



## WMCA Board

<b>Date</b>	11 January 2019
<b>Report title</b>	Report of Councillor Peter Hughes - Feedback from Overview & Scrutiny Committee Mayor's Question Time: Budget
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### Recommendation(s) for action or decision:

#### The WMCA Board is recommended to:

- (1) Note the Mayoral Q&A event held with members of the Overview & Scrutiny Committee on 12 December 2018; and also note:
  - (a) The committee's views on the need for the WMCA to engage with Overview & Scrutiny Committee in the process to develop the budget, and that the consultation timescales should allow the committee to review the draft budget proposal in sufficient time to enable it to undertake its role effectively.
  - (b) The committee's comments and observations on how the WMCA measures the effectiveness and impact of how it allocates its resources.
- (2) Approve the recommendations of Overview & Scrutiny Committee arising from the Mayoral Q&A event (section 5 of the report):
  - (a) The WMCA should seek to establish a robust budget consultation process for future annual budgets, which builds in and ensures adequate time for proper scrutiny. It should also consider the use of innovative ways to consult with residents and the younger generation of the West Midlands (eg. live streaming consultation events) which could help raise the general awareness and profile of the West Midlands Combined Authority.

- (b) The current performance framework should align with the budget framework to enable the outputs and achievements to be seen, with Overview & Scrutiny Committee to be engaged in the development of future performance management frameworks, including pre-scrutiny consideration of the proposed report on performance management/delivery monitoring due to be considered by the WMCA Board on 8 February 2019.
  - (c) The Transport for West Midlands' performance data was currently reviewed by Transport Delivery Committee on a regular basis, however it is considered that the Overview & Scrutiny Committee's Budget Working Group should review transport performance data, on an exception basis, and question how it related to budget spend.
  - (d) WMCA to establish a policy document that defines its approach to the delivery of social housing and that also identifies the percentage of social housing and affordable housing it wishes to achieve within the West Midlands area.
  - (e) In addition to social value and procurement, when making investments the WMCA should also look at a number of other measures including equality and diversity, inclusive growth and environmental improvement to achieve a carbon neutral environment. These key issues should therefore be included in any project appraisal process.
  - (f) The review of the Ring and Ride service, including the integration of other forms of local transport schemes (including community/hospital transport) be prioritised for consideration during 2019/2020, rather than a 'medium-term' aim. The Board should note that the Overview & Scrutiny Committee would be happy to support the portfolio holder and Transport Delivery Committee in trying to achieve this.
  - (g) WMCA to give priority to developing an Arts & Culture Strategy and Physical Activity Strategy, to establish unique selling points for the region, which set it apart from its peers, reflects its diverse nature, achieves physical/mental health benefits and builds on the success of achieving the Commonwealth Games and City of Culture to the area.
- (3) Note the following questions being asked of the Mayor (section 6 of the report) which, in accordance with the WMCA's constitution, he is required to provide a written response, to the committee, within two months:
- (a) Overview & Scrutiny Committee to review the draft proposals for the establishment of the Youth WMCA, and to receive an update on its purpose, remit, timescales for its establishment and lead officer(s) or Portfolio Lead from the WMCA.
  - (b) Overview & Scrutiny Committee to receive performance data statistics for each portfolio lead area.

- (c) Acknowledging that there was a large underspend on the national Affordable Housing Investment Fund and that it was expected that the West Midlands Combined Authority would apply for a share of this funding pot. Overview & Scrutiny Committee would like to receive an indication of the level of funding the West Midlands Combined Authority would apply for and the expectations it would like to achieve in terms of affordable and social housing.
- (d) Overview & Scrutiny Committee to receive a map of the WMCA investments in relation to areas of deprivation within the West Midlands.
- (e) In respect of the funding assumptions and risks, Overview & Scrutiny Committee would like to receive periodic reports on the details of those red rated risks within the Strategic Risk Register, together with an update on the work that is being undertaken to de-risk them. In particular, the Committee would like to receive details of how the Capital Programme will be re-adjusted in those 3 areas of the programme where funding has not been assured prior to Quarter 4 of the 2019/2020 financial year.
- (f) With regard to Inclusive Growth, Overview & Scrutiny Committee would like to receive a report on how the gap in income levels and deprivation across the region are to be closed, outlining which key measures within the Business Plan will achieve this and the targets/timescales/data sets that will be used to monitor the delivery of Inclusive Growth.
- (g) Overview & Scrutiny Committee to receive a report on proposals for future public consultation on the key activities of the WMCA, including consideration of an annual Residents' Opinion Survey.
- (h) The committee notes that the Mayor agrees with and supports the ambition to achieve carbon neutral forms of transport. So, following on from our previous recommendation relating to the introduction of Sprint routes (using low/zero emission methods as in Nottingham) in time for the Commonwealth Games in 2022, the committee would like to receive a report from TFWM giving options for trying to achieve this.
- (i) The Overview & Scrutiny Committee would like to know (if these concessions are not to be included within the 2019/2020 Transport Levy), when travel concessions are likely to be extended to include 'WASPI' women and ex-service personnel in the future?
- (j) The Overview & Scrutiny Committee would like to be kept informed on the likely costs of the Mayoral election in 2020, and how these costs are to be funded.
- (k) The Mayor suggested that, in order to get a better overall picture, a 'piece of work' could be carried out to establish the net effect of the Adult Education Budget being transferred to the WMCA, and the closure of individual programmes delivered locally and funded by European Structural Investment Fund. Overview & Scrutiny Committee would like to be kept informed of the outcome of any such review.

## **1. Purpose**

- 1.1 A Mayoral Q&A session was held on 12 December where members of the Overview & Scrutiny Committee questioned Andy Street on issues relating to the performance of the budget 2018/19, proposals for the 2019/20 budget, other strategic finance issues and his decision not to set a Mayoral precept for 2019/20.
- 1.2 The Mayor was also joined by the Deputy Mayor, Director of Finance and the Head of Business Planning.
- 1.3 This report details the Overview & Scrutiny Committee's feedback from that Q&A session, together with a number of recommendations for the WMCA Board to consider that arose from the responses provided by the Mayor and Deputy Mayor.

## **2. Background**

- 2.1 On 12 December, members of the Overview & Scrutiny Committee met at 16 Summer Lane, Birmingham to hold a Q&A session with the Mayor. This was the second session planned during the year. The meeting focussed on reserves and future funding, transport, Mayoral Office, skills and equality.
- 2.2 The meeting was held in public and streamed live through the WMCA Facebook page. Councillors from the Overview & Scrutiny Committee representing constituent and non-constituent authorities and the region's Local Enterprise Partnerships (LEPs) questioned the Mayor on issues as diverse as the budget consultation process and the engagement with younger people, future funding, risks, transport, Mayoral office and equality and diversity.
- 2.3 The Overview & Scrutiny Committee then met on 17 December to further consider its findings and recommendations to put forward to the WMCA Board. These related to;
  - Budget discussions and consultation process
  - Allocation of resources

## **3. Budget Discussions**

- 3.1 Overview & Scrutiny Committee had recognised that the West Midlands Combined Authority had commenced its budget discussions with constituent authorities much earlier this year to allow sufficient time for open discussion and development proposals. However, a change to the scheduled timetable of meetings with the Metropolitan Leaders had meant that the proposed draft budget 2019/20 had yet to be finalised and as a consequence could not be shared with Overview & Scrutiny Committee prior to the Mayoral Q&A session.
- 3.2 In order to undertake its role effectively and hold the Mayor to account in a public session, members of the committee have asked that the WMCA engage with Overview & Scrutiny Committee in the budget process in a timely manner to allow the committee to review and discuss budget proposals in sufficient time.
- 3.3 A meeting of the Budget Working Group will be held on 8 January, with the Director of Finance to review the detail of the draft budget proposals. The Portfolio Lead for Finance & Investments had been invited to attend this meeting but was unfortunately unable to due to diary availability.

#### **4. Allocation of Resources**

- 4.1 The committee questioned the Mayor on how the WMCA Board measured the effectiveness and impact of how it allocated its resources. The Mayor acknowledged that the process was evolving and explained that there would be a proposal presented to the WMCA Board on 8 February that looked at the performance of the Programme Office and delivery monitoring function. The Mayor welcomed Overview & Scrutiny Committee reviewing this particular report prior to its consideration by the WMCA Board.

#### **5. Issues for WMCA Board Consideration**

- 5.1 Arising out of the Q&A session, there were a number of issues that Overview & Scrutiny Committee felt needed bringing to the attention of the WMCA Board for its consideration:

**(a) Budget Consultation**

Overview & Scrutiny Committee consider that it was important for the WMCA budget consultation process to evolve as its responsibilities were expanding eg. the integration of the Fire Authority and potentially the Police & Crime Commissioner function. It was considered that the WMCA should engage with residents of the West Midlands on the budget and as there was a lack of awareness of the WMCA and its role amongst the residents of the West Midlands, the budget consultation process could be used as a way to raise awareness and the profile of the WMCA.

The WMCA should look to establish a robust budget consultation process for future annual budgets and should also consider the use of innovative ways to consult with residents of the West Midlands including young people eg. live streaming events.

**(b) Performance Management Framework**

Overview & Scrutiny Committee understood that the WMCA was currently working on an improved Annual Business Plan that would include the relevant key statistics for the respective areas of the business. As the Performance Management Framework would sit under the Annual Business Plan, it was proposed that the framework should be aligned with budget outputs. Overview & Scrutiny Committee would like to be engaged in the development of future performance frameworks.

**(c) Transport Performance Data**

It was acknowledged that there was a large performance framework for transport that is currently being reviewed by the Transport Delivery Committee. It was considered that Overview & Scrutiny Committee should receive, on an exception basis, transport performance data to enable it to undertake a thorough investigation into any particular areas of concern.

**(d) Social and Affordable Housing Policy Document**

It was proposed that the WMCA should produce a policy document that defined the WMCA's approach to the delivery of social housing and that identified the percentage it would like to achieve in terms of affordable housing within the West Midlands area. In relation to WMCA investments, the document should also include information concerning equality and diversity, inclusive growth and the environment in a similar way to the Social Value Policy that was demanding of individual contractors.

## **6. Questions**

6.1 Overview & Scrutiny Committee will pursue a number of lines of enquiry arising from the Q&A session through its working groups and scrutiny champions. To support this, there were a number of follow up questions that members of the committee will be seeking a written response from the Mayor to:

### **(a) Establishment of a Youth Combined Authority**

Overview & Scrutiny Committee considered that the WMCA needed to engage more with the younger generation and would encourage the WMCA to engage with the younger generation in a way that would maintain their attention going forward. Members would like to have an opportunity to review the draft proposals for the establishment of the Youth WMCA. It would like to receive a detailed update on the purpose of the Youth Combined Authority, its remit, timescales for its establishment and the lead officer(s) and Portfolio Lead from the WMCA.

### **(b) Performance Data for each portfolio lead area**

Overview & Scrutiny Committee would like to receive the relevant performance information for each portfolio area in order for the respective working group to undertake its overview & scrutiny role effectively.

### **(c) National Affordable Housing Investment Fund**

It is acknowledged that there was a large underspend on the national affordable housing investment fund and that the West Midlands Combined Authority would apply for a share of this particular fund. Overview & Scrutiny Committee would like to receive an indication of the level of funding the West Midlands Combined Authority would be applying for and the expectations it would like to achieve in terms of affordable and social housing.

### **(d) Investments - Areas of Deprivation**

Overview & Scrutiny Committee sought assurances that WMCA resources were being channelled into those areas of deprivation within the West Midlands. The WMCA needed to ensure that it was making a difference to people's lives where it mattered. With this in mind, members of the committee would like to receive a map of the investments made by the WMCA to those areas of deprivation within the West Midlands.

### **(e) Funding Assumptions and Risks**

In respect of the funding assumptions and risks, Overview & Scrutiny Committee would like to receive periodic reports on the details of those red rated risks within the Strategic Risk Register together with an update on the work that is being undertaken to de-risk them.

## **7. Response from Mayor/WMCA Board**

7.1 The WMCA's constitution requires the Mayor and/or the Authority to respond within two months of receiving a report from its Overview & Scrutiny Committee indicating what action it proposed to take in respect of matters drawn to its attention (recommendation 2 above). The Mayor is also required to respond within two months to questions formally asked to him by the committee (recommendation 3 above).

## **8. Financial Implications**

8.1 There are no direct financial implications arising out of the recommendations contained within this report.

**9. Legal Implications**

9.1 There are no direct legal implications arising out of the recommendations contained within this report. The powers and responsibilities of overview & scrutiny committee within combined authorities are specified in The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017.

**10. Equalities Implications**

10.1 There are no direct equalities implications arising out of the recommendations contained within this report.

**11. Inclusive Growth Implications**

11.1 There are no direct inclusive growth implications arising out of the recommendations contained within this report.

**12. Geographical Area of Report's Implications**

12.1 The Overview & Scrutiny Committee contains members representing constituent and non-constituent authorities. The Q&A session with the Mayor included questions relating to the delivery of policies that impact across the region's three-LEP geography.

**13. Other Implications**

13.1 There are no further specific implications arising out of the recommendations contained within the report.

**14. Schedule of Background Papers**

14.1 None.