



West Midlands Combined Authority

WMCA Board

Friday 9 June 2023 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Bob Sleight (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Paul Bradley	Dudley Metropolitan Borough Council
Councillor Kerrie Carmichael	Sandwell Metropolitan Borough Council
Councillor John Cotton	Birmingham City Council
Councillor George Duggins	Coventry City Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Patrick Harley	Dudley Metropolitan Borough Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Sharon Thompson	Birmingham City Council

Non-Constituent Members

Councillor Matthew Dormer	Redditch Borough Council
Councillor Susan Juned	Stratford-on-Avon District Council
Councillor Derek Poole	Rugby Borough Council
Councillor Richard Smith	Nuneaton & Bedworth Borough Council

Observer Member

Councillor Greg Brackenridge	West Midlands Fire Authority
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In Attendance

Mark Smith	Audit, Risk & Assurance Committee
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134. Apologies for Absence

Apologies for absence were received from Lee Barron (Midlands TUC), Councillor Ian Brookfield (Wolverhampton), Councillor Ian Courts (Solihull), Councillor Ian Davison (Warwick), Councillor Tony Johnson (Cannock Chase), Councillor Izzi Seccombe (Warwickshire) and Councillor Kristofer Wilson (Nuneaton & Bedworth).

135. Chair's Remarks

(a) Membership of WMCA Board

The Chair welcomed new members attending their first meeting of the WMCA Board, as well as thanking those councillors who were no longer members of the board.

(b) Gareth Bradford and Julie Nugent

The Chair thanked Gareth Bradford (Executive Director of Housing, Property & Regeneration) and Julie Nugent (Executive Director of Economic Delivery, Skills & Communities) who were leaving to take up new appointments outside the WMCA. Members of the board wished them both well for their futures.

136. Minutes - 17 March 2023

The minutes of the meeting held on 17 March 2023 were agreed as a correct record.

137. Forward Plan

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

138. Appointment of WMCA Boards and Committees 2023/24

The board considered a report of the Director of Law & Governance on the appointments made by constituent, non-constituent and observer member authorities to the WMCA Board and its committees/sub-boards for 2023/24.

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

Resolved:

- (1) The members nominated by constituent, non-constituent and observer member authorities to sit on the WMCA Board and its committees/boards, as amended, be noted.
- (2) Councillor Cathy Bayton be appointed the chair of the Overview & Scrutiny Committee, and the appointment of the chair of the Transport Delivery Overview & Scrutiny Committee be deferred until the next meeting of the board on 21 July 2023.
- (3) The appointments made by the Mayor to the Portfolio Lead positions be noted.
- (4) The timetable of meetings for 2023/24 be agreed.
- (5) Authority be delegated to the Director of Law & Governance to approve any subsequent minor changes to the individual appointments made to boards/committees.

139. Financial Monitoring Report

The board considered a report of the Executive Director of Finance & Business Hub summarising the financial position for the 2022/23 revenue and capital budgets, updating the Investment Programme, Administered Funds and the Balance Sheet as at 31 March 2023. The figures represented the provisional outturn position for the 2022/23 financial year. External audit procedures would be completed between July and September, with an anticipated signing date for the 2022/23 statutory accounts at the end of September.

Councillor Patrick Harley enquired as to when the funding previously approved for the Very Light Rail National Innovation Centre in Dudley was likely to be released. The Executive Director of Finance & Business Hub explained that the release of the funding was waiting on final legal sign off, but that she expected this to happen very shortly.

Resolved:

- (1) The latest update on the production of the statutory accounts be noted.
- (2) The financial position as at 31 March 2023 be noted.
- (3) The proposed transfers to earmarked reserves be approved.
- (4) The updates to the 2023/24 revenue budget be noted.
- (5) Authority be delegated to the s151 Officer and the Executive Director of Transport for West Midlands, in consultation with the Portfolio Lead for Transport, to submit a change request in respect of Bus Service Improvement Plan funds to allow them to be used to maintain existing services.
- (6) Authority be delegated 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) The continuation of payments of concessions to operators at pre-pandemic levels until 31 March 2024 be approved.
- (8) The rebased 2023/24 capital programme be approved.
- (9) The new grant awards to the WMCA, and the arrangements for these grants, be noted.
- (10) Authority be delegated to accept the funding to be provided to the WMCA following the Deeper Devolution Deal agreement, subject to the terms and conditions of those grants being to the satisfaction of the s151 Officer.

- (11) The intended use of the Department for Levelling Up, Housing & Communities' capital funds of £25m to be awarded to WMCA, which would be subject to business cases progressing through the Single Assurance Framework in the normal way, be noted.
- (12) The financial position as at 31 March 2023 and the future project life forecast projections for West Midlands Cycle Hire, be noted.
- (13) The receipt of funding totalling £3.6m for the West Midlands' region for additional highways maintenance and pothole repair, announced within the Government's 2023 Budget Statement be noted, and the allocation of this funding to relevant local authorities be endorsed.
- (14) Authority be delegated to the s.151 Officer and to the Executive Director of Transport for West Midlands, in consultation with the Portfolio Lead 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 were considered materially different from those approved by WMCA Board at its meeting on 13 January 2023.
- (15) Authority be delegated to the s151 Officer and Executive Director of Transport for West Midlands, in consultation with the Portfolio Lead 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).

140. Transport Governance Review

The board considered a report of the Director of Law & Governance setting out the recommendations from the transport governance review.

The terms of reference for the review had been agreed as:

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

Resolved:

- (1) The existing Transport Delivery Committee evolve into a new Transport Delivery Overview & Scrutiny Committee.
- (2) It be noted that, following the decision of the WMCA Board on 28 October 2022, a further report of the Independent Remuneration Panel had been prepared and would be considered at minute no. 141 below in relation to the paying of allowances for:

- (a) the Deputy Mayor;
- (b) members of the Overview & Scrutiny Committee;
- (c) members of the Transport Delivery Overview & Scrutiny Committee;
- (d) scrutiny champions;
- (e) members of the Audit, Risk & Assurance Committee

141. Report of the Independent Remuneration Panel

The board considered a report from the Director of Law & Governance setting out the recommendations of the Independent Remuneration Panel set up to look at allowances at the WMCA. Steve Leach, chair of the panel, presented its findings to members of the board.

Councillor Stephen Simkins welcomed the report, noting the importance of recognising the key role members of audit and scrutiny committees undertook to support governance across the WMCA. Councillor Patrick Harley stressed the importance of constituent councils appointing members to sit on these committees who were able to allocate the necessary time to undertake its work.

Resolved:

- (1) The Independent Remuneration Panel's recommendations to increase the Special Responsibility Allowance paid to the Deputy Mayor to £20,000 and to backdate this to October 2022 be agreed.
- (2) The Special Responsibility Allowance paid to the chairs of each of the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee and the Transport Delivery Overview & Scrutiny Committee be set at £9,500.
- (3) The Special Responsibility Allowances that were paid to the six Scrutiny Champions operating within the Transport Delivery Overview & Scrutiny Committee be set at £4,750.
- (4) A Co-optees Allowance of £3,000 for all members of constituent authorities who served on the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee and the Transport Delivery Overview & Scrutiny Committee be agreed.
- (5) It be agreed that all the allowances in resolutions (1) - (4) 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) set out in the Independent Remuneration Panel's 2022 report.

- (6) It be agreed that mechanisms should be introduced to monitor and publish the attendance of co-optees on the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee and the Transport Delivery Overview & Scrutiny Committee.
- (7) It be agreed that a review should be carried out annually of the extent to which the work of the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee, the Transport Delivery Overview & Scrutiny Committee and the six Scrutiny Champions on the Transport Delivery Overview & Scrutiny Committee was proving effective and 'adding value'.
- (8) It be agreed that if either the Audit, Risk & Assurance Committee or the Overview & Scrutiny Committee were minded to introduce Scrutiny Champions, these positions should attract the same Special Responsibility Allowance as for the Transport Delivery Overview & Scrutiny Committee ie. £4,750.
- (9) It be agreed that if any of the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee or the Transport Delivery Overview & Scrutiny Committee were to establish 'task and finish' groups to study a particular issue in depth, then a Special Responsibility Allowance of £2,375 should be paid to the chair of the group, so long as this role was not filled by a committee chair or scrutiny champion.
- (10) It be agreed that if a councillor from a constituent authority was co-opted onto any two of the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee or the Transport Delivery Overview & Scrutiny Committee, he or she should be entitled to two Co-optees allowances.
- (11) It be noted that the remuneration recommended in relation to members of the Audit, Risk & Assurance Committee, the Overview & Scrutiny Committee, the Transport Delivery Overview & Scrutiny Committee and the Scrutiny Champions could not be paid until such time as the legislation permitting it has been passed, and that the WMCA would at that time backdate the remuneration to the start of the municipal year, if the legislation permitted it to do so.

[NB. Councillor Bob Sleight and Mark Smith declared personal interests in this item and left the meeting room during the consideration and voting on it.]

142. West Midlands Investment Zone

The board considered a report of the Executive Director of Housing, Property & Regeneration and the Executive Director of Strategy, Integration & Net Zero providing an update on the Government's Investment Zone programme which was launched in March and aimed to grow high-potential innovation and industrial strengths in areas with significant scope for catch up economic growth to drive national productivity growth. The WMCA, as with the other combined authorities, was developing a sector-led Investment Zone proposal that covered the WMCA geography, as required under the programme announced by the Government.

Councillor Mike Bird stressed the importance of advanced manufacturing to the region. The Executive Director of Strategy, Integration & Net Zero confirmed that a report would be submitted to the meeting of the WMCA Board on 21 July for final sign off of the proposals.

Resolved:

- (1) The Government's requirement for the WMCA to select a 'Primary Sector' in relation to the development of the West Midlands Investment Zone proposition be noted.
- (2) 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, be endorsed.

143. Deeper Devolution Deal - Statutory Processes

The board considered a report of the Executive Director of Strategy, Integration & Net Zero providing an update on the devolution deal implementation.

In order for the WMCA to assume new powers and functions in the deal, it had to follow the statutory process set out in the Local Democracy, Economic Development & Construction Act 2009. 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, would be submitted for consideration.

Councillor Sharon Thompson thanked Councillor Brigid Jones for the work she had previously undertaken on this in her capacity as Lead Member for Levelling Up. Councillor John Cotton noted that in respect of the proposed new health duty within the devolution deal, it was apparent that there were reservations from some constituent authorities and therefore the WMCA should not progress with this aspect if there was not yet a settled view. The Chair expressed his disappointment that the board was unable to agree that these additional powers to tackle the region's health inequalities should be delegated to the WMCA by the Government, as these were new powers and did not have any effect on the health powers held by constituent authorities.

Resolved:

- (1) The progress on the Deeper Devolution Deal implementation be noted.
- (2) The decision of the Chief Executive to request the commencement of the statutory governance review be ratified.
- (3) It be agreed to initiate public consultation and awareness-raising on the Deeper Devolution Deal, the governance review and scheme.
- (4) It be agreed not to include as part of the public consultation, any statutory public consultation on the Health Improvement Duty.

- (5) The plans for the Deeper Devolution Deal ratification at the WMCA Board on 13 October 2023 and the provision for council discussion and endorsement of the governance review and scheme, at the discretion of each council, by 30 September 2023, be noted.

144. Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures

The board considered a report of the Executive Director for Transport for West Midlands and the Executive Director for Finance & Business Hub with the latest information on the cost, programme and proposed delivery strategy for the Wednesbury - Brierley Hill metro extension and to seek direction and agreement from the board so that the approach agreed could then be developed in detail and the inherent critical dependencies and assumptions validated.

Councillor Stephen Simkins stressed the importance of ensuring that there were strong governance arrangements regarding the project's costs. The Chair acknowledged these concerns and requested the Executive Director of Transport for West Midlands to work closely with the Portfolio Lead for Transport to ensure robust governance arrangements were in place for the project.

Resolved:

- (1) The update on the delivery and financial status of the West Midlands Metro network for the Wednesbury - Brierley Hill extension be noted.
- (2) It be noted that the specific financial details concerning the funding strategy were presented as a private addendum to the report for commercially confidential reasons.
- (3) The delivery strategy, which was intended to enable progression of the programme against the available funding sources and authorising continued progression of Wednesbury - Brierley Hill extension delivery to an interim Merry Hill terminus, subject to ongoing discussions with Dudley Metropolitan Borough Council with regard to funding, be agreed.
- (4) It be noted that in agreeing the funding and delivery strategy, there were dependencies, including the need for the Department for Levelling Up, Housing & Communities to agree the business case for additional funding agreed in principle through the Deeper Devolution Deal, the WMCA and the Department for Transport to separately approve changes to the City Region Sustainable Transport Settlement programme and Single Funding Pot, and the requirement for the successful refresh of business cases for the relevant individual schemes.

145. West Midlands Transport Investment Programme & City Region Sustainable Transport Settlement Review

The board considered a report of the Executive Director for Transport for West Midlands on an update on the progress made against the City Region Sustainable Transport Settlement funding programme within the context of the region's wider transport investment programme.

The City Region Sustainable Transport Settlement funding consolidated a number of historic funding sources (including highways maintenance) and provided a five-year planning and resourcing horizon which had been critically lacking in recent years. Overall, good progress had been made on releasing funding approvals through the regional Single Assurance Framework process, with £500m of funding approvals made against the £1.05bn programme. From these, approximately £100m of delivery activity had been achieved across a number of schemes, including active travel, cycling, public transport, road safety and highway maintenance schemes. Most scheme promoters had been able to use the past year to increase their delivery capacity, appoint additional support and were on track to submit further funding approvals over the next year.

Resolved:

- (1) The City Region Sustainable Transport Settlement 1 Year One delivery progress be noted.
- (2) It be noted that the financial strategy relevant to the WMCA's transport capital pressure details was covered in the private part of the meeting agenda.
- (3) The proposal to formally re-base the City Region Sustainable Transport Settlement 1 programme, allowing for over-programming, ready for further consideration by the WMCA Board on 15 September 2023, working with all scheme promoters to ensure realism over scheme costs, spending and delivery profiles for all schemes, in response to the Department for Transport's 'once in a programme' opportunity to rebaseline the programme, be agreed.
- (4) The headlines of the City Region Sustainable Transport Settlement 1 Memorandum of Understanding updated Terms and Conditions, that the s151 Officer was required to sign-off, be noted.
- (5) The initial response from the Department for Transport regarding the region's change control request to move a previously funded Transforming Cities Fund scheme into the core City Region Sustainable Transport Settlement 1 funding allocation be noted, subject to the clarification of what schemes would be deferred to accommodate it.

- (6) 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 the Department for Transport, without which future annual payments of City Region Sustainable Transport Settlement grant from the Department for Transport could be restricted, be noted.

146. Overview & Scrutiny Committee - Annual Report

The board considered a report of the Director of Law & Governance setting out the scrutiny annual report, highlighting the work programme and key achievements of the Overview & Scrutiny Committee during 2022/23.

The annual report was intended to set out clearly and succinctly the work of the committee over the last 12 months. In addition, it also set 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 would 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.

Resolved:

- (1) The Overview & Scrutiny Committee 2022/23 annual report be endorsed.
- (2) The proposed work plan of the Overview & Scrutiny Committee for 2023/24 be supported.

147. Housing & Land Delivery Board - 22 March 2023

The board considered the minutes of the Housing & Land Delivery Board held on 22 March 2023.

Resolved:

The minutes of the meeting held on 22 March 2023 be noted.

148. Investment Board - 29 March 2023

The board considered the minutes of the Investment Board held on 29 March 2023.

Resolved:

The minutes of the meeting held on 29 March 2023 be noted.

149. Exclusion of the Public & Press

Resolved:

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

150. Wednesbury - Brierley Hill Metro Extension Funding Mitigation Measures

The board considered a report of Executive Director of Transport for West Midlands and the Executive Director of Finance & Business Hub providing further financial information in support of the item considered at minute no. 144 above.

Resolved:

- (1) The funding strategy, which was intended to enable progression of the programme against the available funding sources by authorising continued progression of the Wednesbury - Brierley Hill extension delivery to an interim Merry Hill terminus, be agreed.
- (2) Subject to the necessary consents from the Department for Transport, it be agreed for the s151 Officer to confirm a project budget of £175m for Phase 2a of the Wednesbury - Brierley Hill extension from Flood Street, Dudley to Waterfront.
- (3) Subject to securing an appropriate funding arrangement with Dudley Metropolitan Borough Council, it be agreed for the s151 Officer to confirm a project budget of £35m for Phase 2b of the Wednesbury - Brierley Hill extension from Waterfront to Merry Hill.
- (4) It be noted that connectivity options for delivery of the network post-Merry Hill would continue to be evaluated and assessed.
- (5) It be noted that the costs were current best estimates, which might be subject to change as firm market prices were received from suppliers, some design changes to include a turnback facility at Merry Hill stop, and during construction due to any unforeseen circumstances but which were being robustly managed, and technical design changes to provide a turnback facility at Merry Hill.

151. West Midlands Transport Investment Programme & City Region Sustainable Transport Settlement Review

The board considered a report of the Executive Director for Transport for West Midlands providing further financial information in support of the item considered at minute no. 145 above.

Resolved:

- (1) The current financial position on the overall WMCA transport capital programme be noted.

- (2) The principle of over-programming against a ten-year City Region Sustainable Transport Settlement to address the WMCA's transport capital pressures, thereby meaning no projects or programmes would need to be deleted or deferred to accommodate the changes, be agreed.
- (3) Subject to the necessary consents from the Department for Transport, it be agreed for the s151 Officer to confirm revised project budgets.
- (4) It be noted that execution of the financial strategy would be subject to Department for Transport consent via the necessary change control arrangements.

152. Date of Next Meeting

Friday 21 July 2023 at 11.00am.

The meeting ended at 12.45 pm.