



# West Midlands Combined Authority

## WMCA Board

Friday 9 November 2018 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 Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Brigid Jones	Birmingham City Council
Councillor Abdul Khan	Coventry City Council
Councillor Syeda Khatun	Sandwell Metropolitan Borough Council
Councillor Roger Lawrence	City of Wolverhampton Council
Councillor Pete Lowe	Dudley Metropolitan Borough Council
Councillor Ian Ward	Birmingham City Council

#### Non-Constituent Members

Councillor George Adamson	Cannock Chase District Council
Councillor Mark Cargill	Stratford-on-Avon District Council
Councillor Matthew Dormer	Redditch Borough Council
Councillor David Humphreys	North Warwickshire Borough Council
Councillor Julie Jackson	Nuneaton & Bedworth Borough Council
Ninder Johal	Black Country Local Enterprise Partnership
Councillor Alex Phillips	Shropshire Council
Councillor Michael Stokes	Rugby Borough Council
Sarah Windrum	Coventry & Warwickshire Local Enterprise Partnership

#### Observer Members Awaiting Membership

Graham Wynn	The Marches Local Enterprise Partnership
-------------	--

#### Co-Opted Member

Lee Barron	Midlands Trades Union Congress
------------	--------------------------------

#### Observer Members

Councillor John Edwards	West Midlands Fire & Rescue Authority
David Jamieson	West Midlands Police & Crime Commissioner

## **In Attendance**

Councillor Kath Hartley  
Councillor Peter Hughes  
David Lane  
Councillor Ian Shires

Transport Delivery Committee  
Overview & Scrutiny Committee  
Audit, Risk & Assurance Committee  
Overview & Scrutiny Committee

## **Item No.**

### **52. Apologies for Absence**

Apologies for absence were received from Jonathan Browning (Coventry & Warwickshire LEP), Councillor Shaun Davies (Telford & Wrekin), Councillor Steve Eling (Sandwell), Councillor Tony Jefferson (Stratford-on-Avon), Councillor Peter Nutting (Shropshire), Tim Pile (Greater Birmingham & Solihull LEP) and Stewart Towe (Black Country LEP).

### **53. Chair's Remarks**

#### **(a) Councillor Roger Lawrence, City of Wolverhampton Council**

The Mayor congratulated Councillor Roger Lawrence on being awarded 'Leader of the Year' in the LGiU Councillor Achievement awards 2018.

#### **(b) Councillor Pete Lowe, Dudley Metropolitan Borough Council**

The Mayor congratulated Councillor Pete Lowe on his recent appointment as Leader of Dudley Metropolitan Borough Council. However, Councillor Pete Lowe reported that due to personal circumstances he would be standing down from this role in the near future. Councillor Mike Bird thanked him for the part he played in originally establishing the WMCA and the collaborative approach he had taken to working with the region's other council leaders.

#### **(c) Dave Webb, Stratford-on-Avon District Council**

The Mayor noted that this was the last meeting that Dave Webb would be attending prior to his forthcoming retirement. He thanked him for his contribution to the work of the WMCA and the support he had given to role of non-constituent authorities.

### **54. Minutes - 14 September 2018**

The minutes of the meeting held on 14 September 2018 were agreed as a correct record, subject to the inclusion of Councillor Julie Jackson (Nuneaton & Bedworth Borough Council) amongst the list of those present.

### **55. Forward Plan**

The forward plan of items to be considered at future meetings was noted.

**56. Consultation for the Transfer of West Midlands Police & Crime Commissioner Functions**

The board considered a report from Henry Kippin, Director of Public Service Reform, on the feedback received from constituent councils, the Police & Crime Commissioner and West Midlands Police following the circulation of the Scheme and Governance Review, and setting out the proposed two-stage consultation route in line with proposals to transfer responsibilities in time for the election of a Mayoral Police & Crime Commissioner in May 2020.

Written feedback had been received from a number of consultees, the detail of which was included within the report. In addition, the report set out the principles that would be followed during the wider consultation, including a two-stage process, a key role for scrutiny, appropriate legal guarantees, independent question setting and analysis, and a collaborative consultation process.

David Jamieson stressed the importance of the Police & Crime Commissioner role, especially during challenging funding periods. He expressed a number of concerns about the proposals contained within the report, including the lack of time to review responses to part 1 of the public consultation before part 2 commenced, the impact of central government capping rules, and the pace at which changes were seeking to be implemented. In respect of the manner in which the debt of the two organisations would be handled in the event of a merger, Henry Kippin reported that he had received a letter from the Treasury addressing this issue, a copy of which he would provide to David Jamieson.

Resolved:

- (1) The comments received from the Constituent Councils, the Police & Crime Commissioner and the Chief Constable, and the resulting revisions to the Scheme be noted.
- (2) The proposed two-stage consultation process, including the revised timetable, and revised Governance Review and Scheme to be consulted upon be noted and agreed.
- (3) It be agreed to receive a further report at 22 March 2019 WMCA Board detailing the outcome of the consultation.

**57. Feedback from Overview & Scrutiny Committee Mayor's Question Time: Policy**

The board considered a report from Councillor Peter Hughes, Chair of the Overview & Scrutiny Committee, on that committee's feedback and recommendations that arose out of the Mayoral policy Q&A session it held on 28 September.

The Mayoral Q&A session was held in public and streamed live on the internet. Members of the Overview & Scrutiny Committee questioned the Mayor on issues as diverse as housing provision, air quality measures, transport infrastructure, Brexit preparations and the Leadership Commission's recent report on diversity in leadership roles.

In respect of the questions to the Mayor that required a further response (relating to Brexit implications for the West Midlands and air quality), the Mayor undertook to ensure that appropriate Portfolio Leads would be involved in the drafting of these responses and would endorse the responses given. In respect of the engine type proposed to be used within the Sprint vehicles, Councillor Roger Lawrence indicated that the specification would be determined once an operator had been appointed, although he confirmed that environmental emission standards would be in excess of those currently provided for by the Euro VI standard.

Resolved:

- (1) The Mayoral Q&A event held with members of the Overview & Scrutiny Committee on 28 September 2018 be noted, along with:
  - (a) The committee's views on the need for a 'prescribed/dedicated' time slot within the Mayor's diary for such events;
  - (b) Proposals to increase the number of events to three per year, in order to facilitate a wider range of questioning, and ensure greater transparency;
  - (c) The continued need for the WMCA Board to ensure that pre-decision scrutiny was embedded throughout the work of the WMCA.
- (2) The recommendations of Overview & Scrutiny Committee arising from the Mayoral Q&A event be approved:
  - (a) A report on Brexit, and the implications for the region, to be presented to the WMCA Board as soon as possible, as it was considered that there was a need for a co-ordinated regional approach on the potential impacts and mitigations of Brexit.
  - (b) Any WMCA Air Quality Strategy should be drafted in co-ordination with all constituent authorities, and include reference to impact on non-constituent authorities; also the WMCA should develop a region-wide database for all local authorities to input into, and to access information.
  - (c) The WMCA should provide leadership on vehicle emission standards impacting on air pollution, and therefore any decision on the engine type to be used in the proposed Sprint vehicle should avoid the use of diesel; and WMCA should seek to be the market leader in environmental emissions.
  - (d) Overview & Scrutiny Committee should undertake pre-decision scrutiny on any proposals or recommendations arising out of the Ring & Ride review prior to its consideration by the WMCA Board.

- (3) The following questions being asked of the Mayor be noted, which, in accordance with the WMCA's constitution, he was required to provide a written response to the committee, within two months:
- (a) To provide a detailed breakdown on how the Mayor had utilised the £2m central Government funding allocated to the WMCA to boost mayoral capacity and resources, and whether any of this funding had been, or was intended to be, allocated to support an effective scrutiny function.
  - (b) To provide greater clarification on the extent to which the Mayor was utilising the powers provided within the Bus Services Act 2017 in respect of bus franchising.
  - (c) To provide further details on the support being provided by Transport for West Midlands to ensure vehicles operated on subsidised routes achieved high standards of environmental emissions.
  - (d) To provide further details on the number and percentage of housing delivery programme targets that would be designated as 'affordable homes', and also social housing.
  - (e) To provide further information of the economic benefits that the Mayor envisaged for the region as a result of hosting the Commonwealth Games 2022, and how this would contribute to the region's inclusive growth.

**58. West Midlands 5G - Structure, Governance and Funding**

The board considered a report from Henry Kippin, Director of Public Service Reform, seeking its approval to participate in the WM5G programme, the proposed governance structure and its potential funding model.

The West Midlands had been selected to become the innovative home to the UK's first multi-city 5G test bed. The project would develop a large-scale 5G prototype across the region, with potential hubs in each of the regional clusters of Coventry/Solihull, Birmingham and the Black Country.

Councillor George Adamson congratulated all those that had been involved in the successful bid and stressed the important role 5G would play in the delivery of the Commonwealth Games in 2022. Councillor Alex Phillips noted that the delivery of 5G technology within more rural areas would provide its own challenges and welcomed the role that Shropshire could play in helping to meet these challenges.

Resolved:

- (1) The participation by the WMCA in the WM5G Project be approved.

- (2) The proposed governance structure for the WM5G Project be confirmed and approved, and permission was granted for the Joint Venture and Delivery Entity to be incorporated and the Overarching Grant Agreement entered into (including any associated ancillary documentation) in conjunction with the Department for Digital, Culture, Media & Sport.
- (3) An allocation of £4.75 million to the Delivery Entity, subject to the normal WMCA Assurance Framework, to be allocated to projects using the governance structures set out in the report be confirmed and approved.

**59. Financial Monitoring Report 2018/19**

The board considered a report from Sean Pearce, Director of Finance, on an update of the WMCA's finances as at the end of September 2018, including the mid-year update against the Treasury Management Strategy.

The report provided a mid-year review of the revenue and capital positions of the WMCA against the original approved budget. It also provided a mid-year update on treasury management activities, as required by the CIPFA Treasury Management Code, indicating that all treasury management activity had been undertaken in line with the strategy previously approved by the WMCA Board.

Resolved:

- (1) The financial position as at the end of September 2018 be noted.
- (2) The Authority's mid-year Treasury Management position against the approved strategy be noted.

**60. Transforming Cities Fund**

The board considered a report from Laura Shoaf, Transport for West Midlands' Managing Director, setting out the priority listing of transport investments proposed to utilise the balance of Transforming Cities funding.

The Transforming Cities Fund was announced in the 2017 Autumn budget, and the WMCA would receive capital funding of £250m from the national fund total of £1.7bn. The majority of this funding was earmarked for the Wednesbury - Brierley Hill Metro extension, leaving £43m to be allocated to other transport projects that met the overall objectives of the Transforming Cities Fund. These objectives included improving productivity through changes in public transport connectivity, having an impact on congestion, air quality or journey times, or having a focus on sustainable transport or technology.

Councillor Syeda Khatun welcomed the report and the inclusion of the Birchley Island scheme within those prioritised for funding.

- (1) The allocation of Transforming Cities Fund to the schemes, in line with the guidance set out by the Department for Transport, be approved.

- (2) The approach for managing the Transforming Cities Fund allocations be endorsed.

**61. Strategic Vision for Bus**

The board considered a report from Laura Shoaf, Transport for West Midlands' Managing Director, on the development of a Vision for Bus that set out the creation of a world leading bus network as part of an integrated transport system.

The Vision for Bus set out what kind of bus services the region wished to see developed and what customers should expect. It anticipated that the subsequent delivery plan would provide a road map to a zero emission bus network, supporting zero emission technology platforms, full network capping of fares and ticketing across all operators, and to investigate the provision of discounted travel to all under 25s in the region.

Councillor Ian Ward welcomed the report, but noted that bus priority measures often provided challenges regarding road space allocation. He stressed the importance of the modelling undertaken for new schemes to be assessed before presuming the impact of traffic movements. Councillor David Humphreys noted that many residents in North Warwickshire commuted into Birmingham and Coventry for employment, which highlighted the importance of bus links between these centres. Councillor Roger Lawrence stressed that the bus network sought to support natural economic areas, and Transport for West Midlands worked closely with neighbouring transport authorities to ensure that appropriate investment was targeted where it would be most effective.

Resolved:

The Strategic Vision for Bus be approved.

**62. Housing & Land Delivery Board - 6 September 2018**

The board received the minutes of the Housing & Land Delivery Board held on 6 September 2018.

Resolved:

The minutes of the meeting held on 6 September 2018 were noted.

**63. Public Service Reform Board - 6 September 2018**

The board received the minutes of the Public Service Reform Board held on 6 September 2018.

Resolved:

The minutes of the meeting held on 6 September 2018 were noted.

**64. Transport Delivery Committee - 10 September 2018**

The board received the minutes of the Transport Delivery Committee held on 10 September 2018.

Resolved:

The minutes of the meeting held on 10 September 2018 were noted.

**65. Environment Board - 10 September 2018**

The board received the minutes of the Environment Board held on 10 September 2018.

Resolved:

The minutes of the meeting held on 10 September 2018 were approved.

**66. Strategic Economic Delivery Board - 12 September 2018**

The board considered the minutes of the Strategic Economic Delivery Board held on 12 September 2018.

In respect of minute no. 16 ('Local Industrial Strategy - Statement') Councillor Ian Ward reported that it was intended for the draft Local Industrial Strategy to be considered at the meeting of the WMCA Board on 11 January 2019.

Resolved:

The minutes of the meeting held on 12 September 2018 were noted.

**67. Investment Board - 17 September 2018**

The board received the minutes of the Investment Board held on 17 September 2018.

In respect of minute no. 32 ('Investment Programme - Update'), Councillor Pete Lowe stressed the strategic importance of the Wednesbury - Brierley Hill Metro extension and requested that a decision of allocation of WMCA funding be made at the earliest opportunity. The Mayor confirmed that the WMCA was committed to the delivery the Wednesbury - Brierley Hill Metro extension but that funding could not be formally allocated until the approval of the business case early next year.

Resolved:

The minutes of the meeting held on 17 September 2018 were noted.

**68. Audit, Risk & Assurance Committee - 21 September 2018**

The board received the minutes of the Audit, Risk & Assurance Committee held on 21 September 2018.

In respect of minute no. 90 ('Inquorate Meeting') Councillor Mike Bird noted that this was another instance of the meeting being inquorate. Tim Martin, Head of Governance, reported that the quorum for this particularly committee had been set by the Government in the Order establishing the WMCA and so was not possible to unilaterally change the number of members required to attend meetings. However, he would ensure all members were aware of the dates of the meetings and that they understood the importance of their attendance.

Resolved:

The minutes of the meeting held on 21 September 2018 were approved.

**69. Housing & Land Delivery Board - 25 October 2018**

The board received the minutes of the Housing & Land Delivery Board held on 25 October 2018.

Resolved:

The minutes of the meeting held on 25 October 2018 were noted.

**70. Friday 11 January 2019 at 11.00am**

That the date of the next meeting be noted.

**71. Exclusion of the Public and Press**

Resolved:

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

**72. Land and Property Investment Fund: Phoenix 10 Strategic Employment Site, Walsall**

The board considered a report from Gareth Bradford, Director of Housing & Regeneration, seeking approval to derogations from the Commissioning Framework and setting out the conditions that would be applied to such an approval.

The Black Country LEP and the WMCA had identified the Phoenix 10 site in Walsall as a strategically important site which would make a positive contribution to the economy of the region by delivering 57,575m<sup>2</sup> of new commercial floor space and 1,100 jobs. However, to achieve this, significant investment in land remediation on the site was required. The funding requirements, output and timing of the project were such that approval of Black Country Land & Property Investment funding would be outside the parameters of the WMCA-approved Commissioning Framework.

Resolved:

- (1) The decision by the Black Country Joint Committee that, subject to the satisfaction of certain conditions, funding from the Black Country Land and Property Investment Fund was made available to the City of Wolverhampton Council as Accountable Body for the fund to facilitate the delivery of the Phoenix 10 project be noted.

- (2) A derogation provided in respect of the Phoenix 10 project with regard to the Commissioning Framework for the Black Country Land and Property Investment Fund (approved by WMCA Board in September 2017) in recognition of the fact that the outputs from the project would be delivered outside the agreed timeframe be approved, subject to:
  - (a) a business case agreed by WMCA that followed the principles of the HM Treasury 'Green Book' analysis and which would also establish if those further derogations were necessary; and
  - (b) the additional conditions set out within the report.
- (3) It be approved that the consent to derogation was specific and exclusive to the Phoenix 10 project, and did not set a precedent for any future decisions.
- (4) The WMCA's Chief Executive, Section 151 Officer, Director of Housing & Regeneration and Head of Governance collectively, and in consultation with the Portfolio Lead for Finance & Investments, be given delegated authority to agree the detailed business case for Phoenix 10 and those further derogations that might be necessary as set out within the report.
- (5) It be noted that as a result of the proposed investment in Phoenix 10, the overall package of outputs might differ from original expectations, and the extent of any variation would be informed through consideration of the detailed business case for Phoenix 10.

**73. Administration of the West Midlands Integrated Transport Authority Pension Fund**

The board considered a report from Sean Pearce, Director of Finance, which provided background and an overview of the recommendations made by the Government Actuary Department in relation to the West Midlands Integrated Transport Authority pension fund and an update on the actions being taken following consideration by the Pensions Committee.

Since 2016, officers from the West Midlands Pension Fund had engaged with the Government Actuary Department to share further information about the actions taken to manage identified funding risks. Discussion should also been held with West Midlands Finance Directors to consider the potential merger of West Midlands Integrated Transport Authority Pension Fund with the West Midlands Pension Fund.

Resolved:

- (1) The recommendation from the Government Actuary Department for the Administering Authority to develop a plan to address the employer-risk inherent within the closed West Midlands Integrated Transport Authority Pension Fund, part of the Local Government Pension Scheme, be noted.

- (2) The principles approved by the West Midlands Pension Fund Pensions Committee and further due diligence being undertaken to consider consolidation of the West Midlands' Local Government Pension Scheme pension arrangements be noted.
- (3) It be noted that the report had been seen, consulted and commented upon by the constituent authorities via their Finance Directors.
- (4) The merger of the West Midlands Integrated Transport Authority Pension Fund with the West Midlands Pension Fund be approved in principle.
- (5) The Director of Finance and the Monitoring Officer, in consultation with the Portfolio Lead for Finance & Investments be given delegated authority to conclude all necessary work.

[NB. Councillor Roger Lawrence declared an interest in this item insofar as the Pensions Committee was overseen by the City of Wolverhampton Council].

The meeting ended at 12.25 pm.