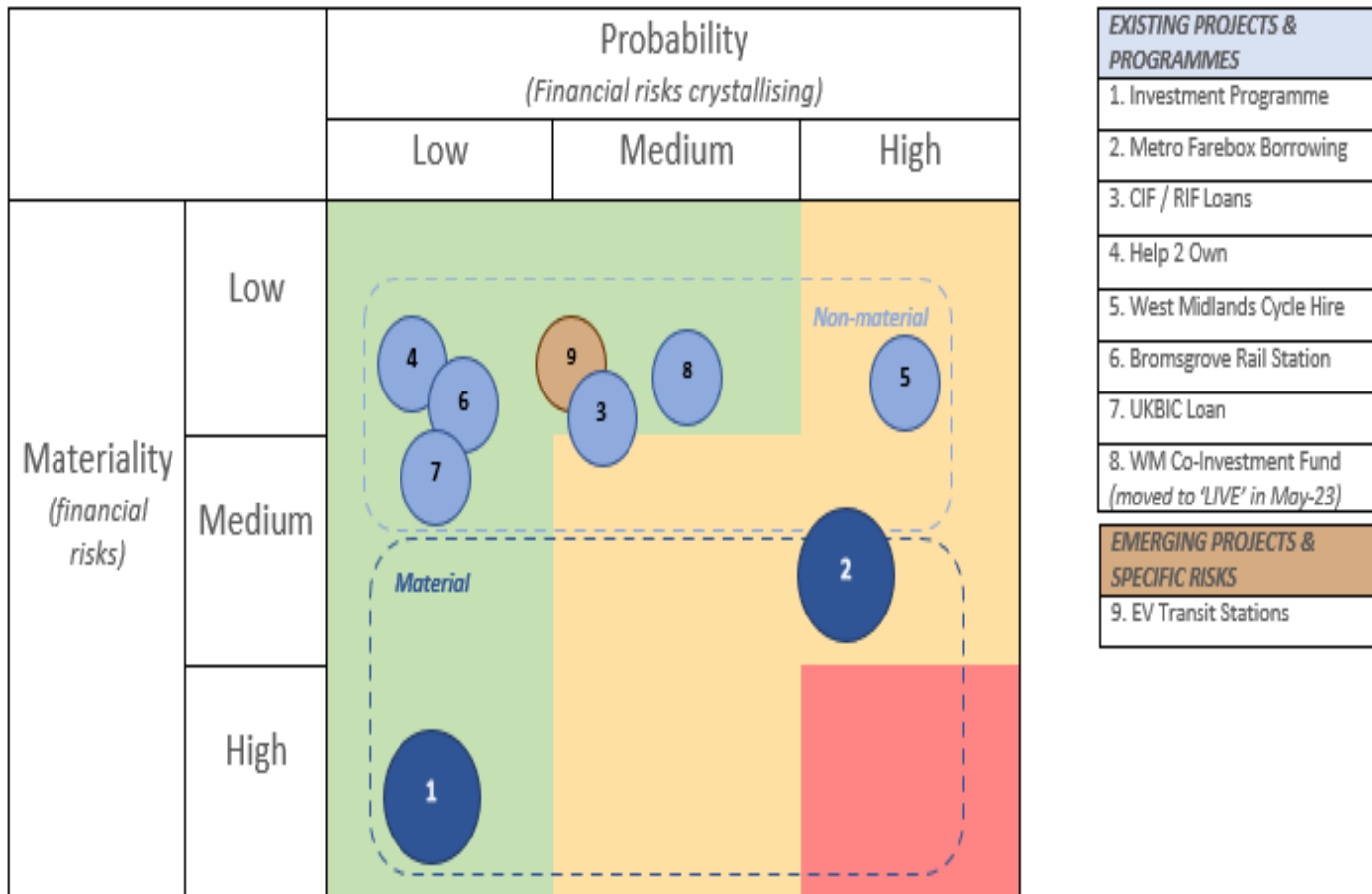


**Appendix 14**  
**WMCA Balance Sheet**

<b>WMCA Balance Sheet as at 31 March 2023</b>			
	<b>31 March 2023</b>	<b>28 February 2023</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Property, plant and equipment	720,304	715,601	4,703
Intangible assets	1,274	1,327	(53)
Investments	39,659	45,118	(5,459)
Loan Receivables	15,922	15,922	-
<b>Long-term assets</b>	<b>777,159</b>	<b>777,968</b>	<b>(809)</b>
Short-term debtors	102,956	77,444	25,512
Short-term deposits	717,226	744,632	(27,406)
Cash and bank	238	535	(297)
<b>Current assets</b>	<b>820,420</b>	<b>822,611</b>	<b>(2,191)</b>
Loans - interest due	(3,247)	(4,411)	1,164
Short-term creditors/accruals	(137,239)	(129,573)	(7,666)
<b>Current liabilities</b>	<b>(140,486)</b>	<b>(133,984)</b>	<b>(6,502)</b>
<b>Net current assets</b>	<b>679,934</b>	<b>688,627</b>	<b>(8,693)</b>
Provisions	(5,342)	(4,998)	(344)
Loans - PWLB	(494,231)	(496,079)	1,848
Other loans - Barclays	(10,000)	(10,000)	-
Dudley MBC	(3,670)	(4,678)	1,008
Grants receipts in advance	(515,585)	(535,865)	20,280
<b>Long-term liabilities</b>	<b>(1,028,828)</b>	<b>(1,051,620)</b>	<b>22,792</b>
<b>Net assets</b>	<b>428,265</b>	<b>414,975</b>	<b>13,290</b>
General fund balance	4,412	4,942	(530)
Earmarked reserves	266,660	285,174	(18,514)
Capital receipts reserve	2,259	1,841	418
<b>Usable reserves</b>	<b>273,331</b>	<b>291,957</b>	<b>(18,626)</b>
Revaluation reserve	6,108	6,126	(18)
Deferred capital grants account	775,392	752,979	22,413
Capital financing account	(622,704)	(632,224)	9,520
Financial Instruments Adjustment Account	(2,724)	(2,724)	-
Accumulated absences account	(1,138)	(1,138)	-
<b>Unusable reserves</b>	<b>154,934</b>	<b>123,018</b>	<b>31,916</b>
<b>Total reserves</b>	<b>428,265</b>	<b>414,975</b>	<b>13,290</b>

## Appendix 15 Commercial Risk

This risk register documents the status of the commercial initiatives WMCA are undertaking, the majority of which have been considered by the WMFD group at a headline or in detail. It includes both live and emerging initiatives. There are other risks WMCA will be exposed to (for example reductions in Government grants) which are not included on this register; but it is important to consider the risks detailed below in the context of the other financial risks WMCA are exposed to managing, and the low financial resilience of the organisation in general.





## WMCA Board

<b>Date</b>	Friday 9 June 2023
<b>Report title</b>	Transport Governance Review
<b>Portfolio Lead</b>	Governance - Councillor Bob Sleigh
<b>Accountable Chief Executive</b>	Laura Shoaf – West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Helen Edwards, Director of Law & Governance email: helen.edwards@wmca.org.uk
<b>Report has been considered by</b>	Executive Board - 3 May 2023 Mayor and Portfolio Leads - 19 May 2023

### Recommendation(s):

- (1) That the existing Transport Delivery Committee evolve into a new Transport Delivery Overview and Scrutiny Committee as detailed in the report.
- (2) That it be noted that, following the decision of the WMCA Board on 28 October 2022, a further report of the Independent Remuneration Panel has been prepared and will be considered elsewhere on the agenda in relation to the paying of allowances for:
  - a. the Deputy Mayor,
  - b. members of the Overview and Scrutiny Committee
  - c. members of the Transport Delivery Overview and Scrutiny Committee
  - d. scrutiny champions
  - e. members of the Audit, Risk and Assurance Committee

### 1. Purpose

- 1.1 This report sets out the recommendations from the Transport Governance Review (TGR).

### 2. Background

- 2.1 The Transport governance review resulted from the 2019 scrutiny review of transport governance and an agreement at the Mayor and Portfolio Leads Liaison meeting on 1 June 2021 to consider:

- Clarity regarding WMCA decision-making
- The number and frequency of meetings
- WMCA Board/ Committee reporting

2.2 A review working group was set up and chaired by Cllr Bob Sleight, the review highlighted a need for consistency, clarity and simplification within transport governance and overall governance in the WMCA.

2.3 Terms of reference for the review were:

- To review the formal and informal decision making at member level on transport issues.
- To make recommendations to streamline and improve the arrangements, taking into account best practice elsewhere.
- To ensure decision making and governance arrangements are clearly understood and are communicated effectively by those who are a part of the governance structure for transport.

#### **2.4 Areas for consideration**

- Role of Transport Delivery Committee
- Lack of visibility of the golden thread in relation to transport strategy
- Lack of responsibility and accountability for transport decision-making
- Role of Overview & Scrutiny
- Where is capital project oversight taking place

2.5 Feedback from the consultation exercise concluded that there was a lack of clarity over roles and responsibilities within the existing structure and a lack of clarity as to who was accountable for certain functions and decision-making.

#### **2.6 Transport Delivery Committee (TDC)**

2.7 The TDC is a direct committee of the WMCA Board and has delegated authority for a small number of functions. The TDC is the only committee to remunerate all its members. The membership of the TDC is not in line with the other WMCA boards which have 2 representatives from each of the constituent local authorities. The TDC has 7 members from Birmingham City Council and 2 members from all the other constituent authorities, this membership is based on percentage payment of the transport levy.

The functions currently delegated to the TDC are:

- considering and approving the creation and development of:
  - Ticketing Schemes under s135 - 138 of the Transport Act 2000.
  - Concessionary Travel Schemes under s93 - 104 of the Transport Act 1985.
- determining what local bus information should be made available, and the way in which it should be made available, under s139 - 143 of the Transport Act 2000.

- approving and monitoring the WMCA's minor transport works capital program and the agreed budget for the scheme concerned.
- determining the operation, performance, contract management and development of tendered bus services, bus stations/stops, and passenger transport services, under s10 (1) of the Transport Act 1968 and within the agreed WMCA budget.

## **2.8 Strategic Transport Board (STB)**

STB is a non-constituted advisory board that falls outside of the requirements of the 1972 Local Government Act and as such is not required to meet in person or in public. The membership of STB is made up of the relevant executive members with responsibility for transport from each of the constituent authorities.

Transport strategy and policy is developed and determined at WMCA Board with feedback and advice from the STB. Feedback suggests that the work carried out by STB adds value to the reports and recommendations put forward to WMCA Board for decision. This report will therefore recommend that the STB continue in its existing form pending a future review of the WMCA's wider governance and decision-making arrangements.

## **Overview and Scrutiny**

- 2.9 There is currently uncertainty and duplication in the roles of the TDC and Overview & Scrutiny in reviewing the activity of Transport for West Midlands (TfWM) with TDC.
- 2.10 Accountability and strengthening the role played by overview and scrutiny is a key part of the new Devolution Agreement and Accountability Framework. The English Devolution Accountability Framework states that more needs to be done in relation to scrutiny and that it is crucial that local scrutiny of institutions with devolved powers sets new standards for holding their institutions to account for delivery, as well as playing a critical role in policy and strategy development.
- 2.11 This makes it crucial that committees can recruit committed, motivated members and retain them in post for more than one year to allow appropriate training, building of knowledge and focus on key policy and performance issues.
- 2.12 Government is already taking steps to support this through the Levelling Up and Regeneration Bill which will ensure combined authorities and combined county authorities are able to compensate constituent authority councillors for their roles on overview and scrutiny and audit committees.
- 2.13 The Government will also develop a new Scrutiny Protocol for all institutions with devolved functions on the relationship between the mayor/elected leader, the institution, and its scrutiny/audit functions. It will do this working with the currently established mayoral combined authorities and those areas which have agreed devolution deals for their areas, as well as organisations such as the Centre for Governance and Scrutiny.
- 2.14 The Statutory Scrutiny Guidance also states that in order to maintain awareness of scrutiny at the combined authority and provoke dialogue and discussion of its impact, the

business of scrutiny should be reported to the combined authority board or to the chairs of the relevant scrutiny committees of constituent and non-constituent authorities, or both.

## **Options Considered**

1. Formalisation of all existing committees
  - a. The Strategic Transport Board be formally constituted into a Committee of the Combined Authority.
  - b. Transport Delivery Committee be replaced by a new sub-committee of the Strategic Transport Board
  - c. Overview & Scrutiny function adopts a single committee model supported by task & finish groups on key matters. A single committee structure would be well-attuned to the cross-cutting nature of CA business allowing for deep dives through task & finish groups on specific transport matters

Following consultation, this was not considered to be a favourable option given the existing good work carried out by the Strategic Transport Board and concerns that to formalise all meetings under the 1972 Act would impede this good work and attendance at meetings would be poor and inquorate.

2. All Committees are made informal and non-constituted
  - a. Adopting the informal arrangements of Strategic Transport Board at each portfolio Board/Committee. This would mean a change in approach across the wider governance structure of the Combined Authority

The negatives of such an option are linked to the informal operating flexibility in that there would be no legal requirement for papers to be provided 5 working days prior to meetings, those meetings would not be published, and the public would have greater difficulty accessing them. All decisions would need to be made by WMCA Board following advice from the committees, which could lead to constraints in relation to decision making especially when there are time sensitive decisions to be made.

### **3.0 Preferred Option - Strengthening and overview and scrutiny**

- 3.1 The TDC will evolve into a new Transport Delivery Overview and Scrutiny Committee with fully remunerated constituent members (draft terms of reference are attached at Appendix A).
- 3.2 The new Transport Delivery Overview and Scrutiny Committee will have 20 members and membership should continue to be based (for constituent councils) on the percentage transport levy paid. There will also be 4 members representing the non-constituent shire areas. Whilst these shire areas do not contribute to the transport levy, there are many examples of cross-border travel between non-constituent and constituent areas (eg. for employment and leisure purposes), as well as the targeted rollout of specific Transport for West Midlands initiatives (eg. the Swift smartcard in Cannock Chase and Redditch). Including a small number of non-constituent members, in a non-voting capacity, on the committee would provide an additional perspective and wider evidence base for its discussions

<b>Authority</b>	<b>Seats</b>	<b>Levy %</b>	<b>Remunerated</b>
Birmingham City Council	Seven	38.3	Yes
City of Wolverhampton Council	Two	10.5	Yes
Coventry City Council	Three	12.9	Yes
Dudley Metropolitan Council	Two	11.0	Yes
Sandwell Metropolitan Council	Two	11.2	Yes
Solihull Metropolitan Council (7.4%)	Two	7.4	Yes
Walsall Metropolitan Council (9.8%)	Two	9.8	Yes
Staffordshire Non-Constituent	One (non-voting)		No
Shropshire Non-Constituent	One (non-voting)		No
Warwickshire Non-Constituent	One (non-voting)		No
Worcestershire Non-Constituent	One (non-voting)		No

- 3.3 Existing delegations given to TDC from WMCA Board (as listed in section 2.7 above) will need to revert to WMCA Board for decision. These decisions will however only be made following consideration where appropriate at the new Transport Delivery Overview and Scrutiny Committee with recommendations being made back to WMCA Board.
- 3.4 The existing Overview & Scrutiny Committee and Transport Delivery Overview and Scrutiny Committee will provide feedback from pre-decision scrutiny, task and finish groups and scrutiny policy/strategy development sessions in reports to WMCA Board on a quarterly basis. This will strengthen the role of scrutiny and provide greater oversight of the work being done by scrutiny and the impact and value being added through its work.
- 3.5 The existing Overview & Scrutiny Committee and new Transport Delivery Overview and Scrutiny Committee will be supported by task & finish groups on key matters and allow for greater scrutiny on specific, timely matters.
- 3.6 Relevant private sector, expert witnesses and subject matter experts will be invited to both scrutiny committees when appropriate to provide expert advice and lived experience feedback.

3.7 Quoracy issues will be addressed through raising the profile of scrutiny, ensuring that members with sufficient experience and the ability to commit adequate time are nominated to the committees and full remuneration for constituent authority members. To help achieve this, there will need to be better engagement with Local Authorities to ensure that the right members are appointed to the committees and that feedback and updates are being provided to LA scrutiny committees in relation to the work of the WMCA O&S committees. A full and comprehensive induction and member development programme (specific to the WMCA) will also be developed.

#### **4. Member Engagement Groups (MEGs)**

4.1 Feedback from existing members of the TDC and Overview and Scrutiny Committee suggest that the existing MEGs add value to the work of the TDC and should be continued.

4.2 The following MEGs will continue to operate:

- Rail, Metro, Sprint and Active Travel
- Sustainability
- Passenger First
- Finance and Performance
- Passenger Safety
- Air Quality, congestion and Environmental Impact

4.3 It is recommended that MEGs are chaired by Scrutiny Champions and paid a Special Responsibility Allowance (SRA), which is in line with existing arrangements under the TDC. MEG chairs must not be the chair or vice chair of one of the Overview & Scrutiny committees.

#### **5. Scrutiny Champions**

5.1 The introduction of Scrutiny Champions will be trialled for 12 months, following which a report will be presented to the Overview and Scrutiny Committee to consider whether to continue with and expand the use of scrutiny champions to the Overview and Scrutiny Committee.

5.2 Scrutiny Champions will cover the following areas, to complement the MEGs:

- Rail, Metro, Sprint and Active Travel
- Sustainability
- Passenger First
- Finance and Performance
- Passenger Safety
- Air Quality, Congestion and Environmental Impact

5.3 Scrutiny Champions will:

- Act as chairs for the Member Engagement Groups
- Build an effective relationship with relevant portfolio leads, Executive Directors at Transport for West Midlands and their teams.
- Meet with TfWM and WMCA Lead Officers on a regular basis to agree work plans and items for consideration at Member Engagement Meetings



- Be aware of policy developments and direction of travel within the relevant area of expertise
- Keep abreast of relevant external developments.
- Lead on and actively engage in the development of key lines of enquiry for their respective areas.
- Provide regular updates to the transport Overview and Scrutiny Committee
- Work with the Chair and Vice Chair of the Transport Delivery Overview and Scrutiny Committee, the Statutory Scrutiny Officer and lead officers to develop a comprehensive workplan for the Transport Delivery Overview and Scrutiny Committee.

5.4 As per existing practice in relation to TDC Member Engagement Group chairs, Scrutiny Champions will be appointed at the first meeting of the Transport Delivery Overview & Scrutiny committee by the members of that committee.

## **6. Why Transport Delivery Overview and Scrutiny?**

6.1 Transport is the most public facing function of the WMCA that has the potential to impact the public in a very direct and visible way. There is great and enhanced public interest in ensuring that our transport function is fit for purpose from both a strategic and operational perspective. Transport also constitutes an important determinant of health and has a key impact on health outcomes.

## **7. Strategic Aims and Objectives**

7.1 Connect our communities by delivering transport and unlocking housing and regeneration schemes

7.2 Develop our organisation and our role as a good regional partner

## **8. Financial Implications**

8.1 There may be financial implications based on the findings of the Independent Remuneration Panel. The IRP will consider the paying of allowances for:

- The Deputy Mayor
- The Overview and Scrutiny Committee
- The Transport delivery Overview and Scrutiny Committee
- Member Engagement Groups
- The Audit, Risk and Assurance Committee

## **9. Legal Implications**

9.1 The new Transport Delivery Overview and Scrutiny Committee will be a scrutiny committee as defined under the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and as such the following must apply:

- The majority of members of a combined authority's overview and scrutiny committee must be members of that combined authority's constituent councils.

- At least two-thirds of the total number of members of the overview and scrutiny committee must be present at a meeting of the overview and scrutiny committee before business may be transacted.
- Each member of the overview and scrutiny committee appointed from the constituent councils is to have one vote and no member is to have a casting vote.
- Members of the overview and scrutiny committee who are appointed other than from the constituent councils shall be non-voting members of the committee but may be given voting rights by resolution of the combined authority
- Any questions that are to be decided by the overview and scrutiny committee are to be decided by a simple majority of the members present and voting on that question at a meeting of the overview and scrutiny committee.
- The Chair of the committee must not be from the same political party as the Mayor.

## **10. Single Assurance Framework Implications**

- 10.1 There are no Single Assurance Framework Implications directly associated with this report.

## **11. Equalities Implications**

- 11.1 It is important to ensure that the membership of all WMCA committees is diverse and inclusive. To make the right decisions for the area, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee will ensure that when suitable, witnesses with lived experiences of the matters under consideration and subject matter experts will be invited to attend meetings to provide feedback and give evidence.
- 11.2 All scrutiny meetings are held in public, and recordings are made available after the meeting on the WMCA website.

## **12. Inclusive Growth Implications**

- 12.1 There are no specific inclusive growth implications associated with this report

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

- 13.1 There are no specific geographical implications associated with this report.

## **14. Other Implications**

- 14.1 There are no other implications directly associated with this report.

## Transport Delivery Overview and Scrutiny Committee

This committee is responsible to the West Midlands Combined Authority Board.

The Committee will have responsibility for:

<p><b>1.</b> Monitoring and oversight of the performance of the transport capital programme delivery for projects being delivered under CRSTS and other funding allocations. It will receive regular reports on the delivery outputs, programme timeline and critical path, risk management, finance and funding. It will also receive monitoring and evaluation reports on the outcomes provided following completion in line with the business cases agreed by the Investment Board or the WMCA board. This will include highway maintenance programmes which are now contained in CRSTS.</p>
<p><b>2.</b> Reviewing the development of the pipeline of the future investment schemes in transport capital delivery for entry into the delivery programme.</p>
<p><b>3.</b> Monitoring of the operational performance of the transport networks including bus, rail, tram, micro mobility and highway networks via reports prepared by TfWM including financial performance of the revenue activities.</p>
<p><b>4.</b> Holding to account the performance of operators against a set of targets in line with any agreements held by the WMCA. Where no agreements are in place it will provide input and considerations to these operators to influence performance.</p>
<p><b>5.</b> Monitoring the implementation plan of the Local Transport plan in terms of outcomes delivered in line with the core objectives and big moves.</p>
<p><b>6.</b> Overseeing the customer satisfaction levels of the transport system and provide oversight to improvements in customer experience including digital customer products and services provided by TfWM.</p>
<p><b>7.</b> Reviewing and input into the regions road safety strategy and monitor the delivery plans of the regional road safety strategic partnership against a set of targets contained within the strategy.</p>
<p><b>8.</b> Reviewing and making recommendations to the WMCA Board in relation to a number of statutory functions including:</p> <ul style="list-style-type: none"><li>a) securing the provision of appropriate subsidised public passenger transport services under s9A (3) of the Transport Act 1968.</li><li>b) the creation and development of:<ul style="list-style-type: none"><li>• ticketing Schemes under s135 - 138 of the Transport Act 2000.</li><li>• concessionary Travel Schemes under s93 - 104 of the Transport Act 1985.</li></ul></li><li>c) what local bus information should be made available, and the way in which it should be made available, under s139 - 143 of the Transport Act 2000.</li><li>d) the operation, performance, contract management and development of tendered bus services, bus stations/stops, and passenger transport services, under s10 (1) of the Transport Act 1968 and within the agreed WMCA budget.</li></ul>

**9.** It will provide reports to the WMCA Board on a quarterly basis in relation to work undertaken, recommendations made and overall summary of the delivery of capital and operational matters of TfWM and its partners.

**10.** It will, when appropriate set up time limited task and finish groups to consider specific issues which form the basis of a report and set of recommendations back to the WMCA Board.



## WMCA Board

<b>Date</b>	9 June 2023
<b>Report title</b>	The Report of the Independent Remuneration Panel
<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>	Helen Edwards, Director of Law & Governance email: helen.edwards@wmca.org.uk

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

#### The WMCA Board is recommended to:

- (1) Agree with the Independent Remuneration Panel's recommendations to increase the SRA paid to the deputy mayor to £ 20,000 and backdate this to October 2022.
- (2) Agree that the Special Responsibility Allowance (SRA) paid to the Chairs of each of the Audit, Risk and Assurance Committee, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee be set at £9,500.
- (3) Agree that the SRA paid to the six Scrutiny Champions operating within the Transport Delivery Overview and Scrutiny Committee should be set at £4,750.
- (4) Agree a Co-optees Allowance of £3,000 for all members of constituent authorities who serve on the Audit, Risk and Assurance Committee, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee.
- (5) Agree that all the allowances recommended above should be updated annually on the basis of the average increase in salaries (private and public sector in previous financial year in the West Midlands, as published in the Annual Survey of Household Earnings (ASHE) as set out in para 4.32 of the Panel's 2022 report.
- (6) Agree that mechanisms should be introduced to monitor and publish attendance of co-optees on the three Committees.

- (7) Agree that a review should be carried out annually of the extent to which the work of the three Committees and of the six Scrutiny Champions on the Transport Delivery Overview and Scrutiny Committee is proving effective and 'adding value'.
- (8) Agree that if either the Audit, Risk and Assurance Committee or the Overview and Scrutiny Committee were minded to introduce Scrutiny Champions, these positions should attract the same SRA as for Transport Delivery i.e., £4,750.
- (9) Agree that if any of the three Committees were to establish 'task and finish' groups to study a particular issue in depth, then an SRA of £2,375 should be paid to the Chair of the group, so long as this role is not filled by a Committee Chair or Scrutiny Champion.
- (10) Agree that if a councillor from a constituent authority is co-opted onto two of the three Committees, he or she should be entitled to two Co-optees Allowances.
- (11) Note that the remuneration recommended in relation to members of the Overview and Scrutiny Committees, the Scrutiny Champions and the members of the Audit, Risk and Assurance Committee cannot be paid until such time as the legislation permitting it has been passed, and that we will at that time backdate the remuneration to the start of the municipal year if the legislation permits us to do so

## **1. Purpose**

- 1.1 This Report sets out the recommendations of the Independent Remuneration Panel (IRP) set up to look at allowances at the West Midlands Combined Authority (WMCA).

## **2. Background**

- 2.1 At the meeting of the WMCA Board held on the 18 March 2022, Members agreed to appoint an IRP to consider:
  - the allowances that should be paid to the Mayor and the Deputy Mayor,
  - whether allowances should be recommended for Portfolio Leaders,
  - the allowances paid to the TDC and whether allowances should be recommended to other Members of the WMCA.
- 2.2 The IRP carried out a thorough review of Members Allowances, including carrying extensive interviews with key stakeholders and considering comparative data across the country. In May 2022, the Independent Remuneration Panel (IRP) submitted its report which made recommendations regarding a range of topics specified in its brief, namely the allowances to be paid to the elected mayor, the deputy mayor, the chairs of the Audit, Risk and Assurance, Overview and Scrutiny and Transport Delivery Committees respectively, and the members of the Transport Delivery Committee.
- 2.3 In October 2022, the recommendations relating to the elected mayor and the chairs of Audit, Risk and Assurance and Overview and Scrutiny were agreed by the Board and the recommendation relating to the deputy mayor referred back to the IRP.

2.4 The Panel's recommendation regarding allowances to members of the Transport Delivery Committee was deferred pending the outcome of the WMCA internal Transport Governance Review, which was then in progress and which has been considered separately at this meeting. In addition, the government has indicated in its recently issued Levelling Up and Regeneration Bill (para 6.7) that it will issue new guidance which permits the payment of allowances to those involved in overview and scrutiny activities in Combined Authorities.

2.5 The Panel was reconvened in May 2023 and asked, in the light of these new circumstances, to make recommendations on allowances to be allocated to the deputy mayor, to the members of the Overview and Scrutiny committees and Audit, Risk and Assurance Committee and to the six 'Member Champions' proposed within the re-named Transport Delivery Overview and Scrutiny Committee. This report is focused on these specific issues and should be seen as a supplementary report to that submitted by the Panel in 2022. The other topics dealt with in that report (e.g., the elected mayor's allowance) are not revisited here.

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

3.1 Develop our organisation and our role as a good regional partner

### **4. Financial Implications**

4.1 The annual ongoing cost of implementing all of the recommendations in this report would be £188,000. There is an additional cost of £5,000 in 2023/24 relating to backdated allowances bringing the total cost for 2023/24 to £193,000. £153,000 of this cost can be funded from repurposing of existing budgets with the balance to be supported by one off reserves generated from the 2022/23 year end outturn position. The ongoing annual cost will be built into future year budgets.

### **5. Legal Implications**

5.1 Where an IRP has issued a report, the Board are required under the provisions of the West Midlands Combined Authority (Functions and Amendment) Order 2017 to determine the allowances payable to the Mayor and the Deputy Mayor "in accordance with the recommendations of the IRP."

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

6.1 There are no Single Assurance Framework implications associated with this report.

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

7.1 There are no specific geographical implications associated with this report.

### **8. Appendices**

8.1 Appendix 1 – May 2023 Report of the IRP

**9. Schedule of Background Papers**

[Report or the IRP October 2022](#)



## **West Midlands Combined Authority**

### **Independent Members Remuneration Panel**

#### **Supplementary Report May 2023**

##### **1. Introduction**

1.1. In May 2022, the Independent Remuneration Panel (IRP) submitted a report which made recommendations regarding a range of topics specified in its brief, namely the allowances to be paid to the elected mayor: the deputy mayor: the chairs of the Audit, Risk and Assurance, Overview and Scrutiny and Transport Delivery Committees respectively: and the members of the last of these committees.

In October 2022, the recommendations relating to the elected mayor and the chairs of Audit, Risk and Assurance and Overview and Scrutiny were agreed by the Board and the recommendation relating to the deputy mayor referred back to the Panel. The Panel's recommendation regarding allowances to members of the Transport Delivery Committee was deferred pending the outcome of the WMCA internal Transport Governance Review, which was then in progress. That Review has now issued its report. In addition, the government has indicated in its recently issued Levelling Up and Regeneration Bill (para 6.7) that it will issue new guidance which permits the payment of allowances to those involved in overview and scrutiny activities in Combined Authorities.

1.2. The Panel's membership is Steve Leach, Emeritus Professor of Local Government at De Montfort University (chair): Rose Poulter, Chair of the Birmingham City Council IRP: and Sylvia Parkin, member of the City of Wolverhampton and Sandwell IRPs.

The Panel was reconvened in May 2023 and asked, in the light of these new circumstances, to make recommendations on allowances to be allocated to the deputy mayor: to the members of the three committees specified above : and to the six 'Member Champions' proposed within the re-named Transport Delivery Overview and Scrutiny Committee. This report is focused on these specific issues and should be seen as a supplementary report to that submitted by the Panel in 2022. The other topics dealt with in that report (e.g., the elected mayor's allowance) are not revisited here. Where appropriate, reference back to the content of that report is included in this report.

1.3 The Panel is grateful to Julia Cleary, Head of Governance and Corporate Support for facilitating its meeting on 17<sup>th</sup> May 2023 and for providing a helpful briefing to the panel and copies of a range of relevant WMCA reports. The Panel also drew on the evidence it assimilated for its 2022 report where appropriate.

##### **2. The Deputy Mayoral Allowance.**

2.1. The main reason for the reference back of the Panel's recommendation regarding the Deputy Mayoral allowance (which was pitched at £31,675 – one third of the recommended mayoral allowance) was that it failed to take account of the Board's view that this allowance should not result in the overall allowance of the

deputy mayor (including the basic allowance received in their parent authority) exceeding the total allowances (basic plus SRA) received by any of the seven West Midlands council leaders who are members of the WMCA Board. In fact, this was a view with which the Panel was in agreement (see para 4.15 of its 2022 report). But due to a technical error in the calculation, for which the Panel apologises, its recommendation did not meet this condition.

2.2. The wide-ranging and demanding responsibilities of the deputy mayor were highlighted in para 4.10 of the Panel's 2022 report, as was the finding that the value of his contribution was widely acknowledged and appreciated throughout the authority. The Panel was clear that these findings should be recognised by the recommendation of a substantial SRA, within the limits proposed by the Board.

In October 2022, the Board recommended as an interim measure a deputy mayoral allowance of £10,000. The Panel's recommendation is that this allowance should be doubled to £20,000, which would result in the overall allowance received by the deputy mayor (including their basic allowance) rising to £30,500, which is £5,000 below the lowest combined (basic plus SRA) leaders' allowances within the seven West Midlands councils. It is recommended that this increase should be backdated to October 2022, when the mayoral allowance was agreed.

### **3. The Two Overview and Scrutiny Committees and Audit and Risk Committee.**

3.1. It is clear from the Levelling Up and Regeneration Bill that the government intends to strengthen the role of overview and scrutiny in Combined Authorities and, to this end, will make provision for CAs to provide remuneration to those councillors from the constituent authorities who have been co-opted to serve on one or other of such committees. The Panel applauds this concern on the part of central government and WMCA to move in this direction. Overview and scrutiny is a crucial ingredient of accountability and good government in any local authority, not least in an indirectly elected authority (elected mayor apart) such as WMCA, where the 'holding to account' process is less transparent than in a directly elected council. The panel was made aware of concerns within WMCA about the effectiveness of overview and scrutiny in its interviews for the 2022 report and is pleased to learn that this issue will now be addressed.

3.2. However, in considering how these intentions should be reflected in the remuneration provisions for the three committees concerned, the Panel recognised a number of problems involved in taking advantage of these remuneration opportunities. Its' main concern is over the inconsistencies that would become apparent between the opportunity for remuneration on the WMCA committees and the lack of it on parallel committees in local authorities. There are no local authorities of which the Panel is aware which have an allowances scheme which rewards all members of an overview and scrutiny committee, or indeed any committee of the council. The existing government guidance provided to local authority panels would make this outcome virtually impossible to recommend. This guidance strongly advises that no more than a third of councillors should receive SRAs in any given council. The basic allowance is intended to cover a wide range of council activities

including membership of an overview and scrutiny (and indeed any other) committee.

3.3. As a result, the Panel would not be at all surprised if committed, active members of overview and scrutiny committee members in the seven West Midlands councils felt aggrieved at the fact that colleagues of theirs who sit on a WMCA overview and scrutiny committee were receiving an allowance when they were not, despite carrying out the same kind of work. It would appear that the government has given little if any thought to the inconsistency between its proposals for remunerating membership of overview and scrutiny committees in combined authorities and the fact that this is currently impossible to introduce in local authorities.

3.4. However, it would clearly be of benefit to WMCA to take advantage of the remuneration opportunities provided by the government. It is likely that the financial incentive involved will act as an incentive to involvement in and commitment to the overview and scrutiny role on the part of those who take advantage of it, although other less pecuniary motivations will hopefully also play a part. The Panel therefore recommends that an allowance be paid to all members from constituent authorities who serve on the three committees, with SRAs also payable to committee chairs and, in the case of the Transport Delivery Overview and Scrutiny Committee, to the six 'Scrutiny Champions'.

3.5. At what level should these allowances be pitched? There are two precedents of which the Panel is aware. The first is the West Yorkshire CA, which allocates what it terms a 'basic allowance' of £4,500 to members of its Transport Committee (whose remit is broadly comparable in scope to the existing WMCA Transport Delivery Committee) and of £1,350 to members of its Overview and Scrutiny Committee. The other is of course the existing WMCA Transport Delivery Committee, prior to its re-definition with a new role set. Here the 'basic allowance paid to all committee members is £4,060.

3.6. The Panel was clear that there should be equivalence of status for each of the three scrutiny committees involved and hence a consistent approach to the payment of allowances. The differential in allowances between the two West Yorkshire committees is not favoured, especially given that, in WMCA, the transport delivery role is now to be given an overview and scrutiny title. The two West Yorkshire allowances average out at a figure close to £3,000 and this, in the Panel's view, would be an appropriate level to apply here; substantial enough to act as an incentive for those for whom this is important, but not so large as to discourage those who do the job unremunerated in the constituent councils.

3.7. The Panel also felt that the term 'Co-optees Allowance' should be used, rather than 'basic allowance'. The latter term carries with it the implication that WMCA is a directly elected local authority, which is not the case. In reality, the councillors who sit on the three scrutiny committees will be operating as co-optees to an outside body (a practice of which there will be many other examples in their own authorities), and their designation should reflect this reality.

3.8. There should also be put in place mechanisms which make it possible to ascertain to what extent the committees and the councillors who sit on them are 'adding value'. At the very least, attendance records should be maintained of each committee's members and significant cases of absenteeism reported back to the parent council. If an allowance is being paid, regular attendance can reasonably be expected.

3.9. The point made above about 'equivalence of status' should also be applied in relation to the SRAs paid to the three committee chairs. In its 2022 report, the Panel recommended an SRA of £9,500 (10% of the mayoral allowance) for the chair of Audit, Risk and Assurance and £6,650 for the chair of Overview and Scrutiny, both of which were agreed by the Board. The Panel sees no reason to recommend a change in the former allowance, but in the interests of consistency, recommends that the chairs of the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee be allocated the same SRA. In the case of the former, an increase in workload would certainly be expected as the responsibilities of WMCA continue to expand. In the case of the latter, there would be a significant reduction in the SRA currently payable to the Chair of the Transport Delivery Committee (£16,467). But a figure of this level would be totally out of line with what chairs of scrutiny committees currently receive elsewhere. In the 15 all- or most-purpose authorities which form comparators for Cheshire East, the average SRA allocated to chairs of overview and scrutiny committees is around £8,000. SRAs for this function in authorities in the West Midlands would be broadly comparable with this figure. £9,500 can be justified as a figure of this order of magnitude. An SRA of £16,467 could not; it is well above the average.

3.10. The Panel was given details of the proposal to designate six 'scrutiny champions' within the Transport Delivery Overview and Scrutiny Committee, who would also chair the sub-groups to be set up to deal with the topics which they champion. Scrutiny champions have been adopted in a relatively small number of authorities, but there is as yet little evidence about the way in which the role has been interpreted, or its effectiveness. In principle, the role merits an SRA, but the way it is interpreted and the value it adds need to be monitored. The Panel's view was that, in the absence of precedents or evidence, the SRA for these positions should be set at £4,750 - half that of the committee chairs- but that this recommendation should be reviewed after a year of operation, when it should be clearer how it was being interpreted and how effective it was proving.

3.11. No equivalent positions have been proposed in either the Audit, Risk and Assurance Committee nor the Overview and Scrutiny Committee, so there is no basis for further SRA recommendations in these two committees. However, if in either case 'task and finish' groups were to be established to study in depth particular issues, there would be a case for allocating SRAs to the chairs of such groups. Evidence from other councils suggests that this is often a challenging and time-consuming responsibility, which merits an SRA. £2,375 - 25% of the chairs allowance - would be a possible 'best estimate', subject to a review after a year. If either of these committees decided to establish scrutiny champions (more likely in the Overview and Scrutiny committee than in Audit) then these positions should

attract an SRA of £4,750, the same as that recommended for equivalent positions in the Transport Delivery Overview and Scrutiny Committee.

3.12. If a councillor from a constituent council ends up on two of the three committees, they should be entitled to two co-optees allowances, which should be seen as 'the rate for the job'.

3.13. All the allowances recommended above should be updated annually on the basis of the average increase in salaries (private and public sector in previous financial year in the West Midlands, as published in the Annual Survey of Household Earnings (ASHE) as set out in para 4.32 of the Panel's 2022 report.

#### **4. Summary of recommendations**

(1) The SRA paid to the deputy mayor should be increased to £ 20,000 and backdated to October 2022.

(2) The SRA paid to the Chairs of each of the Audit, Risk and Assurance Committee, the Overview and Scrutiny Committee and the Transport Delivery Overview and Scrutiny Committee should be set at £9,500.

(3) The SRA paid to the six Scrutiny Champions operating within the Transport Delivery Overview and Scrutiny Committee should be set at £4,750.

(4) A Co-optees Allowance of £3,000 should be paid to all members of constituent authorities who serve on the three Committees specified above.

(5) All these allowances should be updated annually on the basis of the average increase in salaries in the West Midlands (ASHE) see 3.13 above.

#### **Other advisory suggestions.**

\*Mechanisms should be introduced to monitor and publish attendance of co-optees on the three Committees.

\*A review should be carried out annually of the extent to which the work of the three Committees and of the six Scrutiny Champions on the Transport Delivery Overview and Scrutiny Committee is proving effective and 'adding value'.

\*If either the Audit, Risk and Assurance Committee or the Overview and Scrutiny Committee were minded to introduce Scrutiny Champions, these positions should attract the same SRA as for Transport Delivery i.e. £4,750.

\*If any of the three Committees were to establish 'task and finish' groups to study a particular issue in depth, then an SRA of £2,375 should be paid to the Chair of the group, so long as this role is not filled by a Committee Chair or Scrutiny Champion.

\*If a councillor from a constituent authority is co-opted onto two of the three Committees, he or she should be entitled to two Co-optees Allowances.

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## WMCA Board

<b>Date</b>	9 June 2023
<b>Report Title</b>	West Midlands Investment Zone
<b>Portfolio Leads</b>	Economy & Innovation - Councillor Ian Brookfield  Housing & Land - Councillor Mike Bird
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employees</b>	Gareth Bradford, Executive Director of Housing, Property & Regeneration email: gareth.bradford@wmca.org.uk  Ed Cox, Executive Director of Strategy, Integration & Net Zero email: ed.cox@wmca.org.uk
<b>Report has been considered by</b>	Senior Local Authority Officer Group; Regional IZ/LUZ Officer Working Group

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

#### The WMCA Board is recommended to:

- (1) Note the Government's requirement for WMCA to select a 'Primary Sector' in relation to the development of the West Midlands Investment Zone proposition.
- (2) Endorse the recommended Primary Sector for the West Midlands Investment Zone, as advanced manufacturing, to inform and underpin further co-development of the Investment Zone proposition.

## **1. Purpose**

- 1.1 The Government's Investment Zone ('IZ') programme which was launched in March 2023 aims to grow high-potential innovation and industrial strengths in areas with significant scope for catch up economic growth to drive national productivity growth. The West Midlands Combined Authority, as with the other Combined Authorities, is developing a sector-led Investment Zone proposal that covers the WMCA geography, as required under the programme announced by the Government in March 2023.
- 1.2 In line with the published DHLUC timetable for IZ development, the region's *emerging* thinking on its key primary sector was submitted by the deadline of 26<sup>th</sup> May 2023. This followed extensive discussion with LA Regeneration Teams as well as Directors of Economic Development and Finance Directors. It was submitted with the explicit caveat that this was emerging thinking and was subject to Board endorsement.
- 1.3 This report, therefore, seeks endorsement by the CA Board of the key 'primary sector' for the West Midlands Investment Zone proposal taking into account the economic rationale for the identification of that sector, which is firmly based on the region's Plan for Growth, and reflects extensive engagement with local authority partners and other stakeholders.
- 1.4 The report does not, at this stage, seek Board endorsement for any specific sites for inclusion in the Investment Zone proposal. It does explicitly recognise the work being undertaken by the WMCA and local authorities together with partners across the region to develop a West Midlands Investment Zone proposal alongside the development of Levelling-Up Zones, as part of a coherent approach to zonal and economic growth policy across the region.

## **2. Background**

### **2.1 Investment Zone Principles**

- 2.1.1 In March 2023, the Government announced a new wave of 'Investment Zones'. With a clear objective of driving economic growth, the programme is focused on removing barriers that are currently holding back growth in a key sector identified by, and most relevant to, selected regions. The initial prospectus for the Investment Zone programme, which has been recently supplemented by more detailed criteria and guidance, identified the following underlying principles for any proposition:

- The Investment Zone will be for the whole of the Combined Authority area.
- It will need to focus on removing barriers to growth within a key primary sector – although additional consideration will be given to relevant clusters and supply chain opportunities.
- The IZ proposition should be co-designed by the Combined Authority with regional partners, including local authorities and universities, and DLUHC officials.



- It should have a focus on innovation and R&D, within the identified key sector, and the final proposition will need to be signed off by relevant university or research institution partners.
- The Investment Zone proposal should also deliver levelling up outcomes and leverage match-funding and private investment.
- A total value of £80m has been identified by Government to support sites within the Investment Zone – either by way of grant to enable development or tax incentives to facilitate development.
- Three major (up to a maximum total of 600 ha) tax sites can be identified within the Investment Zone, which will be afforded a range of incentives – from reliefs on business rates, to stamp duty and national insurance.
- Of these tax sites, two sites can retain [100%] business rate growth above a baseline for 25 years. Retained business rates growth must be reinvested in the primary sector at a regional level, not into the specific tax site.
- Sites must be ‘underdeveloped’.

2.1.2 As such, there are three key components to any Investment Zone proposition:

- a) Identifying a region’s primary sector and associated sectors/clusters that intersect with that.
- b) Identifying a geography that reflects primary sector strengths and growth opportunities.
- c) Identifying key sites and proposed interventions that can support growth in the primary sector and associated clusters.

2.1.3 This paper **focuses primarily on the first of these priorities for the West Midlands** and begins to reflect on some of the geographic aspects of the identified sector. The **detailed geography and specific sites of the Investment Zone will then come to a future Board meeting** in line with the phased approach to Investment Zone development and the extensive co-development we have planned with local authorities, universities and HMG officials.

2.1.4 Additional guidance on the mechanics of identifying sites within the regional Investment Zone has recently been received from Government and is being discussed in the regional IZ/LUZ working group, which consists of representation from all local authorities. This begins to identify the potential tax site constraints and opportunities, rather than providing more guidance on the sector and economic rationale, which DLUHC are relying on the region to develop.

## **2.2 Development and Engagement**

- 2.2.1 Since the Investment Zone programme was announced, teams within the CA and local authorities have been meeting regularly bilaterally and collectively to explore the potential sector focus and early thinking on sites/geography – building on the extensive and productive engagement for over a year already underway before and during the development of the Trailblazer Devolution Deal and its Levelling Up Zones proposition (please see below for commentary on the interaction between the Investment Zone and Levelling Up Zones). This work has led to a better understanding of the nature of the economic geography, key interventions and the particular sites that could contribute to the regional Investment Zone proposition.
- 2.2.2 The proposed primary sector and its rationale, set out below and in the accompanying Annex, has been discussed and agreed with local authority officers, including Directors of Economic Development, Regeneration teams, and Finance Directors, and with university partners.

## **2.3 Levelling Up Zone Interaction**

- 2.3.1 While Investment Zones are a Government-led initiative that sit outside the Deeper Devolution Deal, Levelling Up Zones ('LUZs') have been developed as a key, locally-led, component of the region's Devolution Deal. Identified sites within both programmes will benefit from 100% business rate growth retention for 25 years, free from resets, underpinning greater borrowing opportunities. Within LUZs this will follow the existing arrangements for business rate growth retention, while for Investment Zones that growth must be reinvested in the primary sector across the region as a whole. Additionally, IZs will offer grant and/or tax incentives as part of the Government programme, while LUZs will provide a focus for combining, complementary local funding opportunities.
- 2.3.2 The region has been firm in its position that the Investment Zone programme must be considered in close conjunction with our landmark Deeper Devolution Deal Levelling Up Zones proposition – and that will continue to be the case, particularly when we start to explore geography and specific sites. Although the West Midlands has always been clear that LUZs should be locally led and designated, this would still need to fit within a tax framework agreed with Government. Unfortunately, guidance on the mechanisms to develop and deploy Levelling Up Zones has been one step behind that for Investment Zones and we continue to push at the heart of Government on LUZs to carry forward the policy we have developed.
- 2.3.3 At the next stage of the Investment Zone development process – site assessment and identification – regional partners will be carefully developing the LUZ proposition in conjunction with the IZ opportunity: ensuring that we maximise growth and levelling up opportunities that are relevant to the region's economy and communities.

## 2.4 Primary Sector Rationale

2.4.1 When establishing the Investment Zone programme, Government indicated that regional propositions should be based on existing strategies and evidence, rather than expecting combined authorities to undertake extensive new work. As such, our primary sector rationale builds firmly from the agreed 'Plan for Growth', which has already achieved strong support from local partners and indeed central Government, and its underpinning evidence base.

2.4.2 Government has identified its own priority sectors at a national level to support Investment Zones – the five indicated in the table below and indicated that any successful Investment Zone must align with at least one of these.

**The economic rationale for the identified primary sector is contained in Annex 1.**

2.4.3 'Plan for Growth' identifies 8 priority clusters that will return the region's economy to its pre-pandemic status as the fastest growing region outside London and the South East. 'Plan for Growth' not only indicates the breadth and depth of those key clusters but also the barriers faced by businesses and the interventions that are needed to remove those barriers.

2.4.4 Partners in local authorities, business and universities across the region have consistently registered that the **key primary sector must be as 'broad as possible'**. Equally, Government has strongly indicated that the primary sector can be broad and include intersecting 'sub-sectors' provided there is a clear economic rationale for that. This acknowledges the point made by many combined authorities that economies are reliant on a diverse range of sectors rather than a single sector.

2.4.5 An accepted definition of 'Advanced Manufacturing' – one of Government's priority sectors – is as follows:

*Advanced manufacturing involves the use of innovative technologies, processes, and systems to improve the production and delivery of goods. It includes the integration of cutting-edge technologies, such as automation, robotics, additive manufacturing (3D printing), artificial intelligence (AI), internet of things (IoT), big data analytics, and advanced materials.*

2.4.6 Adopting this definition would enable a **broad range of regional growth clusters to coalesce** within it – generating the greatest breadth of economic growth and innovation opportunities (as outline in the above table).

2.4.7 This does not mean that other key sectors are of lesser significance – for example focusing purely on Life Sciences, or Creative and Digital. Rather, that by pursuing Advanced Manufacturing as the top level, or primary sector, will enable the region's Investment Zone to truly address the economic barriers within relevant key clusters and deliver significant growth.

## 2.5 Primary Sector Proposition

- 2.5.1 Adopting Government's own definitions and interpretation of 'Advanced Manufacturing' and applying the economic cluster strengths of the region, the **recommendation in our primary sector rationale is that the West Midlands Investment Zone should focus on Advanced Manufacturing with particular emphasis on its interrelationship with green industries, health and med-tech, and underpinning digital technologies.** This not only reflects regional strengths, but also supports other national priority sectors (Green Industries, Life Sciences), in areas that resonate powerfully with the West Midlands' economic distinctiveness.
- 2.5.2 Adopting 'Advanced Manufacturing' as the primary sector in these terms would **enable a broad geographic approach** for the exploration of particular Investment Zone sites, alignment with a wide range of university and research institutes and also support the approach we are advocating of co-developing IZ and LUZ proposals and sites together.
- 2.5.3 It should be noted that Levelling Up Zone propositions will not need to be underpinned by the same economic sector logic and can be developed to meet wider need and opportunity paradigms.

## 3. Financial Implications

- 3.1 There are no direct financial implications as a result of the recommendations within this report.
- 3.2 The Investment Zone guidance requires the selection of a Primary Sector by WMCA and, as detailed in the report, Government is offering a blend of grant and / or tax incentives to the value of £80m for deployment in the Investment Zone.
- 3.3 It should be noted that where Business Rates Retention sites are selected as part of the Investment Zone, financial surpluses which accrue from those sites will need to be re-invested in the chosen Primary Sector as outlined in the guidance; making the selection of the sector an important factor for that reinvestment ultimately.
- 3.4 As such, clearly there will be significant financial implications associated with the development of the Investment Zone itself, its sites and associated tax or business rate arrangements. Those issues are not, however, part of this recommendation to Board.

## 4. Legal Implications

- 4.1 Under the West Midlands Combined Authority Order 2016, WMCA has a general power of competence in relation to economic development and regeneration across the Combined Authority area which enables the WMCA to promote the Investment Zone and Levelling Up Zones.

- 4.2 There are no legal implications from the sole decision sought from Board through this paper – that is ratification of the identification of the primary sector as part of the emerging and developing Investment Zone proposition.
- 4.3 The identification of sites, and the arrangements for their governance alongside arrangements for the administration of the regional Investment Zone overall, will require further detailed involvement from legal teams within the Combined Authority, local authorities and Government departments. Those issues are not, however, part of this recommendation to Board.

## **5. Equalities Implications**

- 5.1 There are no direct issues or implications relating to equalities from the substance of this report, that is the identification of the primary economic sector as part of the developing IZ proposition. Equalities implications will, however, become an important factor during the development of interventions phase of the IZ programme which will be coming to the CA Board in the future.

## **6. Inclusive Growth Implications**

- 6.1 Inclusive growth seeks to ensure that the objective of ‘growth’ is not merely to deliver it as fast as possible, but rather that its benefits are felt more deeply and widely across the region and its communities as a whole. This approach requires that strategies, plans and proposals are all considered within that clear paradigm. It should not be viewed as a constraint but rather an enabler of better outcomes that are mutually reinforcing and comprehensive.
- 6.2 ‘Plan for Growth’ and other regional economic strategies have underpinned the identification of the primary sector for the Investment Zone. These are also important components of, and considerations for, the WMCA’s Inclusive Growth Framework and priority outcomes. By adopting a broad ‘Advanced Manufacturing’ primary sector and aligning this with key, evidenced, economic clusters in the region, the Investment Zone is more likely to have broader, and more inclusive, growth outcomes. For example, the opportunity to promote and deliver higher skills opportunities through digital and technological development routes, or the focus on environmental sustainability through the ‘green industries’ lens of the sector.
- 6.3 The breadth of the sector is also likely to encompass a wider economic geography which should, to meet Government’s levelling up ambitions, also address regional inequalities and access to opportunities. As the proposition for the geography and sites within the Investment Zone is developed, it will have a far greater direct impact on the potential outcomes for communities and the Inclusive Growth Framework. As such, the Inclusive Growth team will be significant and critical contributors to the development of the detailed propositions around Investment Zone sites and their outcomes to ensure they align with that regional inclusive growth imperative.

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

- 7.1 The Investment Zone itself is defined by Government, as the combined authority area. In reaching the conclusions of this report, consideration has been given, through the relevant strategies and economic evidence, to the both the core CA geography and the different functional economic geographies of the West Midlands.

## **8. Other Implications**

- 8.1 There are no other implications relating to this recommendation.

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

Annex 1 – Emerging economic rationale as submitted to Government on 26<sup>th</sup> May 2023.



## WM INVESTMENT ZONE PRIMARY SECTOR – EMERGING ECONOMIC RATIONALE

### Introduction

This paper examines and analyses evidence on the profile and make-up of the West Midlands regional economy. The purpose being to help identify key economic sector(s) and clusters to inform the ongoing co-development of a regional Investment Zone proposal to Government following the March 2023 Investment Zone Guidance.

This assessment builds on existing publications such as the Plan for Growth, Deeper Devolution Deal and Regional Investment Prospectus alongside engagement with regional partners, including local authorities and universities, the West Midlands Innovation Board and officials in the Department for Levelling Up, Housing and Communities (DLUHC). Underpinning those discussions, and the findings of this assessment, is the fundamental and acknowledged principle that regional economies are multi-sectoral – they thrive on the intersection of complementary and supporting sectors and clusters.

This assessment and its conclusions are based on existing regional policy, including 'Plan for Growth', the Local Industrial Strategy, the WM Inclusive Growth Framework and WM2041 Net Zero Strategy.

### Emerging Primary Sector

The emerging view of partners, Central Government officials and the WMCA is that the West Midlands Investment Zone should have a priority sector focus on **advanced manufacturing**.

Advanced manufacturing involves the use of innovative technologies, processes, and systems to improve the production and delivery of goods. It includes the integration of cutting-edge technologies, such as automation, robotics, additive manufacturing (3D printing), artificial intelligence (AI), internet of things (IoT), big data analytics, and advanced materials. It naturally includes parts of the green industries (such as the manufacture of electric light vehicles & battery storage and construction of future housing), med-tech, digital and tech, and other related sectors or clusters.

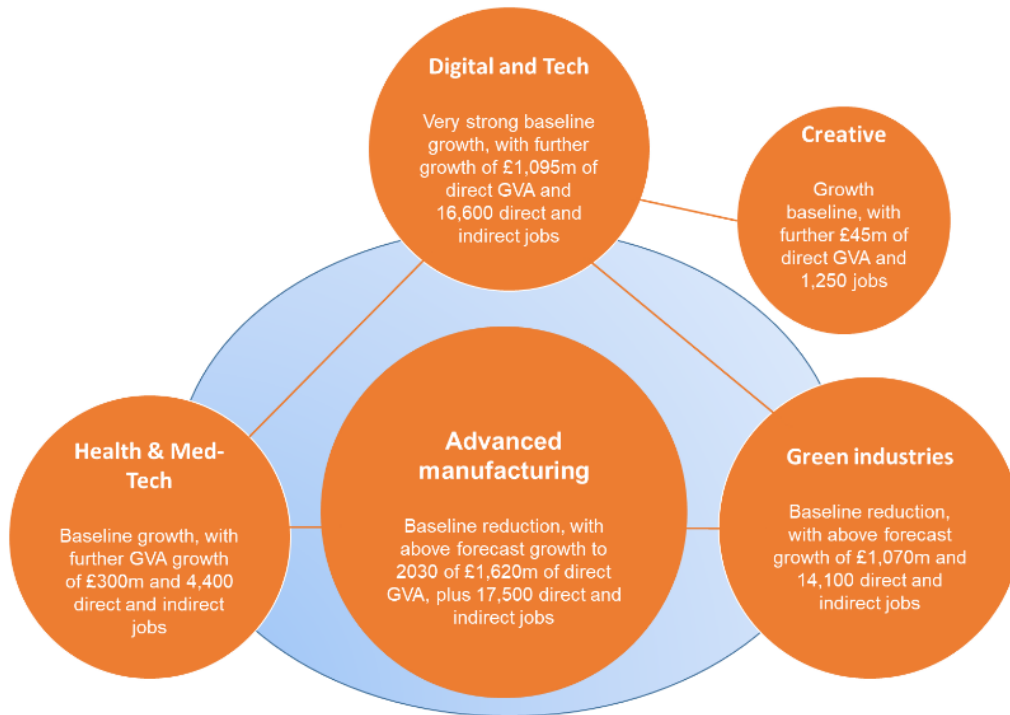


Figure 1: Primary Sector and WM Cluster Intersectionality

The above diagram is based on the economic rationale of the West Midlands ‘Plan for Growth’, which identifies eight primary economic clusters with credible potential for above forecast growth to 2030.

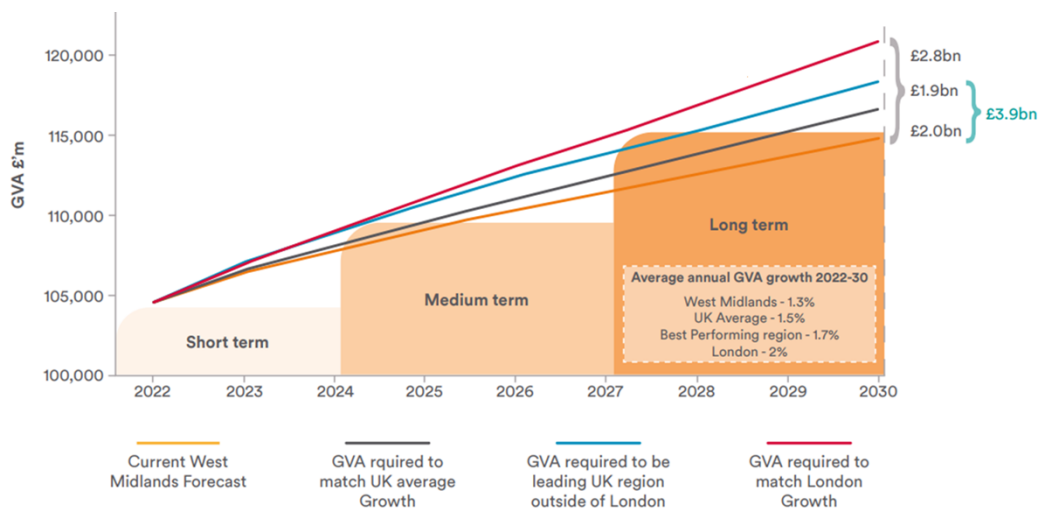


Figure 2: Economic Growth Trajectory Projections (Plan for Growth)

The eight priority clusters/sectors have a strong correlation with DLUHC’s priority sectors. Broadly, the West Midlands Plan for Growth priorities are more precise about the exact technologies and products based on the region’s comparative advantages:



Government Priority Sectors	Relevant West Midlands Plan for Growth Primary Clusters
<b>Advanced Manufacturing</b>	<ul style="list-style-type: none"> <li>• Manufacture of electric light vehicles &amp; battery storage</li> <li>• Aerospace &amp; alternative fuel manufacture</li> <li>• Low carbon utilities</li> <li>• Manufacture of future homes</li> <li>• Health-tech and Med-tech</li> </ul>
<b>Green Industries</b>	<ul style="list-style-type: none"> <li>• Low carbon utilities</li> <li>• Manufacture of electric light vehicles &amp; battery storage</li> <li>• Alternative fuels</li> </ul>
<b>Life Sciences</b>	<ul style="list-style-type: none"> <li>• Health-tech &amp; Med-tech</li> </ul>
<b>Creative Industries</b>	<ul style="list-style-type: none"> <li>• Creative content production &amp; gaming</li> </ul>
<b>Digital &amp; Tech</b>	<ul style="list-style-type: none"> <li>• Professional &amp; financial services (incl Fin-Tech)</li> <li>• Creative content &amp; gaming</li> <li>• Health-tech / Med-tech</li> <li>• Low carbon utilities</li> </ul>
<i>Limited connection</i>	<ul style="list-style-type: none"> <li>• Logistics and distribution</li> </ul>

Figure 3: Government Priority Sector – WM Cluster Strengths

The region has a strong innovation base; home to six universities and three Catapult Centres along with ten science parks devoted to low carbon, tech and life sciences.

### Primary Sector – Broad Geography

The proposed sector focus (advanced manufacturing, incorporating green industries and advanced digital and medical technologies) will facilitate innovation-driven growth across five of the eight Plan for Growth clusters. Each of these has concentrations of activity across the region (see Figure 5):

LEP / Cluster	Manufacturing of Electric Light Vehicles and Associated Battery Storage Devices	Evolution of Logistics and Distribution	Modern and low carbon utilities	Health Tech and Med Tech	Professional and Financial Services and Supply Chain	Manufacture of future housing	Aerospace (Inc. Manufacturing Alternative Fuel)	Creative content production and gaming	Total employment across primary clusters
<b>Black Country</b>	Medium intensity, concentrations in Sandwell and Walsall	High intensity, concentration in Walsall	Medium intensity, concentration in Sandwell	Low intensity	Low intensity, concentration in Wolverhampton	High intensity, concentrations in Dudley and Wolverhampton	Medium intensity, concentrations in Wolverhampton and Dudley	Low intensity	10.0%
<b>Greater Birmingham and Solihull</b>	High intensity, concentrations in Solihull and Birmingham	Medium intensity, concentrations in Cannock Chase, Tamworth and Solihull	Low intensity, concentration in Solihull	Medium intensity, concentrations in Birmingham and East Staffs	High intensity, concentration in Birmingham	Medium intensity, concentrations in Cannock Chase and Wyre Forest	Low intensity, concentration in Birmingham	Medium intensity, concentration in Birmingham	12.5%
<b>Coventry and Warwickshire</b>	High intensity, concentrations in Stratford and Coventry	Medium intensity, concentrations in North Warks and Rugby	High intensity, concentration in Warwick and Coventry	Medium intensity, concentrations in Rugby	Low intensity, concentration in Coventry	Low intensity, concentration in Coventry	Medium intensity, concentrations in Nuneaton, Bedworth and Coventry	Medium intensity, concentration in Warwick	15.5%

Figure 5: Cluster Strength Geographic Spread, Plan for Growth

Specifically on advanced manufacturing across the WMCA area and its connected hinterlands, a 211,000-strong workforce accounts for 11.3% of all local employment and up to £10.4bn of output – well above the national average of 7.9%. Specialising in machinery, electronics, and transport, the region’s extensive and multi-layered supply chain reflects its deep-rooted expertise. Manufacturers at all stages of the growth cycle – from homegrown startups to historic SMEs – support a network of global heavyweights with Jaguar Land Rover (JLR), Aston Martin, Rolls-Royce Control Systems and Collins Aerospace among the leading local players. Access to talent is evergreen with the established local employment base fuelled by over 32,500 STEM students following engineering and technology subjects at the region’s universities each year, as well as a vast network of vocational training facilities teaching the latest emerging technologies.

### Barriers to Growth

A key requirement of the Government’s Investment Zone programme is that propositions should seek to tackle barriers to growth within the chosen ‘primary sector’.

The West Midlands Plan for Growth sets out the constraining factors for growth of the region’s clusters. It highlights six common ‘cross cutting interventions’:

- Direct competitive funding as part of a business support system with stronger strategic relationship management with firms
- Develop future skills pathway
- Business location coordination and foreign direct investment
- Early growth fund
- Land assembly and infrastructure fund
- Transport and infrastructure fund

A summary of the constraints for each cluster is shown below related to the constraints outlined by Government in its Investment Zone guidance (Figure 6).

Plan for Growth Cluster	Human capital (skills and labour market)	Physical capital	Intangible capital	Financial capital
Light electric vehicles and battery production	X		X	X
Manufacture of future housing	X		X	
Aerospace (including manufacture of alternative fuels)	X		X	
Low carbon utilities	X		X	
Med-tech and Health-tech	X	X	X	

Figure 6: Cluster Barriers – Aligned to Investment Zone Guidance

## **Private Sector Investment**

In line with the March 2023 IZ Guidance, it is clear that the 'primary sector' for the Investment Zone programme needs to demonstrate a strong potential to leverage in, and maximise, private sector investment opportunities. As such, the following section indicates some of the investment attraction activity already underway in the region, and the new approaches being explored as a result of the recent Deeper Devolution Deal.

- A developing approach to Strategic Relationship Management with key companies embedded in the West Midlands. Coordinated by the West Midlands Growth Company and using capacity and links in local authorities, DBAT and the WMCA, this will give a deeper sense of firm-level investment priorities, opportunities and threats.
- WMCA leading an ambitious Investment Prospectus with £20bn of opportunities comprising 12 current investible propositions, 11 opportunities coming soon and 6 ones to watch.
- WMCA supporting cluster leadership groups for the eight Plan for Growth clusters. Predominantly private sector-led, these provide important insights about the overall appetite/conditions for private sector investment in the West Midlands, relative to other UK and global regions.
- Partners in the West Midlands investing £21.8m in the Global West Midlands programme for 2023 - 2025 to secure international investment.
- Through the Deeper Devolution Deal, the region is also co-developing an international strategy with DBAT and has secured commitment that the Office for Investment the Deal also makes provision for agreeing future High Potential Opportunity areas.

## **Conclusion**

Adopting 'Advanced Manufacturing' as its primary sector for the Investment Zone will enable the region to maximise its economic cluster strengths through the Investment Zone programme. The regional distinctiveness is evident within that breadth of cluster representation – from the automotive sector, to green industries, digital and med-tech – leading economic growth through innovation and advancement of technology.

Given the university and research institute strengths in these areas, and their engagement with local communities, this sector and cluster focus, and their intersectionality, will also provide the greatest opportunities for levelling up within the region by creating new jobs and skills opportunities.

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## WMCA Board

<b>Date</b>	9 June 2023
<b>Report title</b>	Deeper Devolution Deal - Statutory Processes
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Ed Cox, Executive Director of Strategy, Integration & Net Zero email: ed.cox@wmca.org.uk
<b>Report has been considered by</b>	Mayor & Portfolio Leads Liaison

### The WMCA Board is recommended to:

- (1) To note the progress on the Deeper Devolution Deal implementation.
- (2) To ratify the decision of the WMCA Chief Executive to request the commencement of the statutory governance review.
- (3) To agree to initiate public consultation and awareness-raising on the Deeper Devolution Deal, the Governance Review and Scheme.
- (4) To agree to include as part of the above, and noting the opposition of three Leaders, statutory public consultation on the Health Improvement Duty, with a view to informing a final decision on this matter at the WMCA Board meeting in October.
- (5) To note the plans for Deal ratification at the WMCA Board meeting in October and to make provision for council discussion and endorsement of the Governance Review and Scheme, at the discretion of each council, by the 30 September.

### 1. Purpose

- 1.1 Following the announcement of the West Midlands Trailblazer Deeper Devolution Deal in March, this report provides a short update about the deal implementation process.

1.2 This report seeks formal approval to initiate statutory processes regarding some aspects of the Deal and sets out the process that constituent authorities will need to follow to allow for formal ratification of the Deal before the WMCA Board meeting in October.

## **2. Background**

2.1 The West Midlands Trailblazer Deeper Devolution Deal (DDD) was agreed in principle by the Mayor and Portfolio Leaders on 10 March 2023 and announced in the Chancellor's spring statement the following week. The full text of the deal is available [here](#).

2.2 The deal has more than 100 different provisions, the majority enhance the existing functions of the WMCA and unlocking over £1bn of new funds for the region. A summary of the main aspects of the deal can be found on the [WMCA website here](#).

2.3 A small number of provisions in the deal require a further statutory process before new functions can be assumed by the WMCA. These are the provisions for the WMCA to receive the Bus Service Operator's Grant (BSOG) and the Health Improvement Duty.

## **3. Implementation Update**

3.1 On Friday 19 May, an Implementation Update was presented to the Mayor & Portfolio Leaders meeting for discussion and feedback. The Implementation Update organises the provisions in the deal according to 25 workstreams, and provides an explanation of:

- How it is envisaged the deal provisions will be administered;
- How it is envisaged that the deal provisions will be delivered;
- How WMCA officer are engaging with local authority colleagues in the co-development of implementation plans;
- Key milestones and deliverables;
- Outstanding issues and questions of concern.

3.2 The purpose of the Implementation Update is to set out how the WMCA is currently plans to use its resource to realise the benefits of the deal, to help local authorities identify how they will be engaged in delivering provisions of the deal and identify the future areas where local authorities will be asked to support decision making on the deal provisions.

3.3 Another, more detailed, version of the Implementation Update (a 'final' Plan) will be provided to Local Authorities by 8<sup>th</sup> September to support their internal governance process for ratifying the deal throughout September and ahead of formal collective ratification of the deal at WMCA Board on 13 October.

3.4 Feedback on the Implementation Update was generally positive and discussion at the meeting focused mainly on the Health Improvement Duty. Representations were made by two Directors of Public Health who spelled out the benefits of the duty but three Leaders opposed its inclusion in the further development of the Deal. The implications of this are set out in paragraph 4.11 below.

## **4. Statutory Process and Deal Ratification**

4.1 In order for the WMCA to assume new powers and functions in the deal, WMCA has to follow the statutory process set out in the 2009 Local Democracy, Economic Development and Construction Act.

4.2 The preparation of a governance review and draft scheme for public consultation was requested by the Chief Executive of the WMCA under the delegation granted to her at paragraph 5.3 of the Scheme of Delegations:

- To take any action which is required as a matter of urgency in the interests of the Authority, in consultation (where practicable) with the Chair of the Authority and/or the appropriate portfolio holder

The WMCA Board is requested to ratify this decision.

4.3 The two new powers and functions in relation to the Deeper Devolution Deal are as follows:

- A Health Improvement Duty – this is known as a ‘local authority function’ and is still the subject of significant debate; it requires full public consultation in advance of it being conferred on the WMCA.
- The payment of the Bus Service Operators Grant (BSOG) – this is known as a ‘public authority function’ and can be conferred by the relevant Secretary of State without public consultation.

4.4 The statutory processes for both the Health Improvement Duty and BSOG function requires the preparation and publication of a draft Governance Review and Scheme (Annexes 1 and 2). The Scheme must set out what new functions are being sought. The Governance Review must evidence how each new function is likely to improve the exercise of statutory functions in the area or areas to which the order relates.

4.5 As stated above, a public consultation must also be carried out in relation to the Health Improvement Duty. Section C of the Governance Review provides further details about the apparent benefits of the Health Improvement Duty. Details of the consultation are set out in section 4 of this report.

4.6 Following the public consultation is closed, as part of the statutory process, each constituent authorities must:

- Provide feedback to WMCA on the draft Governance Review and Scheme in sufficient time to allow for them to be considered at the WMCA Board meeting on 13 October 2023. It is recommended that feedback is given by 30<sup>th</sup> September.
- Provide, through their own governance processes, individual Local Authority consent to the making of the Order for both the Health Improvement Duty and the BSOG functions.

4.7 At the meeting of the WMCA Board on 13 October, a summary of the public consultation outcome; a report containing feedback from the Local Authorities in relation to the Governance Review and Scheme; and the updated Governance Review and updated Scheme, will be submitted for consideration. The WMCA Board will be requested to decide whether to submit the required documents to the Secretary of State and request the preparation of a draft Order in relation to these two new functions. The submission of the required documentation will require a unanimous vote.

## **Public Briefing and Consultation**

- 4.8 Although public consultation is only required to satisfy the statutory process for the Health Improvement Duty, given the Devolution Deal's significance to the region, it is recommended that there is value in carrying out an awareness-raising campaign about the deal and its wide-ranging provisions.
- 4.9 It is proposed that this campaign - and public consultation about the Health Improvement Duty - would be carried out between 12 June and 11 August. This will comply with the Cabinet Office Consultation Principles, and would consist of a survey, a digital campaign to promote the survey, and a number of accompanying engagement activities across the region. The aim of the consultation is to provide the general public, business and other key sectors and other stakeholders across the seven local authority areas with the opportunity to share their views on the proposals.
- 4.10 The briefing paper and public consultation document is set out in Annex 3.
- 4.11 At the meeting of the Mayor and Portfolio Leads on Friday 19<sup>th</sup> May, three Leaders indicated their opposition to taking forward the proposed new Health Improvement Duty. Ultimately the devolution of this function will require the unanimous consent of all local authority leaders, however, while noting the opposition of three Leaders, it is recommended that the WMCA Board agree to consult the public on this matter and to use public feedback to inform local authority consents and any final decision of the WMCA Board on 13 October.

## **Ratification of wider provisions in the devolution deal**

- 4.12 The majority of the devolution deal is made up on provisions which relate to existing functions of the WMCA and these do not require statutory process. However, it is important that these still receive the formal consent of each constituent authority.
- 4.13 All constituent authorities are therefore requested to seek agreement for the deal through their own governance processes throughout September in order for the Deal to be fully ratified at the meeting of the WMCA Board on 13 October 2023.
- 4.14 Whether or not local authority leaders need to take the deal and implementation plans to their Cabinet or Full Council meetings is a discretionary matter for each local authority to decide. WMCA officers are committed to providing any necessary documentation – including an updated Deal Implementation Plan – by Friday 8th September to give local authorities a full month ahead of formal ratification.

## **5. Financial Implications**

- 5.1 Any onward financial implications as a result of the Deal will be reported to and approved through the formal Governance structures of the WMCA.
- 5.2 In relation to the Health Improvement Duty, it should be noted that the WMCA has received written confirmation from the Department for Health and Social Care that adopting the duty would make it “more likely” that we would receive the proposed Radical Health Prevention Fund, subject to other normal processes related to considering funding.



- 5.3 It is also important to note that would not mean that the WMCA would have access to funding that is currently only available to local authorities and other statutory health providers. As a concurrent duty, any funding that the WMCA received to pursue its responsibilities must be new and additional to the region to support its work in tackling the wider determinants of ill health. The duty would be based upon the same legislation as local authority public health duty (NHS Act 2006) but it differs insofar as the legislative order specifies how the duty must be applied. For example, the GMCA Health Devolution Order specifies that there will be no regulations that would require the combined authority to provide health services; it may not enter into partnership arrangements as if a local authority or NHS body; and it is a matter for all constituent local authorities as to whether the combined authority can enter into Section 75 pooled funding arrangements.
- 5.4 The maximum estimated cost of the consultation and engagement activities is £7,000.

## **6. Legal Implications**

### **The Governance Review**

- 6.1 Section 111 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act) requires the WMCA to consider the exercise of statutory functions in the West Midlands with a view to deciding whether the new functions contained in the deal would be likely to:
- Improve the exercise of statutory functions in the area of the WMCA;
  - Secure more effective and convenient local government for the area; and
  - have a positive or neutral impact on the identities and interests of our local communities.
- 6.2 Under section 112 of the 2009 Act, the review needs to conclude that the exercise of the power to make Orders under sections 104-107 in the West Midlands area would be likely to improve the exercise of statutory functions in relation to the West Midlands area.

### **The Scheme**

- 6.3 If the Review demonstrates that new functions and powers would be beneficial, the WMCA will prepare and publish a scheme with new functions and changed constitutional arrangements.
- 6.4 The Health Improvement Duty is a new Local Authority Function under Section 105 of the 2009 Act and as such the following statutory processes must be adhered to:
- Publication of a draft scheme
  - A Governance Review
  - Public Consultation
  - Consent from each individual constituent local authority
  - A unanimous vote at WMCA to submit the required documents to the Secretary of State to request the drafting of the Order
- 6.5 The new function in relation to the Bus Service Operators Grant is a new Public Authority Function under Section 105A of the 2009 Act and as such the following statutory processes must be adhered to:

- Publication of a draft scheme
- A Governance Review
- Consent from each individual constituent local authority
- A unanimous vote at WMCA to submit the required documents to the Secretary of State to request the drafting of the Order

## **7. Equalities Implications**

- 7.1 Assessments of the potential equalities impacts of the provisions within the Deeper Devolution Deal were undertaken as they were under development. Officers reviewed draft provisions, recommending alterations or alternatives to the proposed text, to have due regard to our equality duties.
- 7.2 Should Board agree to initiate public consultation and awareness raising activities on the Deeper Devolution Deal, Officers have planned how to engage harder to reach and diverse groups to try and secure more representative responses to the consultation than might be achieved without this.

## **8. Inclusive Growth Implications**

- 8.1 The principles of inclusive growth have been fundamental to the development of the Devolution Deal and are key to the proposed 'Single Outcomes Framework' which underpins the Deal and its objectives.

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

- 9.1 The Deeper Devolution Deal relates to all geographic areas of the Combined Authority. In addition, the implications, opportunities, and observations of non-Constituent Authorities continue to be incorporated in the development of the Deal provisions.

## **10. Other Implications**

- 10.1 None.

## **11. Schedule of Background Papers**

- Governance Review
- Scheme
- Consultation document

## **Annex 1**

### **West Midlands Combined Authority Draft Governance Review**

#### **Introduction**

This report has been prepared by the West Midlands Combined Authority in consultation with the Leaders of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton Local Authorities. The report sets out the findings of the governance review undertaken across the whole geography of the WMCA area in accordance with section 111 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act).

#### **Executive Summary**

The West Midlands has been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.

The West Midlands is now embarking on a new phase by bringing greater investment, control over investment and powers to the region.

The new deal is estimated to be worth in the region of £1.5bn and it is hoped that this will reboot the economy, provide vital housing, jobs and skills, bolster our existing strengths in transport and Smart City Region innovation, and drive our net zero ambitions. The deal looks to create a more prosperous and better-connected West Midlands which is fairer, greener and healthier.

In February 2022, Government announced, in its Levelling Up White Paper, new devolution deals for the West Midlands, along with Greater Manchester. Since then, the region and its partners have been working closely with Government to secure the best deal for the region, its economy and its communities.

The Deal recognises that the WMCA currently lacks the key levers and flexibility to 'unleash the potential of devolution' and goes on to address this through a range of new powers, responsibilities and resources.

WMCA Leaders agree that in order to fulfil local economic priorities and provide the best services for the citizens of the West Midlands, there is a need to draw down significant additional powers and funding from the Government through a deeper devolution deal. There is consensus that powers and funding should sit at the lowest feasible level of governance and that they should be drawn down from government and not drawn up from local authorities.

The WMCA has therefore commissioned this review to look at whether the proposed new functions contained in the deal will be the best way of achieving the WMCA's ambitions to create a more prosperous and better-connected West Midlands which is fairer, greener and healthier.

This Review seeks to evidence how the deal will deliver significant new responsibilities and investment that will benefit our communities and businesses across the region.

When referring to WMCA as the decision-making body in this document, it means those members appointed by the seven constituent councils and the Mayor.

### **Section 1: Purpose of the review**

The purpose of this governance review, undertaken in accordance with Section 111 of the 2009 Act is to look at the exercise of statutory functions in the West Midlands with a view to deciding whether the new functions contained in the deal would be likely to

- Improve the exercise of statutory functions in the area of the WMCA;
- Secure more effective and convenient local government for the area; and
- have a positive or neutral impact on the identities and interests of our local communities

If the Review demonstrates that new functions and powers would be beneficial, the WMCA will prepare and publish a scheme with new functions and changed constitutional arrangements. Under section 112 of the 2009 Act, the review needs to conclude that the exercise of the power to make Orders under sections 104-107 in the West Midlands area would be likely to improve the exercise of statutory functions in relation to the West Midlands area.

<https://www.legislation.gov.uk/ukpga/2009/20/section/112>

A public consultation will then be carried out on the proposals set out in the scheme. The Secretary of State will be provided with a summary of consultation responses and will need to consider whether a new order should be made under the 2009 Act to provide the WMCA with the new powers and duties suggested by the deal.

To give effect to certain elements of the Deal, it is necessary for the WMCA to comply with the requirements of sections 111, 112 and 113 of the 2009 Act which sets out the procedure to be followed in order to make changes to existing combined authority arrangements.

Only the new powers and duties contained within the deal require consideration as part of the statutory process. However, in order to provide the context within which these powers and duties will be exercised, a summary of all the proposals, has been included. The full Deal text can be accessed here [West Midlands Combined Authority: "Trailblazer" deeper devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424242/West_Midlands_Combined_Authority_-_Trailblazer_deeper_devolution_deal_-_GOV.UK.pdf)

The new functions requiring agreement under the requirements of the 2009 Act relate to **improving the public's health** and the paying of the **Bus Service Operators Grant**.

## **Section 2: New Statutory Responsibilities**

This section sets out the formal statutory process of the governance review in relation to the three new statutory functions that will be taken on by the WMCA.

### **Legal context**

The Government and the WMCA have reached agreement in relation to the devolution to the WMCA of a further range of powers.

To give effect to certain elements of the Deal, it is necessary for the WMCA to comply with the requirements of sections 111, 112 and 113 of the 2009 Act which set out the procedure to be followed in order to make changes to existing combined authority arrangements.

However, it should be noted that many aspects of the Deal do not require legislative change to implement. The powers outlined below are those that are expected to require legislative or regulatory change before they can be exercised by the WMCA or Mayor and therefore follow the process outlined:

1. **Health** - The WMCA has a key role to play through exercising its transport, housing, skills and economic growth functions, which constitute the wider determinants of health and have a key impact on health outcomes. The government and WMCA will agree a new formal duty on WMCA to improve the public's health, concurrent with local authorities as set out in the NHS Act 2006. This will neither supersede existing duties of partners nor be subservient to them, rather it will be a supportive addition to bring about systemic change and will enable WMCA to act to improve health through its wider responsibilities. The new Health duty formally recognises the impact that the existing statutory functions of the WMCA can have in improving health outcomes for our communities and will in no way impact, other than in a supportive way, the existing functions carried out by Local Authority Public Health teams or NHS England.

2. **Bus Service Operators Grant** - The government will devolve powers for the payment of the bus service operators grant to the Mayor. This is in line with the commitment in the National Bus Strategy and the government is currently working on the reform of the grant. WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform.

The reform, and subsequent devolution to the WMCA, will enable the grant to support the government's and WMCA's shared priorities to support important local bus services and reduce environmental impacts through facilitating the transition to zero emission buses. This devolution will also be supported by the WMCA delivering

commitments set out on in its adopted Enhanced Bus Partnership (EP) Plan and Bus Service Improvement Plan (BSIP).

## **Process to be followed**

### **Section 111 of the 2009 Act**

Section 111 of the 2009 Act allows combined authorities to undertake, in relation to an existing combined authority (such as the WMCA), a review of one or more “combined matters”. For the purposes of section 111 of the 2009 Act a “combined matter” is defined at subsection 111(3) as being:

- a. a matter in relation to which an order may be made under any of sections 104 to 107;
- b. in relation to the combined authority or any executive body of the combined authority, where that body exists at the time of the review, a matter concerning the combined authority or the executive body that the combined authority has power to determine.

Insofar as sub-section 111(3)(a) of the 2009 Act is concerned, sections 104 to 107 of the 2009 Act set out the range of matters that the Secretary of State may include within an order concerning a combined authority. These include power for the Secretary of State to:

- make in relation to a combined authority any provision that may be made in relation to an Integrated Transport Authority under certain provisions of the Local Transport Act 2008;
- make in relation to a combined authority any provision that may be made in relation to an Economic Prosperity Board (EPB) in relation to the exercise of local authority functions;
- make provision for a function of a public authority that is exercisable in relation to a combined authority’s area to be a function of a combined authority;
- make provision for conferring on a combined authority in relation to its area a function corresponding to a function that a public authority has in relation to another area;
- make provision for any function of a combined authority which has an elected mayor (a “mayoral combined authority”) to be a function only exercisable by the elected mayor;
- make provision for the costs of an elected mayor for the area of a combined authority that are incurred in, or in connection with, the exercise of “mayoral functions” to be met from precepts issued by the authority under section 40 of the Local Government Act 1992.

### **Section 112 of the 2009 Act**

Where a combined authority that has undertaken a review under section 111 of the 2009 Act concludes that the exercise of the power by the Secretary of State to make an order under any one or more of sections 104, 105, 105A, 106 and 107 would be

likely to improve the exercise of statutory functions in relation to an area of a combined authority, it may prepare and publish a 'scheme' relating to the exercise of the power or powers in question.

### **Section 113 of the 2009 Act**

The Secretary of State may make an order under section 104, 105, 105A, 106 or 107 of the 2009 Act only if:

- a. the Secretary of State considers that to do so is likely to improve the exercise of statutory functions in the area or areas to which the order relates, and
- b. any consultation required by section 113 (2) of the 2009 Act has been carried out.

If a scheme has been prepared and published under section 112 of the 2009 Act the secretary of State must have regard to that scheme in making the order.

The Secretary of State must carry out a public consultation unless:

- (a) a scheme has been prepared and published under section 112,
- (b) the authorities that prepared and published the scheme carried out a public consultation in connection with the proposals contained in the scheme and provided the Secretary of State with a summary of the consultation responses, and
- (c) the Secretary of State considers that no further consultation is necessary.

In making the order, the Secretary of State must under s113(3) have regard to the need:

- a) to reflect the identities and interests of local communities, and
- b) to secure effective and convenient local government.

In addition to the above requirements, the Secretary of State cannot make an order under sections 104, 105 or 105A of the 2009 Act without the consent of the constituent councils or the WMCA.

### **Section 3: Summary of the Wider Deal**

**This section sets out the wider deal including those non-statutory powers that do not require formal consultation, but which provide the wider context for the deeper devolution deal.**

#### **Governance and Accountability**

The WMCA will be held accountable through the Local Government Accountability Framework, English Devolution Accountability Framework and enhanced scrutiny measures. The Mayor and WMCA will be expected to present to Parliamentary Select Committees as requested, in conjunction with Mayor's Question Time and quarterly engagement with West Midlands MPs.

## **Fiscal Devolution, Funding and the Single Settlement**

The commitment to 10-year Business Rates Retention across the region is estimated to be worth £450m over the period and will drive confidence in public sector borrowing, de-risk investment modelling and accelerate delivery. It will also remove the uncertainty of the current pilot scheme, boosting public financial sustainability and local authority spending power.

Through its 'Single Settlement', the Government commits to giving WMCA single capital and revenue funding certainty, equivalent to government departments – increasing regional autonomy and the ability to prioritise decisions locally in the areas of:

- local growth and place
- local transport
- housing and regeneration
- adult skills
- housing retrofit

These settlements will cover an entire spending review period.

In addition, Government has committed to a £25m capital fund to support business decarbonisation, culture, environmental programmes and the West Midlands' Smart City Region initiative.

## **Transport**

Building on the West Midlands' strengths in transport innovation, as the country's first future transport zone, and its close partnership working with Government, the Deeper Devolution Deal provides:

- A pioneering Local Transport Plan approach which embeds 'quantifying carbon reductions' (QCR);
- Leading a collaborative research and learning programme through an 'influencing transport lab' (ITL);
- Establish the UK's first transport sandbox to test new innovations and inform national policy, while boosting global investment and cluster growth;
- Devolution of the Bus Service Operators Grant to improve services and incentivise net zero transition;
- Closer partnership with Great British Railways to deliver a rail service closer to the standards of London;
- Additional £60m to Wednesbury-Brierley Hill Metro extension
- Supporting development of the region's ambitious Very Light Railway scheme in Coventry.



## **Housing, Land and Regeneration**

A £100m Single Regeneration Fund will be deployed flexibly across the region, and for the first time, brownfield land funding will support commercial, employment land and mixed-use development, as well as delivering 4,000 homes.

The commitment of up to £400m Affordable Housing Programme ('AHP') funding to the region, and greater influence over affordable housing delivery and strategy acts a precursor to full devolution of the AHP, worth billions of pounds in funding, to the region from 2026, this is the first time this has happened outside Greater London.

The WMCA will be involved in decisions on major UK government land disposals and reconfiguration, this will help in driving regeneration and unlocking private investment through repurposing and redeveloping publicly owned land.

The region will also be able to designate 'Levelling Up Zones': priority areas that would benefit from enhanced and targeted fiscal measures. These 'growth zones' will attract 25 year Business Rates Retention (with no reset).

## **Skills and Employment Support**

Further areas of post-19 education and skills will be devolved to WMCA along with greater oversight of post-16 technical education and skills, and careers, including a crucial role to ensure the local skills system responds to the Local Skills Improvement Plan ('LSIP'). This will include, from the next Spending Review, greater devolution of non-apprenticeship adult skills functions and funding, and greater freedoms around Free Courses for Jobs and Bootcamps. WMCA will also become the 'central convenor' for careers advice in the region, working closely with Government to ensure provision meets the economic needs of the West Midlands.

Alongside establishing a Regional Labour Market Partnership Board, WMCA will be able to co-design contracted employment support programmes with DWP to ensure they are the aspirations of the region, supported by enhanced data-sharing agreements and in the longer term may commission such services on behalf of the DWP.

## **Business Productivity and Innovation**

WMCA will adopt a new role in integrating and promoting business support services across the region, this will be powered by a new Strategic Productivity Partnership with departments across Government, greater involvement in the governance of the British Business Bank's UK funds, and collaboration with the UK Investment Bank on commercial arrangements for infrastructure finance.

Building on the West Midlands' participation in the £100m Accelerator funding, through a Strategic Innovation Partnership WMCA will be able to present regional innovation opportunities to inform UKRI's future funding strategies. This will include working collaboratively to bolster regional R&D growth and pilot new initiatives, such as the UK Further Education Innovation Fund, place-based knowledge transfer programmes, and public procurement flexibilities.

## **Trade and Investment**

The Department for Business and Trade ('DBT') will recognise the West Midlands Growth Company as the lead agency for investment in the region and work with them to develop a WM International Strategy, enhance data sharing routes and undertake a review of key account management with the region's major employers.

DBT will also support WMCA to boost West Midlands' presence in trade missions and dedicate support from the UK Export Academy to increase trade opportunities.

## **Net Zero and Environment**

From 2025, Government will pilot with the West Midlands the devolution of housing retrofit funding. This will remove uncertainty and inefficiencies in the existing funding system and inform future models for Government net zero funding.

There is recognition of the region's involvement in wider energy system management and planning, and responsibility for heat zone designation, energy efficiency advice and attracting private sector finance. In addition, funding from the £25m capital pot is anticipated for industrial decarbonisation programmes for regional businesses, natural environment finance models and air quality monitors to support the region's wider environment and net zero ambitions.

## **Digital and Data**

The Department of Science and Technology ('DSIT') will work proactively with WMCA through a Digital Infrastructure Leadership Group to accelerate broadband roll-out and connectivity, and through a £4m fund, provide 20,000 devices to boost digital inclusion.

Government will agree a new Data Partnership with WMCA, which will streamline WMCA's negotiations with individual government departments over access to specific datasets and support timely access to data particularly around: skills, careers and labour markets; business support, trade and investment; and energy and climate resilience.

Alongside this, Government will work with WMCA and its public body partners across the region to improve routes for data-sharing to enable WMCA to undertake regional analysis of data to better inform strategic decision-making locally.

## **Culture, Social Economy and Tourism**

To maximise the Commonwealth Games Legacy Fund, a new Regional Culture and Heritage Framework will seek to align and maximise funding from arm's length bodies, including opportunities for co-investment and greater collaboration. Local authorities will be closely involved in the development of the Framework and continue to engage directly with funding bodies.

Recognising WMCA's commitment to double the size of the social economy, Government will work with the Combined Authority to develop a pioneering Social Economy Accelerator Programme and Growth Fund.

DCMS and Visit England will work with WMCA and WMGC to create England's second Destination Development Partnership pilot and the associated merits of establishing WMGC as a Local Visitor Economy Partnership ('LVEP').

### **Public Service Reform**

Government and WMCA will agree a new formal duty on WMCA to improve public health. This will be a concurrent arrangement with local authorities and neither superseding, nor being subservient to, existing duties. Through this, both parties will explore how best to use their collective resources and expertise to develop and test innovative solutions to shared prevention and population health priorities. This would include the development of AI labs, predictive analytics and machine learning, and shared care records, building on the West Midlands' Smart City Region strengths, and supported by in principle funding through the identified £25m allocation mentioned above. This will need further development at the implementation stage before being finally approved.

### **Section 4: Governance options, Conclusions and Recommendation**

- Option 1 – To endorse the findings of the governance review and proceed with the scheme and consultation.
- Option 2 – Not to endorse the findings of the governance review and only implement those parts of the deal that do not constitute new powers or duties.
- Option 3 – Not to proceed with any of the Devolution Deal.

As previously stated, any new powers or functions would need to be devolved to the Combined Authority via secondary legislation, and therefore would require Government (and local) approvals to make the relevant order.

### **Conclusion**

The review has found that the evidence shows that the Deeper Devolution Deal will maximise the WMCA's current role and responsibilities and revolutionise how Government funding is implemented leading to more effective delivery of statutory functions. The deal represents a significant step forward in delivering more and better jobs to the area. It delivers significant new responsibilities and investment that will benefit our communities and businesses across the region. It means that decisions previously taken centrally can now be taken closer to the people affected and gives the area greater financial freedom and flexibility to manage our investment choices according to local priorities.

### **Recommendations:**

1. To improve the effective exercise of statutory functions across the area of the WMCA, adopting the new powers and duty contained within the deal (Option 1) is considered optimal for the reasons detailed below.

2. That a governance scheme is published (a draft scheme is included at Appendix A) that confirms the adoption of the new powers and duties detailed in this report.

The reasons are summarised below:

a. The deal delivers significant new responsibilities and investment that will benefit our communities and businesses across the region.

**b. Bus Service Operators Grant**

The new statutory functions in relation to Bus Service Operator's Grant will enable the WMCA to provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform. This will help to improve the WMCA statutory functions in relation to transport within the area. This new function will support the government's and West Midlands' shared priorities to support important local bus services and reduce environmental impacts through assisting the change to zero emission buses.

**c. Health Improvement Duty**

In relation to the new Health duty, it was recognised through WMCA's Health of the Region report (2020) that a disproportionate number of people in the West Midlands had worse health outcomes from preventable causes than the national average. In addition, two of the three integrated care systems areas in the West Midlands had a higher percentage of deprived neighbourhoods than anywhere else in the country. Health inequalities, poor health and economic inactivity cannot be tackled in isolation and require greater join up between local partners to improve outcomes for people in the WMCA region. The new Health duty will provide WMCA with a duty to consider the steps it needs to take to improve health in the delivery of its functions and also to take steps to improve the health of residents within the WMCA area through providing help, advice, facilities and services to enable them to achieve a healthy lifestyle and to improve their health outcomes. The new Health duty will also seek to ensure that when new funding streams relating to population health improvement and prevention are under consideration, government will engage with WMCA and its constituent local authorities to discuss whether the WMCA's allocation could be included as part of the department-style single settlement.

The health improvement duty will give the WMCA a more formal responsibility to consider matters related to health of the population as it exercises its wider responsibilities for transport, housing, skills, economic growth and net zero. It will do this primarily by adopting a 'health in all policies' (HIAP) approach. One

of the major opportunities for achieving HIAP is taking a whole system approach across multiple governance frameworks and settings, and this is where the WMCA is well placed to facilitate and enable members through its core responsibilities and their interconnections with local authority, NHS and Police responsibilities and leadership.

There is important evidence that adopting the HIAP approach can bring significant health benefits and generate a good return on investment, both for health and for economic sustainability. For example:

- Some Department for Transport behaviour change programmes which have encouraged people to use buses, walking or cycling have been demonstrated to have a cost-benefit ratio of 4.5:1.
- Kings Fund analysis of housing interventions to keep people warm, safe and free from cold and damp show that for every £1 spent on home improvements saves the NHS £70 over 10 years.

International evaluation of HIAP demonstrates that it requires senior level commitment and can be effective as a framework for co-financing and co-ownership. HIAP can be applied at local, regional and national government levels and while this is being developed in local authorities, and worked on at a national level by OHID, it is limited without similar application at the WMCA level.

Adopting a 'health in all policies' (HIAP) approach will require existing WMCA officers to adapt their existing activity to address health issues in their day-to-day work. This might mean, for example, a greater attention to accessibility provisions for disabled people in the design of transport projects; including health criteria more explicitly in business case appraisal; or monitoring and evaluating the mental health benefits of environmental programmes.

The health improvement duty will enable the WMCA to facilitate co-ordination and collaboration on health improvement issues across a wider regional footprint around key issues of mutual concern and advocate on behalf of the region with government and other stakeholders. The Devolution Deal text suggests a number of priority areas where such collaboration could be beneficial: "to enhance the provision of and access to a healthier food environment for children and young people, establish a regional tobacco alliance with local public health and integrated care boards and pilot vaping as a quit tool to reduce smoking rates in the region; and drive forward the ambition to be an exemplar region for disabled people."

There is a risk that such a convening role may add further complexity and confusion in relation to the newly formed Integrated Care Board (ICBs) in the region as there are overlapping geographies and it is very important to be clear that the WMCA would have no role in commissioning health or social care services. There is also a risk of confusion between regional health agencies: it is important to recognise the difference between the more limited role of the WMCA in relation to NHS Midlands and the Office for Health Improvement and Disparities (OHID) which also operates on a Midlands-wide

footprint. These agencies support the adoption of a health improvement duty for the WMCA and do not feel this is a significant risk, rather they have reinforced that the duty would support the whole system approaches needed to tackle embedded inequalities.

Any funding that the WMCA receives to pursue its responsibilities must be new and additional to the region to support its work in tackling the wider determinants of ill health. By adopting a health improvement duty, the WMCA may find it easier to attract new funding to the region and avoid some of the challenges it currently faces in drawing down government funding.

The health duty might also enable better access for the WMCA to access global development funds and enable the region to join global partnerships like the Healthy City Partnership, as a city region, which currently only allows public authorities with populations of more than one million to join, similar to the way that London has been able to join through the GLA.

**d.** The proposals will either build on established regional governance arrangements which represent the views of local communities or in the case of health, seek to harness the existing powers and functions to supplement and support the work already being carried out at local authority level

**e.** The proposals will secure more effective and convenient local government by reducing complexity and streamlining the delivery of public services within the area. This will be greatly enhanced by the commitment to 10-year Business Rates Retention across the region and the 'Single Settlement'.

**f.** The statutory criteria for preparing and publishing a scheme are met, i.e., the making of an order under S104 and S105 to enable the adoption of the new powers and duties for the area of the WMCA is the best option and will be likely to improve the exercise of statutory functions in that area.

**g.** In addition, adoption of the new powers and duty will:

- **have a positive impact on the interests and identities of local communities** – these proposals build on established regional governance arrangements which cover a coherent functional economic area and which represent the views and interests of local communities; and
- **secure more effective and convenient local government** by reducing complexity and streamlining the delivery of public services within the area.

## **Annex 2**

### **West Midlands Combined Authority**

#### **Draft Scheme for the delivery of the Trailblazer Deeper Devolution Deal 2023**

This scheme has been prepared by the West Midlands Combined Authority in consultation with the Leaders of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton Local Authorities.

The scheme sets out proposals for the adoption of additional delegated functions from Government.

#### **Introduction**

The West Midlands has been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.

The West Midlands is now embarking on a new phase by bringing greater investment, control over investment and powers to the region.

The new deal is estimated to be worth in the region of £1.5bn and it is hoped that this will reboot the economy, provide vital housing, jobs and skills, bolster our existing strengths in transport and Smart City Region innovation, and drive our net zero ambitions. The deal looks to create a more prosperous and better-connected West Midlands which is fairer, greener and healthier.

The WMCA have conducted a review under Section 111 of the 2009 Act (the Review) in relation to the delegation to the Combined Authority of additional functions and duties relating to:

- Improving the public's health,
- Buses Service Operators Grants

Having considered the findings of the Review, the WMCA concluded that an Order by the Secretary of State to make the changes considered in the Review, including delegating additional functions to the Combined Authority, would be likely to improve the exercise of statutory functions in relation to the Combined Area. The WMCA have therefore resolved to prepare and publish this Scheme under section 112 of the 2009 Act.

Proposals contained in the Scheme will be subject to public consultation from 12 June 2023 to 4 August 2023.

## **Functions of the West Midlands Combined Authority**

The prime purpose of conferring functions on the WMCA is to improve the exercise of statutory functions in relation to the Combined Area. In pursuit of this prime purpose, the WMCA will take on those functions set out in the Trailblazer Deeper Devolution (and retain those functions which were previously exercised by the WMCA in respect of the Combined Area).

It is proposed that the Constituent Councils and the Combined Authority will agree operating protocols for the exercise of any concurrent functions by the WMCA where considered appropriate. These protocols will recognise the strategic role of the Combined Authority and safeguard the role of Constituent Councils in local decision making and delivery.

### **Functions exercised by the Mayor**

**Bus Service Operators Grant** (Public Authority Function) (Section 105A of the Local Democracy, Economic Development and Construction Act 2009)

It is proposed that the Government will devolve powers for the payment of the bus service operators grant to the Mayor under section 154 of the Transport Act 2000.

WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform.

### **Non-Mayoral Functions**

Non-Mayoral Functions to be exercised by the WMCA include any functions conferred on the Combined Authority by the Transport Act 2000, the West Midlands Combined Authority Order 2016, The West Midlands Combined Authority (Functions and Amendment) Order 2017, and the functions conferred by the West Midlands Combined Authority (Adult Education Functions) Order 2018.

In addition to the functions of the WMCA conferred by the above Orders, it is proposed that the WMCA exercise the following additional Non-Mayoral Functions:

#### **Public Service Reform**

**Health Duty** (Local Authority Function) (Section 105 of the Local Democracy, Economic Development and Construction Act 2009)

A new formal duty to improve the public's health, concurrent with local authorities as set out in the NHS Act 2006. This will neither supersede existing duties of partners nor be subservient to them, rather it will be a supportive addition to bring about systemic change and will enable WMCA to act to improve health through its wider responsibilities. The government and WMCA can use their collective resources and expertise to develop and test innovative solutions to shared prevention and population health priorities.



The relevant functions under the 2006 Act are:

- (1) Each local authority must take such steps as it considers appropriate for improving the health of the people in its area.
- (2) The Secretary of State may take such steps as the Secretary of State considers appropriate for improving the health of the people of England.
- (3) The steps that may be taken under subsection (1) or (2) include—
  - (a) providing information and advice.
  - (b) providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way).
  - (c) providing services or facilities for the prevention, diagnosis or treatment of illness.
  - (d) providing financial incentives to encourage individuals to adopt healthier lifestyles.
  - (e) providing assistance (including financial assistance) to help individuals to minimise any risks to health arising from their accommodation or environment.
  - (f) providing or participating in the provision of training for persons working or seeking to work in the field of health improvement;
  - (g) making available the services of any person or any facilities.
- (4) The steps that may be taken under subsection (1) also include providing grants or loans (on such terms as the local authority considers appropriate).

The WMCA will play a key role through exercising its transport, housing, skills and economic growth functions, which constitute the wider determinants of health and have a key impact on health outcomes.

Under the new health improvement duty and simplified funding streams, the WMCA will work with its constituent local authorities to enhance the provision of and access to activities which might include developing a healthier food environment for children and young people, establishing a regional tobacco alliance with local public health and integrated care boards and piloting vaping as a quit tool to reduce smoking rates in the region; and driving forward the ambition to be an exemplar region for disabled people through the development of a pan-disability needs assessment and a regional disability strategy in conjunction with the Cabinet Office, and in line with proposals in the emerging disability action plan.

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## **ANNEX 3**

### **DRAFT Deeper Devolution Deal Information Note and Formal Public Consultation Document**

**[This will be designed into a simple web page and leaflet]**

#### **What is the West Midlands Combined Authority?**

The West Midlands Combined Authority (WMCA) is made up of 17 local councils, seven of which are constituent and have voting rights (Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton), and is led by the Mayor of the West Midlands, Andy Street.

A combined authority is a group of local councils working together to make their region a better place to live.

#### **What is devolution?**

Government gives combined authorities the money and power/functions/responsibilities to make decisions for their regions. It means that decisions are made locally by people who know their region best.

#### **What is the West Midlands Combined Authority's current role?**

The WMCA wants to make the West Midlands region a better connected, more prosperous, fairer, and healthier place to live by:

- making it easier and safer to travel in and around the region
- using derelict (brownfield) land to build homes
- protecting our green spaces
- making sure people have the education and employment opportunities to make a great start in life
- working together to support our communities and build a better connected, more prosperous, fairer and healthier West Midlands
- tackling climate change through our WM2041 pledge

The WMCA is not a local council. Most services are delivered by our partners. The WMCA's role is to co-ordinate, influence, develop plans and secure funding to achieve these objectives.

## **Why is there a need for a deeper devolution deal?**

There is a lot more regional leaders could do if more powers and funding can be secured from central government. The productivity of the region has remained at 90% of the national average for the past 10 years. Lifting the productivity of the West Midlands to just the UK average would deliver an estimated £7.8 billion per year to the UK economy to help improve the lives of the people of the West Midlands. **There needs to be a change to enable this growth.**

Therefore, the government agreed to open talks on deeper devolution deals (more local funding and functions/responsibilities/powers) with the WMCA (and Greater Manchester Combined Authority) and have agreed that the proposed deal might act as a blueprint for other areas of England to follow.

## **What is a deeper devolution deal?**

The deeper devolution deal puts more cash and functions in the hands of local leaders to invest in the priorities that local communities truly care about, such as better bus and train services, skills, housing and health.

A new deal will enable the Mayor of the West Midlands and local councils to plan for the long term, with certainty, and unlock substantial benefits for almost 3 million people living in the area.

This will also allow local leadership to make the right decisions to encourage growth and inclusion across the towns and cities of the West Midlands.

## **What is included in the new deeper devolution deal?**

The government has agreed a deeper devolution deal with the West Midlands Combined Authority (WMCA). The deal includes:

- A new long-term funding settlement, including the right to retain 100% of business rates for 10 years' - giving an estimated £45 million a year to the WMCA and local authorities to spend locally.
- There will be a new departmental-style budget arrangement with a single pot of funding which should make funding projects quicker and simpler.
- A new partnership with Homes England, with a commitment to work towards investing (spending) up to £400m in the West Midlands by 2026, offering greater flexibility to drive brownfield (unused land) regeneration and unique powers and funding to deliver affordable housing quicker.

- The deal also includes the provision of essential infrastructure especially public transport connectivity to give communities access to essential services, facilities, and opportunities, including £60 million of additional investment for the proposed metro line extension from Wednesbury to Brierley Hill.
- Bus Services Operating Grant - this grant is currently paid to operators of eligible (must meet certain rules) bus services and community transport organisations to help them recover some of their fuel costs. This new function will support the government's and West Midlands' shared priorities to support important local bus services and reduce environmental impacts through assisting the change to zero emission buses.
- Creation of a transport 'sandbox' to put the West Midlands at the forefront of transport innovation, to deliver cleaner and safer vehicles and innovative (new modern) transport services to our streets faster while supporting new jobs and investment.
- Greater control over public transport with a new rail partnership with Great British Railways.
- Further influence/responsibility over key policy areas such as non-apprenticeship adult skills functions, post-16 technical education, careers and employment support. This will give local decision makers (WMCA) more freedom and flexibility to support people into work, gain better skills and improve their quality of life.
- Devolution of funding to retrofit buildings, to bring down energy bills for households across the West Midlands.
- A new partnership with national arts and culture organisations to use the West Midlands' globally renowned cultural strengths. To maximise the impact of this investment, and to explore new ways in which culture, heritage and sport can deliver on wider levelling up outcomes like health and wellbeing, the government will work with WMCA to support an ambitious regional culture and heritage framework.
- Ways to support the roll-out of high-speed broadband across the region and £4 million for devices and data to get more people online.

There will be a process in place to ensure that the WMCA is accountable and held responsible to its residents to deliver value for money.

## Have your say

As part of the deal, there is one new function that will be transferred to the WMCA that requires formal public consultation.

Improving the public's health is a new duty for the WMCA and for this power to be given the WMCA needs to consult the public (asking for views) on the scheme and share results with the Secretary of State for Levelling Up, Housing and Communities.

The WMCA therefore wants your views on the transfer of functions/responsibilities. You have until **11.59pm on 11<sup>th</sup> August 2023** to have your say.

\*\*\* Suggest the text below goes in a special box\*\*\*

### What are we consulting on?

A new formal duty by Government to improve the public's health. The WMCA would hold the duty alongside the public health functions that are already delivered by local councils.

**This won't be replacing any health services already provided either within the NHS or through local councils' public health functions.**

It is to ensure that the WMCA formally has to consider how it consider public health in everything that it delivers – from transport to housing to skills to net zero.

The government and WMCA can use their combined resources and expertise to develop and test new ways to improve people's health. The duty will also mean the WMCA is better placed to attract future additional funds to the region to help improve public health.

The WMCA will play a key role through exercising its transport, housing, skills and economic growth functions, which have a key impact on health outcomes.

Under the new health improvement duty, the WMCA will work with its constituent local authorities to carry out activities which might include: enhancing the provision of and access to a healthier food environment for children and young people; establishing a regional tobacco alliance with local public health and integrated care boards and pilot vaping as a quit tool to reduce smoking rates in the region; and driving forward the ambition to be an exemplar region for disabled people through the development of a regional disability strategy in conjunction with Government.

\*\*\*END BOX\*\*\*

## How can I have my say?

Please complete the questionnaire by **11.59pm on 11<sup>th</sup> August 2023**. If you have any questions, you can join us at one of our events.

### Questions

#### Primary Questions

##### Question 1

In the devolution deal there is a new formal duty by Government to improve the public's health, concurrent with local councils as set out in NHS Act 2006. The WMCA would hold the duty alongside the public health functions that are already delivered by local councils.

**To what extent do you agree or disagree with the proposal to give a new formal duty to the WMCA to improve the public's health?**

Strongly agree  
disagree

Somewhat agree

Neither agree nor

Somewhat disagree

Strongly disagree

Don't know

Are there any other points you'd like to make?

#### Supplementary Questions

##### Question 2

**To what extent do you agree that the provisions set out in the Deeper Devolution Deal will bring benefit to the people of the West Midlands?**

Strongly agree  
disagree

Somewhat agree

Neither agree nor

Somewhat disagree

Strongly disagree

Don't know

Are there any other points you'd like to make?

**Question 3**

Are there any aspects of the Deal that you are particularly enthusiastic about? Please tell us why.

Are there any aspects of the Deal that you are particularly concerned about? Please tell us why.

**Question 4**

Before today, how aware were you of the WMCA?

*Include logo*

Fully aware                  Partially aware                  Unaware                  Don't know

**Question 5**

Before today, how aware were you of Transport for West Midlands (part of the WMCA)?

*Include logo*

Fully aware                  Partially aware                  Unaware                  Don't know

About You

**Question 5**

Could you tell us your age?

Under 16                  16-24                  25-44  
45 – 64                  65+                  I do not wish to disclose

**Question 6**

What is your gender?

Male                  Female                  I do not wish to disclose



Prefer to self-describe .....

**Question 7**

What is your ethnicity?

Which of the following best describes your ethnic origin?

- White British
- White Other
- Mixed/multiple ethnic group
- Asian or Asian British
- Black African/Caribbean/ Black British
- Chinese or Chinese British
- Prefer not to say
- Other, please specify: \_\_\_\_\_

**Question 8**

What is your religion?

- Christian (all denominations)      Hindu      Muslim
- None (includes atheist & humanist)      Sikh      Other (please specify)
- .....

**Question 9**

- Do you consider yourself to have a disability which has
- Severe impact on everyday life      Mild impact on everyday life
  - No disability      Prefer not to say
  - Other (please specify).....

**Question 10**

**Which constituent (voting) council area do you live in?**

- Birmingham   Coventry   Dudley      Sandwell   Solihull
- Walsall      Wolverhampton      I don't live in the West Midlands
- I don't know which council area I live in (please provide postcode).....
- Other local authority area (please specify).....

**Question 11a**

Are you responding as an individual or on behalf of an organisation/business?

Individual                      organisation/business

If you are responding on behalf of an organisation/business or are elected, please go to question 10b. If you are responding as an individual, please go to question 11.

**Question 11b**

Please tell us in what capacity are you responding to this consultation (tick all that apply)

I represent a business

I represent a voluntary and community sector organisation

I represent a public sector organisation (eg NHS, Police)

I am a local councillor

I am a local MP (West Midlands)

I am a councillor (outside the West Midlands)

I am a MP (outside the West Midlands)

Other (please specify).....

**Question 11c**

If you represent a business/organisation, please provide the following information

Name of your business/organisation

Your role within the business/organisation

Your name

**Question 11d**

Is your response the formal response of your business/organisation?

Yes    No

NB If you answer “yes” to the above question, please note that your responses may be attributed to you and/or your organisation in the consultation feedback report.

**Question 12**

How did you find out about this consultation? Please list all the ways you heard about it eg. By personal email, on Facebook and word of mouth (someone told me).

.....

.....

.....

Thank you for taking part in this consultation. Your views are important to us as we seek to create a more prosperous and better-connected West Midlands, which is fairer, greener and healthier.

Please give us your views by completing the questionnaire. You have until **11.59pm on 11<sup>th</sup> August 2023** to have your say.

**How can I find out more?**

Visit the website at <https://wmcadevolutionhaveyoursay.commonplace.is> for more information on the devolution deal.

Sign up to attend one of the three virtual public consultation online meetings at XXX. You'll be able to ask any questions you may have.

Visit us at one of our public consultation events – they will be drop-in sessions so you can come at any time between the times specified.

Date	Time	Location

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## WMCA Board

<b>Date</b>	9 June 2023
<b>Report title</b>	West Midlands Metro Extension to Wednesbury to Brierley Hill
<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 Employees</b>	Anne Shaw, Executive Director of Transport for West Midlands email: anne.shaw@tfwm.org.uk  Linda Horne, Executive Director Finance & Business Hub email: linda.horne@wmca.org.uk
<b>The issues covered within this report have been considered by</b>	West Midlands Finance Directors - 4/05/23 WMCA Executive Team STOG - 11/05/23 Mayor & Portfolio Leads Liaison - 19/05/2023

### Recommendations for action or decision:

- (1) Note the update on the delivery and financial status of the West Midlands Metro network for Wednesbury to Brierley Hill Extension (WBHE).
- (2) Note that the specific financial details concerning the funding strategy are presented as a private addendum to this report for commercially confidential reasons.
- (3) Agree the delivery strategy represented in the body of the report which is intended to enable progression of the programme against the available funding sources authorising continued progression of WBHE delivery to an interim Merry Hill terminus, subject to ongoing discussions with Dudley MBC with regard to funding.

- (4) Note that in agreeing the funding and delivery strategy there are dependencies, including the need for DLUHC to agree the business case for additional funding agreed in principle through the Deeper Devolution Deal; the WMCA and DfT/HMG to separately approve changes to the CRSTS programme and Single Funding Pot; and the requirement for the successful refresh of business cases for the relevant individual schemes.

## **1. Purpose**

- 1.1 To provide the WMCA Board with the latest information on the cost, programme and proposed delivery strategy for WBHE.
- 1.2 To seek direction and agreement from the Board so that the approach set out can then be developed in detail and the inherent critical dependencies and assumptions validated.
- 1.3 Some of the detailed financial figures relating to WBHE are provided within a private addendum to this report due to their commercial sensitivity (as they relate to current and live contract discussions).

## **2. Background**

- 2.1 The metro works programme is a long held and very ambitious programme to transform connectivity across the region and support wider economic and social regeneration benefits. Following the initial Line 1 delivery and a long period without significant funding, it has over the last 7 years been possible to provide significant funding from a cocktail of grants and revenues secured through the WMCA. The WBHE provides connectivity to new housing and commercial sites within Dudley and Sandwell and provides much improved access through sustainable transport for residents to wider employment, education and other public services across the region including Wolverhampton and Birmingham city centres.
- 2.2 In June 2022 it was reported to the WMCA Board that the projected costs of the Wednesbury Brierly Hill Extension had increased through supply chain and inflationary (due to covid, international unrest) and scope pressures and that work was being undertaken to pursue value engineering and review key finance and engineering assumptions.
- 2.3 A further report was considered by the CA Board in March 2023 which provided an update on the situation and agreed to bring a revised financial proposition to the Board's June meeting. This report addresses that agreement. It is linked to a second separate but related report also being reported to the Board in June which covers the wider transport investment programme and an annual report on the CRSTS funding programme.
- 2.4 Through the Deeper Devolution Deal, the WMCA secured a £60m commitment for new money from DLUHC to support the delivery of WBHE. This is subject to a review of the business case for the funding. Once produced, the business case will be assessed by DLUHC in consultation with DfT.

- 2.5 Whilst the firm construction costs remain under development (due to an on-going process of challenge and value engineering with the contractors), there is now greater certainty on the forecast total cost of delivery. This increases the full scheme costs further and despite factoring the additional £60m from DLUHC, the delivery of the full extension is not considered affordable from the WMCA's currently available funding which could be available to be committed to the scheme at this point.
- 2.6 It is therefore proposed to phase overall delivery of the WBHE programme to focus any WMCA funding available within the current funding and delivery period up to 2027 on connecting the line through to Merry Hill. This would use a combination of funding that is already committed within CRSTS1; additional use of WMCA financing; additional funding from CRSTS1, and the newly allocated DLUHC funding to deliver to Waterfront and any potential direct contributions from Dudley MBC to Merry Hill subject to their internal governance requirements.
- 2.7 Of these funding sources, the additional DLUHC funding requires a detailed business case to be produced and approved by Government. It is expected that it will need to set out what the overall funding solution is, as well as re-affirm the value for money of the investment against the increased scheme costs.
- 2.8 The proposed financial management strategy linked to CRSTS1 (as set out in the separate relevant WMCA report to this meeting) is associated with an opportunity to re-base the overall CRSTS programme, which in turn will require further DfT approval. Fundamentally this relies on cash flowing the current financial pressures from WMCA resources over the CRSTS1 delivery period and holding that cash flow pressure against the anticipated funding to be received in the next CRSTS period. This approach should enable the current scope of delivery of schemes within CRSTS1 to be continued, notwithstanding that a number of these scheme may be subject to their own cost and delivery challenges which may be addressed in the re-base exercise.
- 2.9 Despite the financial management strategy, within the boundary of funding currently identifiable there would remain an interim terminus for WBHE Metro Line at the Merry Hill stop. Connectivity from this interim terminus to connect onwards to Brierly Hill High Street can be provided through a combination of pedestrian, cycle and demand responsive bus solutions. These will need to be developed and designed in partnership with Dudley and funding for them would need to be accommodated from within existing budget lines for such activity that is within the current CRSTS1 programme or operational budgets. The ultimate completion of the full WBHE Metro alignment will depend on further funding being secured from other, as yet to be identified, local funding sources and/or future Government grant such as CRSTS2.

### **3. Overall Financial Position**

- 3.1 The overall financial position for the WBHE is set out in a private addendum to this paper. The costs contained within that paper are subject to the negotiation of final contractor prices being confirmed, design changes to provide a turn back facility at Merry Hill and further detailed challenge on cost and scope by WMCA. The out-turn costs will all be subject to contractual pain/gain share arrangements which will be influenced by the actual construction conditions encountered during the build.

- 3.2 The private addendum to this report outlines the intended funding solution for the project which:
- Allows for the completion of Phase 1 (Wednesbury to Flood St, Dudley) as previously reported.
  - Allows for the completion of Phase 2a (from Flood Street in Dudley to Waterfront) using a combination of WMCA resources, DLUHC capital together with a call on CRSTS1.
  - Allows for the completion of Phase 2b (from Waterfront to Merry Hill), subject to Dudley MBC contributing towards the capital costs.
- 3.3 Phase 2c (from Merry Hill to Brierley Hill) currently remains unfunded and options to provide public transport connections will continue to be evaluated and assessed.
- 3.4 With respect to stakeholder engagement, key Finance and Transport Officers within the Local Authorities have been consulted with in designing the strategy outlined above.
- 3.5 Clearly, as with all major public infrastructure projects, risks will continue to emerge and be managed accordingly. Significantly, with respect to the funding strategy, there is a risk that DfT will need to consent to the approach where CRSTS is suggested as a solution. WMCA have been working closely with DfT on these issues and will continue to do so.

#### **4. Key Risks**

- 4.1 The following sets out a number of key risks that the Board should formally be aware of, including the activity being undertaken to help manage these.
- 4.2 BUSINESS CASE REFRESH AND APPROVALS:- Due to the scale of cost increase, the overall business case will need to be refreshed. This work will also need to factor reduced demand for metro travel as a result of a post-Covid travel pattern and the emerging realism of wider economic benefits associated with WBHE. The business case will need to reflect a viable funding model for the scheme and will likely face some form of Government scrutiny once the associated WMCA SAF processes have been completed successfully. This work is being progressed as fast as possible, but the scoping work undertaken to inform the position previously reported to the December WMCA Board did not factor the cost increases outlined above. Consequently, the business cases may face robust challenge.
- 4.3 ADDITIONAL INFLATION AND/OR PROLONGATION COSTS:- The Midland Metro Alliance are being placed under considerable cost and programme scrutiny and high range cost estimates are now being used and reported. Furthermore, the client side management arrangements are being re-structured to provide greater assurance, transparency and scrutiny of costs. However, as illustrated by many rail based projects across the UK, there remain significant issues in the international supply chain for materials and energy costs which create a level of uncertainty in construction planning which cannot be completely removed at this stage of delivery.



4.4 Is subject to getting agreement with DfT on the re-baseline of the CRSTS programme as referenced in the CRSTS report also presented to the board.

## **5. Next Steps**

5.1 Work will progress to agree DLUHC requirements for a refreshed business case to unlock the additional £60m funding and with Dudley MBC in relation to any contribution to secure the extension beyond Waterfront. Also in line with the strategy set out in the report work to continue to drive confidence into the construction cost forecasts and explore value engineering measures will be progressed, as will exploring other options for further local funding for WBHE with local stakeholders

## **6. Financial Implications**

6.1 These are set out within the body of the report and summarised in the private addendum to this report.

## **7. Legal Implications**

7.1 There are a number detailed contractual and legal implications arising from the strategy linked to the WMCA's supply chain and ability to complete various grant agreements. These will require on-going and further consideration as part of progressing the strategy if it is to be agreed.

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

8.1 The provision of a core Metro network within the region as a material impact on the ability to provide a comprehensive public transport network, which is a fundamental requirement essential to the ability to deliver the statutory Local Transport Plan.

## **9. Equalities & Inclusive Growth Implications**

9.1 Overall, the Metro programme is delivering significant sustainable connectivity benefits with the economic, social, inclusion and environment benefits that entails. The impact of scope and delivery phasing changes will be examined in detail as part of the business case refresh for WBHE and BEE. Two fundamental issues will require evaluation, namely the delay in the ability to secure any social benefits arising from the phased delivery strategy; and any potential opportunity cost arising from the ability to fund future projects.

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

10.1 The impact of any policy changes will primarily relate to the constituent authority area of the WMCA.

## **11. Other Implications**

11.1 No other implications identified.

## **12. Schedule of Background Papers**

None

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## WMCA BOARD

<b>Date</b>	9 June 2023
<b>Report title</b>	West Midlands Transport Investment Programme & CRSTS Review
<b>Portfolio Leads</b>	Portfolio Lead for Transport Councillor Bob Sleight - Finance
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employees</b>	Anne Shaw, Executive Director of Transport for West Midlands email: anne.shaw@tfwm.org.uk
<b>The issues covered within this report have been considered by</b>	West Midlands Finance Directors – 4/05/23 Strategic Transport Officers Group – 11/05/23 Mayor & Portfolio Leads Liaison - 20/05/23

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

- (1) Note the CRSTS1 Year One delivery progress set out in the report.
- (2) Note the financial strategy relevant to the WMCA Transport Capital Pressure details are to be covered in the private part of the meeting agenda.
- (3) Agree the proposal to formally re-base the CRSTS1 programme, allowing for over programming, ready for further consideration by WMCA Board in September 2023, working with all scheme promoters to ensure realism over scheme costs, spending and delivery profiles for all schemes. This is in response to the DfT's 'once in a programme' opportunity to re-baseline the programme.
- (4) Note the headlines of the CRSTS1 Memorandum of Understanding updated Terms and Conditions that the WMCA Section 151 Officer is required to sign-off.
- (5) Note the initial response from DfT regarding the region's change control request to move a previously funded TCF scheme into the core CRSTS1 funding allocation, subject to clarification of what schemes would be deferred to accommodate it.

- (6) Note the need for all scheme promoters to provide sufficient and timely information in their quarterly and annual returns to enable the WMCA to fulfil its reporting obligations back to DfT, without which future annual payments of CRSTS grant from DfT could be restricted.

## **1. Purpose**

- 1.1 To provide the WMCA Board with an update on the progress made against the CRSTS funding programme within the context of the region's wider transport investment programme.
- 1.2 A proposed financial strategy to address the transport capital programme pressures and issues is included as a private addendum to this report. The aims of the report/s is to obtain WMCA Board's direction in order to enable further work and negotiations to progress. This will enable a further report to be bought back to the WMCA Board in Autumn 2023.

## **2. Background**

- 2.1 The region is in receipt of a significant transport investment funding stream through the City Region Sustainable Transport Settlement (£1.050bn over five years through to 2026/27). This was secured during 2022 and represents the largest receipt of brand-new grant funding for local transport of the seven Mayoral Combined Authorities benefiting from this grant. A number of other Mayoral Combined Authorities did not receive CRSTS funding and other Local Transport Authority areas in England outside of London are currently only in receipt of more modest / basic funding to cover relatively minor transport works and highways maintenance.
- 2.2 The CRSTS funding consolidates a number of historic funding sources (including highways maintenance) and provides a very welcome five-year planning and resourcing horizon which has been critically lacking in recent years.
- 2.3 Although the mechanics are yet to be confirmed, in principle future settlements (on which more detail is provided elsewhere in this report) will be merged into the Devo Deal single funding pot which is to be further considered by the WMCA Board in October 2023.
- 2.4 A number of pressures within the region's overall transport investment programme were reported to WMCA Board in December 2022 and March 2023 (including various early warnings), ultimately resulting in the Board's agreement to accept £53.4m of immediate pressure against the current CRSTS programme (to be managed through the previously agreed soft-contingency mechanism).

## **3. Year 1 CRSTS Progress**

- 3.1 Good progress has been made during the first financial year of the CRSTS programme up to the end of March 2023. This has not represented a full 12 months of activity because the final approvals were not received from DfT until during July 2022.

- 3.2 Appendix 1 sets out the development and delivery status of each scheme within the programme, as well as headline delivery metrics based on the end of Q4 Year 1 monitoring returns from scheme promoters. The appendix includes some illustrative case studies of delivery activity. The following provides some key headline points.
- 3.3 Overall good progress has been made on releasing funding approvals through the regional WMCA SAF process, with £500m of funding approvals made against the £1.05bn programme. From these approximately £100m of delivery activity has been achieved across a number of schemes, including active travel, cycling, public transport, road safety and highway maintenance schemes. Most scheme promoters have been able to use the past year to increase their delivery capacity, appoint additional support and are on track to submit further funding approvals over the next year. This paves the way for a step-up in delivery pace following the critical mobilisation activity which has been taking place.
- 3.4 Additionally, significant new revenue-based capacity funding has been secured (£16.6m) and is being distributed amongst scheme promoters. This is being used to support wider capacity in the Local Authority transport teams and to bring forward activity in the remaining CRSTS capital schemes which do not yet benefit from the first stage of business case development (the costs of which cannot be capitalised).
- 3.5 Other new funding has been secured and provided for 23/24 through a highway maintenance pothole fund, which is additional to the CRSTS1 highway maintenance allocations which themselves represent a 20% uplift on previous funding levels. This provides additional resource for the constituent Local Authorities except for Birmingham (as it is funded separately for this activity via a PFI arrangement).
- 3.6 There have been some teething issues with reporting progress from Local Authorities but this is improving as we continue in the 2<sup>nd</sup> year of funding. The overall delivery programme also remains substantially heavily back ended within the 5-year period. Over half the schemes in the programme are not due to complete delivery until the last half of the final year (2026/27). This means that there remains a significant risk of delivery slipping into the next CRSTS funding and delivery period. As set out further below, under the current funding terms and conditions, it is not permitted to carry over of funding beyond the end of the CRSTS1 period. Therefore, underspend in the CRSTS1 delivery period risks funding to the region being lost. This will be addressed as we re-baseline the programme as referred to in section 11.
- 3.7 Whilst the actual spend to date is strong and stands at c.£100m for Year 1, it is behind the originally envisaged spend profile for the programme of £140m. This is not currently considered unreasonable, especially given the circa 3month delay during Year 1 allowing for the final funding programme business case approval by DfT and the release of funding. However, moving forward, increasing the delivery pace by all scheme promoters and work to bring forward activity and reduce the back-ended nature of the programme will be crucial to reduce the risk of CRSTS1 funding withdrawal by the DfT.

#### **4. Transport Capital Programme Pressures**

- 4.1 As outlined in previous Board reports, the WMCA Transport Capital Programme has faced unprecedented levels of challenge and construction inflation. Some of this is a reflection of a wider national and international picture and some as a result of unique local factors including, but not limited to, programme adjustments to accommodate the Commonwealth Games and HS2 delivery. The private addendum to this report provides an outline of the key WMCA Transport Capital Programme pressures as they currently stand. Significant efforts remain in place to mitigate these as far as possible.
- 4.2 It is important to note that whilst no issues of construction cost inflation have yet been formally flagged by the Local Authority scheme promoters (whose schemes comprise the bulk of the financial value of the programme), informally it is reported that similar inflationary pressures are likely to emerge. The delay in formally reporting these issues is likely to be substantially due to the majority of Local Authority promoted schemes being relatively less mature in development terms than many of the WMCA Transport Capital Programme. Additionally, due to their nature many of the Local Authority schemes are inherently more scalable in their physical scope, which can be used to good effect in order to control costs whilst delivering the outcomes.
- 4.3 The precise financial consequences arising from these issues are included in the Private part of the agenda so as not to compromise commercial positions or associated negotiations; which would potentially exacerbate the issues experienced.

#### **5. DfT Change Control Application**

- 5.1 The WMCA Board approved the submission of a formal change control application to DfT which included bringing into the core delivery programme additional public transport interchange activity which was previously funded by TCF, as well as flexibility to address cost pressures emerging on Rail Package 1 & 2 (arising from the wider regional transport investment programme). This application was made in early February 2022 and following consideration by DfT Officials and Ministers a response was received on the 5th May 2023 approving the entry of the former TCF scheme into the CRSTS1 programme (subject to confirmation of how the financial implications of this will be managed in the overall programme).
- 5.2 This same change control application also sought to bring into the CRSTS programme the Rail Package 1 & 2 schemes as reserve schemes. This would enable them to be pulled into the main core funded CRSTS programme should it be necessary to support their current approved budget position. This aspect of the application has not at this stage been approved by DfT, who require some further clarifications, including information on the current funding mix of non-CRSTS funds such as the use of Rail Network Enhancement Pipeline funding (RNEP) and other local funding solutions. DfT have also asked for clarity over what projects would be deferred to accommodate the over programming pressure which could be created. Work is therefore ongoing with DfT in relation to the rail packages.
- 5.3 DfT's queries regarding what the funding allocated to the change control schemes will displace from the CRSTS programme can only be addressed through the re-base exercise and/or a funding strategy in which the WMCA cashflows the pressures against future grant income. Further detail on this is provided in the private addendum to this report.

## **6. Very Light Rail Retained Scheme Status**

- 6.1 The Very Light Rail programme was one of two schemes in the CRSTS programme to be allocated 'retained' status, meaning further explicit approval from DfT was required before spending could be distributed by the WMCA. Following some 6 months of discussions with DfT regarding their requirements, a detailed Strategic Outline Business Case was submitted and presented in accordance with their requirements. This followed full approval of the SOBC by the CA Board on 13<sup>th</sup> January 2023 through the WMCA SAF process (to the value of £36.8m). Following consideration of the regional submission the DfT have advised that they require an alternative approach to be pursued which better reflects the innovative and R&D nature of the VLR programme. At the time of writing DfT have yet to confirm exactly what their evidence requirements are in order to enable this submission to be prepared and submitted.
- 6.2 In the interim, £7.3m of the £36.8m SOBC approval already agreed by the WMCA Board has been approved by DfT for release by the WMCA. However, this funding headroom is close to being reached and consequently this major programme within the overall CRSTS programme is at risk of delay. This matter is being pursued with DfT Officials with vigour and in close collaboration by Officers of the WMCA, TfWM and Coventry City Council in order to prevent this project stalling.

## **7. Aldridge Station Retained Scheme Status**

- 7.1 Representing the other scheme in the CRSTS programme with 'retained' status, an SOBC seeking £3.6m draw down of capital development work has similarly been lodged with the DfT for Aldridge Station. Following approval by WMCA this was considered by the DfT on the 4th May. DfT indicated their willingness to release funds subject to agreement being reached with Network Rail on the scope and funding of a further electrification study. Engagement on this point will continue with Network Rail, but it is important to note that the scope approved by WMCA excluded funding for any further electrification study.

## **8. Updated CRSTS Funding Terms and Conditions**

- 8.1 The DfT have recently issued a consolidated set of Terms and Conditions for the funding. This includes the hardening up of a number of objectives which the funding is expected to be used for. These re-enforce the need to focus delivery activity on active travel and bus-based measures which maximise the impact on de-carbonisation and air quality. A formal Memorandum of Understanding has been set out by the DfT which the WMCA's Section 151 Officer is required to sign. This emphasises a number of key points including WMCA accountability for scheme costs incurred which are outside CRSTS funding allocations; and the potential for CRSTS funding to be reduced in response to any delivery which is considered to be below the required standards (for example LTN1/20 compliance for cycle provision).

## **9. National Funding Announcement of CRSTS2 Enabling a 10 Year Funding Strategy**

- 9.1 During HMG's 2023 Spring Budget announcements a national fund for a second round of CRSTS was announced (CRSTS2). This is to be made available exclusively to Mayoral Combined Authorities. At £8.8bn this is approximately £3.1bn larger than the current round of funding. It is understood HMG do not currently anticipate releasing any guidance on funding criteria (or any formulae based or competitive element to the funding approach) until into 2025. However, it is near certain that it will have to be used in a way that supports national transport policy. This is highly unlikely to change from the current broad emphasis on de-carbonisation, social equity, air quality etc, and consequently detailed guidance will favour active travel and public transport investment priorities.
- 9.2 If confirmed during future comprehensive spending reviews under the next HMG it is likely that the national fund will need to be shared amongst an additional 2-3 Mayoral Combined Authorities than was the case for CRSTS1. Once inflation is factored in, it is anticipated that the CRSTS2 allocation for the West Midlands will be broadly commensurate with the CRSTS1 allocation of c.£1bn (in today's value).

## **10. Once in a Programme CRSTS1 Re-base Opportunity**

- 10.1 In parallel to the above developments DfT have acknowledged that all transport schemes in the UK are facing extraordinary construction cost inflation pressures. These align directly with those previously reported to the WMCA Board and which the region has been facing on its own schemes. In recognition of the issues which all recipients of CRSTS are having, at a national level the DfT have set out a 'once in a programme' opportunity to formally re-base the CRSTS programmes to account for these inflationary pressures. They have been clear that this means increased costs for schemes which are currently included in the CRSTS programme can be addressed, either through slippage, scope reduction or removal. They have also been clear that the re-base should not be considered as an opportunity to generate new schemes or ideas for inclusion in CRSTS1.
- 10.2 DfT have set a deadline of the end of September 2023 to return any submissions (which are not mandatory). Should the West Midlands wish to pursue this opportunity it would need to do so with WMCA Board approval secured at its September meeting. When and if any submission is approved by DfT the programme that is accepted at that point would be what the T&Cs outlined above would apply to (specifically in terms of delivery expectations).

## **11. Next Steps**

- 11.1 TfWM Officers will work with Local Authority Offices to develop a draft CRSTS1 re-base position to be considered further by CA Board in September for final sign off by DfT.
- 11.2 Work will continue to pursue and close out the outstanding CRSTS change control and scheme retention positions with DfT and the WMCA will formally sign and return the CRSTS1 MoU.



11.3 Work will also continue to agree with DfT the criteria for assessment on the retained VLR scheme to prevent any further delays to the programme.

## **12. Financial Implications**

12.1 These are set out within the body of the report.

## **13. Legal Implications**

13.1 There are a number of detailed contractual and legal implications arising from the strategy linked to the WMCA's supply chain and ability to complete various grant agreements. These will require on-going and further consideration as part of progressing the strategy if it is to be agreed.

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

14.1 The provision of a core public transport network and active travel infrastructure has a material impact on the ability to provide a sustainable and low-carbon transport system which can support the WMCA's wider policy objectives. Doing this is a fundamental requirement essential to the ability to deliver the statutory Local Transport Plan. The CRSTS funding streams are critical to enable over 50 individual schemes across the region to come forward in order to start to realise this vision.

## **15. Equalities & Inclusive Growth Implications**

15.1 Overall CRSTS funding is delivering a vision for transport that will improve connectivity for the region and provide broad social and economic outcomes as well as health inequalities benefits.

15.2 The impacts of any changes to delivery programmes will be examined in detail as part of developing the detail of the CRSTS re-base exercise. Two fundamental issues will require evaluation, namely any delay in the ability to secure any social benefits; and any potential opportunity cost arising from any reduced ability to fund future projects.

15.3 This exercise should take into consideration the key principles being agreed as part of the Devo Deal single pot of funding and any new infrastructure projects required to support an Investment Zone or Levelling up Zone. These might be used to offset any requirements for local contributions to the programme and adding in new projects.

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

16.1 The impact of any policy changes will primarily relate to the constituent authority area of the WMCA.

## **17. Other Implications**

17.1 No other implications identified.

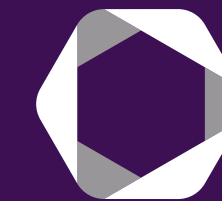
## **18. Schedule of Background Papers**

None

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West Midlands  
Combined Authority



Transport for  
West Midlands

# City Region Sustainable Transport Settlement

West Midlands  
Annual Monitoring Report 2022/23



Funded by  
UK Government

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# Introduction



# Introduction

This document sets out the position of the West Midlands City Region Sustainable Transport Settlement (CRSTS) programme as of the end of the financial year 2022/23.

CRSTS is a 5 year grant fund from government for Mayoral Combined Authorities aimed at delivering capital transport projects. The UK Government has allocated £5.7bn to invest in local transport networks across the 8 city regions in England over a 5-year period (financial year 2022/23 to 2026/27). Funding for small scale capital improvement schemes and highways maintenance have also been incorporated into the CRSTS allocation.

The objectives of the CRSTS programme are as follows:

- drive growth through infrastructure investment;
- level up services towards the standards of the best;
- promote modal shift from cars to public transport, walking and cycling;
- reduce carbon and particulate emissions from transport, aligned with the UK's legal commitments; and
- further the objectives of the national bus and cycling strategies, including ambitious bus and cycling priority measures, with decisions on Key Route Networks led by MCAs and mayors.

We are currently in year 2 of the 5 year programme. This review will set out the **key achievements** of the programme over most recent financial year (2022/23) both in terms of scheme development and delivery. It will also provide an overview of the **overall status** of the programme including a progress update, forecast development and delivery dates, key milestones, a funding overview and key risks and mitigations. The following section provides an overview of the **context** underpinning the CRSTS programme and provides an update on the latest **guidance**.



# Context



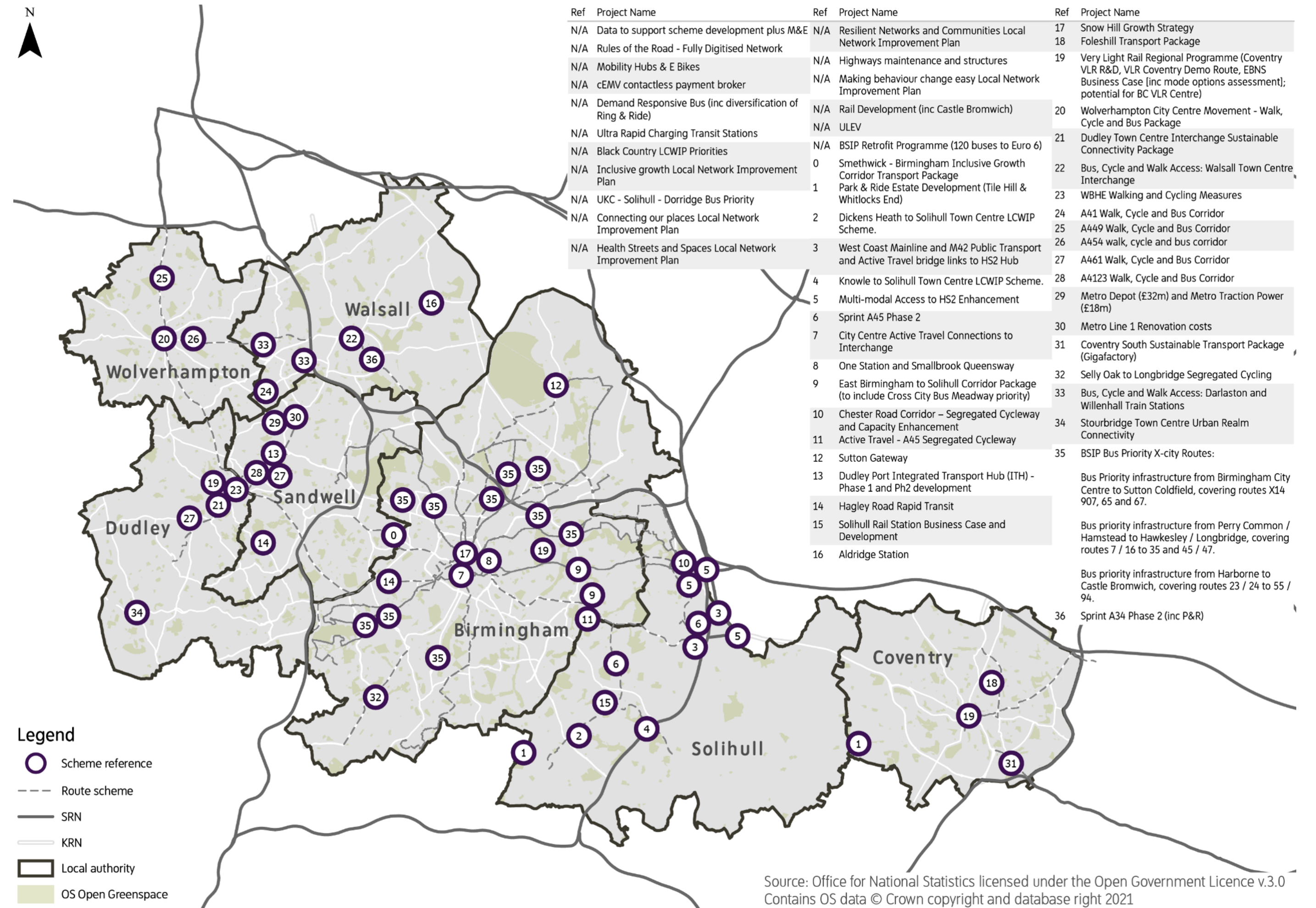
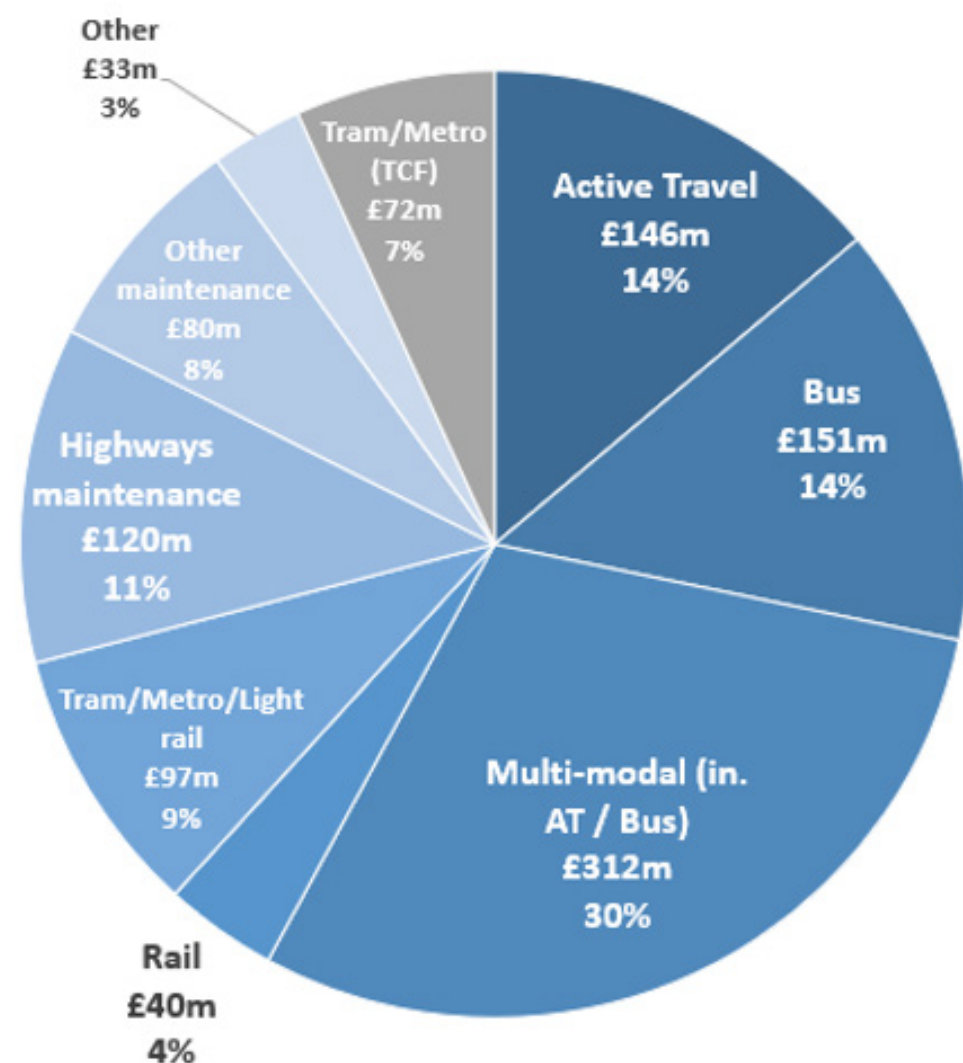
# The West Midlands CRSTS programme

The West Midlands CRSTS programme consists of 66 projects with a contribution from government of £1.05bn. These are being delivered through Transport for West Midlands (TfWM) and our constituent Local Authorities.

The programme includes funding previously allocated through the highways maintenance fund and Integrated Transport Block which has been allocated to local authorities using historic allocation formulas.

Funding has also been top-sliced to cover project and programme monitoring & evaluation activity which includes data capture and analysis – which the Department for Transport (DfT) and HM Treasury consider a mandatory requirement for a programme of this size.

The programme is estimated to deliver over 50km of new bus lanes (doubling the amount in the West Midlands), over 100km of new cycle lanes and measures to help electrify our transport system and make it cleaner. We will also deliver innovative and transformational projects such as Coventry Very Light Rail, Bus Rapid Transit improvements and improvements to our public transport smart ticketing system. The breakdown of forecast spend by mode is given in the figure below.



Source: Office for National Statistics licensed under the Open Government Licence v.3.0 Contains OS data © Crown copyright and database right 2021



# Transport Context

Travel in the region is dominated by car use and historically planning and policy has prioritised this mode rather than more sustainable options, contributing to wider issues such as poor air quality, physical inactivity and climate change. The mode split in the region reflects this: between 2016 and 2018 there were 2.3 billion trips made in the West Midlands, 70% of which were made by car, 10% via public transport, comprising bus (8%), rail including West Midlands Metro (2%), and 20% via active travel. This compares to 61% of trips being made by car nationally, alongside 7% via public transport, 29% via active travel and 3% via other modes in 2018 (based on National Travel Survey data).

Recent investments in the West Midlands have started to contribute to mode shift including investments in the West Midlands Metro and in our Sprint network but there are a number of issues which still need to be resolved before significant changes will be seen.

These are summarised below:

## Accessibility and affordability of public transport

The quality of access to public transport varies considerably across our region and can be a significant barrier for lower income households and more vulnerable groups for accessing economic opportunities. Job accessibility declines significantly for residents who are reliant on public transport, with this being more pronounced in deprived areas where car ownership is less common, this is demonstrated by the figures on the right of this page.

Bus use within the West Midlands has experienced a long-term decline in patronage. The fall in services, alongside increased congestion, has resulted in reduced accessibility to key urban centres for those reliant on public transport. Complexity of ticketing and affordability is also seen as a major barrier to public transport use with the region ranking in the bottom quartile for public transport affordability of 66 major global cities.

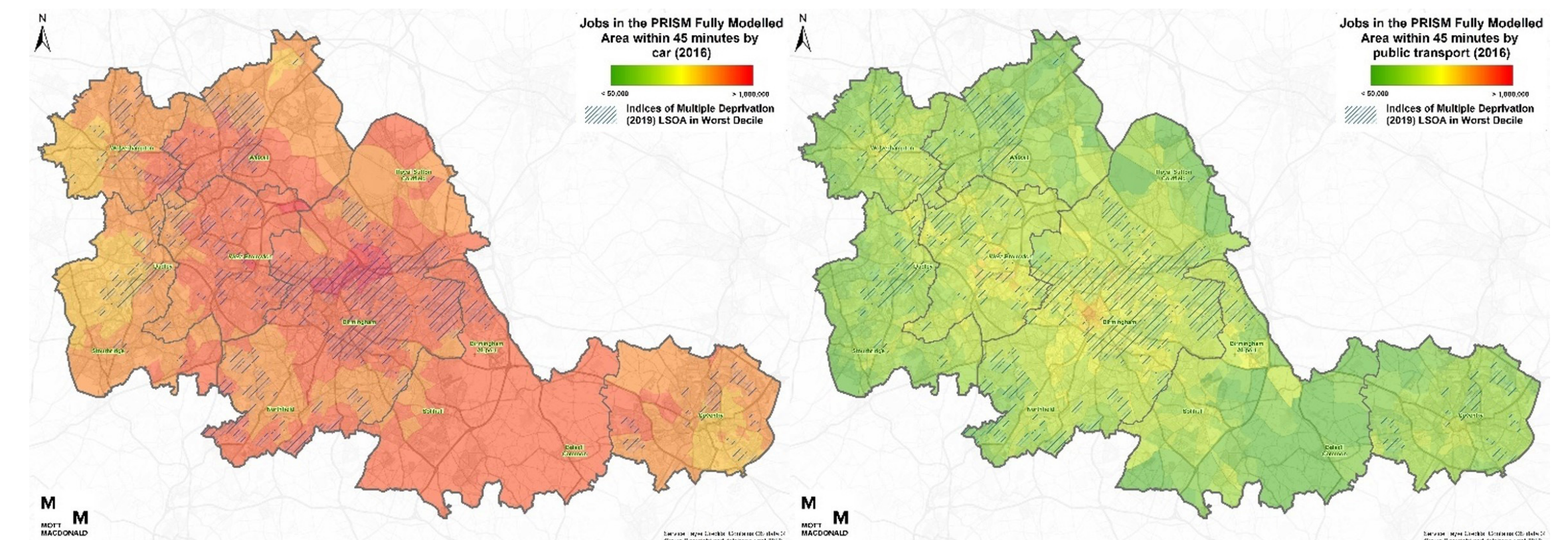
## Growing reliance on road travel

Despite recent investments in sustainable transport alternatives, car mileage has continued to grow. Across the area, two in five journeys under two miles are made by car. This reliance results in congestion, poor air quality and negative environmental consequences and contributes to declining health outcomes by reducing the share of walking and cycling and active travel associated with public transport. Modal share varies considerably throughout the West Midlands ranging from an 8.1% public transport mode share in the morning peak in 2019 in Dudley to a 61.2% mode share in the same period in Birmingham. Without investment, historic trends are set to increase over the next 20 years with the share of households not owning a car expected to fall from 22% to 18% in 2040. This reliance on road travel has been exacerbated by the COVID-19 pandemic and without investment to support the recovery in public transport demand we risk seeing a permanent shift in behaviour.

## Congestion, air quality and the environment

Reliance on private transport has led to a built environment which prioritises car-based travel and has resulted in a legacy of a hazardous, unattractive environment for pedestrians and cyclists. Air pollution is one of these negative consequences and impacts approximately 2.8m people in the West Midlands, reducing life expectancy by up to 6 months. The reliance on cars also generates congestion in city centres and on key transport corridors which constrains economic growth potential in the region. The average driver in Birmingham lost 134 hours in congestion in 2018, with congestion costing £2.3bn per annum across the West Midlands metropolitan area. There are also implications for climate change: WMCA has an ambitious target to be net zero by 2041 which will require significant modal shift as well as an increase in zero emission vehicles. Under business as usual forecasts, without intervention, it is predicted that we will fall short of our zero emission ambitions. Currently, TfWM are developing a Local Transport Plan to provide a framework to make progress against these issues. CRSTS provides a significant opportunity to fund this progress.

## Job accessibility in WM region with a car vs with public transport (2016)



# Local Transport Plan

Transport for West Midlands (TfWM) is currently developing its 5th Local Transport Plan (LTP): Reimagining transport in the West Midlands which will set out the overall strategy and policy framework for transport and seek to make progress against the issues outlined in the transport context section of this document. The overall vision for travel in the West Midlands for a place **where people can thrive without having to drive or own a car**.

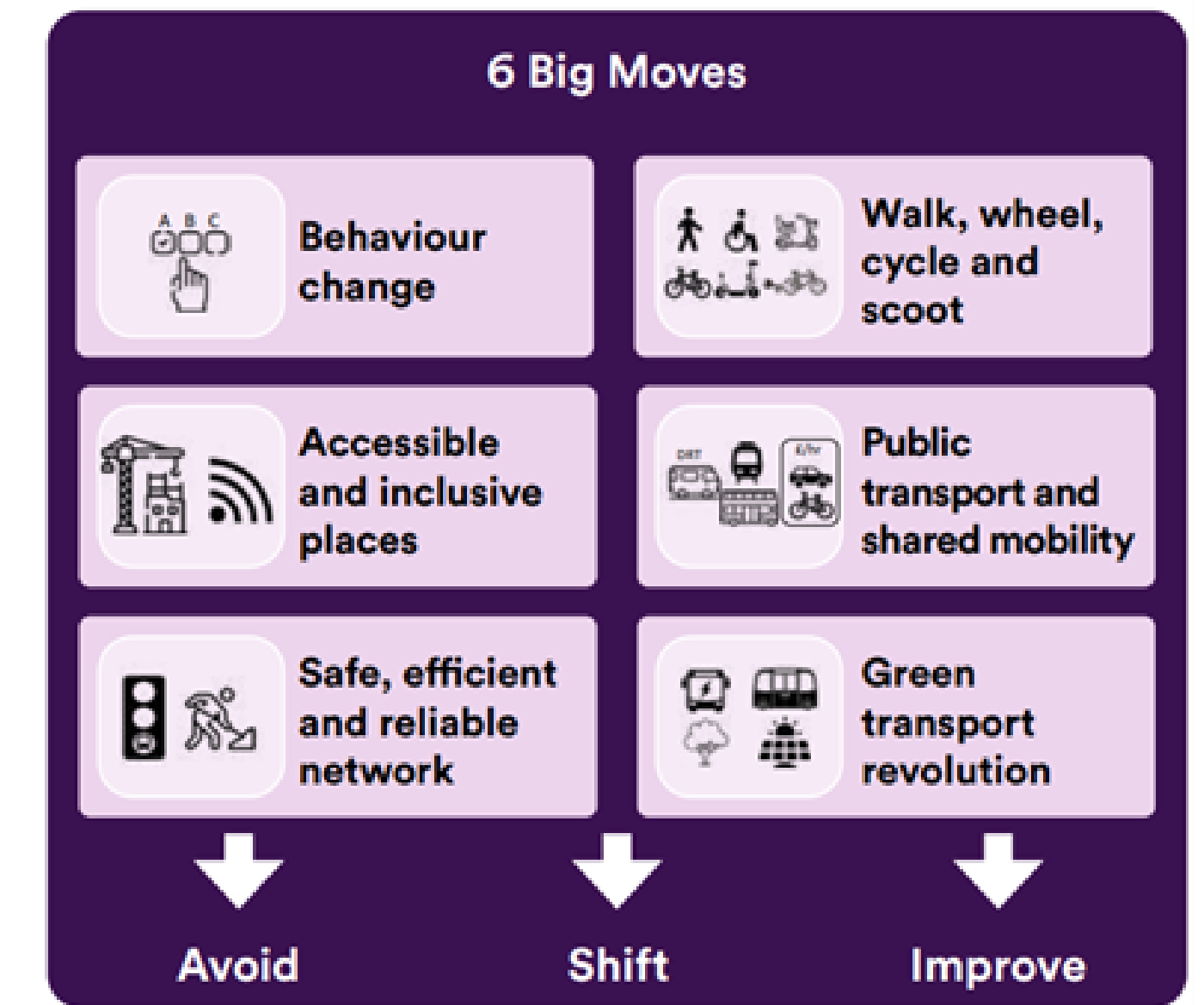


## Motives for change

In 2021, to support the development of the LTP, TfWM published a Green Paper which set out five Motives for Change. These are reasons why we should consider changing the way we travel and are summarised in the figure on the right.

These motives for change form the basis for the objectives of the LTP. They capture a range of different, but related, issues including how we can sustain economic successes, how we can have a more equitable transport system, how we can ensure transport supports better quality of places and a healthier population, and how we can support global efforts to decarbonise.

These motives overlap with the national priorities for the CRSTS programme and have helped shape our CRSTS programme.



## 6 Big Moves

In 2023, TfWM published the proposed Core Strategy for the LTP. This document set out the ‘avoid, shift, improve’ framework which identified the behaviour changes needed to make progress against the motives for change:

- **Avoid travel** e.g. by accessing services online and consolidating trips
- **Shifting travel** e.g. to places more accessible by sustainable modes
- **Improve travel** e.g. by adopting zero emission vehicles

This framework has been used to develop six big moves which detail the principles, policies and in some cases specific interventions to achieve the goals of the LTP. These are shown in the figure on the right.

# CRSTS Investment Themes

The CRSTS programme has been designed to meet the vision and objectives of the Local Transport Plan as well as deliver on national priorities around delivering jobs and growth, levelling-up deprived communities and meeting our decarbonisation targets. With this in mind we have identified six themes to guide investment through the CRSTS programme:

- **Connecting our places** - investment in public transport connectivity by boosting connections across key centres and corridors
- **Supporting Inclusive Growth** – driving economic growth, levelling up and housing delivery in six priority corridors
- **Healthy Streets and Spaces** – encouraging active travel and reducing volume of trips made by car
- **Creating Resilient Networks and Communities** – junction and corridor route improvements to highways and the key route network
- **Delivering a Green Revolution** – decarbonisation of the largest sources of carbon emissions
- **Making behaviour change easy** – provision of frictionless access to sustainable transport across the region

The link between these investment themes and the objectives of the emerging LTP are summarised in the table to the right.

Motive for Change	LTP Objective	LTP Objective	Link to CRSTS theme
Sustaining economic success	Inclusive economy	We will inclusively grow our economy by reducing the economic costs of transport’s externalities, maintaining the network, and levelling up access to opportunities for those less mobile.	Supporting Inclusive Growth
	Mobility market transformation	We will position the West Midlands as a global leader in future transport by creating a local transport market that enables innovation, development and deployment of transport products and services.	Making Behaviour Change Easy
Creating a fairer society	Fair access	We will improve equity of access to opportunity by ensuring everyone has safe, usable and affordable travel choices.	Supporting Inclusive Growth Connecting Our Places
	Fair impacts	We will reduce the impact of traffic on people’s health and wellbeing by improving road safety, reducing air pollution, and reducing noise.	Creating Resilient Networks and Communities
Supporting local communities and places	Local access	We will improve local sustainable travel connectivity and reduce severance within and between neighbourhoods.	Healthy Streets and Spaces Connecting Our Places Creating Resilient Networks and Communities
	Streets for communities	We will reduce the dominance of motorised traffic in local neighbourhoods to enable repurposing of streets.	Healthy Streets and Spaces Creating Resilient Networks and Communities
Becoming more active	Physically active	We will enable safe, convenient and accessible walking and cycling opportunities, to increase active travel, improving health, wellbeing and productivity.	Healthy Streets and Spaces
Tackling the climate emergency	Transport decarbonisation	We will rapidly reduce transport carbon emissions at a rate consistent with WM2041 ambitions.	Making Behaviour Change Easy Delivering a Green Revolution

# CRSTS Guidance: Update from DfT

## Overview

Previous CRSTS guidance has been distributed to the Combined Authorities in the form of a number of letters from the Secretary of State for Transport to Mayors. As such, there has not been one comprehensive place to easily access guidance related to the fund. Furthermore, products related to the guidance e.g. change control templates, branding guidance etc. have not been available or readily accessible to scheme promoters. To address this, the DfT has consolidated CRSTS guidance into one Memorandum of Understanding (MoU).

## Key points

The key points of the document, as previously shared on determination of the settlement in 2022, are summarised below:

- The Combined Authority must be able to satisfy the DfT that delivery commitments will be clear to residents, and that the Combined Authority is responsible for sourcing any additional funding required to deliver the agreed schemes.
- The agreed funds will be issued to the Combined Authority as grant payments under Section 31 of the Local Government Act 2003 for capital expenditure as agreed in the settlement.
- The Combined Authority is expected to make a contribution of at least 15-20 percent of the funding granted for capital enhancements, fully additional to the sum granted by HMG and raised locally, not derived from other central government funding sources. Failure to provide this proposed local contribution will see future years' enhancements funding reduced in proportion to any ongoing shortfall.
- The Combined Authority accepts responsibility for meeting any costs over and above DfT's contribution.
- The Combined Authority must spend all grant funding for scheme development and delivery by the end of the funding period, 31 March 2027. Any instances where funding is expected to be used beyond the funding period must be discussed and agreed with DfT.
- The s.31 capital grant funding can be used for the development of agreed schemes, where Chief Finance Officers are satisfied that such costs can be capitalised. Outline and Full Business Case development costs can be funded, but Strategic Outline Business Case ('SOBC') development costs would be classified as revenue.
- The Combined Authority is accountable for the delivery of agreed schemes within its settlement budgets and maintains responsibility for managing locally any development costs drawn against its capital allocations. Where a scheme does not proceed due to a business case being rejected, DfT would not look to recover development costs incurred. However, where the Combined Authority delivers below required standards, the full amount of CRSTS funding for that scheme, less a cost not exceeding 10 per cent for development costs, would be repayable or deducted from future years' allocations.

## Updates

The overall **objectives** of the scheme have remained largely the same but now include an explicit reference to mode shift, particulate emissions and key national bus and cycling strategies. The general **aim** that 'Schemes should: promote the use of active travel and public transport; not lead to overall increases in car use or car modal share; tackle traffic congestion; and improve air quality' has been retained. The MoU reiterates the need to adhere to **national guidance** including Local Transport Note 1/20 (Cycle Infrastructure Design) and bus priority policy including meeting the objectives of the National Bus Strategy (including DfT's expectation that bus lanes should be provided on any roads where there is a frequent bus service, congestion and physical space to install them). **Consultation and branding** requirements remain the same with additional guidance available on branding and the use of the 'funded by government' logo. **Monitoring and evaluation requirements** are also largely unchanged and have a clear requirement for an annual monitoring update. **Delivery progress** will be published annually on GOV.UK.

## Programme re-base

In acknowledgement of inflationary pressures across transport and the construction industry DfT has proposed a one-off **rebaselining exercise** to MCAs in 2023/24 with a proposed submission date of 29th September 2023. This provides an opportunity to reassess the affordability of individual schemes and recast the programme accordingly.

## CRSTS 2

In the Spring Budget it was announced that £8.8bn would be available for a second round of the CRSTS. This represents an increase on the £5.7bn available in round 1. WMCA will seek to start to plan and prepare for this delivery period through our work on the LTP.

# Key achievements



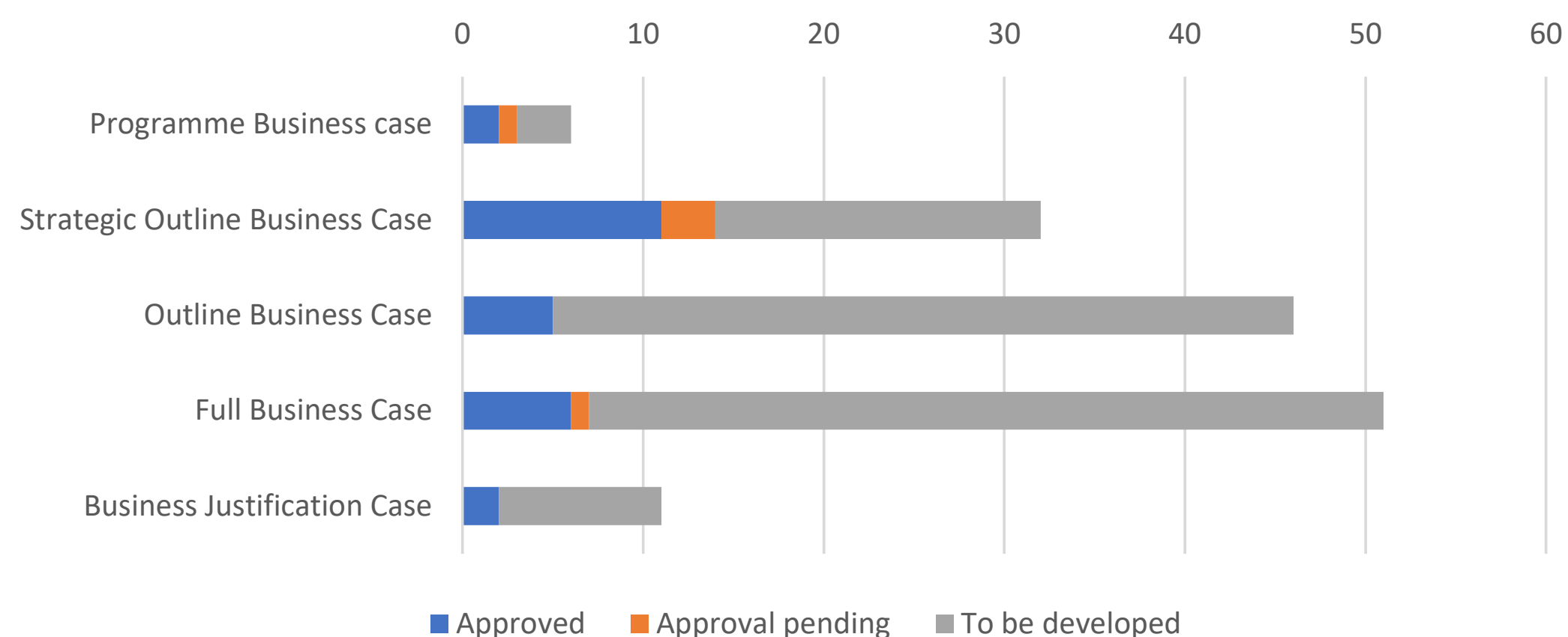
# Development

The CRSTS is comprised of 66 components. Three of these are activities which will continue throughout CRSTS (Highways Maintenance, Local Network Improvement Plans and data to support scheme development plus monitoring and evaluation). The remaining 63 components are schemes: 38 individual schemes and 25 schemes which are part of 9 programmes. 8 of the schemes are classified as ‘development only’ and will not progress to the delivery / construction phase as part of round 1 of CRSTS, instead CRSTS will be used to fund activities such as research and development and business case preparation.

The business case process has been specified by HM Treasury. Specific guidance for transport schemes is provided by the Department for Transport. Scheme promoters are required to develop five cases (strategic, economic, commercial, financial and management) to demonstrate the value for money associated with the project. The process is generally sequential with scheme promoters first submitting a Strategic Outline Business Case (SOBC), then an Outline Business Case (OBC) and finally a Full Business Case (FBC). Less complex schemes may only be required to produce a Business Justification Case (BJC). Where multiple schemes form a ‘package’ a Programme Business Case (PBC) may be produced.

Some of the schemes had already progressed through some business case development stages prior to CRSTS funding allocated and therefore all schemes are not expected to pass through the standard business case process as part of CRSTS e.g. a scheme may proceed straight to FBC rather than being required to produce a new SOBC and OBC for CRSTS funding.

Progress in the development of business case documents is given in the figure below.



## Recent development milestones

Over the last financial year 6 projects have reached their final milestone of the development phase (Full Business Case of Business Justification Case) and are now within the delivery phase. The total funding approved is £206.6m.

### Metro WBHE funding, traction power, metro depot and line renovation Full business cases approved

- £71.5m for Brierley Hill extension work approved in April 2022. Delivery began in March 2020 and is forecast to complete in October 2024.
- £12.6m for traction power upgrades approved April 2022. Delivery forecast to commence May 2023 and complete in September 2025.
- £37.4m for depot upgrades approved in April 2022. Delivery commenced in October 2022 and is forecast to complete in April 2025.
- £27.85m for line 1 renovation approved in March 2023. Delivery began in November 2022 and is forecast to complete in March 2025.

### Segregated cycle way - Burnt Tree to Lower City Road Business Justification Case Approved

- £1.2m approved November 2022 to deliver 1.7km of segregated cycleway as an early deliverable as part of the bigger £29m A4123 Walk, Cycle and Bus corridor programme of scheme, crossing Sandwell, Dudley and Wolverhampton.
- Early delivery of this section enables continuity with the recently delivered Burnt Tree to Tipton Road cycle scheme funded by Active Travel Fund 2. Delivery dates to be confirmed.

### Sprint - A45 Phase 2, A34 Phase 2 Full business cases approved

- £25.4m approved April 2022 to deliver bus priority measures, new bus shelters and cycling and walking enhancements along the A45 from Birmingham City Centre to Solihull Town Centre / Birmingham Airport. Delivery forecast to begin November 2023 and complete in January 2025.
- £30.6m approved April 2022 to deliver bus priority measures, new bus shelters, cycling enhancements, pedestrian crossings and traffic signal optimisation along the A34 from Birmingham City Centre to Walsall Town Centre. Delivery forecast to begin in January 2024 and complete in June 2025.

# Delivery

Currently, 55 schemes are programmed to be delivered over the CRSTS funding period (this doesn't include development only schemes or ongoing work such as LNIPs and highways maintenance). As of the end of the financial year 2022/23:

- Construction / delivery had started for four schemes
- Construction / delivery had completed for one scheme

In addition to the above, Highways Maintenance delivery has been ongoing. Delivery milestones reached over the last year are shown below.



## WBHE Metro Phase 1 Delivery ongoing

Delivery is ongoing on the Wednesbury to Flood Street (Dudley) phase of the 11km extension of the metro line between Wednesbury and Brierley Hill. This has included the installation of a new bridge over Sedley Road and the installation of track on Castle Hill in Dudley.



## Metro Line 1 Renovation Delivery started

Metro Line 1 is over 20 years old and therefore key components of overhead line equipment (OLE) and track are nearing life expiry and are due for renewal. The current OLE system is prone to repeated failures.



## Metro Depot Delivery started

This depot upgrade will support a more than doubling of tram fleet capacity and an increase in maintenance, welfare, office and storage capacity. It is key for supporting the Metro extension programme.



## J9 Radford Road Cycleway Delivery complete

Provision of a high quality LTN 1/20 compliance 2-way segregated cycleway at Junction 9 of Coventry Ring Road. Constructed to provide a safer connection for cyclists between the canal basin, Foleshill Road and the city centre.

# Local Network Improvement Plans

Local Network Improvement Plans work will continue throughout the CRSTS programme. Examples of key schemes using LNIP funding in 2022/23 are given below.

## Birmingham e-cargo bike trial

Procurement of 20 e-cargo vehicles being used by 10 project partners



## Bristol Road Enhancement Scheme

This scheme aims to deliver several measures through the Bristol Road Selly Oak local centre. LNIP funding has supported the following:

- Reconfiguration of the existing road from four to two lanes
- Formalising on-street parking bays
- Inclusion of a two-way segregated cycleway that connects the A38 route to Chapel Lane junction

## Places for People

Development and delivery of road safety schemes, school streets, ward level minor transport improvements, 20mph zones and speed reduction schemes in the Birmingham local authority area.

## Oakham Road Local Safety Scheme

Provision of an intelligent warning sign at a blind bend / junction. This scheme won Road Safety Scheme of the Year 2022 at the National Highways Awards.



## Commonwealth Way

Improved entrance to the Arboretum extension path on Sutton Road with modified barrier with radar key for disabled cyclists. The Commonwealth Way is an off-road cycle route being implemented in Walsall Borough with a longer term ambition to link Walsall town centre with the Alexander Stadium in Perry Bar, Birmingham. The new facilities are designed to encourage cyclists of all abilities along this key leisure route.



## National Cycle Network Route 5 Veolia Trust path improvements

The NCN5 route is part of a strategic cycle network linking Walsall to Lichfield in the north. The Veolia Trust path improvements complemented earlier improvement works delivered as part of the WMCA Better Streets programme, providing safe and accessible connectivity from Ryecroft to Walsall town centre and the Arboretum.



## Coventry

Key LNIP schemes in Coventry include:

- Average Speed Enforcement on:
  - A4114 Holyhead Road
  - B4106 Allesley Old Road
  - A429 Kenilworth Road
- Signal improvement schemes at Sewell Highway / Blackberry Lane and Sewell Highway / Bell Green Lane

## Solihull

Development and delivery of community driven network improvement and road safety schemes, including the introduction of school based 20mph speed limits at 10 schools across the borough and delivery of parking displacement works to aid network operation in residential areas.





# Highway Maintenance

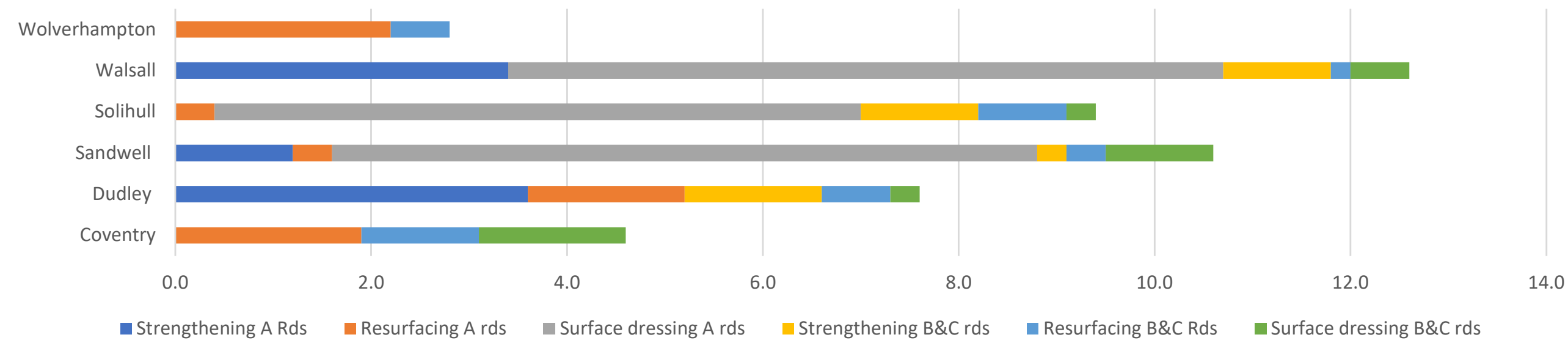
This slide presents statistics and data provided by the 6 constituent local authorities as per the Department of Transport's requirements for its annual road conditions in England report. ([Road conditions in England to March 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/road-conditions-in-england-to-march-2022))

Due to data collection requirements the tables below show road condition and work done for year ending March 2023. It is WMCA's intention to report the same statistics and data on an annual basis, therefore there will be a year on year comparison & view of condition against the estimated steady state condition for (A,B & C class roads) post investment period.

The monies awarded via this portion of the grant are expended on maintenance of key assets including roads, footways, bridges & structures, street lighting and drainage. The tables and statistics below are for roads only. It should be noted that there is no data presented for Birmingham City Council as their funding is via a Private Finance Initiative arrangement, and not funded through CRSTS.

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km's treated by road class



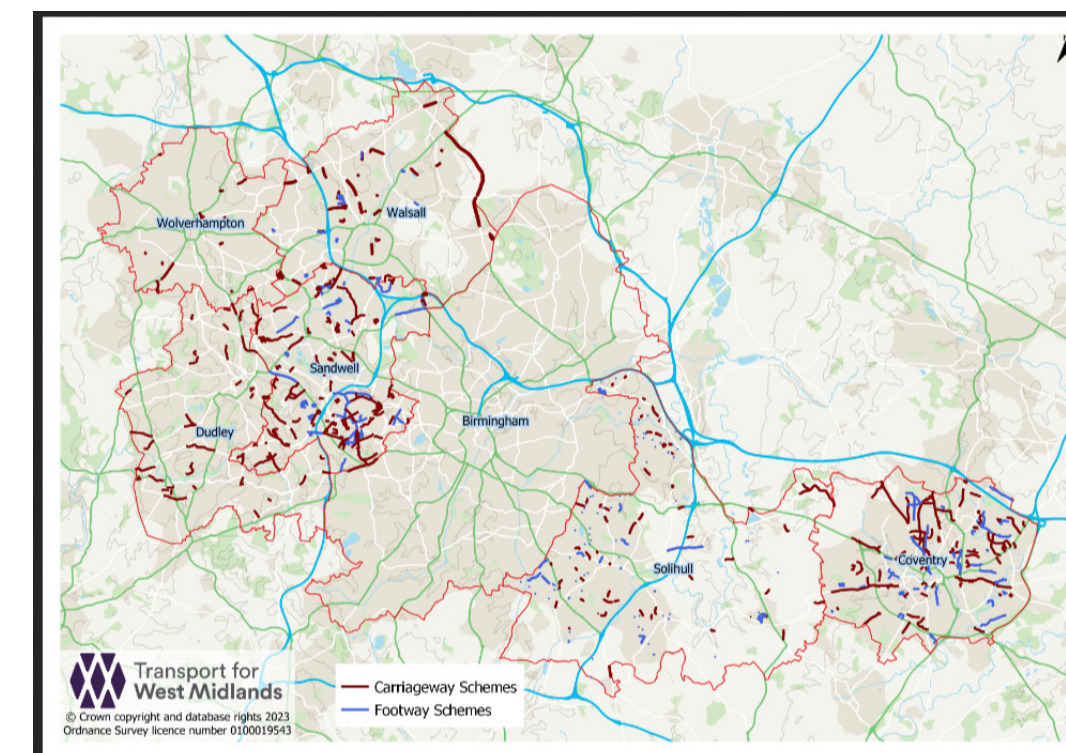
## Funding Allocation

Local Authority	Highways Maintenance £
Birmingham	-
Coventry	4,086,400
Dudley	4,486,100
Sandwell	4,741,300
Solihull	3,872,100
Walsall	3,568,700
Wolverhampton	3,325,400
<b>Annual Allocation from April 2022</b>	<b>24,080,000</b>
<b>Total for 5 years (same distribution)</b>	<b>120,400,000</b>

## Current Road Condition percentages in the West Midlands – March 2021 (pre-CRSTS funding)

	England	Coventry City Council	Dudley MBC	Sandwell MBC	Solihull MBC	Walsall MBC	Wolverhampton City Council
% of principal 'A' roads where maintenance should be considered	4%	2%	2%	2%	4%	2%	3%
% of non-principal roads 'B' & 'C' where maintenance should be considered	7%	2%	2%	3%	2%	1%	2.5%
% of unclassified roads where maintenance should be considered	17%	19%	28%	18%	17%	25%	34%

## Roads & footway sites treated in 2022/23



# Status update

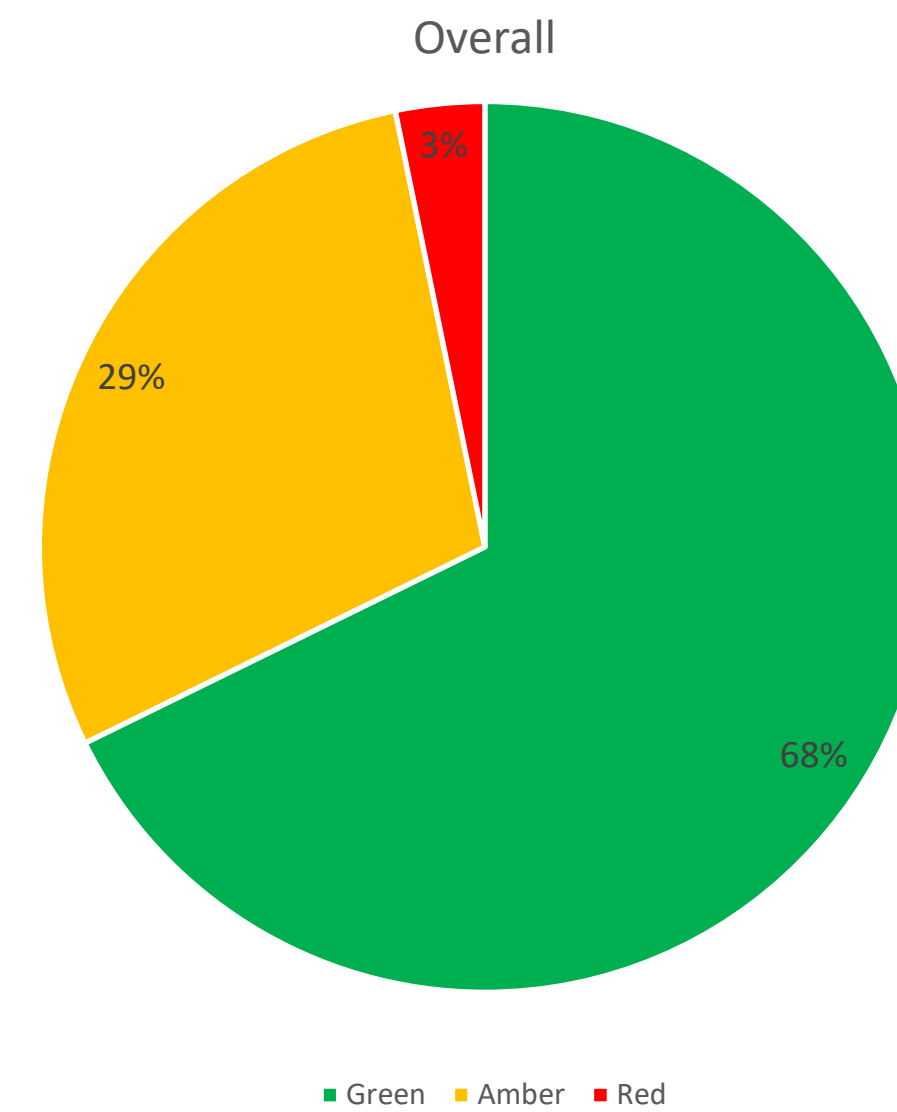
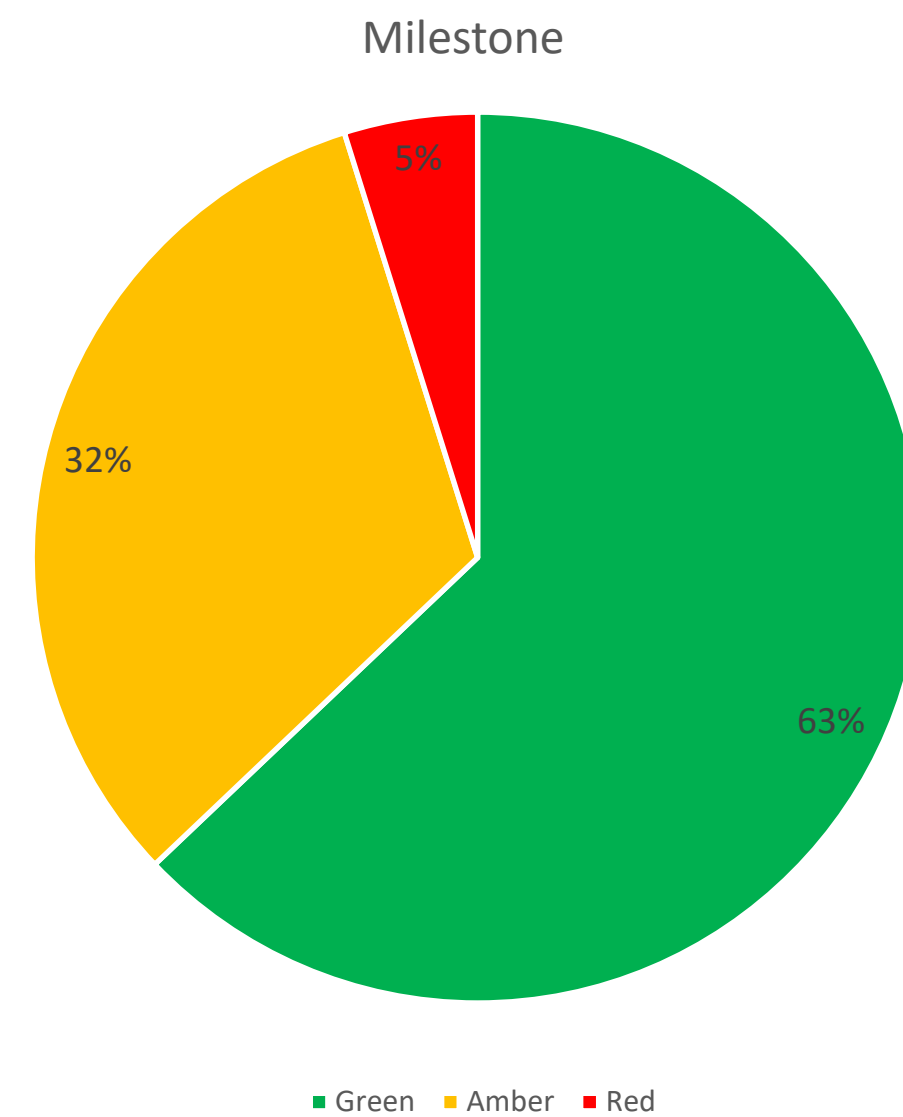
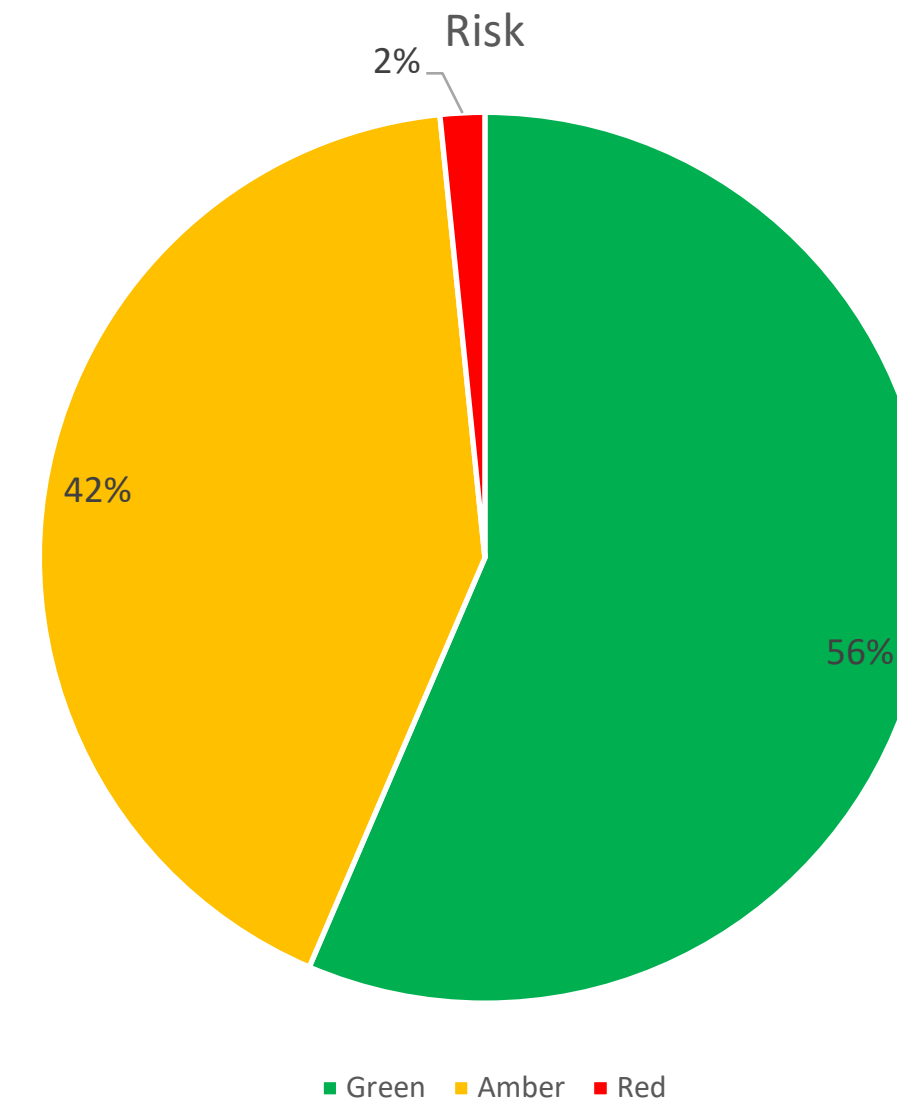
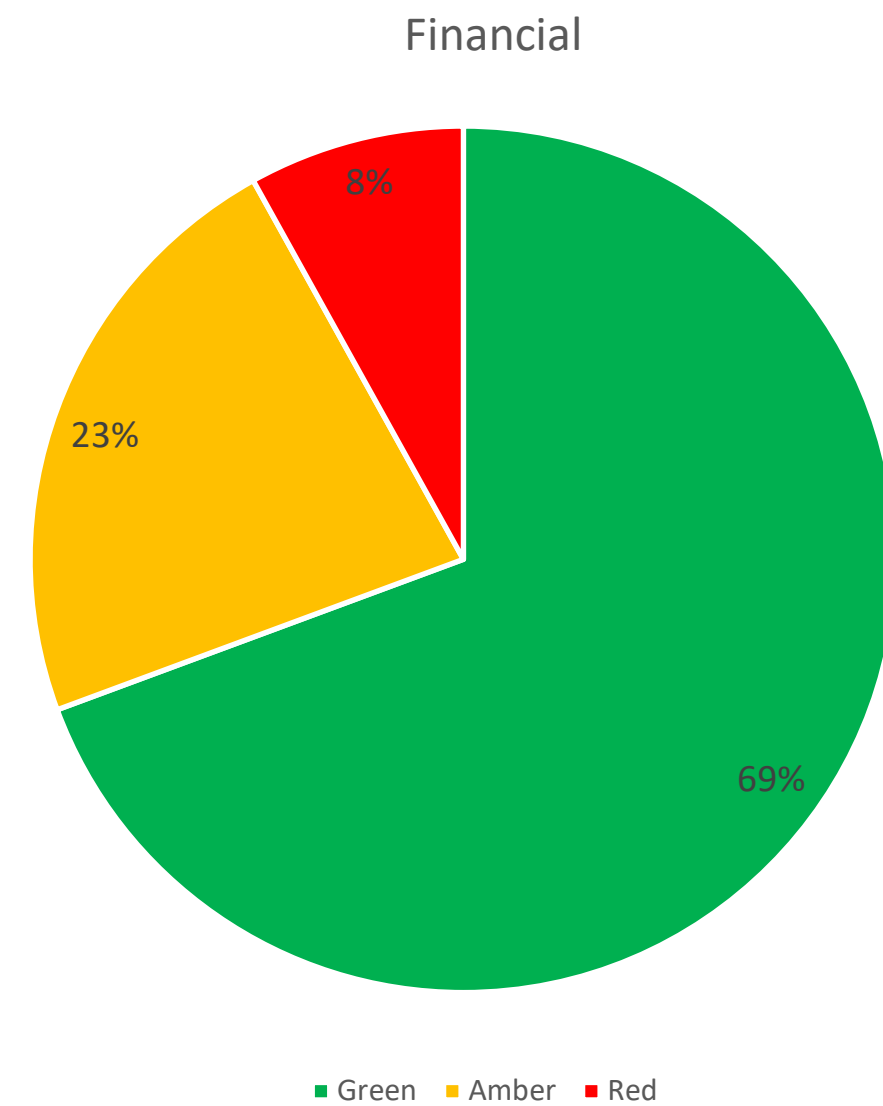


# Programme Health Status

A health check RAG assessment has been undertaken for each project within the CRSTS programme regarding project delivery milestones, financials, risks and the project overall.

The graphs on the right show the health status for the overall CRSTS programme as of the end of the 2022/23 financial year. The majority of projects are reporting a green status in terms of deliverability, risks and financials and 68% of projects are reporting green status overall;. However there are issues starting to emerge for some projects in the programme particularly around financials/affordability, of which 8% of projects have reported a red status.

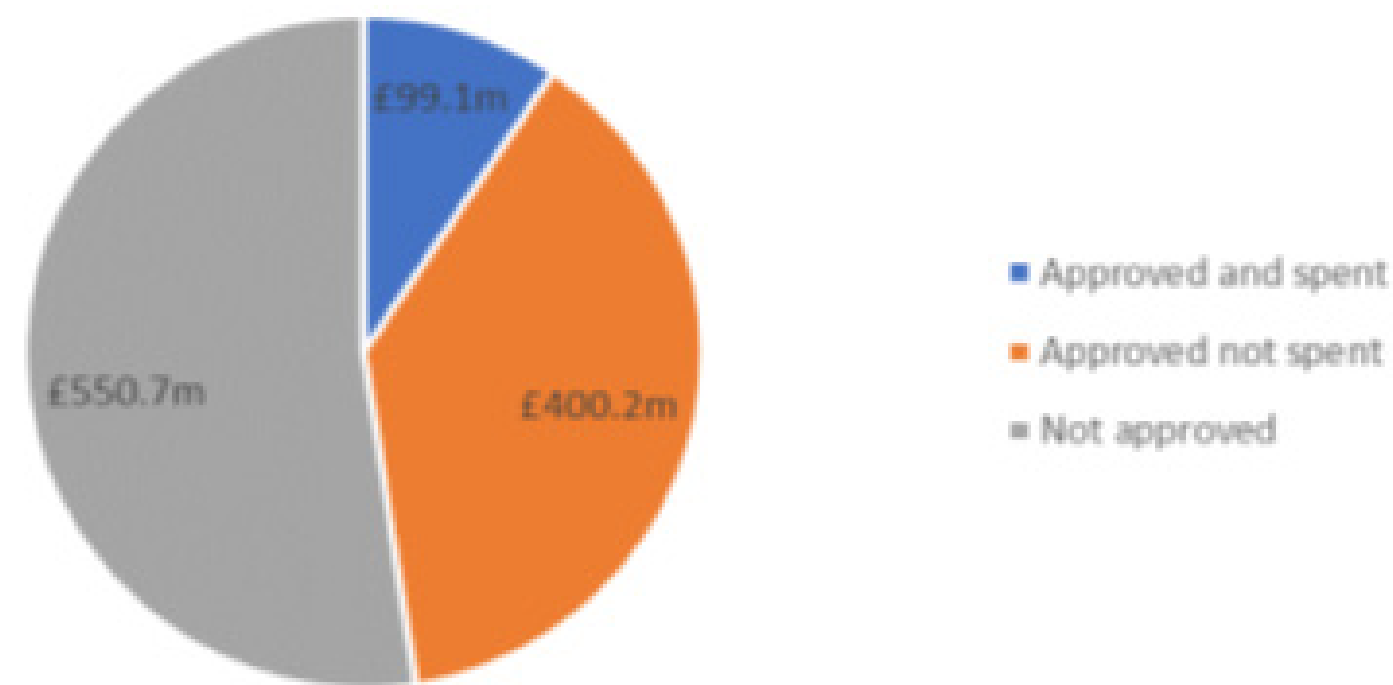
A more detailed breakdown of financials, risks and milestones are given in the remainder of this section.



# Funding update

## Funding spent

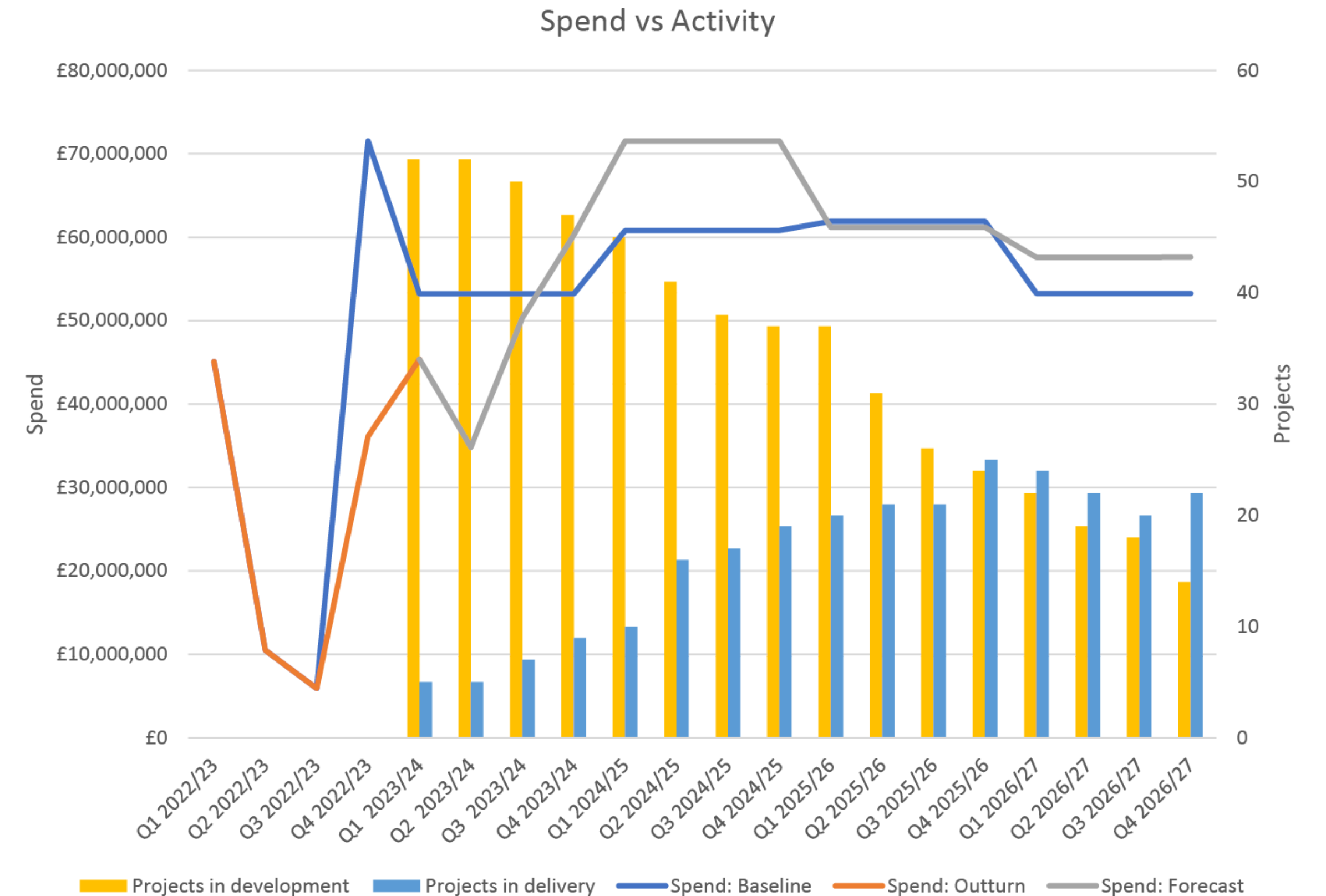
The funding status for the overall programme is shown in the graph below. Up to this point, £499.3m of CRSTS funding has been approved through SAF (including Local Authority Highways Maintenance budgets, Local Network Improvement Programmes and the final year of TCF for Wednesbury to Brierley Hill Metro). The total spent to date is £99.1m. The remaining £550.7m of the budget remains unapproved. Funding approvals made over the 2022/23 financial year are summarised in the table below.



Project / package	Funding amount	Date approved	Funding use
Metro Line 1 Renovation	£27.85m	Mar-23	Scheme delivery
	£2.2m	Sep-22	Preparation of Full Business Case
ULEV – Black Country	£0.2m	Mar-23	Preparation of Full Business Case
Foleshill Transport Package	£0.5m	Dec-22	Preparation of Business Justification Cases for 3 projects
BSIP Bus Priority Cross City Routes	£4m	Dec-22	Preparation of Outline Business Case
A454 Walk, Cycle and Bus Corridor	£0.4m	Dec-22	Preparation of Outline Business Case for Phases 1 and 2
A4123 Walk, Cycle and Bus Corridor	£0.5m	Nov-22	Preparation of Outline Business Case
East Birmingham to Solihull Corridor Package	£1m	Nov-22	Preparation of Outline Business Cases for 2 schemes
A461 Walk, Cycle and Bus Corridor package	£1m	Nov-22	Preparation of Outline Business Cases for 2 schemes
Segregated cycleway from Burnt Tree to Lower City Road	£1.2m	Nov-22	Scheme delivery
Ultra Rapid Charging Transit Stations (EVCATS)	£8.5m	Sep-22	Preparation of Full Business Case
Swift cEMV contactless payment broker	£4.6m	Aug-22	Preparation of Full Business Case
Sprint A45 Phase 2	£25.4m	Apr-22	Scheme delivery
Sprint A34 Phase 2	£30.6m	Apr-22	Scheme delivery
WBHE Metro	£71.5m	Apr-22	Scheme delivery
Metro Upgrades package	£50m	Apr-22	Scheme delivery
Data to support scheme development & M&E	£7m	Apr-22	Ongoing data gathering
Highways Maintenance	£120.4m	Apr-22	Ongoing highways maintenance
Local Network Improvement Plans	£107.5m	Apr-22	Ongoing planning

## Funding forecast

The graph below shows the forecast funding spend as well as delivery profiles of the CRSTS schemes.



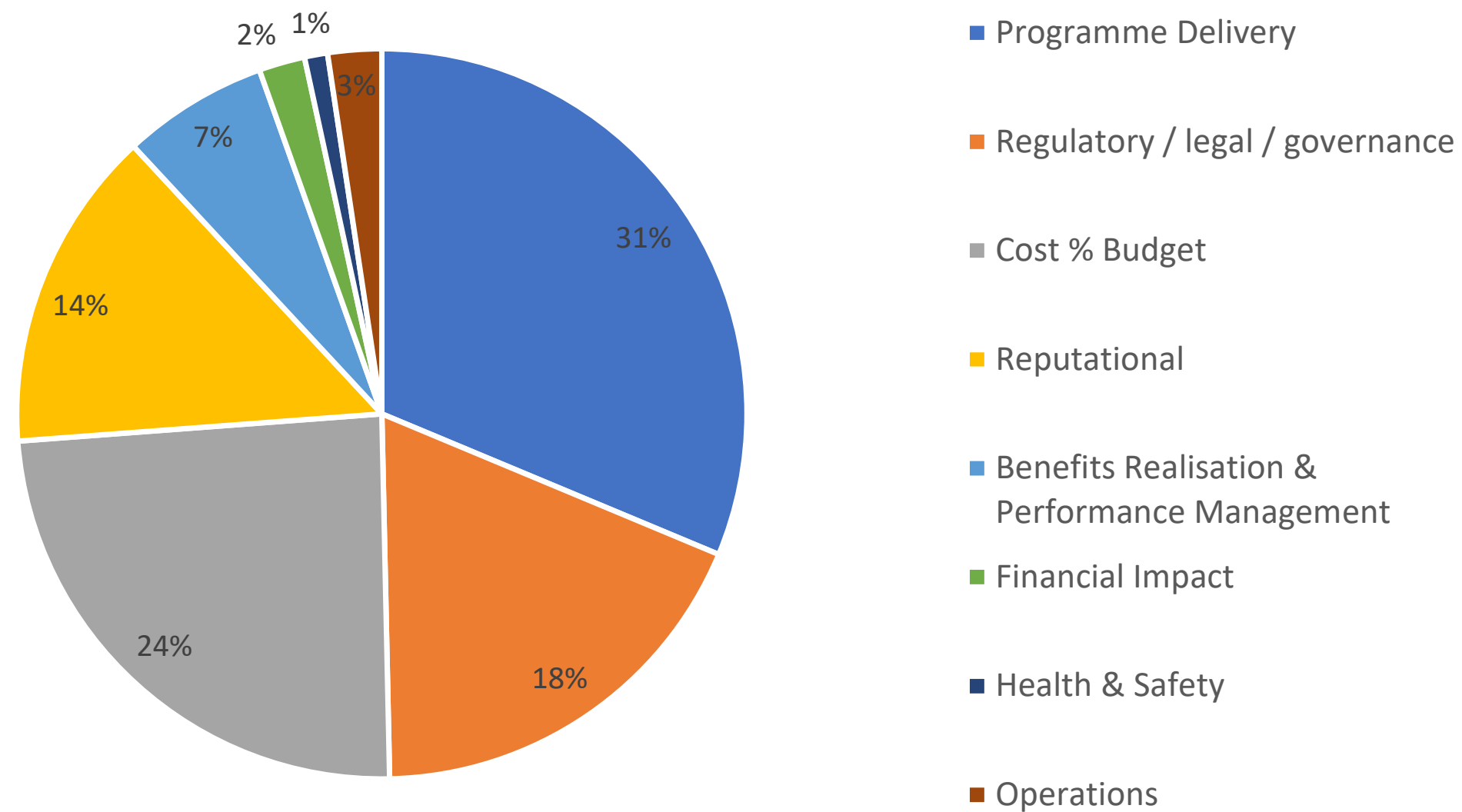
The highest forecast spend is predicted to occur between the first quarter of 2024/25 and the final quarter of 2024/25 with just over £70m forecast to be spent each quarter. Over the next financial year forecast spend is predicted to increase considerably with a forecast of approximately £45m in the first quarter, dropping to £35m in the second quarter and then increasing to £50m in the third quarter and £60m in the final quarter.

A significant amount of spend is predicted in the final year of the CRSTS programme with approximately £60m forecast to be spent in each quarter.

# Programme risks

## Risk categories

The figure below shows risks for all projects in the programme grouped into WMCA risk categories.



The most common risks raised relate to programme delivery whereby the risk raised could have an impact on the quality or timescales of the outputs (31% of risks). The second most common risks were categorised as ‘Cost % Budget’ whereby if the risk is realised it is likely to result in an increase in cost.

The key risks for the programme are as follows:

1. Capital cost of schemes is higher than originally predicted (due to non-inflationary reasons e.g. unforeseen design elements, utilities etc.)
2. Costs of the schemes is higher than forecast due to due to inflationary pressures
3. Disruption on the network as a result of simultaneous delivery of projects
4. Lack of stakeholder support for interventions
5. Disruption on the network as a result of the intervention itself will damage the reputation of local authorities

## Risk mitigation

The following actions are proposed to mitigate the impact of some of the key risks:

- Develop a network disruption mitigation plan
- Ensure regular engagement with project promoters
- Ensure regular engagement with the DfT
- Make sure suppliers are engaged as early as possible
- Ensure regular dialogue with Active Travel England
- Ensure regular engagement with local politicians
- Ensure early engagement with members of the public

As referenced previously the inflationary pressures risk will be dealt with through a one-off re-baselining exercise to MCAs in 2023/24 with a proposed submission date of 29th September 2023. Other costing risks (e.g. due to unforeseen design elements, utilities etc.) will become more apparent as each individual scheme progresses through the development process and on to design work. The overall risk profile of the programme, and the mitigations required, will continue to evolve throughout the CRSTS process.



# Future development profile

Over two thirds of the projects in the programme have actively engaged with TfWM regarding the development of the schemes thus far (outside of providing quarterly updates). This has either been through the CRSTS early engagement process (which helps promoters start to consider business case development through problem identification and logic mapping) or through the submission of business case documentation.

Based on the information provided by scheme promoters we forecast that 54 business case documents will be submitted over the next financial year, 10 of which are predicted to be Full Business Cases and 5 of which are predicted to be Business Justification Cases. Should these be approved, 16 additional schemes are forecast to proceed to the delivery phase next year.

The forecast profile of submissions over the next year is shown in the table on the right. The graph on the right shows the forecast of business case submissions for the remainder of the programme.

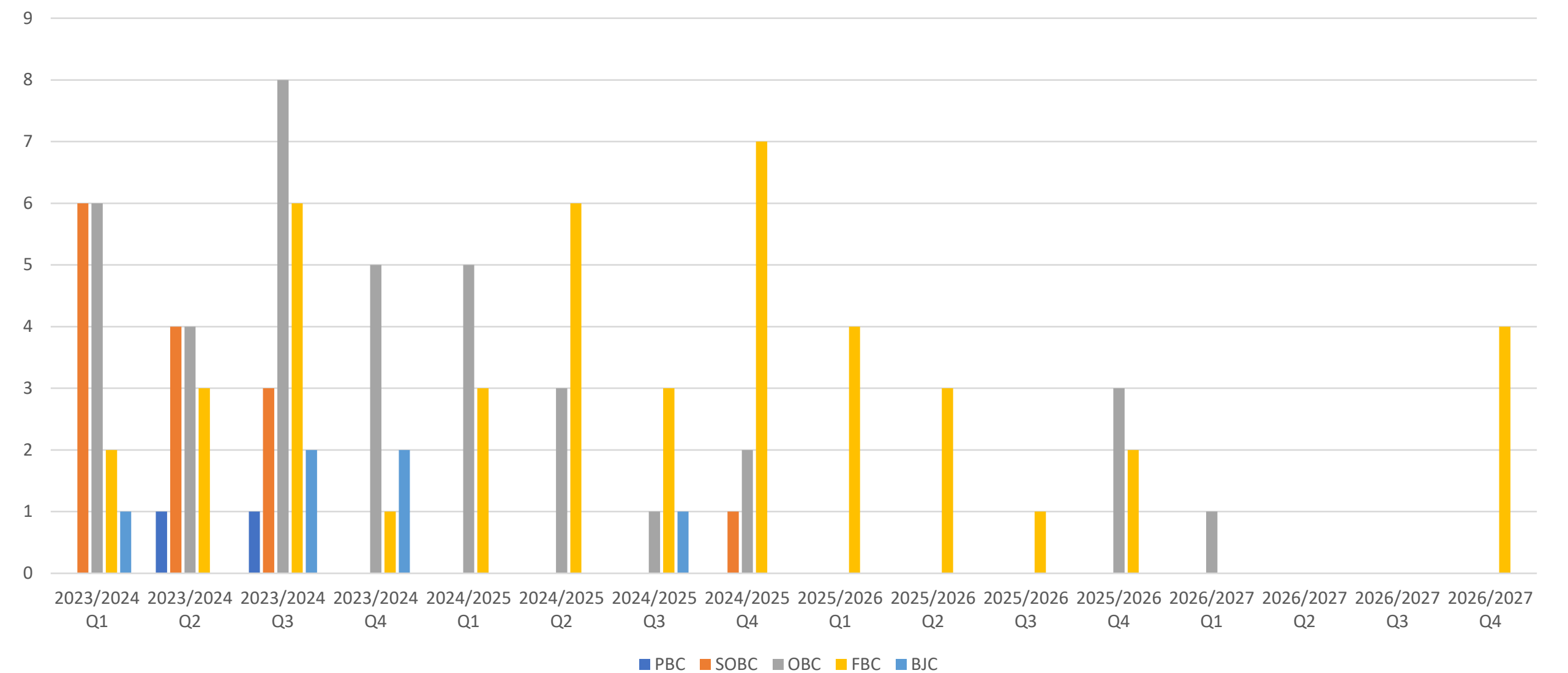
Full Business Cases expected over the next financial year are summarised below.

- Wolverhampton City Centre Movement – Walk, Cycle and Bus Package
- East Birmingham to Solihull Corridor – Damson Parkway active travel / Sprint improvements
- ULEV Infrastructure – Black Country
- Ultra Rapid Charging Transit Stations (EVCATS)
- A449 Walk, Cycle and Bus Corridor
- Coventry South Sustainable Transport (GIGA Factory Links)
- Dickens Heath ton Solihull Town Centre LCWIP
- Knowle to Solihull Town Centre LCWIP
- Swift cEMV contactless payment broker
- Mobility Hubs & E-bikes

Our current information forecasts that there will be a substantial level of Outline Business Case development over the next financial year (with a peak in quarter 3). Full Business Case Development is forecast to increase in 2024/25 with a peak in the final quarter. In the final year of the programme we are currently predicting a small amount of OBC development in quarter 1 and a moderate level of FBC submissions in the final quarter.

## Forecast business case submissions over the next financial year

	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024
Programme Business Case	0	0	0	1	0	0	1	0	0	0	0	0
Strategic Outline Business Case	1	3	2	2	2	0	1	1	1	0	0	0
Outline Business Case	0	0	6	1	1	2	3	4	1	2	3	0
Full Business Case	1	1	0	1	1	0	1	1	4	1	0	0
Business Justification Case	0	1	0	0	0	0	1	1	0	1	1	0



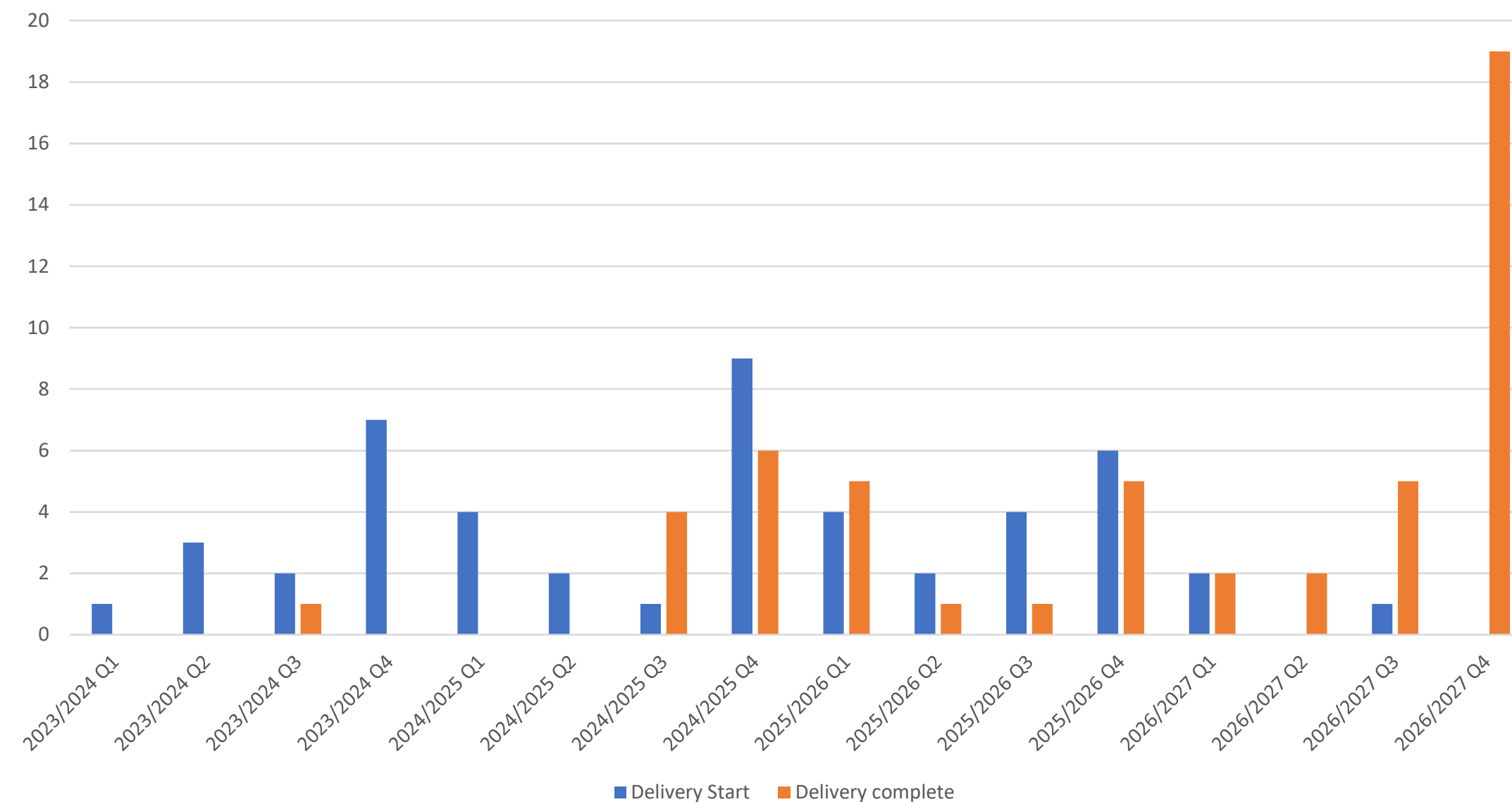
# Delivery Profile

The table on the right presents the projects which are forecast to start, compete or continue delivery over the next financial year.

Construction of the WBHE metro extension will continue over the next financial year and is forecast to complete in October 2024. 16 new projects are predicted to commence delivery over the next financial year. One of these schemes: Foleshill Transport Package: A422 roundabout is predicted to be completed in 2023/24.

The graph on the right shows the forecast delivery profile for the remainder of the programme. In terms of delivery start this is shown to be spread throughout the programme with peaks at the end of 2023/24, the end of 2024/25 and the end of 2025/26. Delivery completion on the other hand shows a large peak in 2026/27 quarter four (the final quarter of the programme) with 19 projects forecast to be delivered that quarter.

	Delivery / Construction Start	Delivery / Construction Complete
WBHE Metro (Final Year of TCF)	Jun-2022	Oct-2024
Swift cEMV contactless payment broker	Jan-2024	Apr-2025
Dickens Heath to Solihull Town Centre LCWIP Scheme.	Feb-2024	Feb-2025
Knowle to Solihull Town Centre LCWIP Scheme.	Feb-2024	Feb-2025
East Birmingham to Solihull Corridor: Damson Parkway active travel / Sprint improvements	Jan-2024	Jan-2025
Dudley Port ITH - Phase 1 and Phase 2 Development	Jan-2024	Dec-2024
Foleshill Transport Package: Foleshill Rd Bus Gate & Cycleway	Dec-2023	May-2025
Foleshill Transport Package: A444 J2 Roundabout	Aug-2023	Nov-2023
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	Sep-2023	Dec-2024
Wednesbury to Brierley Hill Extension Sustainable Access Measures	Jan-2024	Mar-2027
Metro upgrades: Metro Traction Power	Jun-2023	Sep-2025
Metro upgrades: Metro Depot	Apr-2022	Apr-2025
Metro Line 1 Renovation costs	Apr-2023	Mar-2025
Coventry South Sustainable Transport (GIGA Factory Links)	Aug-2023	Mar-2026
Bus, Cycle and Walk Access: Darlaston and Willenhall Train Stations	Feb-2024	Feb-2025
ULEV Infrastructure: ULEV - Black Country	Oct-2023	Mar-2025



# Summary





# Summary

This report has set out the position of the West Midlands CRSTS programme as of the end of the financial year 2022/23 (the end of the first year of the CRSTS programme). It has provided the context for CRSTS investment including setting out the transport challenges faced in the area as well as the policy environment in which these issues will be resolved. An update on CRSTS guidance has also been provided including that a re-basing exercise will be undertaken in 2023/24 in acknowledgement of inflationary pressures.

A summary of the key achievements over the last financial year has been provided including both development milestones (with Full Business Cases or Business Justification Cases being approved for 7 projects) as well as delivery milestones (with delivery ongoing for one project, complete for one project and starting for two further projects). We have also provided an update on work done regarding our Local Network Improvement Plans allocation (including an award-winning safety scheme and a trial of e-cargo bikes) and our Highways Maintenance allocation.

This report has also presented a health check for the overall programme and demonstrates that the majority of projects are reporting as 'green' in terms of deliverability, risks and financials. However, it is clear that issues are beginning to emerge, particularly regarding financials which is also apparent in our programme risks (along with concerns about network disruption and stakeholder support).

The funding update for the programme has shown that up to this point just under £500m of CRSTS funding has been approved with approximately a fifth of this already spent. The remaining £550m is yet to be approved. The forecast of future spending suggests that the period with the highest expenditure will be over the financial year 2024/25. Spend is also forecast to climb significantly over the next financial year.

In terms of scheme development, over two thirds of the projects in the programme have currently engaged in the business case development process (from early engagement to approval of the Full Business Case or Business Justification Case). It is forecast that 55 business case documents will be submitted over the next financial year including 10 Full Business Cases and 5 Business Justification Cases. If these are approved then 15 schemes would be permitted to progress to delivery stage next year.

In terms of forecast delivery, 16 new projects are projected to commence delivery / construction over the next financial year and one project is forecast to be completed. A large number of projects (just under a third of the total) are forecast to reach delivery completion in the final quarter of the programme. The table overleaf presents the current forecast delivery dates for all of the CRSTS schemes along with the forecast dates included in the original submission.



# Summary - Scheme List

The table below summarises the forecast timescales vs the original timescales for packages of schemes.

Package	Description	Sub-project	Original Forecast		Current Forecast		Difference (months)	
			Delivery start	Delivery complete	Delivery start	Delivery complete	Delivery start	Delivery complete
Very Light Rail	Further research and development of VLR along with the construction of a route from Coventry Station to University Hospital Coventry & Warwickshire	Coventry Demonstration Route	Nov-2022	Sep-2025	Mar-2023	Mar-2027	4	17
		Innovation Centre (Dudley)			Jul-2024	Mar-2026		
		R&D / Development			n/a	n/a		
Metro Upgrades	Upgrades to Line 1 depot and traction power	Metro Traction Power	Oct-2022	Sep-2025	Jun-2023	Sep-2025	8	0
		Metro Depot	Started	Mar-2025	Apr-2022	Apr-2025		0
A4123 Walk, Cycle and Bus Corridor	Multi-modal corridor improvements, including LTN 1/20 compliant cycleway and bus priority measures.	Multi-modal corridor improvements, including cycleway and bus priority measures	Jan-2025	Mar-2027	Jan-2025	Mar-2027	0	0
		Segregated cycleway from Burnt Tree to Lower City Rd			TBC	TBC		
East Birmingham to Solihull Corridor	Short to medium-term options for transport enhancements in the East Birmingham to Solihull Corridor.	Bus Priority	Jun-2024	Mar-2027	Jan-2026	Dec-2026	-5	0
		Damson Parkway active travel / Sprint improvements			Jan-2024	Jan-2025		
		First-mile / Last-mile			Apr-2026	Mar-2027		
A454 Walk, Cycle and Bus Corridor	Multi-modal corridor between Wolverhampton and Walsall including high quality walking and cycling infrastructure and improving bus journey time reliability.	Phases 1 & 2	Sep-2024	Mar-2027	Sep-2024	Sep-2026	0	0
		East Park active travel			Jul-2025	Mar-2026		
		Phase 3			Apr-2026	Mar-2027		
		Willenhall Core Walking Zone			Development only in CRSTS - Delivery beyond 2027			
		Bentley active travel			Apr-2025	Mar-2027		
		Birchills active travel			May-2025	Mar-2027		
ULEV Infrastructure	Delivery of on-street residential chargepoints in areas with no off-street parking, as well as other EV charging facilities around the West Midlands.	ULEV - Rest of West Midlands	Apr-2023	Mar-2027	May-2025	Mar-2027	6	0
		ULEV - Black Country			Oct-2023	Mar-2025		
Park & Ride Estate Development	Delivery of improved park and ride at Tile Hill accompanied by improved access by bus and active travel. Development of park and ride sites at Whitlocks End, Minworth and Walsall.	P&R development	Aug-2024	Oct-2026	n/a	n/a	9	1
		Tile Hill delivery			May-2025	Dec-2026		
Foleshill Transport Package	Junction improvements, PT priority measures and walking & cycling infrastructure.	Foleshill Rd Bus Gate & Cycleway	Jul-2023	Dec-2024	Dec-2023	May-2025	-8	4
		A444 J2 Roundabout			Aug-2023	Nov-2023		
		J9 Radford Rd Cycleway			Nov-2022	Mar-2023		

# Summary - Scheme List

The table below summarises the forecast timescales vs the original timescales for packages of schemes.

Scheme name	Description	Original Forecast		Current Forecast		Difference (months)	
		Delivery start	Delivery complete	Delivery start	Delivery complete	Delivery start	Delivery complete
Snow Hill Growth Strategy	Improvements to the Snow Hill area of the city centre including the usage of the ring road. Project could see expansion of development areas for residential and employments sites.	Jan-2023	Sep-2026	Mar-2026	Mar-2027	37	5
Black Country Walking and Cycling Package	Delivery funding for various LTN 1/20 compliant walk and cycle corridors within the Black Country, as identified in the WM LCWIP.	Oct-2023	Mar-2027	Nov-2025	Mar-2027	25	0
Mobility Hubs & E Bikes	Full roll-out of Mobility Hubs including different variants providing a variety of mobility solutions e.g. cycle hire and parking, travel information, micromobility, PT pick up and drop off etc.	Apr-2024	Mar-2027	Mar-2026	Mar-2027	23	0
Sprint A45 Phase 2	Phase 2 enables completion of the full project include priority measures in Solihull.	Jun-2023	Nov-2024	Feb-2025	Jun-2025	20	6
BSIP Bus Priority X-city Routes	Bus priority infrastructure on 8 radial routes into / out of Birmingham creating four cross-city routes.	Sep-2024	Sep-2026	Jan-2026	Dec-2026	16	2
Hagley Road Rapid Transit	Further work and analysis of rapid transit options along this corridor followed by initial stages of delivery.	Sep-2024	Dec-2026	Jan-2026	Dec-2026	16	0
Aldridge Station	New station at Aldridge and reintroduction of passenger services to the station along a short section of the existing Sutton Park rail line.	Jan-2025	Mar-2027	Apr-2026	Mar-2027	15	0
Swift cEMV contactless payment broker	To deliver a 'broker' that will enable integrated cEMV contactless payment capping across operators and modes	Nov-2022	Dec-2025	Jan-2024	Apr-2025	14	-8
A449 Walk, Cycle and Bus Corridor	Bus priority measures along with walking and cycling infrastructure via reallocation of available highway space.	Apr-2023	Sep-2024	May-2024	May-2026	13	19
Active Travel - A45 Segregated Cycleway	The provision of a segregated cycle way between Birmingham City centre and the Airport.	Mar-2025	Apr-2026	Jan-2026	Mar-2027	10	10
Ultra Rapid Charging Transit Stations (EVCATS)	Delivery of 10 EV charging stations located on or in close proximity to the Key Route Network for the West Midlands and Warwickshire.	Aug-2023	Jun-2025	Apr-2024	Dec-2025	8	5
Sprint A34 Phase 2	Phase 2 enables completion of the full project include priority measures in the Black Country.	Jun-2023	Nov-2024	Jan-2024	Jun-2025	7	6
Coventry South Sustainable Transport (GIGA Factory Links)	Improvements along London Rd, including a LTN 1/20 segregated cycle link.	Jan-2023	Mar-2025	Aug-2023	Mar-2026	7	12
Wolverhampton City Centre Movement - Walk, Cycle and Bus Package	LTN 1/20 compliant high quality continuous cycle route and additional walking infrastructure will be created through the city, creating a high quality walking and cycling environment in the heart of Wolverhampton City Centre	Mar-2023	Apr-2024	Sep-2023	Dec-2024	6	7
Selly Oak to Longbridge Segregated Cycling	Completion of the Selly Oak to Longbridge section of the high-quality A38 segregated cycle route.	May-2025	Jan-2027	Oct-2025	Mar-2027	5	1
One Station and Smallbrook Queensway	Upgrade of strategic walking routes between Birmingham New Street, Birmingham Moor Street, Birmingham Curzon Street and Birmingham Snow Hill	Oct-2025	Mar-2027	Jan-2026	Mar-2027	3	0
City Centre Active Travel Connections to Interchange	Upgrade, restoration and renovation of walking and cycling links public realm across Birmingham City Centre, between key public transport interchanges.	Sep-2025	Mar-2027	Nov-2025	Mar-2027	2	0
Smethwick - Birmingham Inclusive Growth Corridor Transport Package	Dudley Road corridor improvements, (cycling and walking / PT / Smart Mobility)	Mar-2025	Mar-2027	Mar-2025	Mar-2027	0	0
Wednesbury to Brierley Hill Extension Sustainable Access Measures	Active travel upgrades on key links between trip attractors and new metro stops.	Jan-2024	Mar-2027	Jan-2024	Mar-2027	0	0
Dickens Heath to Solihull Town Centre LCWIP Scheme.	Segregated cycleway connecting the large residential area of Dickens Heath to the south of the borough with the town centre.	Feb-2024	Feb-2025	Feb-2024	Feb-2025	0	0
Demand Responsive Bus (inc diversification of Ring & Ride)	New assets and improved IT systems to support wider Demand Responsive Transport deployment across the region.	Sep-2025	Mar-2027	Sep-2025	Mar-2027	0	0

# Summary - Scheme List

The table below summarises the forecast timescales vs the original timescales for packages of schemes.

Scheme name	Description	Original Forecast		Current Forecast		Difference (months)	
		Delivery start	Delivery complete	Delivery start	Delivery complete	Delivery start	Delivery complete
Knowle to Solihull Town Centre LCWIP Scheme.	Segregated cycleway connecting Solihull town centre to Knowle, a key settlement in the rural east of Solihull.	Feb-2024	Feb-2025	Feb-2024	Feb-2025	0	0
Dudley Town Centre Interchange Sustainable Connectivity Package	Walk / cycle connectivity project within Dudley town centre, improving perceptions of safety. Integration with WBHE Metro and Dudley Interchange urban realm enhancements.	Jan-2025	Mar-2027	Jan-2025	Mar-2027	0	0
Chester Road Corridor - Segregated Cycleway and Capacity Enhancement.	Delivery of LTN 1/20 compliant cycle infrastructure and a modest increase of highway capacity on a heavily congested section of the A452 Chester Road through Chelmunds Cross, just north of the HS2 Interchange station.	Jun-2025	Dec-2026	Jun-2025	Dec-2026	0	0
UKC - Solihull - Dorridge Bus Priority	Cross Solihull bus route, with priority infrastructure to connect the UKC Hub area with Solihull Town Centre, Cranmore and Blythe Valley Business Parks and Knowle / Dorridge.	Mar-2026	Mar-2027	Mar-2026	Mar-2027	0	0
Stourbridge Town Centre Sustainable Connectivity Package	Walk / cycle connectivity project within Stourbridge town centre, improving perceptions of safety and making permanent changes made for EATF.	Jun-2024	Sep-2026	Jun-2024	Sep-2026	0	0
BSIP Retrofit Programme (120 buses to Euro 6)	Retrofitting of 120 older buses to get them to Euro 6 emissions standards.	Jun-2025	Mar-2026	Jun-2025	Mar-2026	0	0
Dudley Port ITH - Phase 1 and Phase 2 Development	Delivery of infrastructure at Dudley Port to improve integration and interchange between bus, rail and metro.	Jan-2024	Dec-2024	Jan-2024	Dec-2024	0	0
WBHE Metro (Final Year of TCF)	Extension of the Metro to Brierley Hill	Started	May-2025	Jun-2022	Oct-2024	0	-7
Metro Line 1 Renovation costs	Asset renewal of Line 1 to enable continued reliable and safe operation	Started	Dec-2025	Apr-2023	Mar-2025	0	-9
A461 Dudley Walk, Cycle and Bus Corridor	Multi-modal LTN 1/20 compliant infrastructure improvements for active travel and bus priority for various bus routes identified in the WM BSIP.	Mar-2025	Mar-2027	Jan-2025	Mar-2027	-2	0
A461 Sandwell Walk, Cycle and Bus Corridor	Multi-modal LTN 1/20 compliant infrastructure improvements for active travel and bus priority for various bus routes identified in the WM BSIP.	Mar-2025	Mar-2027	Jan-2025	Mar-2027	-2	0
Bus, Cycle and Walk Access: Darlaston and Willenhall Train Stations	Walk, cycle, bus & general highway improvements to help unlock	Apr-2024	Mar-2025	Feb-2024	Feb-2025	-2	-1
Sutton Gateway	Improved walking and cycling access to and through Sutton Town Centre and associated changes to highway layouts to support regeneration.	Mar-2026	Mar-2027	Oct-2025	Mar-2027	-5	0
A41 Moxley Iron Park to Walsall Town Centre Walk, Cycle and Bus Corridor (Phase 1)	Multi-Modal junction and corridor improvements for walking, cycling and buses.	Apr-2026	Mar-2027	Mar-2025	Mar-2027	-13	0
Highways Maintenance	Five year programme of maintenance and renewals.	Started	Mar-2027	Started	Mar-2027	0	0
Local Network Improvement Plans	Five year programme of minor transport schemes determined and delivered by each authority.	Started	Mar-2027	Started	Mar-2027	0	0
Data to support scheme development plus M&E	Funding to collect, interpret and analyse data to determine the outcomes and impacts of the CRSTS projects and overall programme.	Started	Mar-2032	Started	Mar-2032	0	0
Solihull Rail Station	Development of a multi-modal interchange incorporating increased capacity at the station, alongside significantly improved bus interchange facilities and enhanced public realm and provision / facilities for cyclists and pedestrians.	Nov-2022	Mar-2027	n/a	n/a	0	0
Rail Development	Funding for the development of a number of new stations in anticipation of subsequent delivery funding.	Jan-2023	Mar-2027	n/a	n/a	0	0
Multi-modal Access to HS2 Enhancement.	Interventions at key junctions on the highways network to improve upon the schemes proposed by HS2 including provision of LTN 1/20 compliant infrastructure.	Jan-2023	Mar-2027	n/a	n/a	0	0
West Coast Mainline and M42 Public Transport and Active Travel bridge links to HS2 Hub	The construction of a bridge over the M42 to provide sustainable access to the HS2 Interchange site. (WCML Bridge to follow with subsequent funding).	Jan-2023	Mar-2027	n/a	n/a	0	0
Bus, Cycle and Walk Access: Walsall Town Centre Interchange	Development funding for Walsall Town Centre Interchange, which involves Reconfigured access to St Paul's Bus Station and delivery of town centre masterplan.	Jan-2024	Mar-2027	n/a	n/a	0	0



## WMCA Board

<b>Date</b>	9 June 2023
<b>Report title</b>	Overview & Scrutiny Committee - Annual Report
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
<b>Accountable Employee</b>	Helen Edwards, Director of Law & Governance email: helen.edwards@wmca.org.uk
<b>Report has been considered by</b>	Executive Board - 3 May 2023

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

#### The WMCA Board is recommended to:

- (1) Endorse the Overview & Scrutiny Committee 2022/23 annual report, attached as appendix A.
- (2) Support the proposed work plan of the Overview & Scrutiny Committee for 2023/24, as detailed within paragraph 2.4 below.

#### 1. Purpose

- 1.1 The purpose of this scrutiny annual report is to highlight the work programme and key achievements of the Overview & Scrutiny Committee during 2022/23.

#### 2. Background

- 2.1 Overview & Scrutiny is a statutory requirement for the West Midlands Combined Authority to undertake. The committee has the responsibility to review the work of the Mayor and the WMCA, to make recommendations to the WMCA Board and its committees and call-in decisions that have already been made for further scrutiny.
- 2.2 The committee performs two functions: 'overview' and 'scrutiny'. 'Overview' focuses on the development of policy and 'scrutiny' looks at decisions that have been made or are about to be made.

- 2.3 The Overview & Scrutiny Committee has constitutional authority to require the Mayor, members and officers to attend its meetings to answer questions or provide further information on request. However, equally important is the need for the committee to build good working relationships and understanding with the members of the WMCA Board, Executive Board and Transport for West Midlands to work collaboratively and in partnership to achieve the objectives of the WMCA.
- 2.4 This annual report is intended to set out clearly and succinctly the work of the committee over the last 12 months. In addition, it also sets out the committee's focus for the year ahead, including the intention for earlier and regular engagement between the Executive Board and scrutiny, the development and implementation of the Government's new scrutiny protocol (which will be a key consideration in determining eligibility for future devolved single funding settlements), greater scrutiny of Portfolio Lead Members, public engagement in the scrutiny process and scrutiny of the WMCA's performance and outcomes reporting.
- 2.5 The annual report helps demonstrate the WMCA's commitment to critical self-assessment and transparency in its decision making.

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

- 3.1 The overview & scrutiny function supports all six of the WMCA's aims for the region by ensuring that decisions taken at boards/committees have considered all relevant matters and options. Scrutiny is also able to look at the effectiveness of past decisions in achieving their stated aims, with the intention of strengthening future decision making.
- 3.2 Specifically, a strong and effective overview & scrutiny function is a stated requirement of the Government in respect of the devolution of powers, and therefore scrutiny directly supports Aim 5 ('securing new powers and resources from central government').

### **4. Financial Implications**

- 4.1 There are no specific financial implications arising from this report.

### **5. Legal Implications**

- 5.1 There are no legal implications arising from this report.

### **6. Equalities Implications**

- 6.1 There are no equalities implications arising from this report.

### **7. Inclusive Growth Implications**

- 7.1 There are no specific inclusive growth implications arising from this report.

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

- 8.1 The Overview & Scrutiny Committee comprises 12 members appointed by constituent authorities, four members appointed by non-constituent authorities and a representative from the business sector.

**9. Other Implications**

9.1 None

**10. Schedule of Background Papers**

10.1 None

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**West Midlands**  
Combined Authority

# **Overview & Scrutiny**

## **5th Annual Report 2022/23**



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# Foreword

The last 12 months have been the busiest year of scrutiny since I have been sitting on the committee from 2018!

We started the year with the news that, along with Greater Manchester Combined Authority, we had been selected as partners in the Government's Trailblazer Devolution Deal, with all 'asks' believed to be on the table. Scrutiny had a big role to play in shaping these asks and offering a sense-check on ambitions and the resources available to deliver them. We held five working groups over the summer months and looked at every aspect the WMCA was putting forward. This demonstrated the absolute value of pre-decision scrutiny, helped to shape the final proposals submitted to the Government and demonstrated the strength of good governance. The Deeper Devolution Deal, as it has finally been called, will also be the catalyst for Government seeking to increase and the strengthen the role of scrutiny across all combined authorities and local authorities to ensure robust oversight.

The year also saw two strands of the governance review progressed, with the transport governance recommendations hopefully being signed off at the WMCA's upcoming AGM.



**Chair – Councillor**  
Cathy Bayton

As Chair, along with the support of Lyndsey Roberts, we have convened two meetings of the chairs and vice-chairs of all combined authorities across England. This has helped share good practice and ideas for how we can all strengthen and improve our scrutiny functions. We have agreed it is a useful meeting and to convene three further meetings during the next year.

The members of both Overview & Scrutiny Committee and Transport Scrutiny Sub-Committee have worked diligently, challenging and offering constructive observations to policy and delivery. I want to thank all of them as the demands on their time this year have been greater than ever and as their Chair, I have hugely valued their constructive support and contributions. I want to pay particular thanks to Councillor Naeem Akhtar from Coventry as Vice-Chair of the Overview & Scrutiny Committee and Councillor Chaman Lal from Birmingham as Vice-Chair of the Transport Scrutiny Sub-Committee. I also wish Councillor Lal every success in his forthcoming role as Lord Mayor of Birmingham. We have struggled again with the quorum this year, and it is hoped that the proposals contained within the new Levelling Up & Regeneration Bill to give powers to remunerate statutory committees may well help this issue. But it is also really important when local authorities nominate members to sit on our committees, those individuals have the capacity to commit to the work programme ahead.

As always, the backbone of the scrutiny function at the WMCA is the support that we receive from officers Lyndsey Roberts, Dan Essex and more recently Julia Cleary. Without their continued hard work to ensure the meetings have all the information they require, and the support offered to me as chair, the scrutiny function would not be as effective.

## Introduction

We are pleased to present the Overview & Scrutiny Committee's fifth annual report which outlines its focus, key work activities and the outcomes achieved during the 2022/23 municipal year.

Overview and scrutiny are statutory functions of the WMCA. The Overview & Scrutiny Committee discharges these responsibilities through oversight of the work of the Mayor, portfolio lead members and the wider WMCA decision making process in order to hold decision makers to account and improve the quality of the decisions (whether planned, underway or implemented) that the WMCA takes.

Overview & Scrutiny Committee members may make recommendations to the WMCA Board and other committees, call-in decisions for further scrutiny and challenge those whether planned, underway or implemented. The committee acts as an advocate for residents of the West Midlands by investigating issues that are important to local people's lives and by looking further into matters brought to its attention by the public. From reviewing the asks of the 'Trailblazer' Deeper Devolution Deal to understand the tangible benefits for residents of the West Midlands, value for money to scrutinising the impact of the devolution of the Adult Education Budget to the WMCA on the delivery of local skills training, the Overview & Scrutiny Committee, comprising the region's local councillors and business sector representatives is the body that is charged with providing this critical challenge.

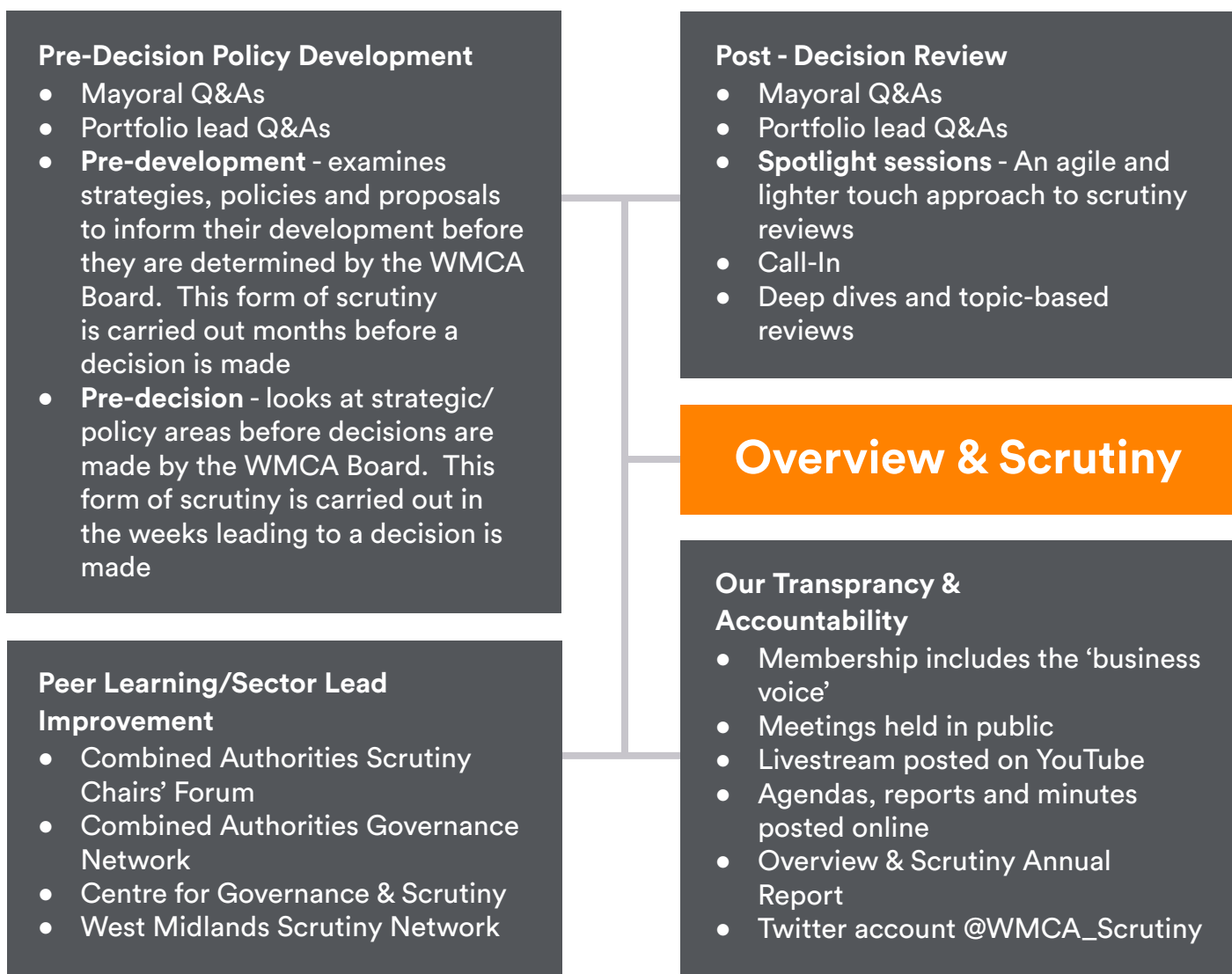
Scrutiny is a fundamental part of any efficient and equitable governance structure and decision-making process. Scrutiny is at the heart of good decision-making, which the WMCA has welcomed, encouraged and supported throughout the organisation.

While the committee's membership includes local councillors nominated by the WMCA's 18 member councils, it also has a representative from the business sector. This brings a business voice to discussions and ensures that the views of the region's commercial sector are heard at the highest levels of decision making.

The committee performs two functions 'overview' and 'scrutiny'. Overview focuses on the development of policy, and scrutiny that looks at decisions that have been made or are about to be made.



# What We Do and How We Do It



## Overview & Scrutiny's Focus for the Year

Due to the current economic situation in the region and the rise in the cost of living across the UK, it was important for Overview & Scrutiny Committee to ensure that the powers of the WMCA and its policies were delivering for the people of the West Midlands.

## Overview & Scrutiny Committee in 2022/23

This past year the committee focused on the 'Trailblazer' Deeper Devolution Deal proposals, the UK Shared Prosperity Fund Investment Plan, progress against the delivery of the 'Five Year Plan' to make the West Midlands net zero by 2041, the affordable housing supply strategy and delivery pilot, and the impact of the Adult Education Budget and how it was meeting the needs of the area, the employer and the disadvantaged. The committee has continued to have broad oversight of the policies of the WMCA and has reviewed the effectiveness of its key decisions. It has an important role in reviewing and scrutinising the Mayor, portfolio lead members, the WMCA and Transport for West Midlands in respect of plans, priorities, corporate governance arrangements and financial matters.



West  
Midlands  
Railway



# Holding The Mayor Of The West Midlands And The Portfolio Lead Members To Account

The committee has undertaken a number of public Mayoral Q&A sessions, structured around two core themes 'accountability and investment' with questions focusing on the key challenges, outcomes and benefits for the people of the West Midlands region.

In October, the committee questioned the Mayor on the delivery and impact of the WMCA's policies. Questions focussed on:

- Cost of living pressures
- The WMCA's ambition vs resource
- Investment Zones and potential unintended consequences for the wider economy
- WMCA's 'Trailblazer' Deeper Devolution Deal
- The Levelling Up & Regeneration Bill
- Environment
- Skills
- Transport

In December, the committee held its second Q&A and questioned the Mayor and the Lead Member for Finance on financial matters relating to the developing budget for 2023/24, with a particular focus on:

- Financial challenges and sustainability of the budget
- Investment Programme
- WMCA's 'Trailblazer' Deeper Devolution Deal (resource vs ambition)
- Investment Zones
- Transport (HS2 and approval of unfunded schemes)

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*These public Q&A sessions were an important part of providing public accountability and transparency of decision-making for the WMCA's only directly elected politician*

”





# Mayoral Q&A Sessions - Key Findings

## Delivery and Impact of the WMCA's Policies

The following matters were reported to the WMCA Board on 16 December 2022:

- **Adult Education Budget, Skills and Job Opportunities**  
The overall impact of higher education spend and the likelihood that any sub-regional disparity in this would affect the future of the region as individuals would seek employment and training opportunities outside of their boroughs. Access to learning and employment and how to change the mindset of individuals to take up the opportunities that were on offer was vitally important.
- **Investment and pace of delivery**  
Investment into the reliability and speed of investment to deliver the infrastructure and services needed to enable individuals to travel to work seamlessly and for businesses to operate effectively was important and remained a key challenge.

The 2041 net zero target was also reliant on improvements to the public transport offer.

- **Resource vs Ambition**  
Overview & Scrutiny Committee recognised that resource vs ambition had become a common theme and would be keeping a close eye on this throughout the year. Risk of shared failure and the consequences of this was highlighted as an-ongoing concern for members.

Whilst the breadth and diversity of the WMCA's ambitions was welcomed, along with the recognition of the challenges within the region, it was thought that focusing on those areas (housing, skills, transport and climate change) which caused the greatest concern for residents should be the priority focus for the WMCA.

- **Levelling Up Zones**  
Members were to be kept updated on the development of these Levelling Up Zones.
- **Communication**  
The committee stressed the importance of a strong communications strategy to counteract negative stories.

## WMCA's Budget 2023/24

The following matters were reported to the WMCA Board on 13 January 2023, during consideration of the WMCA's 2023/24 budget:

- **Regional Role in Energy Efficiency**  
Members expressed their concerns on the cost of energy and the impact that this had on the economy. There was a need to seek the introduction of alternative solutions, for example energy turbines.
- **Investment Portfolio**  
The committee questioned whether the WMCA was generating economic growth in specific areas, especially given the disparity of investment.
- **Greater Scrutiny - Arms' Length Companies and the Delivery of Outputs**  
The committee considered that there needed to be a greater focus on the outputs generated through investments and a greater scrutiny focus on arms' length companies and the outputs delivered for the region.
- **Carbon Neutrality**  
The committee stressed the importance of the work being undertaken to achieve carbon neutrality on projects that the WMCA was supporting.



## Areas of Focus 2022/23

### West Midlands Combined Authority 'Trailblazer' Deeper Devolution Deal

The Levelling Up White Paper was published in 2022 and defined levelling up as “increasing opportunity across the UK and reducing disparities between and within regions”. The White Paper discussed deepening devolution and offering a number of devolved powers to regions that want them. The WMCA had been invited to negotiate a 'Trailblazer' Deeper Devolution Deal.

The committee had met with the Executive Director for Strategy, Integration & Net Zero to understand the emerging draft devolution proposals, the governance process and timescales for submission.

Key lines of enquiry focused on:

- The ask vs the ability and capability to deliver
- The development of a West Midlands outcome framework
- Drawing down powers and finance from Government
- Funding simplifications for transport, housing, skills and retrofit and increased public engagement
- The importance of the availability of up-to-date information

Questions also focused on the implications of the Levelling Up & Regeneration Bill for the WMCA, which was announced in the Queen's speech of 10 May 2022.

### UK Shared Prosperity Fund Investment Plan

Members considered a draft of the UK Shared Prosperity Fund Investment Plan prior to its submission to the WMCA Board. The UK Shared Prosperity Fund was a central pillar of the Government's Levelling Up Agenda, providing funding for local areas to increase life chances across the UK and to build pride in place.

The committee met with the Executive Director for Economic Delivery, Skills & Communities to discuss:

- The allocation of the UK Shared Prosperity Fund to each local authority
- Its allocation for non-constituent authorities and the potential opportunities to work in collaboration
- The ability to spend year one funds by 31 March 2023
- The funding gap for 'people and skills' and challenges
- Risk assessments
- Outcomes

## WM2041 – Progress with ‘Five Year Plans’ to get to 2041

Members held a spotlight session with the Director of Energy Capital, Head of Environment and the Energy Infrastructure Lead to understand the progress against the delivery of the ‘Five Year Plan’ to make the West Midlands net zero by 2041.

Key lines of enquiry focused on:

- Resourcing
- The pace of delivery
- The ability of the supply chain to provide products and services that customers trusted
- A behaviour change programme, with a focus on affordability
- Carbon Zero Neighbourhoods
- Being aware of the obstacles that the business community faced
- The importance of the WMCA’s global ethical responsibilities

## Housing: Future Homes Strategy, Affordable Housing Supply Strategy, Affordable Housing Delivery Pilot

The committee met with the Lead Member for Housing & Land to discuss and answer questions on the development of a Future Homes Strategy, the Affordable Housing Supply Strategy and the Affordable Housing Delivery Pilot.

The following observations were considered by the WMCA Board:

### **Future Homes Strategy:**

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 should be supported. The increase in the local supply chain and aim to drive the locally produced percentage of components was to be encouraged.

### **Affordable Housing Supply Strategy:**

There was an important 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.

### **Affordable Housing Delivery Pilot:**

The committee commended the pilot and the ambition to deliver 100% affordable homes.

“

*“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**”*

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”

# Scrutiny Working Groups 2022/23

## WMCA ‘Trailblazer’ Deeper Devolution Deal

Following the committee’s meeting in July, members tested each of the ‘Trailblazer’ Deeper Devolution proposals to ensure that they had a clear focus on drawing down powers and funding from Government (including opportunities for ‘double devolution’ to the WMCA’s constituent member authorities where appropriate) and ensuring that the roles and responsibilities of those constituent authorities were not being devolved.

“

*The sessions have been extremely constructive and have helped to further illuminate how proposals may address some of the challenges faced by communities across the region*

”

A principle that the WMCA had adhered to throughout the development of the deeper devolution deal proposals was that **with more responsibility, there should be more accountability.**

Over the summer period (August 2022), a series of extensive working groups had been established to review each of the proposals in detail and to discuss the local benefits that would be delivered to each local authority and non-constituent authorities.

1

### Session One

- Transport
- Housing and Regeneration
- Smart City Region

2

### Session Two

- Industrial Decarbonisation
- Economy
- Skills
- Digital Inclusion
- Digital Infrastructure

3

### Session Three

- Social Economy
- Homelessness
- Prevention
- Funding Simplification & Fiscal Devolution
- Culture
- Health

4

### Session Four

- Data, Performance & Accountability
- Crime, Community, Safety and Resilience
- Net Zero
- Retrofit Commissioning Framework
- Local Area Energy Planning
- Climate Adaptation

5

### Session Five

Local benefits that could be delivered by the deeper devolution deal in each of the constituent and non-constituent authority areas.

“

*“Working Group members provided invaluable insight into some of the challenges that their communities faced. This ‘on-the-ground’ perspective was incredibly valuable for officers both in terms of greater understanding of the issues being faced by residents and businesses within the region, but also as evidence and case studies to bolster discussions with Government colleagues”*

”

# Effectiveness and Outcome

## Scrutiny of the ‘Trailblazer’ Deeper Devolution Deal

After considering each of the ‘Trailblazer’ Deeper Devolution proposals and the local benefits, a number of key themes and considerations emerged.

- **Investment sought compared to the scale of the ambition**  
The committee welcomed the scale of ambition outlined in the devolution proposals, but in some instances queried whether the investment being sought was bold enough to ensure delivery.
- **Priorities**  
Whilst the breadth and diversity of proposals were welcomed, the committee did reinforce the importance of prioritising these proposals. Key focus areas were identified as housing, transport, skills and climate change. Although this was not to the exclusion of other proposals, these areas reflected the greatest concerns for residents and there was genuine concern that spreading the capacity too thinly, given the level of resource being sought, would undermine delivery in these areas.
- **Impacts from the proposals**  
Members’ insights had reinforced the importance of representing people in the proposals rather than merely strategic measures and interventions.
- **Integration of strategic approaches**  
The interdependency between proposal areas became clear, for example the important relationships between skills and economic growth, or effective transport systems and easy access to employment opportunities. Members recognised that although many of these areas were already well-integrated and connected, the proposed devolution deal had highlighted even greater opportunities for the integration of approaches and measures.

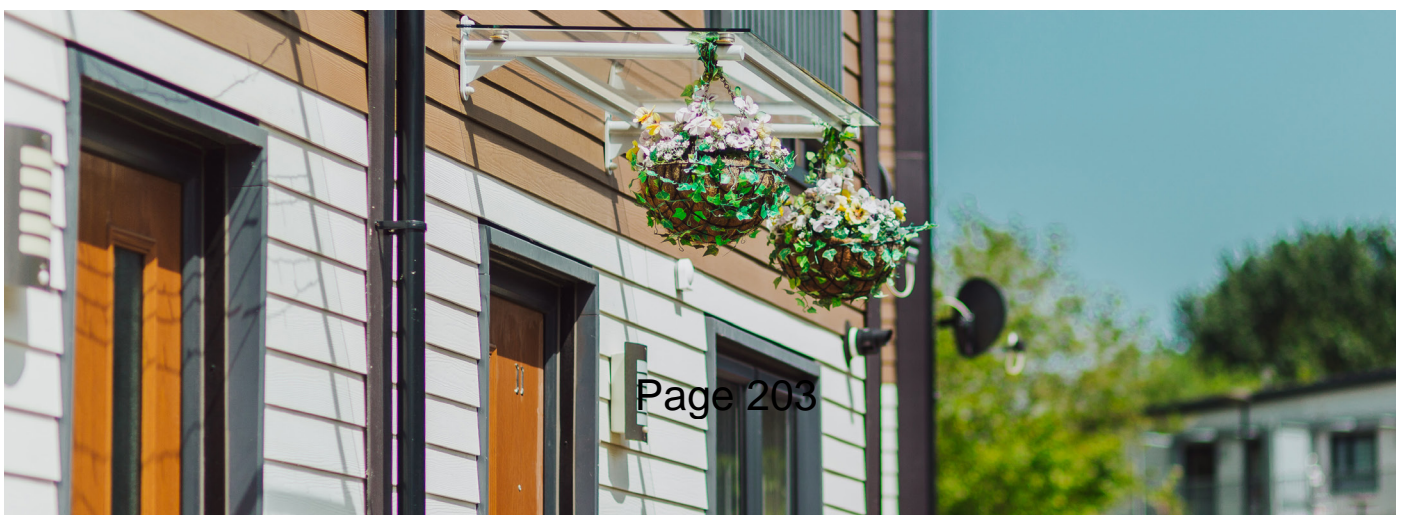
“

*We are grateful to Cllr Bayton and her wider team for the time and commitment they have given to strengthening this work*

”

### Outcome

The conclusions of the work of overview & scrutiny were supported by the WMCA that helped to shape the Deeper Devolution Deal submission to Government.





## Deep Dive Review:

“

***A review of the impact of the devolution of the Adult Education Budget to the WMCA on the delivery of local skills training***

”

Following the findings of the 2020/21 review to ascertain whether the regional economic recovery proposals were meeting the needs that had been identified within the Black Country sub-region, members considered that it was now an appropriate time to undertake a further scrutiny review to assess the impact and outcomes that had been delivered through the Adult Education Budget since its devolution to the WMCA.

The review sought to understand the impact of the devolution of the Adult Education Budget on the delivery of local skills training within the region, and to identify the challenges and ways in which the WMCA and its constituent authorities could most effectively use skills development to address short- and longer-term challenges in the region, particularly in relation to the big economic challenges. The findings would be used to help shape future skills funding.

The review panel examined how the Adult Education Budget was meeting the needs of the:

- Area
- Employer
- The disadvantaged

The panel sought written evidence and undertook face-to-face interviews with a range of key witnesses to help inform the review including representatives from:

- Coventry & Warwickshire Chamber of Commerce
- Job Centre Plus
- Dudley Metropolitan Borough Council
- City of Wolverhampton Council
- Small/medium-sized enterprises
- Regional Business Council
- A local training provider

The findings of the review will be considered by Overview & Scrutiny Committee in 2023/24, prior to its submission to the Skills Advisory Board.



## A Look Back: Scrutiny Reviews 2021/22 - Where Are We Now?

### Helping to Deliver Affordable and Social Housing Scrutiny Review

During 2020/21, members had identified the provision of affordable and social housing within the region as a key area of focus and agreed to undertake a review to examine the role and remit of the WMCA to deliver affordable and social housing within the West Midlands through the use of devolved housing and land funds.

The findings and recommendations of the review panel were considered by the Overview & Scrutiny Committee and then subsequently reported to and supported by the WMCA Board on 18 March 2022.

During the course of this year, the committee requested a written update on the work of the WMCA and its partners in implementing and responding to the recommendations from the scrutiny committee.

On 5 September, members considered a report on the progress that had been made on the delivery of the eight recommendations that were supported by the WMCA Board. A copy of the report can be accessed here >> [Full Report](#)

Overview & Scrutiny Committee will continue to receive regular reports on progress with delivering affordable homes, providing members with the opportunity to inform and provide recommendations to guide the ongoing work in this area.



# Transport Scrutiny Sub-Committee

## Transport Scrutiny Sub-Committee Focus for the Year

Overview & Scrutiny Committee appointed Councillor Cathy Bayton to chair the sub-committee for 2022/23. With the scale and scope of the transport-related projects currently being delivered, the sub-committee had ensured that those responsible for transport were held to account, demonstrated through regular Q&A sessions with the Portfolio Lead for Transport, the Chair of the Transport Delivery Committee, and the Executive Director for Transport for West Midlands.

“

*To ensure that Transport for West Midlands together with constituent authorities and stakeholders, were delivering the best public transport services that it could, in the public interest and ensuring that the users experience was paramount and at the forefront of Transport for West Midlands thinking, policies and initiatives*

”

## Holding Those Responsible For Transport To Account

### Councillor Ian Ward, Portfolio Lead for Transport

In October, a Q&A session was held with Councillor Ian Ward, Portfolio Lead for Transport, on transport policy related matters. Members questioned him on:

- Passenger value for money
- Financial challenges
- Impact on capital projects on funding pressures
- Concessions in helping in cost of living pressures
- Cross boundary travel for school aged children
- Effectiveness of processes for holding bus operators to account
- Impact of any scaling back of transport policies in meeting the WMCA's net zero carbon objectives
- WMCA's transport governance review

The sub-committee's observations and recommendations were endorsed by the Overview & Scrutiny Committee and Portfolio Lead Member for Transport.

### Councillor Richard Worrall, Chair of Transport Delivery Committee

In February, Councillor Richard Worrall attended a Q&A session to answer questions on transport delivery matters across the region. Questions focussed on:

- WMCA's transport governance review
- Metro City Centre Extension, Wolverhampton financial breach
- Holding Transport for West Midlands and arms' length companies to account
- Bus Franchising
- Behaviour change
- Commonwealth Games Birmingham 2022 - lessons learnt and legacy

The sub-committee's observations and recommendations were endorsed by the Overview & Scrutiny Committee and Portfolio Lead for Transport.

“

*Transport services needed to be more predictable and dependable*

”

# Transport Scrutiny Sub-Committee

This year the Transport Scrutiny Sub-Committee has focussed on the following areas:

## Metro Affordability (Wednesbury - Brierley Hill)

The sub-committee invited the Executive Director of Finance & Business Hub to answer questions on the affordability issues related to the Wednesbury - Brierley Hill metro extension.

Members questioned and received feedback on the current challenges, potential mitigations to fund the scheme and future funding opportunities.

## Bus Network Review

Members examined the content of the bus network review that was supported by a suite of information, including an update on the delivery of the West Midlands Bus Service Improvement Plan in the context of wider challenges faced in the bus market and the latest performance of bus services in the West Midlands. This information was used to help inform the lines of enquiry.

## Bus Franchising

Members reviewed the measures Transport for West Midlands was undertaking to address ongoing challenges in delivering bus services that met the ambitions of the region's Vision for Bus, including the on-going Enhanced Partnership and a Full Franchising Assessment.

Whilst the potential challenges associated with the introduction of a Bus Franchising model across the region were recognised, in terms of delivery, quality and encouraging behaviour change, members challenged the current commercial model and questioned whether it delivered what was needed for the residents of the West Midlands.

## Transport Governance Review

Members continued to be engaged in the development of the transport governance review that would provide clarity on roles and responsibilities, consistency and alignment with other WMCA boards and committees, simplification, clear lines of accountability and transparency of the transport decision-making arrangements within the WMCA.

Throughout 2022/23, the committee has continued to meet with the Director of Law & Governance on the emerging governance structures.

## Commonwealth Games 2022 - Lessons Learned in Transport

Between 28 July and 8 August, Birmingham hosted the 22nd Commonwealth Games, the largest multi-sport event held in England for the last 10 years. The games brought over 1.5m spectators and visitors to the region and transport had to answer to a complex set of challenges, including a complex and congested transport network, a compressed timescale for planning, impacts of COVID-19 and navigating the realities of industrial action on the rail network.

“

*Transport for West Midlands be commended on the success of the Commonwealth Games in terms of transport*

”

# Transport Scrutiny Sub-Committee Continued

## West Midlands Local Transport Plan ‘Reimagining Transport in the West Midlands’ - Final Core Strategy and draft Big Moves and draft Area Strategy Guidance’

Following the sub-committee’s engagement on the Local Transport Plan Green Paper, it was then consulted on the final version of the West Midlands Local Transport Plan ‘Reimagining Transport in the West Midlands’ Core Strategy prior to its submission to the WMCA Board.

Key points raised by the sub-committee included:

- The need for a creative approach on the strategy to connect with younger members of the public and that were representative of the region.
- Creative solutions needed to be sought as to how retail outlets supported and encouraged its customers to use alternative modes of transport to access its facility.
- The importance of consumer affordability within the strategy.
- The provision of infrastructure to accommodate alternative modes of transport; and
- Benchmarking

“

*It was important for Transport for West Midlands to **develop a transport network** that would allow **passengers** to have the same **freedom to move around the region** as was currently enjoyed by car owners*

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# Peer Learning and Sector Lead Improvement

## Centre for Public Scrutiny Training Events

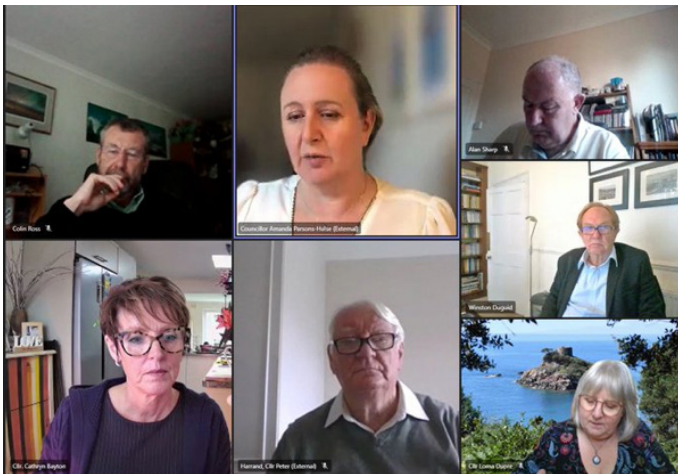
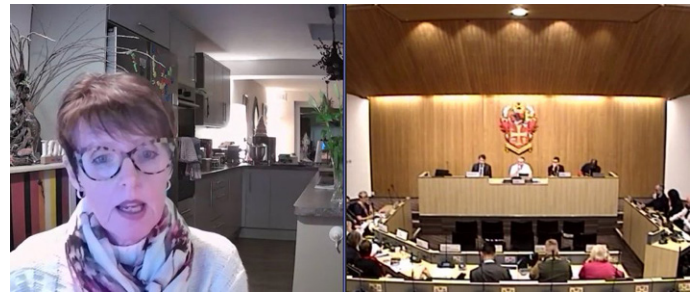
In addition to internal training, officers of the WMCA and members of the committee were informed of training and events that are led by the Centre for Public Scrutiny, as appropriate.

## Combined Authorities Scrutiny Chairs' Forum

The WMCA has been instrumental in setting up the new Combined Authorities Scrutiny Chairs' Forum, enabling the chairs from the country's ten combined authorities' scrutiny committees to meet to share best practice, discuss areas of common interest and to build relationships.

## Working with Local Authorities

The Chair of the Overview & Scrutiny Committee attended meetings of local authority partners to discuss and answer questions on the work of the WMCA's Overview & Scrutiny Committee.



## Combined Authority Governance Network Group – ‘A Collective of the Combined Authorities’

The Combined Authority Governance Network Group is a group of officers from combined authorities across the country that meet on a regular basis and share best practice and learn from others on governance matters, including overview and scrutiny issues. The WMCA was a regular participant of the network group, which was facilitated by the Centre for Public Scrutiny on behalf of the Local Government Association.

# Looking Forward 2023/2024

Overview and scrutiny is a statutory function within the WMCA, undertaken by the Overview & Scrutiny Committee that has responsibility to review the work of the Mayor and the WMCA and hold decision makers to account.

## Earlier and Regular Engagement between the Executive Board and Scrutiny

Whilst engagement with particular departments has improved during the course of the year, members would welcome a closer working relationship with Transport for West Midlands to enable them to understand the challenges, performance and outcomes of transport priorities and strategies.

## 'Trailblazer' Deeper Devolution - English Devolution Accountability Framework

The Government will, in the English Devolution Accountability Framework, develop a new scrutiny protocol. The WMCA will engage in the development of the protocol and the Overview & Scrutiny Committee would seek to also be engaged in this process.

Successfully implementing the protocol will be a key factor when Government will be determining eligibility for single funding settlements and deeper devolution deals.

## Greater scrutiny of the WMCA's Portfolio Lead Members

This area of scrutiny has been identified as 'needs improving' and therefore members will strengthen this area of scrutiny during 2023/24 by inviting Portfolio Lead Members on a regular basis to Q&As and Spotlight sessions to discuss and answer questions within their portfolio area.

## Public engagement within the scrutiny process

Through the establishment of a written questions process and public involvement in 'deep dives'

## Scrutiny of the WMCA's performance and outcomes

This is another area that has been identified as 'needs improving' and members would welcome the engagement of the Executive Board on the availability of performance, outcome and metric information that could be examined by the committee.



## Committee Members 2022/23



**Councillor Cathy Bayton**  
Dudley  
Committee Chair



**Councillor Naeem Akhtar**  
Coventry  
Committee Vice-Chair



**Councillor Andrew Burrow**  
Solihull



**Councillor Mike Chalk**  
Redditch



**Councillor Ellen Fenton**  
Association of Black  
Country Authorities



**Councillor Martin McCarthy**  
Solihull



**Councillor Nigel Lumby**  
Shropshire



**Councillor Ian Kettle**  
Dudley



**Councillor Lauren Rainbow**  
Birmingham



**Councillor Karen Simms**  
Sandwell



**Councillor Mike Sutherland**  
Cannock Chase



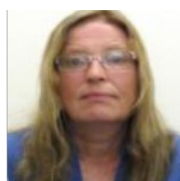
**Councillor Paul Sweet**  
Wolverhampton



**Councillor Jamie Tennant**  
Birmingham



**Councillor Ken Wood**  
Birmingham



**Councillor Vera Waters**  
Walsall



**Amanda Tomlinson**  
Business Voice - Black  
Country Housing Group

## Sub-Committee Members 2022/23



**Councillor Cathy Bayton**  
**Dudley**  
Sub-Committee Chair



**Councillor Chaman Lal**  
**Birmingham**  
Sub-Committee Vice-Chair



**Councillor Martin McCarthy**  
**Solihull**



**Councillor Barbara McGarrity**  
**Wolverhampton**



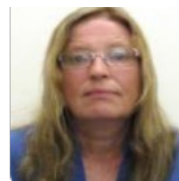
**Councillor Karen Simms**  
**Sandwell**



**Councillor Rupinder Singh**  
**Coventry**



**Councillor Alan Taylor**  
**Dudley**



**Councillor Vera Waters**  
**Walsall**







**West Midlands  
Combined Authority**

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**Twitter:** [@WMCA\\_Scrutiny](https://twitter.com/WMCA_Scrutiny)

**Web:** [governance.wmca.org.uk](http://governance.wmca.org.uk)



## West Midlands Combined Authority

### Housing & Land Delivery Board

Wednesday 22 March 2023 at 10.00 am

#### Minutes

#### Present

Councillor Mike Bird (Chair)  
Councillor Bhupinder Gakhal  
Councillor Andy Mackiewicz  
Councillor Charn Padda  
Councillor Richard Smith

Walsall Metropolitan Borough Council  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Nuneaton and Bedworth Borough  
Council  
Environment Agency

Suzanne Ward

#### In Attendance via MS Teams

Councillor Matthew Dormer  
John Mather  
Councillor Daren Pemberton

Redditch Borough Council  
Homes England  
Stratford on Avon District Council

#### Item Title No.

#### 48. Inquorate meeting

It was noted that the meeting was inquorate and therefore the recommendations contained within the minutes would be submitted to the WMCA Board for formal approval and adoption.

#### 49. Apologies for Absence

Apologies for absence were received from Councillor Butlin (Warwickshire), Councillor Fitzgerald (Cannock), Jo Nugent (Homes England), Councillor Overton (Telford & Wrekin), Kevin Rodgers (West Midlands Housing Association Partnership), Councillor Thompson (Birmingham) Dawn Ward (Greater Birmingham & Solihull Local Enterprise Partnership) and Councillor Welsh (Coventry City Council).

#### 50. Notification of Substitutes

John Mather (Homes England) was nominated as a substitute for Jo Nugent.

#### 51. Minutes - 23 January 2023

It be recommended to the WMCA Board that:

The minutes of the meeting held on 23 January 2023 be agreed as a true record.

## **52. Trailblazer Devolution Deal Update**

The board received a presentation from the Head of Strategy & Analysis, Rob Lamond, that provided an update on the Trailblazing Devolution Deal for the West Midlands that was recently announced by Government.

The presentation outlined regeneration funding (£100m Single Regeneration Fund), the land reform and public land partnership with Government, the new approach to the Affordable Homes Programme being piloted with the WMCA and how the WMCA would be responsible for adopting a strategic role in undertaking key decisions over local investment and spend of Affordable Homes Programme (£200m -£400m) in line with its strategic framework.

The Head of Strategy & Analysis also reported on the Strategic Place Partnership with Government and the 6 Levelling Up Zones across the West Midlands that included the East Birmingham- North Solihull corridor; Wolverhampton corridor; Walsall Growth corridor; Dudley Metro corridors (including the Wednesbury to Brierley Hill link) and the Coventry and Warwickshire gigafactory zone.

The Chair reported that the board should be very proud of what has been delivered to date and conveyed his thanks and appreciation to the Mayor of the West Midlands for securing additional funding for the region ahead of the announcement.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford reported that the West Midlands has proven its ability to deliver and has earned the trust of Government with the Trailblazer Devolution Deal (TDD) that represented a significant transfer of power to the region. He added that the new funds would enable mixed use schemes to be taken forward and the development of town centres, whilst this board, and local authorities would have a key role in taking forward projects.

Councillor Gakhal (Wolverhampton) reported that he welcomed the announcements and in particular the £100m Single Regeneration Fund that enables the development of difficult to deliver sites like Parkfields.

In relation to enquiry from Councillor Mackiewicz (Solihull) regarding the controls and audits by Government for the funding, the Executive Director of Housing, Property and Regeneration advised of the WMCA's obligations to Government with regards to the outputs/outcomes of the various funds and where there was a local designation such as the Levelling Up Zones. He highlighted that the main change with the TDD was the way in which decisions were determined.

The board commented on how the Devolution Deal could provide the funding opportunities to roll-out the Help to Own scheme, to retain and re-purpose heritage buildings for housing, and to further develop St. Basil's 'Live and Work' model of supporting young people into employment and securing an affordable home.

In relation to the affordable housing that is split into two phases, the Chair reported that he wanted to see details of the housing schemes identified in the pipeline along with delivery dates in future reports so the board could ensure delivery dates were being met.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford undertook to provide the information and reported that it was very encouraging that expressions of interest with regards to grant funding applications have significantly increased in recent months.

The presentation was noted and circulated to the board for information.

**53. Quarterly Report on 2022/23 Housing & Land Portfolio Deliverables, and Progress on Housing & Land Annual Business Plan**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided a regular quarterly update on progress in delivering the High- Level Deliverables for the Housing and Land Portfolio.

The Head of Strategy & Analysis, Rob Lamond reported that meetings are continuing with local authority colleagues on 4-6 weekly basis to continue to build the pipeline of schemes.

It be recommended to the WMCA Board that:

1. The positive progress in achieving the Housing and Land Portfolio's approved Annual Deliverables in Q4 2022/23 to date be noted;
2. The key performance highlights set out in Section 3.0 of the report be noted and
3. The positive performance and effective deployment of the WMCA's Devolved Housing and Land Funds illustrated by the schemes summarised in the confidential annex to the report (many of these schemes are now in 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.

**54. Place Pilots Programme: Introduction**

The board considered a report of the Executive Director of Housing, Property and Regeneration that provided an overview of the Place Pilots programme led by the Cabinet Office and its initial launch in the West Midlands.

The Head of Policy & Planning, Pat Willoughby reported that the Place Pilots programme is an is a Cabinet Office initiative delivered through the One Public Estate programme which brings together public sector landowners to deliver a more a collaborative and strategic approach to future public estate demand and supply.

The Head of Policy & Planning reported on the success of two workshops held in November 2022 and January 2023 which have identified several opportunities for potential joint ventures across the region between partners and have provided a deeper insight into estate strategies and requirements within the West Midlands.

It was noted that with regards to the next steps, the Housing, Property and Regeneration Team would continue to engage with local authorities, Government, and public sector organisations to develop an implementation plan for potential projects and initiatives on the themes identified for increased strategic asset management planning across the wider public sector.

Councillor Mackiewicz reported that he welcomed the initiative and enquired as to whether there would be engagement with private landowners and whether the programme would deal with land that has no owner.

The Chair advised that in the case of unknown land ownership, land would revert to the Crown and reported that all necessary steps are taken to identify landowners. He also reported that town centres need to be reinvented as leisure destinations.

Suzanne Ward (Environment Agency) considered this was a great opportunity to use land for resilience purposes such as flood prevention.

It be recommended to the WMCA Board that:

1. That work undertaken to date in collaboration with the Office of Government Property and the Local Government Association around HM Government's Place Pilots Programme be noted;
2. The selection of the West Midlands Combined Authority area as one of the five geographical areas for testing the Place Pilots concept be noted;
3. The potential of the programme to support the regional ambitions for public land in line with the WMCA's Public Land Charter be noted and
4. The continued engagement with the Office of the Government Property and Local Government Association in the Place Pilots programme be noted.

**55. 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).

**56. Quarterly Report on 2022/23 Housing and Land Portfolio Deliverables, and Progress on Housing and Land Annual Business Plan - Appendix**

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.

The Head of Strategy & Analysis, Rob Lamond reported that he would include the additional funds referred to as part of the Trailblazer Devolution Deal update in future dashboard reports.

The Executive Director of Housing, Property and Regeneration, Gareth Bradford reported on 4 schemes that are being delayed due to planning issues and advised the board that these would be closely monitored.

It be recommended to the WMCA Board that:

The report be noted.

**57. Monday 24 April 2023 at 10.00am**

The meeting ended at 11.00 am.

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**West Midlands  
Combined Authority**

## **Investment Board**

**Wednesday 29 March 2023 at 10.15 am**

### **Minutes**

#### **Present**

Councillor Bob Sleigh (Chair)  
Councillor Mike Bird  
Councillor Karen Grinsell  
Gary Taylor

Portfolio Lead for Finance & Investments  
Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Greater Birmingham & Solihull Local  
Enterprise Partnership

#### **In Attendance via MS Teams**

Councillor Steve Clark

Dudley Metropolitan Borough Council

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

#### **121. Apologies for Absence**

Apologies for absence were received from Councillor Tony Jefferson (non-constituent authorities), Councillor Brigid Jones (Birmingham), Councillor Jim O' Boyle (Coventry), Councillor Bob Piper (Sandwell), Councillor Stephen Simkins (Wolverhampton), Nick Abell (Coventry & Warwickshire LEP), Paul Brown (Black Country LEP) and Sue Summers (West Midlands Development Capital).

#### **122. Minutes - 9 January 2023**

The minutes of the meeting held on 9 January 2023 were agreed as a correct record.

#### **123. Investment Programme Update**

The board considered a report from the Director of Commercial & Investment on the status of the Investment Programme to help set the context for the investment decisions being made.

The report provided an analysis of the overall regional Investment Programme expenditure, funded by both grants administered by the WMCA and match funding sources. Approved grant funding awarded and administered by the WMCA to programmes within the regional Investment Programme totalled £853.7m as at 28 February 2023. The report also set out the submissions approved since the last meeting of the board.

In relation to the Change Request for Coventry City Centre South approved at the Board meeting 17<sup>th</sup> October 2022, the Director of Commercial & Investment, Ian Martin, provided an update and request. He reported that the commercial contract with the developer is due to be signed shortly, with the project start date expected in early 2024 and a new target construction completion date of April 2036. In order to prevent delay in completing the contract between Coventry and the Developer he requested that if any of the dates need to change to reflect the commercial negotiations, authority be delegated to the Section 151 Officer and Investment Board Chair to amend the dates for this contract accordingly. The request was agreed by the board.

Resolved:

1. Approval under delegated authority by WMCA Officers of the business case submissions disclosed at Section 3 of the report be noted;
2. The WMCA Investment Programme funding status and current affordable limit as outlined in Section 4 of the report be noted;
3. The Regional Investment Programme delivery update detailed within the report and appendices (including the project-level summary within the WMCA Investment Programme dashboard at Appendix 4) be noted and
4. Approval be given for authority to be delegated to the Section 151 Officer and Investment Board Chair to agree a change in dates, if required, to the contract for Coventry City Centre South.

**124. Update Report: City Region Sustainable Transport Settlement - Quarter 3 FY 2022-23**

The board considered a report of the Executive Director of Transport for the West Midlands that provided an update on the status of the City Region Sustainable Transport Settlement ('CRSTS') to help set the context of any investment decisions being taken by the board.

The Head of Transport & Intelligence, Carl Beet provided an update on progress on CRSTS programme including funding approved since the last update report (Q2 CRSTS). He also reported on the key capital pressures that were recently reported to the WMCA Board and the potential for CRSTS funding to bridge any funding gaps.

In relation to the key risks, the Chair noted that over half of projects (55%) are currently reported to finish delivery in the final year of the programme with 39% reported to complete in the final quarter of the programme.

Councillor Bird expressed concern on the overspend of transport schemes and the need to prioritise schemes.

Resolved:

1. The City Region Sustainable Transport Settlement change control application submitted to the Department for Transport, set out at Section 4 of the report be noted;

2. The monitoring and evaluation requirements associated with the City Region Sustainable Transport settlement set out at Section 5 of the report be noted;
3. The programme monitoring plans set out at Section 6 of the report be noted and
4. The Quarter 3 FY22-23 progress reported at Section 7 of the report be noted.

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

The board considered a report detailing the Collective Investment Fund Dashboard (public iteration) as 1 March 2023.

Resolved: That the report be noted.

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

The board considered a report detailing the Brownfield Land and Property Development Fund dashboard (public iteration) as at 1 March 2023.

Resolved: That the report be noted.

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

The board considered a report of the Revolving Investment Fund dashboard (public iteration) as at 1 March 2023.

Resolved: That the report be noted.

**128. SMBC UK Central Investment Programme Rebasing Change Request**

The board considered a report of the Acting Chief Executive Solihull MBC, that sought approval for a Change Request for programme wide rebasing of the UK Central Infrastructure Programme.

The Head of Growth Programmes, Alan Smith, presented the report and advised the board that the Change Request was for the whole UKC IP programme which has been impacted directly or indirectly by Covid-19. He reported that there was no change to the scope, impacts, benefits, or risk impacts to the programme. The Change Request did not include the Accelerated Housing Programme; a Change Request for this would be submitted to the board in due course.

The Chair noted that commentary was provided for each of the 21 projects in the programme and reported that the board would continue to monitor these closely.

Resolved: That the SMBC UK Central Infrastructure Programme- Programme Wide Rebasing Change Request be approved.

[NB Councillor Bob Sleight declared a non-pecuniary interest in this item due to him being a board member of the Solihull Urban Growth Company]

[NB Councillor Karen Grinsell declared a non-pecuniary interest in this item due to her being a board member of the Solihull Urban Growth Company]

**129. Change Request for Coventry Station Masterplan Phase 3**

The board considered a report of the Interim Joint Chief Executives of Coventry City Council that sought approval of a Change Request for Coventry Station Masterplan and in particular, the removal of the long stop date of March 2023 for delivery of the NUCKLE 1.2 bay platform element from Coventry Masterplan funding agreement and agreement to a revised long stop date of December 2031.

The Director of Transportation & Highways (Coventry City Council), Colin Knight, presented the report and advised the committee that whilst the City Council is very committed to increasing rail services between Coventry and Nuneaton, alternative strategies were proposed that would achieve this objective through timetable changes and/or services from Coventry East, removing the need for the bay platform infrastructure at Coventry Station.

Colin Knight explained the background to the current position and reported that the outcomes of Network Rail's GRIP3 study meant the scheme was not economically viable in its current form which would prevent it being taken forward to the DfT to bid for funding. Additionally, Network Rail's proposal for a new station at Coventry East required remodelling track layouts to be undertaken at either side of Coventry Station which would result in abortive works if the bay platform was delivered in advance of these works. He advised if built, Coventry East Station would have the capacity to provide additional services on the Coventry to Nuneaton Line and that Coventry City Council was working with Midlands Connect and partners to look for a long-term solution.

The Director of Commercial and Investment, Ian Martin reported that it was difficult to comment on as the £10m cost overrun on Coventry Station Masterplan, specifically the multi-storey car park, was funded by switching the £10m allocated to the Bay Platform and dealt with via a Change Request previously approved by the Board. In responding to HMG monitoring of the Devolution Settlement, as the accountable bodies, Coventry City Council and WMCA must prove £39.4m has delivered the benefits identified in the original business plan and demonstrate the impacts.

Councillor Clark considered that the scheme seems unaffordable in its current form and questioned the purpose of pushing back the delivery date by 8 years whilst retaining £10m of funding, when the funding could be utilised elsewhere with outputs delivered sooner.

Colin Knight advised that the previous Change Request agreed for £10m to be spent on phases 1 and 2 and, Coventry City Council would be bound by the report recommendations to deliver the bay platform or equivalent infrastructure to deliver additional services on the Coventry to Nuneaton Line. He added that in light of the strategic reviews being undertaken by Network Rail, WMRE and work by Midlands Connect, there were a number of funding options that were being pursued but Coventry City Council would remain committed to delivering enhanced services on the Coventry to Nuneaton Line and was requesting an extension to the date by which all the outputs would be delivered.

Councillor Clark added that he felt the funding could be utilised first elsewhere during the course of the eight years.

Councillor Bird reported that the project date for the delivery of the bay platform had changed many times already and given rising costs, it was very unlikely the project could be developed within the funding envelope unless funding could be found elsewhere.

Councillor Grinsell reported that a decision would be needed before December 2031 and questioned Coventry City Council's proposed recommendation that referred to providing the bay platform or 'an alternative piece of infrastructure'.

Colin Knight reported that the alternative infrastructure could be a turnback facility at Coventry East Station that provides additional rail services so the bay platform is not required.

The Chair reported that it is difficult to determine what the benefits would be in the future and that there were various potential solutions without confirmation of a specific funded one. He noted that whilst the board could agree the long-stop date of 2031, he proposed a formal review be undertaken and this be reported back to the board in March 2025 with a board decision required to continue to 2031 at that time.

Councillor Bird reported that he was happy for Coventry City Council to pursue alternative funding but was not happy with the 2031 date to hold over £10m which could be spent on other transport projects. He asked that Coventry City Council seek alternative funding sources and state the progress made as part of the review.

Gary Taylor reported that he would want to see progress and would support the recommendation subject to funding reverting back to the WMCA if no progress is made.

The Director of Commercial and Investment summarised that a review must demonstrate a clear way of securing funding and put forward a strategic direction of employing funds.

The Chair referred to the recommendations in the report and advised that the board could not agree the alternative recommendation proposed by Coventry City Council of 'an equivalent piece of infrastructure'. The board agreed to the recommendations put forward by the Investment Panel along with the additional recommendation of a review being undertaken in 2025.

Resolved:

1. The replacement of the long stop date of March 2023 for delivery of the NUCKLE 1.2 bay platform element from the Coventry Station Masterplan funding agreement and a revised long stop date of December 2031 be approved subject to recommendation 3;

2. The provision of the bay platform remains a committed output of the Coventry Station Masterplan which Coventry City Council are accountable for delivering and will ensure that £10m allocated for that element for the project is available if required or will recredit the Investment Programme by that amount be noted and
3. The recommendations above be subject to Coventry City Council undertaking a review of the bay platform project, to include seeking alternative strategies for funding and this be reported to Investment Board by March 2025 with approval required to continue with the long stop date of December 2031.

**130. 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 person (including the authority holding that information).

**131. Business Justification Case- Home Upgrade Grant 2**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero, that sought approval for the use of up to £16.082m of grant funding from the Department for Business, Energy and Industrial Strategy now, Department of Energy Security and Net Zero, via Midlands Net Zero Hub (MNZH) to deliver the Homes Upgrade Grant 2 (HUG 2) programme, subject to formal agreements from Birmingham City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council and Rugby Borough Council.

It was noted that grant funding would retrofit off gas properties (around 800 properties on average) and the project would run for 2 years from April 2023 to 31 March 2025. The Affordable Warmth Delivery Manager confirmed that he had recently been informed the grant award had been successful.

The Chair reported that the Investment Panel were keen to ensure members of the public taking up such measures are aware that they would be responsible for the cost of future maintenance and upkeep of the replacement heating system installed.

The Affordable Warmth Delivery Manager, Matthew Eccles, confirmed property owners would be advised of their responsibilities and that any warrantees would sit with the property owner.

Resolved:

1. The use of up to £16.082m grant funding from the Department of Business, Energy and Industrial Strategy (BEIS) via the Midlands Net Zero Hub (MNZH) to deliver the Homes Upgrade Grant 2 (HUG2) be approved subject to the acceptance of suitable terms and conditions be approved;

2. The funding amounts are also subject to formal agreements from Birmingham City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council and Rugby Borough Council for the WMCA to deliver using their HUG2 allocation (Birmingham £10,527,000; Dudley £1,881,000; Sandwell £2,475,000 and Rugby £1,199,000) be noted;
3. The grant funding from BEIS via MNZH to support the delivery of the Smart Hub objectives to develop the retrofit supply chain and improve efficiencies and standards of housing in the region be agreed and
4. That authority be delegated to the Executive Director of Strategy, Integration and Net Zero, in consultation with the WMCA Section 151 Officer and Monitoring Officer in discussion with the Portfolio Lead to carry out commissioning of the Home Upgrade Grant 2 be approved.

**132. Business Justification Case - Social Housing Decarbonisation Fund Wave 2.1**

The board considered a report of the Executive Director of Strategy, Integration and Net Zero that sought approval for the utilisation of Social Housing Decarbonisation Wave 2.1 grant funding from the Department for Business, Energy and Industrial Strategy (BEIS) now the Department of Energy Security and Net Zero subject to the WMCA's acceptance of the terms and conditions.

The Retrofit Programme Manager, Rob Johnson presented the report and advised the board that since the report was submitted, he had received notification that the grant award has been successful, but the amount was £17.8m and not £18.07m as stated in the report.

It was noted that this programme was similar to the programme considered earlier on the agenda (Business Justification Case – Home Upgrade Grant 2) with the funding allocated to social housing providers and the WMCA acting as the Consortium lead for 15 Registered Providers of social housing. Grant funding would enable 2076 homes across the region to receive retrofit measures to make homes warmer and more energy efficient and reduce fuel bills for tenants. The Registered Providers (RPs) would each contribute match funding of £34.69m and are required to provide a level of commitment throughout the application process.

In relation to an enquiry from Councillor Grinsell as to how the WMCA would allocate the grant funding between the Registered Providers, the Retrofit Manager advised that the Registered Providers submit their own figures and business case to the WMCA based on an appraisal assessment of their housing stock.

Resolved:

The use of £17.8m Social Housing Decarbonisation Fund Wave 2.1 grant funding from the Department of Business, Energy and Industrial Strategy (BEIS) subject to acceptance of suitable terms and conditions be approved (the grant to be used to manage a consortium of Registered Providers of social housing to deliver retrofits in over 2,000 affordable homes across the West Midlands region and to undertake necessary recruitment and procurement activity to support the consortium in achieving its objectives).

**133. Great Hampton Street Button Works**

The board considered a report of West Midlands Development Capital (WMDC) that sought approval for loan from the Revolving Investment Fund (RIF) for the sum stated in the report and grant funding for the amount stated from the Land Fund to bring forward a redevelopment of a semi-derelict listed building into 29 quality residential apartments for rental.

The site is located on a main arterial route in the Jewellery Quarter and the proposals have been developed in consultation with Birmingham City Council and have taken on board comments from BCC, Historic England, and The Victorian Society.

Gerald Gannaway (WMDC) reported that the loan was low risk and that the developer intended to hold the property as an investment.

Gary Taylor reported he was supportive of this investment but enquired as to whether appraisals for build to rent investments were accurate given the increase in interest rates.

The Director of Commercial and Investment reported that the 'Red Book' valuation would be on the basis of a security valuation and that the WMCA could sell the investment. This would be the WMCA's exit through the sale of the property should they have to exercise security.

Resolved:

1. That a RIF loan repayable for up to 5 years, for the sum specified be approved to bring forward a redevelopment of a semi-derelict listed building on a main arterial route in Jewellery Quarter to provide quality accommodation subject to the key terms, conditions and security set out in the report and
2. A Land Fund Grant, (in respect of viability issues at the location) for the sum specified in the report be noted with no approval required given that the low quantum fell within the delegation of the Executive Director.

**134. Build Fifty5 Golden Brick Facility- Minor Amendment**

The board considered a report of West Midlands Development Capital (WMDC) that informed the board of a minor amendment with regards to a RIF loan for the Build Fifty5 Golden Brick Facility and sought approval to a change in the affordable housing provider.



Nick Oakley (WMDC) outlined the report and advised the board that since the approval of the loan facility in November 2021, the Company has experienced significant delays with the project that can be attributed to the approved housing provider. Subsequently, it has been agreed in principle, that the approved housing provider would be replaced with a different Registered Provider that is well established and provides 13,000 homes across Shropshire, Staffordshire and Telford and Wrekin and has a good covenant strength.

It was noted that there would be a reduction in the loan limit to the amount specified in the report and that all other terms as stated in the original report remained the same.

Nick Oakley recommended to the board that future schemes may be undertaken on the same basis and terms with multiple other Registered Providers so long as the original conditionality remains the same and the RP presents an acceptable covenant strength, subject to them being credit worthy.

Resolved:

1. The reduction in the loan limit as stated in the report be noted;
2. A change in the affordable provider from to the named Registered Provider identified in the report be approved and
3. That other housing associations may be used on future schemes of comparable size on the basis that the replacement housing association demonstrates good covenant strength, at least as good as the one proposed be approved subject to approval by the WMCA s.151 Officer.

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

The board considered a report detailing the Collective Investment Fund dashboard (private iteration) as at 1 March 2023.

Resolved: That the report be noted.

**136. 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 March 2023.

Resolved: That the report be noted.

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

The board considered a report detailing the Revolving Investment Fund as at 1 March 2023 (private iteration).

Resolved: That the report be noted

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

The board considered a report detailing the Land and Property Investment Fund dashboard as at 1 March 2023.

Resolved: That the report be noted.

**139. Housing & Land Fund Dashboard**

The board considered a report detailing the Housing and Land Fund dashboard as at 1 March 2023.

In relation to an enquiry from Gary Taylor regarding the progress on disposal proposals generally and specifically for on the ones surrounding Sandwell General Hospital, the Head of Strategy and Analysis, Rob Lamond undertook to provide an update at the next meeting.

Gary Taylor also requested an update on progress for the Stoneyard scheme which he had raised previously.

Resolved:

- 1) That the report be noted.
- 2) A report on any disposal plans for all acquired sites will be brought to the next Investment Board.
- 3) An update on Stoneyard will be provided at the next meeting.

The meeting ended at 12.00pm.

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

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