



WMCA Board

Friday 11 January 2019 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Councillor Adrian Andrew
Councillor George Duggins
Councillor Robert Hulland
Councillor Brigid Jones
Councillor Syeda Khatun
Councillor Roger Lawrence
Councillor Ted Richards
Councillor Ian Ward
Councillor Qadar Zada

Mayor of the West Midlands Combined Authority
Walsall Metropolitan Borough Council
Coventry City Council
Solihull Metropolitan Borough Council
Birmingham City Council
Sandwell Metropolitan Borough Council
City of Wolverhampton Council
Solihull Metropolitan Borough Council
Birmingham City Council
Dudley Metropolitan Borough Council

Non-Constituent Members

Councillor Matthew Dormer
Councillor Julie Jackson
Councillor Tony Jefferson
Ninder Johal

Councillor Peter Nutting
Councillor Izzi Seccombe
Councillor Michael Stokes

Redditch Borough Council
Nuneaton & Bedworth Borough Council
Stratford-on-Avon District Council
Black Country Local Enterprise Partnership
Shropshire Council
Warwickshire County Council
Rugby Borough Council

Observer Members

Councillor John Edwards
David Jamieson

West Midlands Fire & Rescue Authority
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. | Title |
|-----------------|--|
| 74. | <p>Apologies for Absence</p> <p>Apologies for absence were received from Councillor Mike Bird (Walsall), Jonathan Browning (Coventry & Warwickshire LEP), Councillor Steve Claymore (Tamworth), Councillor Shaun Davies (Telford & Wrekin), Councillor Steve Eling (Sandwell), Councillor David Humphreys (North Warwickshire), Councillor Abdul Khan (Coventry), Tim Pile (Greater Birmingham & Solihull LEP), Councillor Bob Sleigh (Solihull) and Stewart Towe (Black Country LEP).</p> |
| 75. | <p>Chair's Remarks (if any)</p> <p>(a) Councillor Qadar Zada, Dudley Metropolitan Borough Council The Mayor welcomed Councillor Qadar Zada to his first meeting following his recent election as Leader of Dudley Metropolitan Borough Council. He confirmed that Councillor Qadar Zada would take portfolio lead responsibility for environmental matters.</p> <p>(b) Jaguar Land Rover The Mayor announced the creation of a 'task force' that was being set up to support Jaguar Land Rover and its employees following the recent announcement of 4,500 redundancies.</p> |
| 76. | <p>Minutes - 9 November 2018</p> <p>The minutes of the meeting held on 9 November 2018 were agreed as a correct record.</p> |
| 77. | <p>Forward Plan</p> <p>The forward plan of items of business to be reported to future meetings was noted.</p> |
| 78. | <p>Financial Monitoring Report 2018/19</p> <p>The board considered a report from Linda Horne, Head of Finance & Business Planning, on an update of the WMCA finances as at the end of November 2018 and to outline the agreement reached on Business Rates Growth for 2018/19.</p> |
| | <p>Resolved:</p> <ul style="list-style-type: none"> (1) The financial position as at the end of November 2018 be noted. (2) The Business Rates Growth allocation to the WMCA for 2018/19 be noted. |
| 79. | <p>WMCA Draft Budget 2019/20</p> <p>The board considered a report from Linda Horne, Head of Finance & Business Planning, which provided a draft budget to enable a period of consultation with stakeholders to be undertaken and onward scrutiny of the WMCA's spending plans for 2019/20.</p> |

Councillor Peter Hughes reported that Overview & Scrutiny Committee had undertaken scrutiny of the draft budget and fed back on comments made during that process. Members were particularly keen to be assured that the Wellbeing portfolio was sufficiently funded for the workstreams it wished to progress during the coming year. Councillor Izzi Seccombe noted that the workstreams identified within the Annual Plan were aspirational and significant work was being undertaken during the forthcoming year to identify with constituent councils how best to address wellbeing issues within the region. She expected this work to help better shape budget discussions with regard to her portfolio for 2020/21.

Councillor Ian Ward noted that the delivery of the Commonwealth Games athletes' village would be in accordance with the Birmingham Development Plan. Because this was a statutory planning document, it was not possible to add additional requirements to the construction of the athletes' village that did not equally apply to other similar developments within the city.

Councillor Matthew Dorner thanked the Chief Executive for the work that had been undertaken to address the concerns regarding non-constituent authority subscription fees for 2019/20.

Resolved:

- (1) The consolidated revenue budget monitoring position as at 30 November 2018 be noted;
- (2) The draft WMCA consolidated revenue budget be approved for consultation and scrutiny. This included:
 - (a) the budget requirement for transport delivery 2019/20 comprising two elements:
 - (i) £114.7m a year to be funded from the existing transport levy mechanism; and
 - (ii) a transfer from earmarked reserves of £1.0m.
 - (b) the WMCA Operational budget requirement for 2019/20 of £103.1m comprising of six elements:
 - (i) £84.2m Adult Education spending to be funded for the first time from Adult Education Budget funding devolved by the Department for Education;
 - (ii) £10.6m to be funded from other devolution deal grants;
 - (iii) £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2018/19);
 - (iv) £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2018/19);

- (v) £2.2m to be funded from other income; and
 - (vi) a transfer from reserves of £1.1m.
- (3) The Mayoral Office budget for 2019/20 of £0.8m, to be funded from existing Mayoral capacity funding of £0.8m, be approved for consultation and scrutiny.
 - (4) It be noted that the Mayor had indicated that there would be no mayoral precept during the remainder of his current term of office.
 - (5) The WMCA's indicative 5 year Medium Term Financial Plan be noted.
 - (6) The Transport Capital Programme be approved for consultation and scrutiny.
 - (7) The planned spend on the Investment Programme over the 3 year period be noted.
 - (8) It be approved that surplus cash balances generated from the Collective Investment Fund were to be used to support the WMCA Operational Budget, thus minimising Constituent and Non-Constituent Authority contributions.
 - (9) The intention to launch a commercial housing fund in 2019/20 to enable the Housing Delivery Team to become self-sufficient with effect from 2021/22 onwards be noted.

80. Appointment of Interim s151 Officer

The board considered a report from Tim Martin, Head of Governance, appointing an interim (and deputy interim) s151 Officer to discharge the responsibilities of the post until such time as a permanent Director of Finance was recruited.

Resolved:

Linda Horne be appointed as Interim s151 Officer and Interim Director of Finance and Carl Pearson as Deputy Interim s151 Officer with effect from 14 December 2018.

81. West Midlands Local Industrial Strategy

The board considered a report from Patrick White, Director of Industrial Strategy, and Julia Goldsworthy, Director of Strategy, summarising progress and emerging content for the Local Industrial Strategy.

Ninder Johal welcomed the report, and noted that Local Enterprise Partnerships had worked closely with the WMCA on the development of the Local Industrial Strategy. He considered that the business sector would also welcome a key role in delivering the strategy. Councillor Ian Ward indicated that following Government sign-off of the strategy, it would be the responsibility of the Strategic Economic Delivery Board to have oversight of its delivery. He also confirmed he would give further consideration as to whether the strategy required more detail on the impact that Artificial Intelligence would have within the region.

Resolved:

The draft Local Industrial Strategy be endorsed for further discussion and agreement with Government, and the Strategic Economic Development Board be given delegated authority, in consultation with the Portfolio Lead for Economic Growth, the Mayor and the WMCA Chief Executive, to agree any further amendments that arose in discussion with Government, where they were consistent with the overall strategy as currently drafted.

82. Regional Energy Strategy

The board considered a report from Patrick White, Director of Industrial Strategy, seeking approval of the Regional Energy Strategy to enable detailed negotiations to take place with the Government to secure an energy and power deal for the region.

Councillor Tony Jefferson expressed concern that the strategy indicated little spare capacity in the local electricity network, with particular concern within the Coventry and Warwickshire area. This problem was made worse by current regulations not permitting capacity to be built ahead of demand. Councillor Ian Ward accepted these concerns and indicated that it was a matter the WMCA needed to raise with the Government.

Resolved:

- (1) The WMCA formally adopt the Regional Energy Strategy following the approval and endorsement of all three LEP Boards and the Strategic Economic Development Board.
- (2) Within the Local Industrial Strategy, the Regional Energy Strategy be recognised as a key delivery mechanism and energy be identified as a cross-cutting infrastructure enabler of economic growth and social inclusion.
- (3) The Mayor and WMCA seek an Energy and Power Deal with Government during 2019 to take forward the Regional Energy Strategy and to institutionalise a regional delivery capability.
- (4) The WMCA fund development work to secure this deal using available Investment Programme funds, subject to satisfactory business cases being provided.

- (5) The Strategic Economic Development Board continue to monitor and supervise delivery of the Regional Energy Strategy.

83. Refreshing our Approach to Culture

The board considered a report from Julia Goldsworthy, Director of Strategy, providing an update on developments around the creative industries, tourism and culture sectors within the region, along with revisions to WMCA advisory group arrangements for culture to respond to these opportunities.

Councillor Syeda Khatun considered that local authorities should have a key leadership role on the proposed Cultural Leadership Board in order to take advantage of the place-based knowledge they possessed. Ninder Johal stressed the importance of ensuring that the region's varied cultural heritage was reflected within the role and remit of any new approach to culture. Councillor Peter Hughes suggested that Overview & Scrutiny Committee could assist in the development of any new board. Councillor Ian Ward indicated that it was intended that the tourism sector would play a key role in this, although he recognised that political leadership from within local authorities was also key. He would give further consideration to the membership of the proposed board and advisory group based on the comments made at this meeting.

Resolved:

- (1) Work to develop a Cultural Leadership Board in collaboration with the sector be approved.
- (2) A review of the current Culture, Creative Industries & Tourism Advisory Group to provide expert working group support to the new Cultural Leadership Board be approved.

84. Devolution of the Adult Education Budget 2019/20

The board considered a report from Julie Nugent, Director of Productivity & Skills, setting out the proposed approach to commissioning Adult Education Budget funded provision following its transfer to the WMCA from July 2019.

Resolved:

- (1) The approach to regional commissioning of the Adult Education Budget in relation to the 2019/20 Academic Year, as outlined within the report, be approved.
- (2) Authority be delegated to award contracts and issue grant agreements to be funded by the Adult Education Budget, in line with the commissioning approach outlined within the report, to the Director of Productivity & Skills in consultation with the s151 and Monitoring officers and the Portfolio Lead for Productivity & Skills.
- (3) It be agreed that the Skills Advisory Board, with support from local authority and Local Enterprise Partnership officers, would monitor progress and impact and recommend any future changes to the deployment of Adult Education Budget funding.

85. West Midlands Bus Byelaws

The board considered a report from Anne Shaw, Director of Network Resilience, proposing a set of bus byelaws which aimed to further enhance Transport for West Midlands' ability to combat nuisance incidents on the network and to address wider anti-social behaviour issues.

David Jamieson welcomed the proposals contained within the report, stressing the importance of resources being made available to support enforcement. Because a number of bus routes included roads outside of the metropolitan area, he suggested consideration needed to be given to how the byelaws might be applied in these areas. Councillor Roger Lawrence indicated that Transport for West Midlands was looking at whether additional resourcing was available to support byelaw enforcement.

Resolved:

- (1) The introduction of byelaws on the West Midlands bus network be supported in principle.
- (2) The commencement of byelaw application process and public consultation framework be approved.

86. Regional Road Safety Strategy

The board considered a report from Anne Shaw, Director of Network Resilience, on the development of the Regional Road Safety Strategy, the establishment of a Regional Road Safety Strategic Group, and the development of a Regional Road Safety Action Plan.

David Jamieson welcomed the proposals contained within the report. He noted that significant progress in road safety had been made within Warwickshire and suggested that best practice should be shared amongst neighbouring authorities. He also stressed the importance of money from speeding fines being returned to the region so that it could be used to fund speed camera enforcement, rather than it being funded from general taxation. Councillor Roger Lawrence confirmed that it was hoped that future devolution deals with the Government would see money from fines being allocated to the region.

Resolved:

- (1) The West Midlands Regional Road Safety Strategy be agreed and endorsed.
- (2) The proposed governance arrangements of a new Regional Road Safety Strategic Group to drive forward the Strategy, other future regional initiatives and any new regional funding opportunities for road safety in the region be endorsed.
- (3) The Regional Road Safety Strategy Group be authorised to develop a Regional Road Safety Action Plan incorporating the measures and initiatives of the Regional Road Safety Strategy.

87. Feedback from Overview & Scrutiny Committee - Mayor's Question Time: Budget

The board considered a report from Tim Martin, Head of Governance, providing feedback from the Overview & Scrutiny Committee from the Mayoral Q&A session held on 12 December, along with a number of recommendations that arose from the responses provided by the Mayor and Deputy Mayor.

Overview & Scrutiny Committee met the Mayor and Deputy Mayor to discuss issues relating to reserves and future funding, transport, the Mayoral Office, skills and equalities. The report set out a number of issues members wished to draw to the attention of the WMCA Board, along with a number of questions to which the Mayor was required to formally respond to.

Resolved:

- (1) The Mayoral Q&A event held with members of the Overview & Scrutiny Committee on 12 December 2018 be noted; and also be noted:
 - (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 proposals in sufficient time to enable it to undertake its role effectively.
 - (b) The committee's comments and observations on how the WMCA measured the effectiveness and impact of how it allocated its resources.
- (2) The recommendations of Overview & Scrutiny Committee arising from the Mayoral Q&A event be approved as set out below:
 - (a) The WMCA should seek to establish a robust budget consultation process for future annual budgets, which built in and ensured 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 WMCA.
 - (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 was 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 defined its approach to the delivery of social housing and that also identified the percentage of social housing and affordable housing it wished 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 2019/20, rather than being 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, reflected its diverse nature, achieved physical/mental health benefits and built on the success of achieving the Commonwealth Games and City of Culture to the area.
- (3) The following questions being asked of the Mayor which, in accordance with the WMCA's constitution, he was required to provide a written response to the committee within two months, be noted:
- (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 WMCA would apply for a share of this funding pot, Overview & Scrutiny Committee would like to receive an indication of the level of funding the WMCA 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 was being undertaken to de-risk them. In particular, the committee would like to receive details of how the Capital Programme would be re-adjusted in those 3 areas of the programme where funding had 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 were to be closed, outlining which key measures within the Business Plan would achieve this and the targets/timescales/data sets that would 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 agreed with and supports the ambition to achieve carbon neutral forms of transport. So, following on from its 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 Transport for West Midlands giving options for trying to achieve this.
- (i) The Overview & Scrutiny Committee would like to know (if these concessions were not to be included within the 2019/20 Transport Levy), when travel concessions were 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 were 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.
- 88. Wellbeing Board - 31 October 2018**
The board received the minutes of the Wellbeing Board held on 31 October 2018.
- Resolved:
- The minutes of the meeting held on 31 October 2018 be noted.
- 89. Investment Board - 1 November 2018**
The board received the minutes of the Investment Board held on 1 November 2018.
- Resolved:
- The minutes of the meeting held on 1 November 2018 be noted.
- 90. Transport Delivery Committee - 5 November 2018**
The board received the minutes of the Transport Delivery Committee held on 5 November 2018.
- Resolved:
- The minutes of the meeting held on 5 November 2018 be noted.
- 91. Audit, Risk & Assurance Committee - 12 November 2018**
The board received the minutes of the Audit, Risk & Assurance Committee held on 12 November 2018.
- Resolved:
- The minutes of the meeting held on 12 November 2018 be approved.
- 92. Investment Board - 19 November 2018**
The board received the minutes of the Investment Board held on 19 November 2018.
- Resolved:
- The minutes of the meeting held on 19 November 2018 be noted.
- 93. Overview & Scrutiny Committee - 20 November 2018**
The board received the minutes of the Overview & Scrutiny Committee held on 20 November 2018.

In respect of minute no. 19 ('Inquorate Meeting'), Tim Martin, Head of Governance, noted that the high quorum level set by the Government for overview & scrutiny committees in all combined authorities was a widespread problem. Authorities had raised concerns with the Government on this issue and the Centre for Public Scrutiny was also seeking to influence change in this regard.

Resolved:

The minutes of the meeting held on 20 November 2018 be approved.

94. Skills Advisory Board - 21 November 2018

The board received the minutes of the Skills Advisory Board held on 21 November 2018.

Resolved:

The minutes of the meeting held on 21 November 2018 be noted.

95. Overview & Scrutiny Committee - 26 November 2018

The board received the minutes of the Overview & Scrutiny Committee held on 26 November 2018.

In respect of minute no. 28 ('Consultation for the Transfer of West Midlands Police & Crime Commissioner Functions'), David Jamieson expressed concern that the results of the first stage consultation would not be known until after the commencement of the second stage consultation. Henry Kippin, Director of Public Service Reform, indicated that he expected indicative results of the consultation to be available in the week following its end and that he would make these available to board members. However, he stressed that the questions being asked in the second consultation were not dependent on the outcome of the first consultation.

Resolved:

The minutes of the meeting held on 26 November 2018 be approved.

96. Investment Board - 10 December 2018

The board received the minutes of the Investment Board held on 10 December 2018.

Resolved:

The minutes of the meeting held on 10 December 2018 be noted.

97. Friday 8 February 2019 at 11.00am

The date of the next meeting was noted.

The meeting ended at 12.30 pm.