



# WEST MIDLANDS COMBINED AUTHORITY

## WMCA Board

Friday 12 January 2018 at 11.00 am

### Minutes

#### Constituent Members

Andy Street (Chair)

Councillor Bob Sleigh (Vice-Chair)

Councillor Peter Bilson

Councillor Sean Coughlan

Councillor Ian Courts

Councillor George Duggins

Councillor Patrick Harley

Councillor Brigid Jones

Councillor Syeda Khatun

Councillor David Stevens

Councillor Ian Ward

Mayor of the West Midlands Combined Authority

Solihull Metropolitan Borough Council

City of Wolverhampton Council

Walsall Metropolitan Borough Council

Solihull Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Birmingham City Council

Sandwell Metropolitan Borough Council

Sandwell Metropolitan Borough Council

Birmingham City Council

#### Non-Constituent Members

Councillor Steven Claymore

Councillor Bill Hartnett

Councillor Dennis Harvey

Councillor David Humphreys

Ninder Johal

Tamworth Borough Council

Redditch Borough Council

Nuneaton & Bedworth Borough Council

North Warwickshire Borough Council

Black Country Local Enterprise Partnership

Shropshire Council

Stratford-on-Avon District Council

Warwickshire County Council

Councillor Alex Phillips

Councillor Chris Saint

Councillor Izzi Seccombe

#### Co-Opted Member

Lee Barron

Midlands Trades Union Congress

#### Observer Members

Councillor John Edwards

David Jamieson

West Midlands Fire & Rescue Authority

West Midlands Police & Crime Commissioner

#### In Attendance

Councillor Peter Hughes

Councillor Richard Worrall

Overview & Scrutiny Committee

Transport Delivery Committee

**Item Title**

**No.**  
**133.**

**Apologies for Absence**

Apologies for absence were received from Jonathan Browning, Councillor Steve Eling, Councillor Paul Moore, Tim Pile, Councillor Roger Lawrence, Councillor Peter Nutting, Councillor Michael Stokes and Stewart Towe.

**134. Chair's Remarks (if any)**

(i) The Mayor congratulated Councillor Dennis Harvey who had been awarded an OBE for political service in Warwickshire and Phil Loach who had been awarded the Queen's Fire Service Medal for distinguished service in the Queen's New Year Honours.

(ii) The Mayor congratulated Birmingham City Council and all those that had been involved in the successful bid to host the Commonwealth Games in 2022.

**135. Minutes - 8 December 2017**

The minutes were agreed as a correct record, subject to amendments to the list of those in attendance and to minute no. 115 ('Devolution Deal Update') to reflect the undertaking given by the Police & Crime Commissioner to participate in discussions with the Mayor regarding proposals contained within the Devolution Deal for the Mayor to become responsible for the powers currently exercised by the Commissioner from May 2020.

The resolution passed at the last meeting to submit the Midland Metro Wednesbury to Brierley Hill Extension Transport & Works Act Order to the Secretary of State for Transport in accordance with the approved project delivery schedule, to refresh powers of compulsory acquisition in respect of land and interests in land required to implement the scheme, subject to a confirmation by Government of funding for the scheme, was re-affirmed by way of unanimous second resolution.

**136. Forward Plan**

The forward plan was noted, with the addition of a report on 'One Public Estate' to be added to the agenda for the meeting on 9 February 2018.

**137. The Cohesion & Integration Portfolio**

The board received an update from Henry Kippin, Director of Public Service Reform, on the role and remit of the Cohesion & Integration portfolio responsibility area.

The Cohesion & Integration portfolio sat within the broader public service reform workstream, which was focussed on whole-place collaboration that built on the region's strengths, and sought to add value from the WMCA, rather than overlaying or replicating that statutory role of local authorities within communities. The report identified the vision for the portfolio and a work plan that would deliver this, including establishing an Inclusive Growth Unit and commissioning a robust piece of external work from civil society that would help shape the portfolio area.

Councillor Ian Ward stressed the importance of ensuring that the work being proposed did not duplicate that already being undertaken by local authorities. He also wished to see the wider adoption of the living wage as defined by the Living Wage Foundation amongst employers. Lee Barron welcomed the report and the role it could play in providing the foundations for inclusive growth. Councillor Bob Sleight noted that the accountability of the proposed Inclusive Growth Unit could be via either the Public Sector Reform Board or the Strategic Economic Plan Board. Henry Kippin confirmed that this line of responsibility would be clarified.

Resolved:

- (1) The proposed approach to the Cohesion & Integration portfolio be noted.
- (2) The draft next steps set out in the paper be noted.

**138. WMCA Draft Budget and Mayoral Council Tax Precept for 2018/19**

The Mayor presented a report that provided a draft budget for 2018/19 for approval that would then be subject to scrutiny and consultation.

The report represented the first part of the formal process to determine the WMCA's budget, levy and precept levels for 2018/19 and would form the basis of proposals to be submitted to the WMCA Board at its meeting on 9 February 2018 for final approval. The scrutiny of the budget would be undertaken by the Overview & Scrutiny Committee, who would also report back on 9 February with its comments. The Mayor considered that the proposed budget demonstrated the benefit of collaboration across the region, and would allow for the appropriate resourcing of the developing skills and housing workstreams whilst maintaining the funding required for transport.

Councillor George Duggins considered that the board should be minded not to approve the Mayor's budget (including a proposed Council Tax precept of £10.80 per 'Band D' property) due to the likely increases being asked for in Council Tax bills generally, and that he considered that the work of the WMCA would not be negatively impacted should such a charge be not precepted. Councillor Izzi Seccombe stressed that the funding of the Mayor's Office through a top-slicing of the initial devolution deal funding was not sustainable in the longer term and needed to be funded through other means. She noted the achievements of the WMCA in its first 18 months and urged that the momentum that had been established be not now allowed to slow.

Resolved:

- (1) The consolidated revenue budget monitoring position as at 30 November 2017 be noted and the transfer into earmarked reserves of £4.8m as a result of the change in 2017/18 of the Minimum Revenue Provision policy be endorsed;

- (2) The draft West Midlands Combined Authority consolidated revenue budget summarised in section 4 of the report be approved for consultation and scrutiny. This included:
- (a) the budget requirement for transport delivery 2018/19 - 2020/21 comprising of three elements:
    - (i) £114.1m a year to be funded from the existing transport levy mechanism;
    - (ii) a transfer from earmarked reserves of £1.0m a year for 3 years; and
    - (iii) the investment of £0.6m into the continuation of the Apprentice Concessionary Fare for the remainder of the 2018/19 year and development funding to progress new stations work within the West Midlands rail franchise.
  - (b) the West Midlands Combined Authority Operational budget requirement for 2018/19 of £11.8m to be funded by the continuation of the £25,000 Non-Constituent Authority contribution and a Constituent Authority contribution that comprised of three elements:
    - (i) the continuation of the £0.25m membership on an equal shares basis that totalled £1.75m;
    - (ii) a £0.17m fee on an equal shares basis totalling £1.19m with regard to the delivery of outcomes of the West Midlands Combined Authority Commissions that were consistent with the plans taken through the WMCA Board prior to the 2018/19 financial year; and
    - (iii) a fee of £1.71m representing costs already incurred and funded by the Constituent Authorities in 2017/18 within the Transport Levy and funded on the basis of population in relation to corporate services that supported the West Midlands Combined Authority Operational budget that were to be accounted for under the Operational budget.
- (3) It be agreed that the WMCA Board was not minded to approve the Mayor's budget, including a Council Tax Precept of £10.80 that comprised of:
- (a) £2.00 in relation to the costs of the Mayoral Office and Network Resilience responsibilities;

- (b) £8.80 in relation to the funding of the West Midlands Combined Authority Investment Programme to provide funding for cycling, park and ride facilities at key rail stations and Sprint bus priority schemes within the West Midlands Combined Authority's Investment Programme,

subject to the outcome of the scrutiny process and consultation and objection deadline of 8 February 2018, as set out in section 6.3 of the report.

- (4) The West Midlands Combined Authority Medium Term Financial Plan, as set out in paragraph 7.2 and table 8 of the report, be endorsed.
- (5) The Transport Capital Programme, as set out in section 8 and table 9 of the report, be approved for consultation and scrutiny.
- (6) The planned spend on the Investment Programme over the 3 year period, as set out in section 9 of the report be noted.

[NB. In accordance with The Combined Authorities (Finance) Order 2017, the votes cast by those members eligible to vote on this resolution were as follows:

For: (6)

Councillor Peter Bilson, Councillor Sean Coughlan, Councillor George Duggins, Councillor Brigid Jones, Councillor Syeda Khatun and Councillor Ian Ward.

Against: (3)

Councillor Ian Courts, Councillor Patrick Harley and Councillor Bob Sleigh.]

**139. Progress Update on the West Midlands Combined Authority Investment Programme**

Councillor Izzi Seccombe presented a report on the progress made in the last 18 months following the establishment of the WMCA's Investment Programme in securing funding streams, along with the implications for project ranking and scheduling should the funding not be achieved in line with the timescales originally envisaged.

The original devolution agreement with the Government provided for investment in the West Midlands of £8bn, of which £6bn would be received from sources external to the WMCA and £2bn generated from a range of new sources of finance, including potential new fiscal freedoms for the WMCA. The report provided further details on the current overall funding position of the Investment Programme, along with proposing that the scheduling of investment decisions within the Investment Programme be undertaken so as to WMCA investments realised the greatest economic impact.

Councillor Ian Ward expressed his disappointment that the East Birmingham - Solihull Metro extension was not included within the funding proposals. Laura Shoaf, Managing Director of Transport for West Midlands, indicated that the Government was aware of the scheme, but that work was still being undertaken to determine the exact route. Once this work had concluded, a formal business case would be submitted to the Government.

Resolved:

- (1) The progress update be noted in relation to the £8.0bn Investment Programme agreed by the West Midlands Combined Authority on November 2015 and funded by:
  - (a) £2.0bn of funding generated by the West Midlands Combined Authority; and
  - (b) £6.0bn of other funding sources, including Constituent Members' internally generated funds, Central Government grants and 3rd party contributions.
- (2) The current funding position of the Investment Programme 18 months after the establishment of the West Midlands Combined Authority be noted.
- (3) In relation to the £2.0bn funding intended to be generated by the West Midlands Combined Authority:
  - (a) The inclusion of the intended Mayoral Precept for 2018/19 included within the West Midlands Combined Authority Draft Budget and Mayoral Council Tax Precept be noted.
  - (b) The continued work with Central Government on providing the power to introduce a Business Rates supplement as envisaged in the first Devolution Deal be noted, taking account of proposals for levying within local arrangements, particularly in relation to Business Improvement Districts.
  - (c) The work planned in the final quarter of the 2017/18 financial year for Finance Directors to agree an approach that confirmed the contribution of locally generated Business Rates to fund the Investment Programme be endorsed.
  - (d) An approach whereby the West Midlands Combined Authority was consulted with prior to any future changes to Business Rates income forecasts, such as the development of Enterprise Zones, be endorsed; and

- (e) The delivery of a process with Leaders of Constituent Authorities, Chief Executives and Finance Directors to sequence the Investment Programme based on the current assessment of when funding streams would be realised be endorsed. This should then align to specific project approvals only where funding had been or was likely to be secured.
- (4) Authority be delegated, in relation to the wider funding of the Investment Programme, to the Director of Finance in consultation with the Portfolio Lead for Finance & Investments to work with Constituent Authority Finance Directors to confirm and establish accountable leads for each element of the Investment Programme, together with plans and dates by which funding would be secured.
- (5) A governance review to confirm the appropriate programme governance to be implemented to provide assurance to the WMCA Board, based on the updated review of programme delivery and funding, be endorsed.

**140. WMCA Borrowing Powers and Amendments to Key Route Network**

Councillor Izzi Seccombe presented a report seeking to ensure the WMCA was able to enter into the necessary agreements with Government to amend existing statute to enable it to borrow for all of the functions attributable to it, along with proposing changes to the Key Route Network.

The Cities and Devolution Act 2016 amended previous legislation so as to allow for combined authorities to borrow in relation to any function, in addition to transport, which was specified in regulations. The WMCA had been in discussions with HM Treasury and the Department for Communities & Local Government with a view to commencing the process to obtain the necessary powers and consents in respect of all of its functions. In addition, and for the purposes of efficiency in terms of the Parliamentary process, the amendment to the regulations was also intended to cover some necessary amendments to the WMCA's Key Route Network.

Resolved:

- (1) Authority be delegated to the WMCA Section 151 officer together with the WMCA Monitoring Officer, subject to consultation with the appropriate Portfolio Lead, to approve the amendment to statutory regulations which amended the WMCA borrowing powers as set out in the report, subject to:
  - (a) The additional borrowing powers sought being fully aligned to the WMCA's statutory functions as detailed within the West Midlands Combined Authority Orders.
  - (b) Each Constituent Authority approving a complementary paper through their Cabinet to provide approval to the WMCA for these new borrowing powers; and

- (c) The two WMCA officers detailed above to enter into the agreement with HM Treasury, subject to consultation with the appropriate Portfolio Lead, based on confirmation of (b) above from each of the seven Constituent Local Authorities.
- (2) The WMCA borrowing cap be approved as agreed with HM Treasury as follows:
 

2018/19	£487.5m
2019/20	£662.9m
2020/21	£867.3m
- (3) Authority be delegated to the WMCA Section 151 officer together with the WMCA Monitoring Officer, subject to consultation with the appropriate Portfolio Lead, to approve the amendment to the Key Route Network as detailed within the report, after receiving confirmation that the amendments had been approved by each Constituent Authority.

**141. Report of the Commission on Gangs & Violence: 'Uniting to Improve Safety'**

The board received an update from David Jamieson, West Midlands Police & Crime Commissioner, on the findings of the Commission on Gangs and Violence that he had established in 2016 following an increase in gang related violence within Birmingham. The commission, chaired by Revd Dr Carver Anderson, was a community-led group consisting of statutory partners and a network of specialist providers who worked with gang members, those at risk of becoming involved in gangs and family members affected by gang activity.

Ashley Bertie, Senior Assistant Police & Crime Commissioner, indicated that the report made 24 recommendations to help tackle gang-related activity and a number of these had cross-sector implications, particularly in respect of the WMCA's skills and mental health workstreams. An action plan was being developed to help implement the recommendations, and the Police & Crime Commissioner had committed £2m towards the cost of this work.

Councillor Sean Coughlan welcomed the report, particularly its recognition of the need for more early support for schools and parents with children identified as having behavioural challenges. Councillor Bob Sleight requested that the Police & Crime Commissioner work closely with local authority Leaders within the region to discuss how best to implement the recommendations contained within the Commission's report.

Resolved:

The report on the Commission on Gangs and Violence be noted, and the on-going participation in the Commission and the implementation of the report's recommendations, to be discussed further between the Police & Crime Commissioner and local authority Leaders, be agreed.

- 142. Minutes of the Housing & Land Delivery Board - 15 November 2017**  
The board received the minutes of the Housing & Land Delivery Board held on 15 November 2017.

Resolved:

The minutes of the meeting held on 15 November 2017 be noted.

- 143. Minutes of the Investment Board - 27 November 2017**  
The board received the minutes of the Investment Board held on 27 November 2017.

Resolved:

The minutes of the meeting held on 27 November 2017 be noted.

- 144. Minutes of the Transport Delivery Committee - 4 December 2017**  
The board received the minutes of the Transport Delivery Committee held on 4 December 2017.

Resolved:

The minutes of the meeting on 4 December 2017 be noted.

- 145. Friday 9 February 2018 at 11.00am**  
The date of the next meeting was noted.

The meeting ended at 12.30 pm.