



West Midlands Combined Authority

WMCA Board

Friday 17 November 2023 at 11.00am

Minutes

Constituent Members

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Paul Bradley	Walsall Metropolitan Borough Council
Councillor John Cotton	Birmingham City Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Steve Evans	City of Wolverhampton Council
Councillor Patrick Harley	Dudley Metropolitan Borough Council
Councillor Peter Hughes	Sandwell Metropolitan Borough Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Bob Sleigh	Solihull Metropolitan Borough Council

Non-Constituent Members

Councillor Lee Carter	Telford & Wrekin Council
Councillor Matthew Dormer	Redditch Borough Council
Councillor Susan Juned	Stratford-on-Avon District Council
Councillor Derek Poole	Rugby Borough Council
Councillor Martin Watson	Warwickshire County Council
Councillor Kristofer Wilson	Nuneaton & Bedworth Borough Council

Observer Member

Simon Foster	West Midlands Police & Crime Commissioner
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In Attendance

Councillor Cathy Bayton	Overview & Scrutiny Committee
Councillor John McNicholas	Transport Delivery Overview & Scrutiny Committee
Mark Smith	Audit, Risk & Assurance Committee

59. Apologies for Absence

Apologies for absence were received from Lee Barron (Midlands TUC), Councillor Kerrie Carmichael (Sandwell), Councillor Lezley Picton (Shropshire), Councillor Izzi Seccombe (Warwickshire) and Councillor Sharon Thompson (Birmingham).

60. Minutes - 13 October 2023

The minutes of the meeting held on 13 October 2023 were agreed as a correct record.

61. Forward Plan

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

62. Regional Activity & Delivery Update

The board received a presentation from the Chief Executive setting out the regional activity in recent months. More than £14.7m was being invested in skills training in order to meet the skills need of the region's tech sector. The region was set for 1,000 tech jobs boost as a result of significant investments from five innovation focussed companies. New figures had also shown WMCA funded schemes exceeding affordable housing targets, with nearly 33% of the 6,285 homes unlocked by WMCA investments since 2018 being affordable homes.

Resolved:

The update be noted.

63. Financial Monitoring Report 2023/24

The board considered a report from the Executive Director for Finance & Business Hub providing an update on the WMCA's finances as at 30 September 2023, an update on the medium-term financial plan and risks facing the WMCA.

Councillor Stephen Simkins expressed his concern at the potential impact to the retail sector in Wolverhampton city centre following the delays in completing the metro extension. The Executive Director for Transport for West Midlands explained that the delays had been caused by the need to align traffic signalling at St George's metro stop, and a communications plan had been implemented in order to mitigate the impact to the retail sector of these essential works.

Resolved:

- (1) The financial position as at 30 September 2023 be noted.
- (2) The early warning of a further projected overspend of £1.5m on the Metro Wolverhampton City Centre Extension project be noted, and the proposed funding solution and potential budget increase of £1.5m be approved.
- (3) The new grant awards to the WMCA be noted.
- (4) The updated financial planning position for the period 2024/25 to 2028/29 be noted.
- (5) The updated position on the Sustainable Warmth Competition be noted.
- (6) The Treasury and Prudential Indicators for the period ending September 2023 (Quarter 2) be noted.
- (7) The outcome of the annual review of the Single Assurance Framework, undertaken in accordance with the requirements mandated by Government, be noted.
- (8) The performance to date of the West Midlands 100% Business Rates Retention Pilot be noted.

- (9) The Memorandum of Understanding with the Government regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Trailblazing Devolution Deal, be agreed.
- (10) Authority be delegated to the Section 151 Officer (following consultation with the relevant portfolio lead) for the ability to accept grants awarded to WMCA between 17 November 2023 and 12 January 2024, subject to the terms and conditions of those grants being acceptable to the Monitoring Officer, Section 151 Officer and the relevant Executive Director, and for the relevant Single Assurance Framework process being followed.

64. European Athletics Championships 2026

The board considered an update on the latest position regarding Birmingham's hosting of the European Athletics Championships in 2026. The Chief Executive confirmed that the Department for Culture, Media & Sport was awaiting confirmation of the WMCA's commitment to reprofiling of funding from the Commonwealth Games Legacy Enhancement Fund. A draft copy of the letter had been circulated to members of the board ahead of the meeting.

Councillor John Cotton welcomed the contents of the draft letter and stressed the importance of Birmingham City Council working closely with the WMCA and the region's other local authorities to ensure that the event could be staged successfully. Councillor Mike Bird indicated that further clarity was required as to Birmingham City Council's ability to be able to continue supporting the hosting of the championships. Councillor John Cotton explained that discussions were currently on-going and he expected this clarity to be available in December. He did not wish to see any additional financial burden fall on the WMCA in this regard.

Resolved:

The draft letter previously circulated to members of the board be agreed, signed by the Mayor and sent to the Department for Culture, Media & Sport.

65. West Midlands Investment Zone and Levelling Up Zones Update

The board considered a report of the Executive Director for Strategy, Economy & Net Zero providing an update on the development of Investment Zone and Levelling Up Zone work, seeking approval of the distribution of Investment Zone and Levelling Up Zone sites, seeking approval of Investment Zone governance proposals, and to endorse the direction of travel and further work on the detailed funding and financing plan that would underpin delivery.

The Executive Director for Strategy, Economy & Net Zero confirmed that all constituent authorities were to be represented on the West Midlands Investment Zone Joint Committee. In response to a question from Councillor Stephen Simkins, the Chair indicated that he would support a constituent member chairing the joint committee if that was its wish.

Resolved:

- (1) The overall proposition for business rate retention and tax incentive sites to be included in the West Midlands Investment Zone and for those 'Growth Zone sites' that would be included for business rate retention within Levelling Up Zones be approved.
- (2) The establishment and responsibilities of a joint committee to govern the implementation of the West Midlands Investment Zone, its terms of reference and that Warwickshire County Council, as a non-constituent authority, be given full voting rights on the Investment Zone Joint Committee be approved.
- (3) The work in progress regarding the finance and funding plan that would underpin delivery of the Investment Zone and Levelling Up Zone sites, and the key actions and principles that would guide its further development, be noted.

66. WMCA Air Quality Framework and Implementation Plan

The board considered a report from the Executive Director for Strategy, Economy & Net Zero providing an overview of the Air Quality Framework, and its associated Implementation Plan for the next two years. The report also highlights delivery priorities, including funding secured and required to expedite projects and programmes.

In order to accelerate the improvement of air quality in the WMCA area, one of the actions proposed was to identify stretch targets, as recommended by the Transport Delivery Overview & Scrutiny Committee, that were more ambitious in terms of timescales and pollutant concentration targets than the Government air quality targets, and which were closer to World Health Organisation targets for NO₂ and PM_{2.5}. This work would be done as part of the delivery of the Air Quality Framework Implementation Plan.

Councillor Ian Courts indicated his full support for the plan and urged that it be implemented as soon as possible. He was particularly concerned with congestion around schools and the impact this had on air quality. The Head of Environment indicated that the Regional Schools Engagement Programme work would be initiated shortly, which would seek to address these specific concerns.

Resolved:

- (1) The draft Air Quality Framework Implementation Plan be endorsed.
- (2) The regional approach to tackling air quality, as summarised in the Air Quality Framework Implementation Plan and outlined in detail in the Air Quality Framework, be endorsed.
- (3) Stretch targets, which were more ambitious in terms of timescales and pollutant concentration targets than the Government's air quality targets, and which were closer to World Health Organisation targets for NO₂ and PM_{2.5} be adopted as part of the development of the Regional Air Quality Framework.

67. WMCA Homelessness Taskforce: Update and Key Priorities

The board considered a report from the Executive Director for Strategy, Economy & Net Zero providing an update on the current work programme and priorities of the WMCA Homelessness Taskforce. Jean Templeton, Chair of the taskforce, and Councillor David Welsh, Chair of the Member Advisory Group, were also in attendance to share their thoughts with the board.

The Homelessness Taskforce's strategic objective was to design out homelessness in all its forms, and to promote sustainable and meaningful inclusion for all citizens of the WMCA region. The taskforce had sought to undertake activities with its local authority partners that were relevant and complementary to local strategies and commissioned services. When there had been added value to be gained, the taskforce had played a pivotal role in convening, commissioning and co-ordinating activity across the region.

Councillor Kristofer Wilson welcomed the work of the Homelessness Taskforce and encouraged it to expand into non-constituent member areas, where homelessness remained a challenge for authorities. He stressed the importance of early intervention and support to help individuals who might otherwise want to avoid seeking help. Councillor Stephen Simkins highlighted the role of better housing stock and a secure tenancy process to help address homelessness. Councillor Ian Courts acknowledged that there were both short and long term measures that were needed, but reiterated the value of early prevention before problems escalated.

The Chair thanked both Jean Templeton and Councillor David Welsh for the roles they played in this critical work area.

Resolved:

- (1) It be noted that the homelessness being experienced by vulnerable citizens across the WMCA region was actively inhibiting the region's ability to create a more prosperous, fairer and inclusive region for all, and that the Homelessness Taskforce had been one of the means by which the WMCA and its partners had collaborated to address this.
- (2) The WMCA and its partners' efforts to accelerate progress towards their joint aim of designing out homelessness in all its manifestations, including by continuing to embed homelessness prevention into the mainstream strategies, processes, and programmes of the WMCA through cross-directorate activity be noted, and the taskforce's adoption of a broader focus on all forms of homelessness be endorsed.
- (3) The Homelessness Taskforce's identified priorities for 2023/24 and beyond, including specific actions to commission a suitably experienced and qualified organisation to help investigate and articulate an evidenced-based economic case, and to consider how Government could be jointly lobbied to improve the current Local Housing Allowance model, be endorsed.

68. Update on HS2 Announcements and Network North Funding

The board considered a report from the Executive Director for Transport for West Midlands on the recent announcements relating to HS2 from Government, the reallocation of funding to the North and Midlands authorities, and the work being undertaken to assess the impacts on the region's economic outcomes as a consequence of these changes.

The Government recently undertook a review of the delivery of HS2 and on 4 October the Prime Minister announced that parts of the scheme were to be cancelled. The changes to the scope of HS2 meant that Phase 1 would be completed between London (Old Oak Common) and Birmingham, with a rescope Euston station which would require a private consortium to invest in its completion. Phase 1b to Crewe would be removed and the HS2 line would reconnect to the existing West Coast Mainline at Handsacre to provide rail connectivity North.

Councillor John Cotton indicated that Birmingham City Council wished to be fully engaged with discussions with the Government on the impact on the city of this decision, and Councillor George Duggins stressed the importance of involving all authorities in the future agreement of projects to be funded from the reallocation of funding.

Resolved:

- (1) The recent Government announcements in relation to the cancellation of parts of HS2 as a national project and the reallocation of funding as specified in the Network North document published following the Prime Minister's speech at the Conservative Party Conference in October 2023 be noted.
- (2) That programmes and projects utilising this funding would follow the existing governance routes and would come back to the WMCA Board for decisions over £20m and the Investment Board for decisions below that amount be noted.
- (3) It be noted that an assessment of the economic impacts for the region associated with these changes was being commissioned to help inform any future investment programmes and refresh of existing business cases that were predicated on the arrival of the full HS2 scheme and which would be subject to a future report to the Board.

69. Birmingham Eastside Extension

The board considered a report from the Executive Director for Transport for West Midlands providing an update on the schedule to the Birmingham Eastside Extension Metro scheme in relation to the pausing of works associated with HS2 construction of Curzon Street station and pending any further clarity to the HS2 design and programme following recent announcements from Government cancelling phase 2 north of Birmingham to Manchester.

Councillor John Cotton welcomed the approach proposed within the report and the clear commitment to identify the funding required to complete the extension in full. However, he did stress the need for a communications and engagement plan to mitigate the disruption caused by the works.

Resolved:

- (1) It be noted that sections of the Birmingham Eastside Metro Extension had been successfully delivered in Lower Bull Street (Section 1), as well as certain elements between Lower Bull Street and Moor Street Queensway (section 2), which included utility diversions and the demolition of a number of buildings, with works due to be completed in Digbeth (section 5) by the end of 2023.
- (2) The change to the delivery schedule for the Birmingham Eastside Extension scheme, which paused metro works whilst Curzon Street station was built following a signed Memorandum of Understanding between HS2 Ltd and the Department for Transport, as previously reported to the board, be noted, and that the Birmingham Eastside Extension schedule could also be impacted by further potential changes to the HS2 programme arising from the recent decision by the Government to cancel the northern parts of the scheme, further detail of which was awaited.
- (3) It be noted that this pause in delivery and any potential further changes to the HS2 programme would have an impact on cost due to inflation as previously reported and prolongation of the delivery to the full scheme as a consequence of HS2 works.
- (4) That the board remained committed to completing the full scheme and that work was ongoing with HS2 Ltd and Birmingham City Council to finalise designs for both the Curzon Street station and any resultant changes to the base metro design be noted, along with the work needing to be completed in order to produce the full scheme scope and costs including reimbursement from HS2 Ltd for the financial impact of delays (the subject of a further report to this board early next year).
- (5) It be noted that three options had been considered to assess the opportunity to release some early connectivity benefits whilst the scheme was paused as referred to in previous reports to meetings of the board on 17 March and 9 June 2023.
- (6) Option 3 be approved to undertake an interim scheme terminating at a temporary stop alongside Moor Street Queensway at a current cost estimate, of £245m which included all works completed to date.
- (7) That the additional funding required of £17m to complete this interim scheme would be provided through the overprogramming of City Region Sustainable Transport Settlement and provided for within the additional headroom provided following the Network North announcements reported in minute no. 68 above be noted.

- (8) Work commencing to progress both development and construction of option 3 be approved, subject to an agreed design and construction methodology with Birmingham City Council as the Planning and Highway Authority, being contained within the £245m estimate and following a value for money assessment and a successful outcome through the Single Assurance Framework.
- (9) It be noted that a comprehensive report would be brought to a future meeting of the board within the next six months, subject to all information available from delivery partners, setting out costs, funding strategy and the programme to complete the Birmingham Eastside Extension in full, including remaining works to sections 2, 3, 4 and 5 of the scheme, and that this report would include a revised full business case, including a value for money assessment that would require evaluation through the Single Assurance Framework.

70. New Stations Package 1: Project Costs Update

The board considered a report of the Executive Director for Transport for West Midlands on the cost and programme implications of the novation of the West Midlands Rail Programme (New Stations Package 1 Project) to Kier Integrated Services Ltd, following the administration of Buckingham Group Contracting Ltd in September 2023 due to financial insolvency.

A New Stations Package 1 Project Update report was noted by the board at its meeting on 13 October 2023. This provided details of the decision to novate the New Stations Package 1 Project to Kier Integrated Services Ltd, following the placing into administration of Buckingham Group Contracting Ltd. Following rigorous review, it was determined that novating the contract to Kier Integrated Services would minimise disruption to the programme, maintain the current integrated delivery strategy, and retain many of the same resources. It also protected the WMCA from negotiations with the administrators on the Buckingham Group Contracting account.

Resolved:

- (1) The cost pressures associated with the New Stations Package 1 project be noted.
- (2) The proposed funding solution to extend the over-programming of the City Region Sustainable Transport Settlement 1 be approved.
- (3) Authority be delegated to Section 151 Officer the ability to amend the project budget by up to £15.43m, subject to satisfactory assurances being received by the Executive Director for Transport for West Midlands with respect to the anticipated final cost.

71. Investment Board - 24 July 2023

The board considered the minutes of the Investment Board held on 24 July 2023.

Resolved:

The minutes of the meeting held on 24 July 2023 be noted.

72. Overview & Scrutiny Committee - 4 September 2023

The board considered the minutes of the Overview & Scrutiny Committee held on 4 September 2023.

Resolved:

The minutes of the meeting held on 4 September 2023 be noted.

73. Transport Delivery Overview & Scrutiny Committee - 4 September 2023

The board considered the minutes of the Transport Delivery Overview & Scrutiny Committee held on 4 September 2023.

Resolved:

The minutes of the meeting held on 4 September 2023 be noted.

74. Economic Growth Board - 22 September 2023

The board considered the minutes of the Economic Growth Board held on 22 September 2023.

Resolved:

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

75. Audit, Risk & Assurance Committee - 4 October 2023

The board considered the minutes of the Audit, Risk & Assurance Committee held on 4 October 2023.

Resolved:

The minutes of the meeting held on 4 October 2023 be noted.

76. Investment Board - 16 October 2023

The board considered the minutes of the Investment Board held on 16 October 2023.

Resolved:

The minutes of the meeting held on 16 October 2023 be noted.

77. Housing & Land Delivery Board - 18 October 2023

The board considered the minutes of the Housing & Land Delivery Board held on 18 October 2023.

Resolved:

The minutes of the meeting held on 18 October 2023 be noted.

78. Overview & Scrutiny Committee - 19 October 2023

The board considered the minutes of the Overview & Scrutiny Committee held on 19 October 2023.

Resolved:

The minutes of the meeting held on 19 October 2023 be noted.

79. Transport Delivery Overview & Scrutiny Committee - 30 October 2023

The board considered the minutes of the Transport Delivery Overview & Scrutiny Committee held on 30 October 2023.

Resolved:

The minutes of the meeting held on 30 October 2023 be noted.

80. Transport Delivery Overview & Scrutiny Committee - 30 October 2023

The board considered the minutes of the Transport Delivery Overview & Scrutiny Committee held on 30 October 2023.

Resolved:

The minutes of the meeting held on 30 October 2023 be noted.

81. Overview & Scrutiny Committee - 6 November 2023

The board considered the minutes of Overview & Scrutiny Committee held on 6 November 2023.

In respect of minute no. 161 ('Inquorate Meeting'), the Director of Law & Governance drew the board's attention to another meeting that was inquorate due to insufficient members attending. The Chair stressed the importance of attendance given that members of the WMCA's scrutiny and audit committees were now paid an allowance, and the recent Deeper Devolution Deal increased the importance of the oversight role these meetings undertook.

In respect of minute no. 163(a) ('Letter received from the Police & Crime Commissioner'), Simon Foster repeated his offer to attend a future meeting of the Overview & Scrutiny Committee to discuss the proposed amalgamation of the role into that of the Mayor. He expressed his disappointment that a previous offer to attend the committee had been declined. Councillor Cathy Bayton noted his long-standing opposition to any planned amalgamation of the roles, but considered that this board remained the forum at which any changes to police governance in the region involving the WMCA should be debated.

Resolved:

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

82. Date of Next Meeting

Friday 12 January 2024 at 11.00am.

The meeting ended at 12.50pm.