



**West Midlands  
Combined Authority**

## **WMCA Board**

<b>Date</b>	17 January 2020
<b>Report title</b>	WMCA Draft Budget 2020/21
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<b>Report has been considered by</b>	Senior Leadership Team - 4 December 2019 Finance Directors - 19 December 2019 Programme Board - 20 December 2019

### **Recommendation(s) for action or decision:**

#### **The WMCA Board is recommended to:**

1. Note the consolidated revenue budget monitoring position as at 30 November 2019;
2. Approve for consultation the draft West Midlands Combined Authority consolidated revenue budget summarised in Section 4. This includes:
  - a) the budget requirement for transport delivery 2020/21 comprising three elements:
    - i. £114.7 million a year to be funded from the existing transport levy mechanism;
    - ii. £1.4 million to be funded from grant awarded by the Commonwealth Games Organising Committee; and
    - iii. a transfer from earmarked reserves of £3.65 million.

- b) the West Midlands Combined Authority Delivery budget requirement for 2020/21 of £142.0 million comprising of six elements:
  - i. £125.8 million Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education;
  - ii. £8.3 million to be funded from other devolution deal grants;
  - iii. £4.6 million to be funded from Constituent Authority fees (fees to remain at the same level as 2019/20);
  - iv. £0.4 million to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2019/20);
  - v. £2.2 million to be funded from other income; and
  - vi. a transfer from reserves of £0.8 million.
3. Approve for consultation and scrutiny the Mayoral Office budget for 2020/21 of £0.8 million to be funded from additional confirmed Mayoral capacity funding of £0.8 million.
4. Note that the Mayor has indicated that there will be no mayoral precept during the remainder of his current term of office.
5. Approve in principle an application to the Living Wage Foundation to become an accredited Real Living Wage employer as set out in paragraphs 4.17 to 4.20.
6. Note the West Midlands Combined Authority indicative 5 year Medium Term Financial Plan as set out in Paragraph 7.2 and Table 8.
7. Approve for consultation the draft Transport Capital Programme as set out in Section 8 and Appendix 4.
8. Note the planned spend on the Investment Programme over the 3 year period as set out Appendix 7 and in Section 9.
9. Approve that surplus cash balances generated from the Collective Investment Fund and Residential Investment Fund are used to support the West Midlands Combined Authority Delivery Budget thus minimising Constituent and Non-Constituent Authority contributions.
10. Note the matters identified by Overview and Scrutiny Committee that arose out of the Mayoral Q&A on 18 December 2019 as set out in Section 11 and Appendix 7.

## **1.0 Purpose**

- 1.1 This report is intended to present a draft budget for consideration by the West Midlands Combined Authority Board at its meeting on 17 January 2020, to enable a period of consultation with stakeholders to begin.
- 1.2 The West Midlands Combined Authority Overview and Scrutiny Committee's Budget Scrutiny Task Group has undertaken the scrutiny work. Feedback from the Overview and Scrutiny Committee Budget Scrutiny Task Group following the Mayoral Q&A session on the budget which took place on 18 December 2019 is attached to this report at Appendix 7.

## **2.0 Background**

- 2.1 This report represents the first part of the formal process to determine the West Midlands Combined Authority's budget, levy and precept levels for 2020/21. If approved, this report will form the basis for budget proposals to the West Midlands Combined Authority Board on 14 February 2020.
- 2.2 The overall vision of West Midlands Combined Authority is to drive inclusive economic growth in the West Midlands region and enable a healthier, happier, better connected and more prosperous population, as well as add value to the work of existing West Midlands' public sector bodies.
- 2.3 The draft West Midlands Combined Authority Delivery revenue budget for 2020/21 is funded by £5.1 million of locally generated funds and £9.2 million of monies secured through the region's devolution deals.
- 2.4 Therefore it can be seen that the region has been successful in continuing to leverage in almost £2 for every £1 raised locally to fund the Delivery Budget.
- 2.5 This report presents a strategy for both 2020/21 and a Medium Term Financial Plan across all revenue and capital budgets.
- 2.6 The development of the West Midlands Combined Authority has ensured that all the region benefits from both better outcomes as well as new investment with the intention of all areas benefitting from the delivery of Inclusive Growth. The key headlines for the draft budget are as follows:
  - Significant proposals and strategies being delivered at no extra cost to constituent authorities;
  - No increase in constituent fees or levy for 2020/21;
  - Medium term efficiencies to enable a cash flat position to be delivered;
  - No Mayoral precept for 2020/21;
  - Increased additional funding into the region to deliver our priorities;
  - A draft capital delivery plan for the West Midlands Combined Authority that provides £378.9 million of direct capital investment for the West Midlands region in 2020/21.
- 2.7 It should be noted that funding for the May 2020 Mayoral election is yet to be secured. West Midlands Combined Authority is continuing to lobby government alongside other Mayoral Combined Authorities, for sustainable funding for Mayoral Combined Authorities to be included in the government's spending plans, including funding for both the 2020 Mayoral Election and future Mayoral Elections. The Cabinet Office has indicated a review into election funding, which has yet to be concluded.

- 2.8 This report provides recommendations that would enable the West Midlands Combined Authority to deliver its ambitious plans for driving inclusive economic growth in the West Midlands region and building a healthier, happier, better connected and more prosperous West Midlands.
- 2.9 Inclusive growth comes from organisations working together to transform peoples' lives by developing new ways of positive change in communities. West Midlands Combined Authority is committed to promoting inclusive growth across the West Midlands that all our residents and communities can benefit from. West Midlands Combined Authority will ensure the voice of local people is at the heart of its vision for inclusive growth and will shape spending and investment decisions to generate inclusive growth. A commitment to ensure inclusive growth is also at the heart of the Local Industrial Strategy.
- 2.10 The approach to preparing the budget is in accordance with the Medium Term Financial Plan set out in section 7. The Medium Term Financial Plan sets out the anticipated budget position for 2020/21 along with a position for 2021/22 to 2024/25 and reflects the West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan.

### **3.0 Revenue budget monitoring 2019/20**

- 3.1 West Midlands Combined Authority's forecast outturn for 2019/20 at Month 8 (November 2019) indicates a year to date favourable variation of £1.544 million overall.
- 3.2 The favourable variance on transport delivery achieved to date is a favourable variation of £1.403 million. This position is then added to by a favourable variation on Delivery spending of £0.141 million. Net spending for the Mayor's office is anticipated to be in line with the original budget.
- 3.3 This forecast represents actual performance for eight months of the 2019/20 financial year together with a forecast for the remaining four months. The following table illustrates the overall revenue position at the end of November 2019:

Table 1: West Midlands Combined Authority Revenue Budget Monitoring 2019/20

£000's	Year to Date			Full Year		
	Actual	Budget	Variance	Forecast	Budget	Variance
Transport Levy	76,480	74,985	1,495	114,720	114,720	0
Devolution Deal Grants	6,059	7,757	(1,698)	11,667	12,396	(729)
Adult Education Funding	42,060	39,487	2,573	78,948	78,713	235
Share of Business Rates	4,000	4,000	0	6,000	6,000	0
Constituent Membership	3,096	3,096	0	4,644	4,644	0
Non Constituent Members	283	283	0	425	425	0
Investment Programme	36,500	36,500	0	36,500	36,500	0
Investment Income	902	1,129	(227)	1,147	1,694	(547)
3rd Party / Other Grant Income	618	0	618	2,479	0	2,479
Use of Reserves	2,091	2,123	(32)	2,144	2,144	0
<b>Total Funding</b>	<b>172,089</b>	<b>169,360</b>	<b>2,729</b>	<b>258,674</b>	<b>257,236</b>	<b>1,438</b>
Transport for West Midlands	75,690	75,598	(92)	113,748	115,720	1,972
Economy & Innovation	1,332	1,271	(62)	2,970	1,904	(1,066)
Environment, Energy & HS2	116	162	46	334	243	(91)
Housing and Land	1,106	1,568	462	2,172	2,352	180
Wellbeing	1,031	968	(63)	1,642	1,507	(135)
PSR & Social Economy	345	670	325	885	1,166	281
Culture and Digital	185	93	(92)	750	110	(640)
Productivity & Skills	46,257	44,645	(1,612)	87,377	87,131	(246)
Inclusive Communities	18	0	(18)	0	0	0
Business Support	2,588	2,503	(85)	3,297	3,798	501
Investment Programme	40,500	40,500	0	42,454	42,500	46
Mayoral Office	530	536	6	789	804	15
<b>Total Expenditure</b>	<b>169,698</b>	<b>168,513</b>	<b>(1,185)</b>	<b>256,418</b>	<b>257,235</b>	<b>817</b>
<b>Net Expenditure</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transport	2,285	882	1,403	1,972	0	1,972
Operational	106	(35)	141	284	0	284
Mayoral Office	0	0	0	0	0	0
<b>Total</b>	<b>2,391</b>	<b>847</b>	<b>1,544</b>	<b>2,256</b>	<b>0</b>	<b>2,256</b>
Transfer to Efficiency Reserve			(1,544)			(2,256)
Transfer to General Fund			0			0

- 3.4 It should also be noted that the 2019/20 approved budget reflected year 3 of a 7 year plan to incorporate an amendment to West Midlands Combined Authority's Capital Financing Policy, leading to annual savings of £4.8 million a year. Capital financing charges will revert to their original pre-2017/18 level in 2024/25 which will lead to a corresponding increase in the budget requirement and transport levy, back to their original level.
- 3.5 £1.0 million a year for the 3 years 2018/19 – 2020/21 was set aside from the first year's savings (2017/18) to support the transport delivery revenue budget which enabled a corresponding levy reduction in each of the three years.
- 3.6 In developing the budget for 2020/21, an organisational efficiency savings review has been carried out with the aim of banking savings achieved in 2019/20 to support the budget in 2020/21. The position reflected in the table above represents the savings achieved to date both in year and as a forecast. These savings are then shown as going to an earmarked reserve and not the general fund.
- 3.7 The following table sets out the forecast position on West Midlands Combined Authority's general reserve as at 31 March 2019.

Table 2: West Midlands Combined Authority's General Reserve

General Reserve	£m
Balance brought forward 1 April 2019	2.3
Deficit in year 2019/20	(0.0)
<b>Balance carried forward 31 March 2020</b>	<b>2.3</b>

#### 4.0 The draft 2020/21 Consolidated Revenue Budget

4.1 The draft consolidated revenue budget position for 2020/21 is set out in the table below:

Table 3: Consolidated Draft Revenue Budget 2020/21

	Total	Transport	Operational Portfolios	Investment Programme	Mayors Office
	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	-	-	-
Devolution Deal Grant (IP)	36.5	-	-	36.5	-
Devolution Deal Grants - Other	9.2	-	8.3	-	0.8
Adult Education Funding	125.8	-	125.8	-	-
Share of Business Rates	7.5	-	-	7.5	-
Grants from Constituent Members	4.6	-	4.6	-	-
Grants from Non Constituent Members	0.4	-	0.4	-	-
Investment Income	1.8	-	1.8	-	-
Third Party Income	0.4	-	0.4	-	-
Commonwealth Games	1.4	1.4	-	-	-
Use of Reserves	4.4	3.6	0.8	-	-
Unsecured Funding	3.6	-	-	-	3.6
<b>Total Income</b>	<b>310.2</b>	<b>119.8</b>	<b>142.0</b>	<b>44.0</b>	<b>4.4</b>
Transport Delivery	119.8	119.8	-	-	-
Operational Delivery	142.0	-	142.0	-	-
Investment Programme	44.0	-	-	44.0	-
Mayoral Office	0.8	-	-	-	0.8
Mayoral Election	3.6	-	-	-	3.6
<b>Total Expenditure</b>	<b>310.2</b>	<b>119.8</b>	<b>142.0</b>	<b>44.0</b>	<b>4.4</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

4.2 The draft revenue budget for 2020/21 has been developed in collaboration with Constituent Authorities.

4.3 Further detail is provided in the following sections on how this budget has been built up. The proposed contributions from Constituent Authorities based on this draft budget mean that contributions will be maintained at 2019/20 levels. The split is set out in the following table:

Table 4: West Midlands Combined Authority Levy & Constituent Members Contributions

Allocations	2019/20 £m	2020/21 £m	Net Gain
Birmingham	46.1	46.0	0.1
Coventry	14.9	15.1	(0.2)
Dudley	13.3	13.2	0.1
Sandwell	13.5	13.5	0.0
Solihull	9.0	9.0	0.0
Walsall	11.7	11.7	0.0
Wolverhampton	10.9	10.9	0.0
Total	119.4	119.4	0.0

- 4.4 The change in net contributions from authorities reflects the proposed transport levy, updated for statutory population movements.
- 4.5 Delivery of this inclusive and collaborative budget process commenced with high level discussions with Metropolitan Leaders from June to September this year and the draft budget has been developed in partnership with West Midlands' Finance Directors and Chief Executives.
- 4.6 The draft budget presented in this report delivers all the Portfolio Leads' objectives, although cost pressures clearly remain in the medium term.
- 4.7 Non-constituent authority and observer fees have not increased since West Midlands Combined Authority was constituted in 2016, whilst constituent authority contribution levels have risen to reflect the need to increase capacity to deliver portfolio and commission recommendations.
- 4.8 The Mayor has also indicated that there will be no mayoral precept during the remainder of his current term of office.
- 4.9 The current working assumption is that the contribution for non-constituent authorities will remain at £25,000 per annum in 2020/21 and will be subject to annual review over the medium term.
- 4.10 From April 2019, non-constituent authorities were able to access the extended Collective Investment Fund (loans up to £20m on a £140m fund) and the Brownfield Land and Property Development Fund (grants up to a total fund value of £50m).
- 4.11 Non-constituent authorities also have access to the Single Commissioning Framework (£625M) of grant and loan funding for housing projects, including the Residential Investment Fund (loans up to £20m on £70m Fund).
- 4.12 This means that all constituent and non-constituent members are now able to access the funds and this change will have the effect of harmonising the geography of the funds across the region. These funds deliver opportunity for real regeneration investment in housing, jobs and economic regeneration and growth.
- 4.13 A number of non-constituent authorities are also benefitting from the Connecting Communities Employment Support Pilot. The pilot is part of the first West Midlands Combined Authority Devolution Agreement and is aimed at tackling unemployment and

low pay within local communities. The intention is to support individuals to engage with localised employability support, to raise the aspirations within the community and support individuals' transition into sustainable employment.

- 4.14 Non-constituent member areas, their residents and businesses are also able to access funds to support retraining through:
- Construction Retraining Fund (£5 million)
  - Digital Retraining Fund (£5 million)
  - Apprentice Levy Transfer Fund (£40 million)
- 4.15 The Swift travel card scheme has been rolled out across the West Midlands region, making travel easier for a wider employment pool and encouraging mobility in the workforce. Swift equipment has been installed in both Redditch and Cannock allowing the sale and collection of the Swift 'Pay as You Go' product which should facilitate movement across boundaries.
- 4.16 It is proposed that observer contributions also remain flat at £25,000 per annum. For clarity the proposed schedule of contributions is presented in the following table:

Table 5: Non Constituent Authority and Observer Contributions

<b>Non-Constituent Member Allocations</b>	<b>2020/21 £</b>
<b><i>Non-Constituent</i></b>	
Cannock Chase District Council	25,000
North Warwickshire Borough Council	25,000
Nuneaton and Bedworth Borough Council	25,000
Redditch Borough Council	25,000
Rugby Borough Council	25,000
Shropshire Council	25,000
Stratford-on-Avon District Council	25,000
Tamworth Borough Council	25,000
Telford and Wrekin Council	25,000
Warwickshire County Council	25,000
Black Country LEP	25,000
Greater Birmingham and Solihull	25,000
Coventry & Warwickshire LEP	25,000
<b><i>Observers</i></b>	
The Marches LEP	25,000
Fire partner contribution	25,000
Police partner contribution	25,000
Herefordshire	25,000
<b>Total</b>	<b>425,000</b>

### Real Living Wage Accreditation

- 4.17 The concept of the Real Living Wage was developed by the Joseph Rowntree Trust and is the term used to describe the minimum hourly wage necessary for shelter (housing and incidentals such as clothing and other basic needs) and nutrition. This standard generally means that a person working full-time with no additional income, should be able to afford a specified quality or quantity of housing, food, utilities, transport, health and recreation.
- 4.18 The current Real Living Wage is £9.30 per hour outside of London, and is reviewed annually by the Living Wage Foundation every November.
- 4.19 In addition to the clear personal financial benefits to employees, research has shown that the introduction of the Real Living Wage into organisations has resulted in improved attendance, greater levels of motivation, loyalty and improved recruitment and retention rates.
- 4.20 West Midlands Combined Authority is proposing to become an accredited Real Living Wage Employer in early 2020. West Midlands Combined Authority already pay directly employed staff the Real Living Wage but will be seeking to agree a plan with the Living Wage Foundation to extend that to regular third party contracted staff as well, to enable full Real Living Wage accreditation. Phased implementation means that the Real Living Wage is rolled out across third party contracts over time, as the contracts come up for renewal. The schedule for the roll out of will be included in the licence agreement as 'milestones'.

### Transport for West Midlands

- 4.21 The planning approach to setting the 2020/21 Transport for West Midlands budget has been to consider any changes that may be required to financial planning within the current policy framework and maintain investment into services in accordance with the current medium term financial plan.
- 4.22 The draft budget proposes that the 2020/21 levy is maintained at 2019/20 levels whilst recognising additional costs pressures in the medium term including new statutory responsibilities around congestion management and road safety and the increasing costs of the subsidised bus network.
- 4.23 The proposed budget has been delivered through:
- Renegotiated contracts;
  - Renegotiated bus operator reimbursements;
  - Increased staff recharges to capital projects;
  - Success with grant awards; and
  - Seeking more commercial revenue including CCTV and advertising and retail opportunities.
- 4.24 It should be noted that any proposed policy changes in respect of transport delivery would require full public consultation.
- 4.25 The proposed budget confirms the delivery of all existing policies, protects sustainability and continues to transition technology as well as deliver key transport initiatives. The proposed budget for Transport for West Midlands and associated levy for 2019/20 –

2023/24 is summarised in the following table and supported by a detailed analysis in Appendix 1.

Table 6: Summary Transport Revenue Budget 2020/21 to 2024/25

Transport 5 Year Position	2019/2020		2020/2021		2021/2022		2022/2023		2023/2024		2024/2025	
	£m	%										
English National Concessions Travel Scheme	51.2	44.2%	51.0	42.6%	52.2	42.5%	53.8	43.5%	56.2	43.7%	59.4	43.7%
Capital Financing	11.6	10.0%	10.7	8.9%	10.9	8.9%	10.9	8.8%	10.9	8.5%	16.1	11.8%
TfWM Policies	46.6	40.3%	50.6	42.2%	52.0	42.3%	52.0	42.0%	54.8	42.7%	54.2	39.8%
Strategic Development	2.4	2.1%	2.1	1.8%	2.2	1.8%	2.2	1.8%	2.3	1.8%	2.4	1.7%
Business Support & Elected Members	3.9	3.4%	4.0	3.3%	4.1	3.3%	4.2	3.4%	4.3	3.4%	4.0	2.9%
Commonwealth Games	0.0	0.0%	1.4	1.2%	1.4	1.2%	0.6	0.5%	0.0	0.0%	0.0	0.0%
<b>Total Expenditure</b>	<b>115.7</b>	<b>100.0%</b>	<b>119.8</b>	<b>100.0%</b>	<b>122.8</b>	<b>100.0%</b>	<b>123.7</b>	<b>100.0%</b>	<b>128.5</b>	<b>100.0%</b>	<b>136.0</b>	<b>100.0%</b>
Use of Reserves	1.0		3.6		0.0		0.0		0.0		0.0	
Commonwealth Games	0.0		1.4		1.4		0.6		0.0		0.0	
Proposed Levy	114.7		114.7		114.7		114.7		114.7		119.7	
<b>Total Funding</b>	<b>115.7</b>		<b>119.8</b>		<b>116.1</b>		<b>115.3</b>		<b>114.7</b>		<b>119.7</b>	

- 4.26 The summary above illustrates a proposed levy in 2020/21 of £114.7 million. This maintains a cash flat position when compared with 2019/20 and provides no material movements.
- 4.27 The use of £1.0 million a year of reserves for the 3 years 2018/19 – 2020/21 to enable a corresponding levy reduction for the 3 year period reflects one-off capital financing cost savings in 2017/18 and continues to support the indicative cash flat position.
- 4.28 The use of £2.6 million one-off efficiency savings identified in 2019/20 reflects the recent organisational efficiency review.
- 4.29 The Commonwealth Games Strategic Transport Plan outlines how extra capacity will be built into the transport network and how public transport will be strengthened to keep the region moving, making sure residents, businesses and visitors can continue to travel around the West Midlands.
- 4.30 Transport for West Midlands and Birmingham City Council are working together to deliver a significant programme of long-term transport improvements, not just for the Games but for the future benefit of the whole region.
- 4.31 The plan also sets out which transport projects will be delivered in time for the Games including improvements to Coventry, University and Perry Barr rail stations extending the West Midlands Metro to Edgbaston and the first phase of three new Sprint rapid bus routes.
- 4.32 Table 6 also reflects funding of £1.4 million confirmed for 2020/21 by the Commonwealth Games Organising Committee in respect of the revenue impact of planning for delivery of the Games in 2022.

## 5.0 West Midlands Combined Authority Delivery Budget

- 5.1 Following conclusion of the detailed annual planning and budgeting process undertaken in November 2019, the proposed West Midlands Combined Authority Delivery Budget is summarised in the following table. Appendix 2 sets out in more detail each of the Portfolio areas.

Table 7: Summary WMCA Delivery Budget 2019/20 to 2024/25

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m	£m	£m
Constituent Members	4.6	4.6	4.6	4.6	4.6	4.6
Non-Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Investment Income	1.7	1.8	1.8	1.9	2.1	2.3
Adult Education Budget	78.7	125.8	126.0	126.0	126.0	126.0
Devolution Funding	10.5	8.3	4.7	0.1	0.1	0.1
3rd Party Income	0.5	0.4	1.9	2.5	2.5	2.6
Use of Reserves	1.1	0.7	0.0	0.0	0.0	0.0
<b>Total Funding</b>	<b>97.6</b>	<b>142.0</b>	<b>139.5</b>	<b>135.6</b>	<b>135.8</b>	<b>136.0</b>
Productivity and Skills	87.3	132.1	130.7	126.9	126.9	127.0
Housing & Land	2.4	2.5	2.5	2.6	2.6	2.7
Economy & Innovation	1.9	1.8	1.8	1.8	1.8	1.9
Culture & Digital	0.1	0.3	0.3	0.4	0.4	0.4
Wellbeing	0.7	0.9	0.8	0.8	0.9	0.9
PSR & Social Economy	1.1	0.7	0.8	0.8	0.9	0.9
Environment, Energy & HS2	0.2	0.3	0.4	0.4	0.4	0.4
Inclusive Communities	0.0	0.1	0.1	0.1	0.1	0.1
Leadership & Corporate Support	3.8	3.2	3.5	3.5	3.6	3.6
<b>Total Expenditure</b>	<b>97.6</b>	<b>142.0</b>	<b>141.0</b>	<b>137.3</b>	<b>137.6</b>	<b>137.8</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.5</b>	<b>-1.7</b>	<b>-1.8</b>	<b>-1.8</b>

- 5.2 The West Midlands Combined Authority Delivery budget delivers the following in the medium term planning period:
- West Midlands Combined Authority commitments on the Environment Strategy
  - Maximising the economic and social contribution that culture and creative industry makes to the region
  - Public Sector Reform - Inclusive Growth delivery
  - Delivery of the Regional Skills Plan
  - Directing the devolved Adult Education Budget to meet regional priorities
  - Local Industrial Strategy business case development
  - Efficiency Targets for 2020/21 to deliver budgets within existing fee levels
  - Onward discussions with HM Treasury around strategic sustainable funding
  - Growth in WMCA capacity delivered at no additional cost to Metropolitan councils

5.3 The commitment to fund the delivery of the Commission outcomes has been successful in leveraging in significant Central Government and local matched funding. Across the West Midlands Combined Authority Delivery Budget the level of Devolution Deal monies represents at least a 177% cash match against local resources. In essence, for every £1 of local funding contributed, £1.77 of additional funding has been leveraged for the region.

5.4 Significant funding has also been levered for the West Midlands region through the wider public sector. For example, the Wellbeing Portfolio is supporting people whilst at work, by delivering the Thrive at Work programme.

#### The West Midlands Devolution Deals

5.5 Significant additional government funding has been devolved to West Midlands Combined Authority. Approximately £2.3 billion of additional funding has been devolved from Central Government to West Midlands Combined Authority to deliver its priorities through two Devo Deals, a Housing Deal and a Skills Deal since 2016.

5.6 Government funding has enabled the creation of a delivery team to drive an ambitious house-building programme and investment in high-tech economic sectors. The Devolution Deals recognised that the region is outperforming others in terms of start-ups and economic growth and lays the foundations to further improve this performance.

5.7 The Housing Delivery Team is now providing additional capacity to work with local authorities, developers and investors to help the West Midlands unlock the new homes needed in the region by 2030. The deals also provided support in the form of £5 million investment to expand construction skills. It puts the region at the vanguard of accessing government funding earmarked for housing and infrastructure.

5.8 To support jobs growth in emerging technologies, the deals commit to the West Midlands' role as a global centre for new automotive development such as in electric and driverless cars. This builds on the West Midlands' existing strengths in this sector, focused around Coventry, but with wider benefits to the whole region.

5.9 The West Midlands is the UK Test Bed for trialling 5G at scale. The region was awarded this status as part of a competitive process run by the Department for Digital, Culture, Media and Sport (DCMS) and is now in the early stages of a three year

programme to test, prove and scale the technology and the many ways in which the region can benefit.

- 5.10 Up to £75 million of public funding is available for the project, subject to further development and approval of the business plan. This includes £25 million from the DCMS and £25 million match funding from regional partners. An additional £25 million may be made available by DCMS at a later stage.

#### Adult Education Budget

- 5.11 From the 2019/20 academic year, the West Midlands Combined Authority took responsibility for the region's Adult Education Budget and how it is delivered.
- 5.12 West Midlands Combined Authority aims to align funding with priority growth sectors, particularly those targeted through the Local Industrial Strategy, to drive up skill levels amongst the region's communities to secure sustainable employment and enhance skills at higher levels and ultimately improve productivity across the region.
- 5.13 The total value of funding for 2020/21 is anticipated to be confirmed in early 2020 and is expected to be in the region of £126.0 million a year. The confirmed funding awarded for 2020/21 will be the subject of separate report.

#### Carbon Reduction/Climate Action

- 5.14 At its June 2019 Board meeting, West Midlands Combined Authority declared a 'Climate Emergency': a recognition of the scale of the problem of climate change, and a demonstration of the Board's intent around the need for a full and just transition to more sustainable growth.
- 5.15 The implications of climate change affect all sectors of our economy and will impact profoundly on our personal behaviour and the things that are desirable and acceptable within our social and working lives. The framing of a CO2 target for the region is thus an important signal – but only one part of a suite of interventions and investments that we must undertake collectively deliver our leadership responsibilities in this space.
- 5.16 As a region we have the chance to turn the scale of this challenge into an opportunity – using our Industrial Strategy, collective ability to influence transport, housing and commercial practice, and through making a clear case for the investment and central government support that will be needed. We must take great care to ensure that we are not damaging our economic progress or levels of employment – and indeed the opportunities for citizens to live, train and work in the region that drive our strategic economic plans.
- 5.17 The Board subsequently set a target of net-zero emissions no later than 2041 for the West Midlands, with interim targets based on a 2018 baseline of 36% reduction by 2022, and 69% reduction by 2027.
- 5.18 A proposed Carbon Reduction Action Plan providing further details and a pipeline of investments to support climate action is set out elsewhere on this agenda.

#### Emerging Growth - Future Strategic Intentions

- 5.19 The 2020/21 budget proposals currently provide limited flexibility to enable West Midlands Combined Authority to pursue opportunities at risk and to respond to new opportunities that will help support the region's collective strategic objectives.
- 5.20 WMCA senior leadership team collectively agree ownership of the challenges and flexibility required to deliver emerging growth asks and ambitions as follows:

- Energy Capital and Energy Strategy delivery
- Innovation Board support and delivery programme
- West Midlands Combined Authority performance and assurance strengthening framework
- Local Industrial Strategy – longer term implementation
- 5G – more explicit in business plans and potential top slice of grants
- Brexit – activating contingency planning in the event of no deal or disrupted transition
- Culture – refresh of Culture Board and supporting programmes

5.21 A Financial Strategy will be developed over the medium term to create flexibility to enable delivery of new income streams including:

- Developing programme business cases;
- Developing new asks of government;
- Exploring the potential to create one off funds; and
- Providing for a complete rethink in the event of an economic shock.

#### Further Devolution

- 5.22 Since 2014, ten cities and regions in England have successfully negotiated bespoke devolution deals, including the West Midlands, Greater Manchester and Liverpool. London gained greater devolved powers following the establishment of an assembly in 2000.
- 5.23 Each devolution deal involves its own arrangements for funding and increased responsibilities but can include greater responsibility over areas including business support, planning, transport and health. London, and eight of the ten devolution deals established directly elected mayors to oversee the implementation of new powers.
- 5.24 A new English Devolution White Paper setting out the government's plans was announced in December's Queen's Speech, demonstrating the government's commitment to levelling up powers between Mayoral Combined Authorities, increasing the number of mayors and doing more devolution deals.
- 5.25 Plans to increase investment in the regions across England including better infrastructure, better education, and better technology are also anticipated in the White Paper.

## **6.0 Mayor's Budget and Precept**

- 6.1 In his Renewal Plan, the Mayor committed to raising no precept before 2018 and has now committed to raising no precept during the remainder of his existing term of office which ends in May 2020, meaning that a Mayoral precept will not now be considered by West Midlands Combined Authority until the budget for the 2021/22 financial year is considered.
- 6.2 A panel of experts was convened following the 2017 Mayoral Election to examine the alternatives to raising a precept, such as business rates supplements, public sector pension fund investment, land value capture and a public sector reform Gainshare fund. The West Midlands Combined Authority Funding for Growth Programme has been established with finance experts from the private sector, local government and academia, and has examined the potential alternatives to a precept.
- 6.3 The funding sources examined have significant potential but are more focused on the medium to long term therefore it is proposed that the draft 2020/21 budget for the Mayor's Office is funded from the one year extension to Mayoral Capacity Funding of £1.0 million confirmed by Her Majesty's Treasury in September 2019. The balance of £0.2 million will be used to support the Delivery Budget in 2020/21.
- 6.4 The Mayor must notify the West Midlands Combined Authority of his draft budget before 1 February 2020 and this report represents that notification. The Combined Authority must review the Mayor's Budget and may make a report on it to the Mayor setting out whether they would approve it in its current form and may include recommendations. This must take place before 8 February 2020 otherwise the Mayor's Budget will be deemed approved. If the Combined Authority makes a report then the Mayor must have at least 5 working days to respond and can either make the required changes or not.
- 6.5 The West Midlands Combined Authority must then decide whether to accept the original (or revised) budget or veto it and approve the budget with their amendments. Decisions of the West Midlands Combined Authority are by a 2/3rds majority for setting of the Mayoral budget.
- 6.6 The Localism Act gives local communities the power to approve or veto excessive rises in Council Tax. Central government guidance on excessive increases in council tax will clearly not apply to West Midlands Combined Authority in 2020/21, given that the Mayor has recently indicated that he will not be setting a precept during his remaining term of office.

### Mayor's Office and delivery of the Mayor's Renewal Plan

- 6.7 The Mayor put forward an ambitious programme of activities in his Renewal Plan, and the Mayor's Office exists to support the Mayor in delivering his manifesto commitments:
- Support the Mayor's schedule of events, meetings and media appearances;
  - Ensure the Mayor can listen to and communicate with citizens in the West Midlands effectively;
  - Support with briefings and policy review; and
  - Oversee the delivery of the Mayor's policy priorities.
- 6.8 The Mayor's Budget for 2020/21 is £0.8 million and includes the staffing costs of the Mayor, the senior team, support staff, policy advisors as well as resources to deliver communications, customer response and events. The proposed budget also includes

development of capacity to deliver specific Mayoral initiatives from the Mayor’s Renewal Plan, including the following areas of focus:

- a. Homelessness Taskforce: To “design out” homelessness in the West Midlands with co-ordinated organisation from the public, private and voluntary sectors; and
- b. Leadership Commission: To reshape the leadership of the West Midlands across industries to more closely reflect the make-up of the region.

## 7.0 The Medium Term Financial Plan

7.1 The Medium Term Financial Plan contained within the budget setting papers for 2019/20 has been reviewed and updated to reflect devolution funding granted by Central Government as well as other funding streams for specific projects. The financial planning horizon has been extended to 2024/25 and the Medium Term Financial Plan includes the following:

- The West Midlands Combined Authority Transport Levy for Transport for West Midlands;
- The West Midlands Combined Authority Delivery Budget;
- Investment Programme and Interest Payable costs; and
- The Mayoral Office.

7.2 A summary of the Consolidated West Midlands Combined Authority Medium Term Financial Plan is set out in the following table:

Table 8: Consolidated Medium Term Financial Plan

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
Transport Levy	114.7	114.7	114.7	114.7	114.7	119.7
Devolution Deal Grants	126.5	171.4	167.3	162.6	162.6	162.6
Share of Business Rates	6.0	7.5	9.0	10.5	12.0	13.5
Constituent Membership	4.6	4.6	4.6	4.6	4.6	4.6
Non Constituent Members	0.4	0.4	0.4	0.4	0.4	0.4
Funding of Mayoral Election	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	1.7	1.8	1.8	1.9	2.1	2.3
Mayoral Precept	0.0	0.0	7.2	7.3	7.4	7.5
3rd Party Income/Other	0.5	0.4	1.9	2.5	2.5	2.6
Commonwealth Games	0.0	1.4	1.4	0.6	0.0	0.0
Use of Reserves	2.1	4.4	0.0	0.0	0.0	0.0
Unsecured Funding	0.0	3.6	1.0	1.0	1.0	1.0
<b>Total Funding</b>	<b>256.6</b>	<b>310.2</b>	<b>309.4</b>	<b>306.2</b>	<b>307.4</b>	<b>314.3</b>
Transport for West Midlands	115.7	119.8	122.8	123.7	128.5	136.0
WMCA Delivery Budget	97.7	142.0	141.0	137.3	137.6	137.8
Investment Programme	42.5	44.0	51.9	53.4	55.0	56.6
Mayoral Office	0.8	0.8	0.9	0.9	0.9	1.0
Mayoral Election	0.0	3.6	1.0	1.0	1.0	1.0
<b>Total Expenditure</b>	<b>256.6</b>	<b>310.2</b>	<b>317.5</b>	<b>316.4</b>	<b>323.0</b>	<b>332.4</b>
<b>Net Expenditure</b>	<b>0.0</b>	<b>0.0</b>	<b>-8.1</b>	<b>-10.1</b>	<b>-15.6</b>	<b>-18.1</b>

- 7.3 The indicative Medium Term Financial Plan for 2020/21 assumes a cash flat funding requirement from Constituent Authorities both in terms of the Transport for West Midlands levy and their contributions to the West Midlands Combined Authority Delivery Budget. Whilst this currently represents the planning assumption, it is acknowledged that this creates a potential financial risk specifically regarding inflationary increases, pay and legislative changes and demand in terms of patronage and the impact of these risks will be kept under review.
- 7.5 Assumptions have been made around pay and price rises and the Consumer Prices Index along with changes in patronage and fares. Any variation on this for 2020/21 will need to be managed within the available resources. These clearly may change significantly over the medium term meaning a cash flat position may not be achievable without changes to policy. The position will clearly need to be kept under review over the medium term in the light of available and secured funding sources.
- 7.6 It is increasingly acknowledged that combined authorities don't have an adequate sustainable funding base and therefore need to bid for much of the resources they do have. The councils that make up mayoral combined authorities also have a financial system that is subject to ongoing review. It is therefore clear that more stable and long-term funding is needed to enable combined authorities to deliver their priorities.
- 7.7 West Midlands Combined Authority will continue to review existing established expenditure budgets to drive efficiency savings in the medium term and is continuing to lobby government alongside other Mayoral Combined Authorities, for sustainable funding for Mayoral Combined Authorities to be included in the government's spending plans, including funding for the 2020 Mayoral Election and future Mayoral Elections.
- 7.8 The Medium Term Financial Plan incorporates a broad estimate of the financial impact of the following risks and sensitivities:
- Demographic growth and demand pressures specifically where transport payments and services are directly affected by patronage demands;
  - Inflation;
  - Brexit, to the extent that there may be potential for increased costs of supply of labour, good and services; and
  - Business Rates Retention Scheme and the achievement of growth targets, including the retention mechanism currently being developed through the West Midlands Finance Directors' Group.
- 7.9 December's Queen's Speech gave a commitment to a fundamental review of business rates. Details on the review are yet to be announced although increasing retail discounts, bringing forward the next business rates revaluation by one year from 2022 to 2021 and moving business rates revaluations from a five-yearly cycle to a three-yearly cycle were indicated.
- 7.10 These assumptions will be kept under review with the Finance Directors of the seven Constituent Authorities.

## 8.0 West Midlands Combined Authority Medium Term Capital Programme

8.1 The West Midlands Combined Authority Capital Programme is summarised in the table below and set out in further detail within Appendices 4 to 6. The table below summarises the planned capital investment between 2020/21 and 2024/25.

Table 9: Summary West Midlands Combined Authority Capital Programme

WMCA CAPITAL PROGRAMME (£M)		2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
Expenditure	TfWM Capital Expenditure	303.4	495.0	350.6	240.6	193.9	1,583.5
	WMCA Other Capital Expenditure	75.5	54.2	40.0	26.8	21.2	217.6
	Investment Programme Grants to Local Authorities	226.8	160.2	187.4	155.3	105.3	835.1
<b>TOTAL EXPENDITURE</b>		<b>605.8</b>	<b>709.4</b>	<b>578.0</b>	<b>422.7</b>	<b>320.5</b>	<b>2,636.3</b>
Funding	Grants	196.1	239.0	57.2	8.1	0.0	500.5
	Borrowing	287.0	243.4	154.2	46.6	0.4	731.6
	TBC *	122.7	226.9	366.6	367.9	320.0	1,404.2
<b>TOTAL FUNDING</b>		<b>605.8</b>	<b>709.4</b>	<b>578.0</b>	<b>422.7</b>	<b>320.4</b>	<b>2,636.3</b>

\* Expenditure estimates for Investment Programme and other commitments which are subject to WMCA raising additional income / securing grants.

8.2 Approximately 60% of the Combined Authority's planned capital investment to 2024/25 consists of expenditure incurred by Transport for West Midlands in pursuance of the Investment Programme, Transforming Cities Programme and the Minor Works Programme.

8.3 Those larger Transport for West Midlands Programmes contain significant investment in Metro and Sprint networks in addition to investment in developing and delivering new local Rail stations. The Transport programme continues to reflect the Transforming Cities Programme including the WMCA approved interventions such as Birchley Island, Dudley Interchange, the regional Cycling Programme and the Victoria Square Public Realm. The Transport Assets Programme is predominantly concerned with keeping existing assets in an operational state and also includes project development.

8.4 Other Transport Capital Expenditure includes other ancillary programmes such as the Regional Transport Control Centre and the Connected Autonomous Vehicle programme.

8.5 The Housing Capital Programme includes the Land Remediation Programmes launched by the WMCA in 2016 and the MHCLG Land Fund where the first payment of £42 million was received during 2019.

8.6 The Investment Programme Grants to Local Authorities Programme includes grants payable under the principles of the original Investment Programme in 2016. This includes significant investment in Coventry (Station Masterplan, City Centre Remediation), Solihull for the UK Central Programme, Commonwealth Games and the UK Battery Industrialisation Centre.

8.7 In addition to the traditional Capital investment detailed above, WMCA will continue to operate the commercial and residential investment funds where loans to developers are made with the objective of unlocking stalled development sites which traditional lenders are unwilling to finance. The loans are held on the WMCA balance sheet under standard accounting regulations and as at November 2019, the cumulative value of loan commitments approved by WMCA totals £109m (including £24m of loans which have

since been repaid). The value of loans drawn and earning interest as at November 2019 is £23m.

- 8.8 The funding for the capital programme is supported mostly by project specific grants or borrowing, where the revenues to support the costs of the debt and interest are underpinned by Investment Programme income or passenger revenues obtained from the Metro network.
- 8.9 It should be noted that the full extent of the Investment Programme and 2016 Devolution Deal schemes remain as commitments within the overall programme, even though the funding to underpin elements of the investment currently remains unsecure. Work with the Mayor, Metropolitan Leaders and the WMCA Finance Directors will continue into 2020 to enable the gaps to be closed. The current status of the Investment Programme is detailed below.

## **9.0 Investment Programme**

- 9.1 The WMCA Investment Programme was a product of the original devolution deal in 2016 and was designed to devolve more accountability, funding and powers out to the regions. From an expenditure perspective, the Investment Programme is an £8bn package of measures for the region containing projects centred around key economic prosperity drivers such as HS2, city centre regeneration and the remediation of brownfield sites.
- 9.2 From a funding perspective, £2bn of the overall £8bn was to be funded by WMCA generating locally sourced income to support borrowing which in turn could be used to accelerate the development.
- 9.3 In addition to the locally sourced income, Government agreed to provide a gainshare grant of £36.5m per year for 30 years, subject to a 5 yearly gateway review. 2020/21 represents year 5 of the devolution deal and hence, the outcome of the first gateway review will be concluded during this period.
- 9.4 The locally sourced income referred to above was expected to come from a share of Business Rates Growth, Business Rates Supplement and a Mayoral Precept. At present, those additional income streams have not been realised as originally intended and the WMCA Finance Directors are working to ensure the impact of this can be negated by identifying and realising additional sources of income.
- 9.5 As a result of the above, however, the financial ceiling which WMCA can operate within is less than originally intended. In November 2019, WMCA Board agreed to hold the Investment Programme approvals within an affordable limit as agreed by WMCA Finance Directors of £801m as follows:

Table 10: Investment Programme Affordable Commitment Summary

<b>Investment Programme</b>	<b>£M</b>
UK Central Interchange Programme	75.8
UK Central Infrastructure Programme	30.8
Coventry City Centre South	98.8
Coventry Friargate	51.2
Coventry South	7.4
Coventry City of Culture	35.6
Coventry Station Masterplan	39.4
Coventry North	0.2
Very Light Rail	12.2
Metro Programmes	222.9
Sprint Programmes	49.8
Rail Programmes	33.8
Commonwealth Games	25.0
Brownfield Land	103.0
Other Programmes	15.3
<b>TOTAL</b>	<b>801.3</b>

## **10.0 Budget Calculation**

- 10.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer, in this case, the Finance Director, as Section 151 Officer, to report to the West Midlands Combined Authority when it is setting the budget and the precept. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 10.2 The budget currently provides for the financial implications of the West Midlands Combined Authority's policies to the extent that these are known or can reasonably be assessed. However, there are a number of risks which are beyond the West Midlands Combined Authority's control and for which it is not possible to be precise:
- The West Midlands Combined Authority's demand-led services;
  - Inflation and interest rate volatility;
  - West Midlands Pension Fund Investment Performance; and
  - Unforeseen emergencies.
- 10.3 The existing General Reserve Balance as set out in Table 2 is £2.3 million. This balance represents only 1.9% of the aggregate proposed 2020/21 Constituent Authority contributions.
- 10.4 Although clearly the appropriate level of general fund reserves is a matter for judgement by the Finance Director (Section 151 Officer) the generally accepted practice is for general fund reserves to be between 3% and 5% of expenditure. The proposed balance is below this recommended level and consideration should be given over the medium term to increase the level of General Balances to ensure risk can be managed within the West Midlands Combined Authority without creating volatility on the Transport for West Midlands's levy.

- 10.5 Members will also be aware of our obligations as a Best Value authority to make arrangements to secure continuous improvement in the way in which our functions are exercised, having regard to a combination of economy, efficiency and effectiveness, including consultation with tax payers and users as appropriate.
- 10.6 These obligations are addressed in the medium term financial planning and brought together as part of the annual budget process in this report and the February 2020 budget report. This is supplemented by additional reports throughout the year with regard to the approval of significant investments and reforms.
- 10.7 Despite the above risks, there are also a number of opportunities to consider to ensure optimum financial stability and security that include:
- Capital Financing, making best use of capital financing, including optimum use of access to the Public Works Loans Board; and
  - Treasury Management activity, maximising the current market opportunities for the West Midlands Combined Authority and reviewing the borrowing strategy.
- 10.8 The Finance Director states that to the best of her knowledge and belief these budget calculations are robust and have full regard to:
- The West Midlands Combined Authority's Strategic Economic Plan and the Mayor's Renewal Plan;
  - The need to protect the West Midlands Combined Authority's financial standing and risk;
  - The estimated financial position as at the end of 2019/20;
  - The financial policies of the government as they impact upon the West Midlands Combined Authority;
  - The Transport Capital Programme set out in Appendix 4;
  - The Housing Capital Programme set out in Appendix 5;
  - The Investment Programme set out in Appendix 6;
  - The strength of the West Midlands Combined Authority's financial control procedures including audit considerations; and
  - The extent of the West Midlands Combined Authority's general balances and earmarked reserves.

## **11.0 Scrutiny of the budget proposals**

- 11.1 Scrutiny of the 2020/21 budget proposals is being undertaken by the Overview and Scrutiny Committee's Budget Task and Finish Review Group which also met with the Mayor, the Portfolio Lead for Finance and key senior officers to complement the work already being carried out by the Transport Delivery Committee.
- 11.2 A Mayoral Q&A session was held in public on 18 December 2019. Members of the committee, along with Aisha Masood from the Young Combined Authority, questioned the Mayor on financial matters relating to the WMCA and its developing budget for 2020/21. The Portfolio Lead for Finance, Councillor Bob Sleight, was also questioned on matters relating to the Investment Programme that had been considered at meetings of the Investment Board.

- 11.3 Members questioned the Mayor on issues including financial transparency between proposed and actual spend, measures to achieve inclusive growth outcomes, targeting investments and outcome-based funding, the future funding arrangements for the Young Combined Authority, future intentions for a mayoral precept and a WMCA business rate supplement, and a greater focus on explaining to the public the outcomes that the WMCA had achieved.
- 11.4 The matters identified that arose out of the Mayoral Q&A on 18 December 2019 are set out in Appendix 7 along with the recommendation that these matters be considered further by the WMCA Board.

## **12.0 Legal Implications**

- 12.1 Under powers granted by the Combined Authorities (Finance) Order 2017, Elected Mayors may raise a precept on Constituent Authorities Council Tax bills under section 107G of the Local Democracy Economic Development and Construction Act 2009. A Mayoral Precept may only be issued in relation to the costs of the Mayor or of discharging Mayoral Functions. The Mayoral functions are set out in Article 22 of the West Midlands Combined Authority (functions and amendments) Order 2017. In particular, there are powers for the Mayor to engage in highway management activity, works permit schemes, road safety measures and road traffic reduction activity amongst others. The Order also gives the Mayor a functional power of competence to do anything that is associated, incidental or connected with those powers in order to undertake those activities.
- 12.2 As the Mayor has indicated that he will not be setting a precept during his remaining term of office, the funding of budget proposals in respect of Mayoral functions will be met from alternative funding sources until 2021/22 at the earliest.
- 12.3 As a public authority which has the power to levy for transport functions and to raise a precept, the West Midlands Combined Authority must set a budget every year which is agreed through its formal decision-making processes. This report outlines the legal and governance processes that need to be completed including consideration by Overview and Scrutiny Committee and the West Midlands Combined Authority Board.

## **13.0 Equalities Implications**

- 13.1 West Midlands Combined Authority will continue to have due regard to proactively addressing the three elements of the Public Sector Equality Duty in all relevant areas – in particular the planning and delivery of our services. The West Midlands Combined Authority will continue to assess the equality impact of all relevant transformational change programmes and will ensure that the West Midlands Combined Authority Board has sufficient equalities assessment information to enable it to have due regard to the three elements of the Equality Duty when considering the budget for 2020/21.
- 13.2 West Midlands Combined Authority will continue to ensure best practice is followed with regard to these requirements and will summarise its position in the February Report to the West Midlands Combined Authority Board following the finalisation of the budget proposals.

## **14.0 Inclusive Growth Implications**

- 14.1 West Midlands Combined Authority will continue to have due regard to proactively delivering inclusive growth in the West Midlands region. The budget proposals contained in this report reflect that commitment.

## **15.0 Geographical Area of Report's Implications**

- 15.1 The budget proposals encompass the West Midlands region.

## **16.0 Appendices**

Appendix 1 – Transport Delivery Revenue Budget

Appendix 2 – WMCA Delivery Budget

Appendix 3 – WMCA Capital Programme Summary

Appendix 4 – Transport Capital Programme

Appendix 5 – Housing Capital Programme

Appendix 6 – Investment Programme Capital Grants to Local Authorities

Appendix 7 – Mayoral Q&A - Budget 2020/21

## Proposed Transport Revenue Budget

The proposed transport budget and levy for 2020/21 and indicative figures for 2021/2022 to 2024/25 are set out below:

TRANSPORT FOR WEST MIDLANDS	2019/20 BUDGET £000	2020/21 BUDGET £000	2021/22 BUDGET £000	2022/23 BUDGET £000	2023/24 BUDGET £000	2024/25 BUDGET £000
<b>INCOME</b>						
Transport Levy	114,720	114,720	114,720	114,720	114,720	119,720
Commonwealth Games Grant		1,387	1,415	605		
Use of Reserves	1,000	3,643				
<b>TOTAL INCOME</b>	<b>115,720</b>	<b>119,750</b>	<b>116,135</b>	<b>115,326</b>	<b>114,720</b>	<b>119,720</b>
<b>EXPENDITURE</b>						
<b>Concessions</b>						
National Bus Concession	51,184	50,997	52,245	53,786	56,164	59,391
Metro / Rail	4,578	4,591	4,574	4,574	4,574	4,664
Child Concession	7,643	7,900	8,301	8,723	9,168	9,637
	63,404	63,488	65,119	67,083	69,906	73,692
<b>Bus Services</b>						
Bus Stations / Infrastructure	3,994	3,925	4,003	4,111	4,243	4,328
Subsidised Network	9,379	10,669	10,567	10,631	10,769	10,965
Tendering / Monitoring	788	798	814	836	862	880
Accessible Transport	7,259	6,770	6,767	6,773	6,771	6,775
	21,419	22,161	22,151	22,351	22,646	22,947
<b>Rail and Metro Services</b>						
Metro Services	1,609	2,897	3,665	2,737	4,657	2,443
Rail Services	3,110	3,215	3,280	3,368	3,476	3,546
	4,718	6,112	6,945	6,105	8,134	5,989
<b>Integration</b>						
Safety and Security	1,031	1,051	1,072	1,101	1,136	1,159
Passenger Information	5,062	5,654	5,767	5,922	6,112	6,234
Sustainable Travel	378	406	414	425	439	447
	6,471	7,110	7,253	7,448	7,687	7,841
Network Resilience	1,788	2,689	2,743	2,817	2,620	2,672
Commonwealth Games		1,387	1,415	605		
Business Support and Democratic Services	3,789	3,866	3,946	4,056	4,190	4,276
Strategic Development	2,412	2,137	2,179	2,238	2,310	2,356
Transport Governance	136	136	136	136	136	136
Capital Finance Charges	11,581	10,665	10,904	10,893	10,885	16,116
<b>TOTAL EXPENDITURE</b>	<b>115,720</b>	<b>119,750</b>	<b>122,791</b>	<b>123,734</b>	<b>128,512</b>	<b>136,026</b>
<b>NET</b>	<b>0</b>	<b>0</b>	<b>-6,656</b>	<b>-8,408</b>	<b>-13,792</b>	<b>-16,305</b>

### £51.0 million English National Concessions Travel Scheme (ENCTS)

This represents the reimbursement for ENCTS and is regulated by the Secretary of State with guidance provided by the Department for Transport. The latest price information and patronage figures from bus operators have been taken into account in forecasting the ENCTS

requirement. The current scheme extends entitlement from 9.30am to the last bus. The proposal is for this to continue for 2020/21.

### **£10.7 million Capital Financing**

The capital financing costs relate to loan interest, minimum revenue provision requirements and transport development costs.

### **£7.9 million Child Concessions**

The provision of concessionary half fare travel is provided to all children aged five to 15 and 16-18 scholars (in full time education) residing in the West Midlands. The Child Concessions amount now also includes a half fare offer for apprentices and trainees aged 16-18 which was initially introduced as a pilot scheme in September 2017 and has now been fully incorporated into the main Child Concessions scheme.

### **£10.7 million Tendered Services**

Where standards for access to the network are not met commercially, services are categorised into an order of priority giving a focus on journeys to work and access to shopping and health facilities. In residential areas, the maximum desirable walking distance to bus services in continuously built-up areas is 400 metres during the hours of 07.00 to 19.00 on Monday to Saturday and 700 metres at other times. The current access standards state that where passenger boarding exceeds eight and the cost per head is less than £1.60, then a service will be provided.

### **£6.8 million Accessible Transport**

This expenditure funds services for 17,500 registered users, making around 0.85 million journeys per annum. In addition to the Ring and Ride service, a Walsall and Birmingham shopper's service is provided for older people who are primarily based in sheltered housing and a prison visitors service provides assistance for families, especially mothers with young children, to visit family members in prison.

### **£5.7 million Passenger Information**

Passenger information expenditure relates to providing real time information across the network; customer information at bus stops, bus stations, online, and includes the customer services teams and telephone support. This is provided in conjunction with the operators as part of the network commitments, which also includes a number of promotional campaigns throughout the year.

### **£4.6 million Rail and Metro Concessions**

In the West Midlands the free national bus scheme has been extended to residents to include local Rail and Metro services within the region, enabling cardholders to travel after 9.30am up to midnight on weekdays and all day at weekends and bank holidays.

### **£3.9 million Bus Services / Infrastructure**

These costs cover the operation of bus stations and all management and maintenance associated with bus stations, as well as over 12,200 stops and shelters.

## **£6.1 million Rail and Metro Services**

These costs cover the operation of the Metro and Rail and Metro car park and ride facilities. Rail and Metro car parks are provided free of charge within the Metropolitan area. This policy provides in excess of 9,000 parking spaces.

Within here also covers the undertaking of Transport for West Midlands Rail responsibilities including Rail Partnerships, Rail scheme development and industry engagement and secondly the WMCA contribution to WMR Limited (a consortium of 16 local authorities) which has specific co-responsibilities with the Department for Transport for managing the West Midlands Rail franchise.

## **£2.1 million Strategic Development**

This represents the costs of Policy and Strategy development within Transport for West Midlands.

## **£1.1 million Safety and Security**

Safety and security expenditure relates to the Safer Travel Police Team and the CCTV centre based in 16 Summer Lane. The CCTV centre will continue to be expanded as part of the drive to utilise this facility across the districts.

## **£0.8 million Tendering/Monitoring costs**

Associated costs related to administering and monitoring the Bus Network

## **£0.4 million Sustainable Travel**

This represents the costs of Sustainable travel work within Transport for West Midlands including the West Midlands Cycle charter, oversight of cycling strategy and investment across the West Midlands and delivery of the West Midlands Bike Hire project.

## **£3.8 million Business Support and Democratic Services**

This covers the costs of 16 Summer Lane and the provision of ICT, Legal, Procurement, Health and Safety, Equalities, Programme Management, Finance, Human Resources, Business Management and general business infrastructure and support.

## **£0.1 million Transport Governance**

This represents the cost of elected members related to the responsibilities of the Transport Delivery Committee (and sub-boards).

The following pages summarise the high level deliverables for the coming year across the Transport portfolio

<b>Customer Experience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Creating a system for easy to use and affordable payments to access the transport system – customer information	IBSS Information at Bus Stations System Real Time Information Renewal Deliver an enhanced website Swift "One App"
Creating a system for easy to use and affordable payments to access the transport system – customer payment	Fares and Payment Strategy Swift on Rail Swift Operations and Managed Service Swift Account Based Ticketing with Best Value Capping.

<b>Development and Delivery</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Delivering our Cycling Charter & making streets more walkable	West Midlands Bike Share System WM Cycle and WM Walking - development and promotion of the West Midlands Cycling and Walking Network West Midlands Walking and Cycling Programme (2019-2023)
Delivering a step change in our Mass Transit Network to unlock growth and tackle climate change	Sprint A45 Sprint Sutton Coldfield to Birmingham via Langley A38N Sprint A34 including a park and ride
Management of the TfWM Capital Programme	Monitoring and reporting TfWM Integrated Transport Block Capital Programme deliverables
Increasing the efficiency and performance of transport delivery in the West Midlands	Deploy & Mobilise Transport Implementation Team
Commonwealth Games Active Travel Legacy	CWG Cycling Programme Legacy

<b>Integrated Network Services</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Making our transport assets more affordable by increasing commercial revenues</p>	<p>Continue to develop our capability to invest in new and improved bus stops and shelters for passengers by generating revenue through the continued roll out of digital advertising programme across the public transport network.</p> <p>Work with our partners such as Network Rail and Local Authorities on the One Public Estate initiative, to explore how we can collectively maximise the value and use of our land assets.</p> <p>Asset Management - ensure operational assets are available, safe &amp; maintained and opportunities for commercial revenues are explored</p>
<p>Delivering our bus vision to support growth, inclusion and reduced car dependency</p>	<p>Ensure effective door to door accessible transport service for residents of the West Midlands</p> <p>Continue to fund a network of socially necessary bus services, giving provision where bus operators are unable to provide a commercially sustainable service</p> <p>Ensure bus industry partners collaborate to deliver the best possible bus service experience for local people by coordinating investment, effort and action through the management of the industry leading West Midlands Bus Alliance.</p> <p>Investigate the opportunities for Demand Responsive Transport in the West Midlands as part of delivering our Vision for Bus.</p> <p>Undertake the Outline Business Case for Bus Policy Options within the 2017 Bus Services Act</p>
<p>Reduce the emissions from bus travel</p>	<p>Develop a zero-emission bus plan which supports the West Midlands Vision for Bus and sets out the roadmap which underpins the objectives of the Climate Change Emergency.</p> <p>Achieve 100% fully compliant Euro VI bus fleet in the West Midlands</p> <p>Work with bus operators and Local Authorities to introduce electric vehicles on pilot route(s) within the West Midlands.</p>
<p>Enhance infrastructure and customer experience at our bus stations and major interchanges</p>	<p>Continue to deliver safe, effective services at twelve bus stations and two travel shops to agreed standards and policies. These accommodate 3.5m bus and coach departures and have an annual footfall of nearly 40m.</p> <p>Deliver a new multi modal, world class facility for bus and metro customers in Dudley</p> <p>Carry out a full refurbishment of Coventry Pool Meadow Bus Station ahead of 2021 Coventry City of Culture making this important facility more welcoming for customers and visitors.</p>

<b>Integrated Network Services</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Ensure strategic and operational Health and Safety aims and key deliverables are communicated and embedded throughout the WMCA</p>	<p>Develop a Health and Safety Strategy and Delivery Plan for 2020-2023 to ensure strategic aims and key deliverables are communicated and embedded throughout the organisation</p> <p>External Accreditation of the organisations Safety Management System (SMS) including migration to ISO 45001, by March 2021</p> <p>Further develop WMCA H&amp;S Risk Profile to ensure risks are understood and enough mitigations implemented</p> <p>Deliver Health and Safety Audit and Inspection Programme associated to organisational premises, assets and undertakings</p> <p>Develop and deliver Health and Safety Communications Plan to promote health and safety and encourage ongoing employee engagement</p> <p>Develop and introduce a comprehensive Health and Safety training programme</p> <p>Periodic review and update of WMCA Health and Safety governance and reporting arrangements to ensure they remain appropriate to the organisation's undertakings</p>
<p>Developing park &amp; ride to support better access to the Integrated Transport System</p>	<p>Improve customer experience at Park &amp; Ride sites through high quality operations and enhanced customer facilities and services</p> <p>Invest in and pilot new schemes to explore customer response to electric vehicle charging and pilot pay per use parking</p> <p>Develop a plan for improving the financial operation of Park &amp; Ride, exploring opportunities to reduce the significant impact that managing Park &amp; Ride sites has on the levy budget</p>
<p>Developing park &amp; ride to support better access to the Integrated Transport System</p>	<p>Continue with the development and delivery of expansion of Park &amp; Ride at already approved locations, seeking to deliver in the region of 2,500 additional spaces in the next five years</p> <p>Following the completion of the regional Park &amp; Ride strategy, develop a Park &amp; Ride delivery plan gearing up to deliver new and expanded strategic Park &amp; Ride in the areas of most benefit to the region and customers over the next five years (in addition to those sites already approved for expansion)</p>
<p>Developing park &amp; ride to support other Key Deliverables</p>	<p>Identify sites and develop a delivery plan for Park &amp; Ride for the Commonwealth Games</p> <p>Identify sites and develop a delivery plan for Park &amp; Ride for SPRINT</p>

<b>Rail</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Enhance the capacity of our rail network for a better-connected region	<p>Rail enhancements (advance planning)</p> <p>Midlands Connect support</p> <p>HS2 released rail network capacity</p> <p>Commonwealth Games enhanced rail services</p>
Using rail franchising to support and engage on rail development	<p>West Midlands Railway Franchise Management</p> <p>Franchise Engagement Strategy</p> <p>West Midlands Stations Alliance</p> <p>Strategic Rail Industry Engagement and Consultation Responses</p>
Continually improving the quality and capacity of our rail stations and interchanges	
Develop a single rail network vision & devolution case to support a growing West Midlands	<p>Further rail devolution</p> <p>WMRE single network vision and West Midlands Grand Rail Collaboration</p>

<b>Metro</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Improving our financial performance of our Metro to support growth of the network	West Midlands Metro Off Vehicle Ticketing Revenue Protection Enforcement
Extending our Metro Network to better serve more people and businesses	Birmingham Eastside Extension (BEE) Programme Birmingham Westside Extension (BWE) Wolverhampton City Centre Extension Wednesbury to Brierley Hill (WBHE) Extension
Extending our Metro Network to better serve more people and businesses	CAT Free Trams HS2 People Mover  Metro Control and Comms Systems Very Light Rail (VLR) Prototypes

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Managing the West Midlands Transport Network and improving coordination with the Regional Transport Co-ordination Centre (RTCC)	<p>Transform customer travel information in the West Midlands</p> <p>Enhance the use of data to better manage and invest in the traffic &amp; transport networks in the West Midlands</p> <p>Targeted investment to improve the performance of the Key Route Network</p> <p>Design and deliver a transport coordination facility that brings the West Midland's traffic &amp; transport partners together.</p> <p>Identify opportunities to offset the ongoing running costs of the Regional Transport Coordination Centre</p> <ol style="list-style-type: none"> <li>1. Development of the RTCC facility through technology and connectivity into partner systems and data sources</li> <li>2. Develop an RTCC Concept of Operations, ensure partner engagement and maximise usage of the facility and function</li> <li>3. Getting better outcomes from the services provided by the RTCC through a process of continuous improvement and lessons learned</li> <li>4. Secure commercial revenues through a merged CCTV Control Room and RTCC service area</li> </ol>
Keeping the transport networks safe and secure	<ol style="list-style-type: none"> <li>1. Ensure a Safe and Secure Transport Network through the Safer Travel Partnership and through an agreed Safer Travel Plan</li> <li>2. Work with the West Midlands Local Resilience Forum to ensure that the Network Emergency Plan remains fit for purpose and TfWM staff are adequately trained and prepared to respond to an emergency incident</li> </ol>
Keeping travellers informed and finding new ways of keeping the West Midlands Moving through travel demand management	<p>Delivery of the Customer Information work stream for the RTCC.</p> <p>Improve information and communications for all transport users during disruptive events using TDM tactics in line with the resilience communication and engagement strategy.</p> <p>Travel Demand Management Strategy &amp; Delivery Programme</p> <p>Define and deliver a new TfWM young people engagement programme</p> <p>Implement Network Resilience Live Lab</p> <ol style="list-style-type: none"> <li>1. Implement the Adept on street infrastructure, ensuring data links are made and maintained, feeding real time intelligence into the RTCC to support better information to the public</li> </ol>

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Delivering the operational plan for the Commonwealth Games for visitors to the region and ensuring reduced impacts on everyday journeys.	<p><b>B2022 Transport Planning and Support Services</b> (incl. Communications &amp; Engagement)  <b>Delivery Tools and Mechanisms;</b> Modelling and Forecasting, PT Ticketing Solution  <b>Traffic Management;</b> Local Area Traffic Management and Parking (LATMP), Road Events Planning  <b>Public Transport Strengthening;</b> PT Strengthening for games time, Park and Ride, Shuttle Services, Accessible Transport, Active Travel  <b>CWG Transport C3, Readiness and Testing;</b> Transport Coordination Centre, Travel Demand Management</p> <p>Develop and deliver a communications and engagement strategy for the development of the Games Strategic Transport Plan and its associated workstreams.</p> <p>Developing Travel Demand Management programme  Supporting the evolution of the RTCC through innovation  Managing Congestion</p>
Mitigating the impacts of transport investment programmes on the West Midlands Networks	<p>Developing Travel Demand Management programme</p> <p>Supporting the evolution of the RTCC through innovation</p> <p>Managing Congestion  1. Supporting the evolution of the RTCC through innovation, understanding international trends and best practice</p>

<b>Network Resilience</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Developing and enhancing the performance of the Key Route Network (KRN) to tackle congestion	<p>KRN Action Plans &amp; Road Safety</p> <p>Highways investment plan</p> <p>Major Route Network (MRN) - Roll out the Highways Programme</p> <p>Road Safety Programme Development</p> <p>RTCC - Highways Investment continues</p> <p>Package Phase 2 - post 2023</p> <p>KRN - Infrastructure renewal for Climate Emergency Response</p> <p>KRN - Sprint Corridor Management &amp; Enforcement</p> <p>KRN - On Road Disruption Service</p> <p>Future Mobility - Rules of the Road</p> <p>Developing the City Centre Management Toolkit</p> <p>Corridor Managers Framework</p> <p>Introduction of Street Manager</p> <p>Continuous integration and update of single view and people programme</p> <p>CMP Year 2 Update</p> <p>New ways of working</p> <p>New governance powers and tools to deliver</p> <p>Better Connected</p>

<b>Policy Strategy and Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Maintain & refresh the West Midlands Statutory Transport Plan(s) and policies	<p>Maintain and develop the TfWM Business Plan, including improved business practices.</p> <p>Produce an Ultra-Low Emission Vehicle Strategy.</p> <p>Produce an evidence based and refreshed Movement for Growth for re-adoption in 2020.</p> <p>Secure policy and MoU commitments from existing Devo Deals.</p> <p>Produce evidenced based and compelling lobbying and discussion papers (inc Green/White papers) to secure additional investment and powers for the West Midlands</p>
Embed transport policy & strategy in the plans and programmes of the wider WMCA & partners to support integrated development planning	<p>Increased engagement with all 'significant' planning applications to ensure alignment with major transport proposals and secure additional developer contributions to critical transport infrastructure.</p> <p>Development of integrated infrastructure growth corridor plans incorporating land use, transport and digital for all formal growth corridors, supporting a single infrastructure funding pot.</p> <p>Engagement and formal responses to major planning applications and Local Plans</p>
Continue to develop and maintain a robust common data environment for transport	<p>Host the regional Joint Data Team and continue to develop services to provide a cost effective minimum viable basic transport intelligence service</p> <p>Develop and maintain transport systems performance, delivery and operational performance monitoring data and appropriate dashboards</p> <p>Develop a series of digitized transport system products to support a step change in intelligence driven activity</p>
Develop and maintain a deep understanding of the needs, attitudes and perceptions of people who use our transport system	<p>Development of a detailed segmentation and persona framework (FMZ WP1.1)</p> <p>Creation of an on-line Citizen's Panel community (FMZ WP1.2)</p> <p>Undertake bespoke market research activity on a commission basis</p> <p>Passenger Importance and Priorities (PIPs) study</p>
Analyse the transport system to provide deep insight, recommend actions and produce robust and funded evidenced based business cases for schemes and programmes	<p>Review performance of the network and forecast future demands and needs across all modes</p> <p>Undertake robust optioneering for changes and develop detailed strategic cases for change funded business cases for recommended change proposals</p> <p>Develop full business cases for preferred options in order to secure funding for change</p> <p>Monitor and evaluate the effectiveness of changes to the transport system</p>

<b>Policy Strategy and Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>Coordinate and deliver a globally significant transport innovation programme</p>	<ul style="list-style-type: none"> <li>• Provide general support and facilitation to enable integration of innovation programme outputs into Business as Usual of constituent authorities and key regional industrial sectors</li> <li>• Sponsor and direct the West Midlands 5G Urban Connected Communities Mobility programme</li> <li>• Coordinate and facilitate the development and delivery of the West Midlands LIS Implementation Plan - Future Mobility vertical</li> <li>• Deliver the Future Mobility Zone 1 UK pathfinder programme Develop and deliver further phases of a West Midlands Future Mobility Zone programme</li> <li>• Deliver and operate in partnership the Midlands Future Mobility Connected and Autonomous Vehicle public realm R&amp;D facilities</li> </ul> <p>Support the development of the UK Mobility Data Institute Secure a funded and robust delivery mechanism for a coordinated roll-out of ULEV refuelling infrastructure Support and deliver collaborative research and innovation showcase projects</p>

## Proposed West Midlands Combined Authority Delivery Budget

The proposed delivery budget for 2020/21 – 2024/25 reflects delivery of the **collective aspirations** of the West Midlands region, as we aim to deliver sustained and inclusive growth for everyone across the region that connects residents to opportunities – and help deliver the vision of a region that is happier, healthier, more prosperous and better connected. The proposed Delivery budget 2020/21 – 2024/25 is summarised in the following table:

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£m	£m	£m	£m	£m
Productivity and Skills	132.1	130.7	126.9	126.9	127.0
Housing & Land	2.5	2.5	2.6	2.6	2.7
Economy & Innovation	1.8	1.8	1.8	1.8	1.9
Culture & Digital	0.3	0.3	0.4	0.4	0.4
Wellbeing	0.9	0.8	0.8	0.9	0.9
PSR & Social Economy	0.7	0.8	0.8	0.9	0.9
Environment, Energy & HS2	0.3	0.4	0.4	0.4	0.4
Inclusive Communities	0.1	0.1	0.1	0.1	0.1
Leadership & Corporate Support	3.2	3.5	3.5	3.6	3.6
<b>Total Expenditure</b>	<b>142.0</b>	<b>141.0</b>	<b>137.3</b>	<b>137.6</b>	<b>137.8</b>

Further details of what the proposed budget will deliver for each portfolio – including activity that reflects the delivery, enabling and influencing role of the WMCA – in addition to budgeted staffing costs, numbers of full time equivalent staff and comparative information for 2019/20 are set out in the following annexes:

**Annex A** – Productivity and Skills Portfolio

**Annex B** – Housing and Land Portfolio

**Annex C** – Economy & Innovation Portfolio

**Annex D** – Culture and Digital Portfolio

**Annex E** – Wellbeing Portfolio

**Annex F** – Public Service Reform and Social Economy Portfolio

**Annex G** – Environment, Energy and HS2 Portfolio

**Annex H** – Inclusive Communities Portfolio

**Annex I** – Leadership & Corporate Support

<b>Productivity and Skills Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	565,179		565,197	
Adult Education (grant funded)	78,712,985		125,769,242	
Employment Support Pilot	2,278,135		2,070,417	
Construction Skills	3,556,476		1,576,400	
Digital Skills	1,741,000		1,762,630	
Jobs and Skills	205,606		410,120	
Careers Support			32,153	
Technical Education	100,000		97,845	
Use of reserves	177,402		0	
Carry forward of efficiencies			212,843	
<b>Total Funding</b>	<b>87,336,783</b>		<b>132,496,847</b>	
Staff Costs (Membership fee funded only)	505,141	7.0	540,956	5.5
Project Delivery - careers, apprenticeships, youth unemployment	237,440		237,084	
Adult Education Budget	78,712,985		125,769,242	
Construction Skills	3,556,476		1,576,400	
Employment Support Pilot	2,278,135		2,070,417	
Digital Skills	1,741,000		1,762,630	
Jobs and Skills Support	205,606		410,120	
Careers Support			32,153	
Technical Education Support	100,000		97,845	
<b>Total Expenditure</b>	<b>87,336,783</b>		<b>132,496,847</b>	
<b>Total</b>	<b>-</b>		<b>0.00</b>	

**Fee Funded Posts 2020/21:****Productivity & Skills**

Director of Productivity and Skills - 0.7 FTE; Senior Policy Advisor - 1.5 FTE; Head of Business Engagement - 0.9 FTE; Business Engagement Manager - 0.8 FTE; Business Engagement Programmes Manager - 0.8 FTE; Apprenticeship Manager - 0.8 FTE

**Grant Funded Posts 2020/21:****Employment Support Pilot - Connecting Communities**

Project Manager - 0.5 FTE; Employment Support Manager - 1.0 FTE; Compliance Officer - 2.0 FTE

**Jobs and Skills**

Head of Business Engagement - 0.1 FTE; Business Engagement Manager - 0.2 FTE; Apprenticeships Manager - 0.2 FTE; Business Engagement Programmes Manager - 0.2 FTE; Senior Policy Advisor - 0.5 FTE; Employment and Skills Delivery Manager - 1.0 FTE; Project Lead - 0.5 FTE; Project Officer - 2.0 FTE

**Technical Education Skills**

T-Level Planning Manager - 1.0 FTE

**Construction Skills**

Construction Skills Project Manager - 1.0 FTE; Project Officer - 1.0 FTE

**Adult Education Budget**

Adult Education Delivery Manager - 1.0 FTE; Compliance Officer - 2.0 FTE; Business Administration Apprentices - 2.0 FTE; Management Information Analyst 1.0 FTE; Senior Modelling and Forecasting Analyst - 1.0 FTE

**Careers**

Project Lead - 0.5 FTE

**Digital Skills**

Digital Skills Project Manager - 1.0 FTE; Digital Skills Officer - 1.0 FTE; Compliance Officer - 1.0 FTE

Note that £0.4m Jobs and Skills expenditure is funded through the Investment programme (IP) and so is included with IP expenditure on all summary tables with this report but is included in the detailed Productivity and Skills table above in order to capture all workstreams.

<b>Productivity and Skills</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Prepare our young people for future life and work	Develop, test and deliver a range of approaches to prepare young people for future life and work, particularly those at risk of dropping out, including NEET prevention and re-engagement, work experience, mentoring and innovative approaches to communication and engagement.
Create regional networks of specialist technical education and training	Oversee an increase in courses developing higher technical skills, including more digital, construction and automotive training.
Accelerate the take up of good quality apprenticeships across the region	Work with levy payers to capture and deploy apprenticeship levy to maximise transfer of unused levy to SMEs, particularly in priority sectors.
Support inclusive growth by giving more people the skills to get and sustain good jobs and careers	Support inclusive growth by giving more people the skills to get and sustain good jobs and careers, including delivering the Connecting Communities Employment Support Pilot to help more people into work and test new approaches
Promote the concept of a skills ecosystem for the region	Continue to collaborate and test new ways of working with stakeholder across the skills system including local authorities, LEPs, DWP, DfE, FE, HE, ITPs and the private and voluntary sectors
Continue to test, develop and embed new approaches to commissioning and delivering provision funded through the Adult Education Budget	Ensure that AEB delivers more impact for businesses and communities.

Housing and Land Portfolio

<b>Housing and Land Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	150,410		0	
Devolution Funding (Housing & Land)	2,201,321		2,382,276	
Other funding sources			89,025	
<b>Total Funding</b>	<b>2,351,731</b>		<b>2,471,301</b>	
Staff costs	1,173,231	15.0	1,367,801	16.9
Housing and Land delivery support - Development, investment and master planning expertise	1,175,000		1,100,000	
Travel & Subsistence	3,500.00		3,500	
<b>Total Expenditure</b>	<b>2,351,731</b>		<b>2,471,301</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Grant Funded Posts 2020/21:**

Director of Housing & Regeneration; Head of Policy; Strategic Delivery Advisor x3; Senior Development Manager; Senior Implementation Manager x2; Team Administrator; Development Manager; Development Manager (0.9); Senior Development Manager x2; Graduate; Housing & Regeneration Officer; Investment Advisor; Apprentice

<b>Housing &amp; Land</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Brownfield Investment & Acquisition Programme	Intervene, acquire, unlock and invest in priority brownfield sites across the region along public transport corridors that suffer from identified market failure to bring them forward for housing and employment delivery – building on the 15% increase in housing delivery over the last year in the region
Inclusive Growth Corridor Programme	Wave 1: Support local partners in finalising and launching the Corridor Delivery and Investment Plans for Walsall to Wolverhampton & West Bromwich to Dudley.  Launch Expression of Interest for next wave of Corridor Plans and upon selection create wide-ranging Corridor Delivery and Investment Plans and Programmes
Local Plans	Provide assurance to HMG on Local Plan progress under the Housing Deal by mapping local plan activity in the region and supporting local councils with the evidence base for local plans and duty-to-cooperate activities
Affordable Housing Policy and Delivery Programme	Affordable Housing Delivery Vehicle  Regional Affordable Definition  Affordable Housing Deal with Government
Town Centre Regeneration Programme	Intervene, acquire and invest in town centre sites in pilot town centres to support the regeneration and repurposing of those town centres
Town Centre Policy Programme	Wave 1: Support local partners in finalising and launching the Town Delivery and Investment Plans for 5 pilot town centres in Wave 1  Launch Expression of Interest for next wave of Town Centre Pilots and upon selection create wide-ranging Town Centre Delivery and Investment Plans and Programmes
Town Deals	Support local councils and LEPs in securing effective 'Town Deals' with Government by Summer 2020  Creation of Town Boards  Co-develop business cases to Government  Support development of town investment plans that meet Government requirements'
West Midlands Investment and Developer Frameworks	Update(s) to Single Commissioning Framework to respond to new policy (e.g. climate change) and delivery experience  Launch of West Midlands Investment Prospectus at MIPIM 2020  Expansion of Commissioned Partnership Programme including 10 new partners in 2020/2021
West Midlands One Public Estate (OPE) Programme	Completing mapping of OPE land  Launch OPE Single Disposals Plan  Development and submission of OPE Business Case to Government
Housing Deal	Providing compelling business cases to Government on brownfield regeneration, housing delivery and local plan progress to secure next tranches of Land Fund in February 2020 and November 2020  Secure outstanding HIF monies from March 2018 Housing Deal

<b>Housing &amp; Land</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
MMC Programme	<p>MMC Strategy Launched</p> <p>MMC Advisory Group established</p> <p>MMC Delivery Programme Launched</p>
Land and Transport Delivery Programme	Working closely with transport colleagues and local partners to secure new and maximise planned investment in transport infrastructure to open up new areas for development and regeneration.
Design Charter	Regional Design Charter launch in Q1 2020 and embed Charter into Single Commissioning Framework
National Development Projects	Continue to work with local partners to bring forward nationally significant development schemes – particular examples include National Brownfield Institute in Wolverhampton and UKC at Solihull.
Climate Change Delivery Programme	Housing and Regeneration Climate Change Action Plan and Delivery Programme

**Economy & Innovation Portfolio**

<b>Economy &amp; Innovation Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	1,103,954		1,150,743	
Mayoral Capacity Funding	96,111		54,110	
Office of Data Analytics grant funding	284,041		256,837	
Assumed new funding stream to support Local Industrial Strategy	200,000		0	
Use of reserves	221,304		312,141	
<b>Total Funding</b>	<b>1,905,410</b>		<b>1,773,831</b>	
<b>Staff Costs</b>				
Industrial Strategy & Funding for Growth	380,585	4.0	476,994	6.0
Office of Data Analytics (ODA)	189,825	3.5	161,837	3.0
Growth Company Annual Membership Fee	700,000		700,000	
Economic Intelligence Unit - LIS support and education and skills intelligence	240,000		240,000	
LIS business case development & delivery	200,000		0	
Industrial Strategy - Project Support	100,000		100,000	
ODA Project / Consultancy Support	95,000		95,000	
<b>Total Expenditure</b>	<b>1,905,410</b>		<b>1,773,831</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:**

Director of Strategy; Strategy Graduate x2; Head of Strategy & LIS; Head of Policy & Programme Development; Senior Policy Officer

**Grant Funded Posts 20/21:**

Data Analyst Apprentice; Data Analyst; Senior Data Analyst

<b>Economy &amp; Innovation</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<b>Economic Resilience:</b> Enable and coordinate cross-organisational and cross-partner working that builds economic resilience in the West Midlands	<p>Work with government and regional partners to establish new and evolve existing support infrastructure and mechanisms</p> <p>Complete deployment of Brexit pooled contingency fund</p>
<b>Local Industrial Strategy Delivery:</b> work with partners to secure and implement the priority projects and programmes	<p>Implementation support: embed aligned activity mapping and performance monitoring across market opportunities, sectors and productivity foundations.</p> <p>Develop, maintain and secure a pipeline of strategic projects and programmes</p> <p>Identify funding requirement to feed into Spending Review 2020</p> <p>Engage businesses, citizens and investors with a compelling communications and engagement campaign focused on our future growth opportunities</p>
Increase demand led business innovation in the wider economy, enabled by the Innovation Board and delivery of phase one of the West Midlands Innovation programme	<p>Develop a stronger and integrated business support offer</p> <p>Target support to business to access more national innovation funding</p> <p>Identify projects, programmes and funding opportunities to secure phase 2</p> <p>Proactively communicate innovation opportunities</p>
Through the ODA provide integrated intelligence to support decision making in the region on a range of economic and social issues	<p>Regional capacity: Roll out research, data and evaluation framework for the WMCA which can be used by partners across the region</p> <p>Direct delivery: through annual state of the region report and economic analysis regime</p> <p>Future proofing: deliver an exit strategy through the WM REDI that secures future sustainability of the ODA</p>
Create Central – mobilise the industry led board to convert 3 years of consultation into a clear plan for action that will secure substantial resource and investment into the sector	<p>Enhance and accelerate existing resourced regional activity</p> <p>Work with national partners to increase regional share of national resource available.</p> <p>Secure new resource to deliver new activity that fills identified gaps including identifying the gaps</p>
Creative Scale up pilot – to identify and deliver a programme of activity to support business growth and improve their investability	<p>Deliver an intensive business support programme</p> <p>Signposting to and engagement with investors</p> <p>Contribute to the development of a shared evidence base with government</p>

Culture and Digital Portfolio

<b>Culture &amp; Digital Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	110,000		110,000	
5G Grant			231,551	
<b>Total Funding</b>	<b>110,000</b>		<b>341,551</b>	
Staff Costs	0		131,551	3.0
5G			100,000	
Culture & Tourism	110,000		110,000	
<b>Total Expenditure</b>	<b>110,000</b>		<b>341,551</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Grant Funded Posts 2020/21:**

5G Engagement Manager; Marketing & Events Executive; Creative Enterprise Scale Up Lead

<b>Culture &amp; Digital</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Support the deployment of circa £100m of government, private sector and regional contributions to an emerging 5G mobile network for the region.	Support the deployment of circa £100m of government, private sector and regional contributions to an emerging 5G mobile network for the region.
Develop our capacity to support digital public services across the region	Develop our capacity to support digital public services across the region
To support delivery of the Cultural Leadership Board's ambition to maximise the contribution of culture to enhance quality of life for our citizens.	Review current cross-CA activity to identify and secure opportunities to enhance and support cultural activity in the region
To support delivery of the Cultural Leadership Board's ambition to maximise the contribution of culture	Map existing and explore new mechanisms of securing finance and funding to the cultural assets and activities in the region
To support delivery of the Board's ambition to maximise the contribution of culture to delivering inclusive growth in the region and to enhance quality of life for our citizens.	Develop mechanisms to improve participation and leadership from underserved groups.
To support delivery of the Board's ambition to maximise the contribution of culture to delivering inclusive growth in the region and to enhance quality of life for our citizens.	Engage with local government partners, cultural bodies and citizens to define a shared long-term vision for culture in the region

Wellbeing Portfolio

<b>Wellbeing Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	687,216		687,216	
Thrive into Work Grant	819,756		70,004	
Other funding sources	0		121,424	
Carry forward of efficiencies	0		56,316	
<b>Total Funding</b>	<b>1,506,972</b>		<b>934,960</b>	
Staff Costs	441,320	8.0	646,956	11.0
Staff Costs (Thrive into Work Programme)	28,512	1.0	70,004	3.0
Thrive into Work	791,243		0	
Mental Health Commission Expenses	31,000		31,000	
Mental Health Project / Consultancy Support	100,000		100,000	
Funding contribution to Fiscal Incentive Programme	27,897		0	
Health & Wellbeing Project / Consultancy Support	87,000		87,000	
<b>Total Expenditure</b>	<b>1,506,972</b>		<b>934,960</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:****Health & Wellbeing**

Senior Policy Officer X 3, Physical Activity Lead (Wellbeing), Programme Director, Mental Health Commission Coordinator x3.

**Grant Funded Posts 2020/21:****Sports England**

Graduate Project Manager

**Thrive into Work & IPS**

Programme Support Apprentice

Specialist Project Lead - Young People

Thrive at Work Mental Health Commission Coord

Thrive at Work Implementation Manager

Thrive at Work Assessor

<b>Wellbeing</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Deliver the Thrive programme and promote a culture of support and awareness for mental health issues across the region.	To deliver a number of key programmes of work that focus on improving the work and health agenda
Develop and deliver a childhood obesity strategy for the West Midlands	Develop a Healthy weight region to tackle the issue of obesity. Focus to be developed on Food (Retail offer, advertising Planning regulations) and increasing level of physical activity
Develop and deliver an innovative new funding mechanism, the Radical Prevention Fund	To deliver the Radical prevention fund for the West Midlands Region. Secure Funding from Government to enable innovative approaches to delivery in the prevention agenda. Test new financial models through grants and loans
Host a population intelligence hub within the Inclusive Growth Unit which provides holistic, real time data on the region's health and socioeconomic outcomes	With Public Health England develop a population health intelligence hub - seeks to link inclusive growth with emerging inclusive health agenda - Focus on developing a Health inequality lens for the region and develop a Marmot style region approach
Supporting place-based health and care	Commence the process to seek devolved Public Health Powers for the WMCA  Strengthen links with NHS England STP footprints in the region and drive to improve the health inequality agenda

**Public Service Reform & Social Economy Portfolio**

<b>PSR &amp; Social Economy Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	560,735		555,803	
Mayoral Capacity Funding	100,000		100,000	
Veteran support funding			79,358	
Assumed new funding stream to support LIS	215,000			
Use of reserves	285,000			
<b>Total Funding</b>	<b>1,160,735</b>		<b>735,161</b>	
Staff Costs	560,735	6.0	635,161	9.0
PSR Project / Consultancy Support	100,000		100,000	
Delivery of inclusive growth, radical prevention & systems collaboration	500,000		0	
<b>Total Expenditure</b>	<b>1,160,735</b>		<b>735,161</b>	
<b>Net Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:**

Public Sector Reform

Director of PSR, Chief Executive Support, Implementation Director PSR & Inclusive Growth, Senior Policy Officer x 2, Apprentice plus Finance support.

**MCF:**

Programme Manager - Homeless Task Force,

**Grant Funded Posts:**

Policy & Delivery Officer - Veterans x 2

<b>Public Sector Reform</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Strengthen and grow the Inclusive Growth Unit, including its suite of products (Inclusive Growth Framework, Decision Making Toolkit and Tests) and services to WMCA members and partners.	Regular, structured engagement with IGU partners, supported with professionally presented resources.
Commence delivery of the recommendations from the Social Economy Taskforce.	Build awareness and visibility of the work and create an investment case for business support.
Develop a 'Commitment to Collaborate' across public services to help demand management and preventative outcomes for rough sleepers.	Use insights from public service roundtables to inform better partnership working between regional public services.
Contribute substantively to the development of a regional Violence Prevention Unit with other public service partners.	Invest WMCA resources into the establishment of the VRU   Continue to support the leadership of the VRU partnership
Collaboration to Support Radical Prevention	Exploring new priorities for collaborative reforms for public services, learning from the work relating to police and fire governance, and taking into account shared challenges around climate emergency, care and prevention.
Alignment of investment standards with inclusive growth	Shifting the terms of capital investment so that the 'point' of investment is social or environmental in nature, in line with the Inclusive Growth Framework. This will enable investments associated with #WM2041 to be judged on climate impact.

Environment, Energy and HS2 Portfolio

<b>Environment, Energy &amp; HS2 Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	242,386	3.0	255,562	3.0
Carry forward of efficiencies			93,577	
<b>Total Funding</b>	<b>242,386</b>		<b>349,139</b>	
Staff Costs	157,386		181,614	
Environment Project / Consultancy Support	85,000		167,525	
<b>Total Expenditure</b>	<b>242,386</b>		<b>349,139</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

**Fee Funded Posts 2020/21:****Environment 2020/21**

Head of Environment, Policy / Project Manager, Graduate/Trainee

The costs of Energy and HS2 are funded through direct recharges to the Investment Programme

<b>Environment, Energy &amp; HS2</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
Support the development of the evidence base for the WMCA 2041 zero emissions target	The target date for zero emissions is 2041. The evidence base to support the actions needs to be developed to break the target down into areas of maximum impact.
Develop a zero-emission strategy and action plan	<p>The action plan for the zero-emission target date of 2041 has been produced as a Green Paper that has been out for consultation. There will be refinement and development of the action plan through a series of avenues:</p> <ul style="list-style-type: none"> <li>• A clear analysis of the impacts of the actions will need to be made</li> <li>• There will need to be a robust investment plan built on the actions with costings attached</li> </ul> <p>The actions will need to be aligned to other strategic priorities of the WMCA</p>
Build and deliver on priorities within UK's first clean growth Local Industrial Strategy	To work with the Local Industrial Strategy Implementation group to maximise the low carbon economic and business opportunities for everyone and therefore includes consideration of jobs, skills and social inclusion
<p>Ensure the energy infrastructure of the region supports a competitive industrial base, clean growth and social inclusion.</p> <p>New technology</p>	To partner with the work of Energy Capital and to ensure that there is ongoing dialogue; aligned support for the portfolio holder; and, collaboration around asks for devolution.
Support partners to deliver HS2	To continue to develop the work of the Environment and Landscape Board and support the portfolio holder with the evidence to participate in conversations at a regional and national level.
Support the sustainability work and legacy for the Commonwealth Games	To support discussions on legacy as they relate to sustainability issues to maximise positive environmental impact for the Games and going forward
Decarbonisation of WMCA operations	Showing leadership from the front and understanding the measures that need to be taken to decarbonise WMCA operations

**Inclusive Communities Portfolio**

<b>Inclusive Communities Portfolio</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	0		119,747	
<b>Total Funding</b>	-		<b>119,747</b>	
Staff Costs	0		44,747	1.0
Youth Combined Authority	0		75,000	
<b>Total Expenditure</b>	-		<b>119,747</b>	
<b>Total</b>	-		-	

**Fee Funded Posts 2020/21:**

Leadership Commission Coordinator

<b>Inclusive Communities</b>	
<b>High Level Deliverable</b>	<b>Activity</b>
<p>YCA:</p> <p>Support a diverse Young Combined Authority to influence and constructively challenge WMCA policy, better connecting the organisation to the communities it serves and building future political leadership capacity in the West Midlands.</p>	<p>Recruitment campaign to refresh/reboot YCA membership</p> <p>Opportunities to challenge, inform and influence WMCA decision-making</p> <p>WMCA decisions, policies and projects that have benefited from YCA input or involvement</p> <p>Engagement with the region's young / under 25 population on CA priorities and programmes (e.g. campaigns)</p> <p>Developing future political leadership capability and talent in the region (e.g. Be a Councillor sessions).</p>
<p>Inclusive Leadership initiatives:</p> <p>Develop and promote initiatives that encourage and support leaders and employers to commit to realising greater inclusivity.</p>	<p>A refresh / reboot of the Inclusive Leadership Pledge initiative to encourage employers to commit to realising greater inclusion.</p> <p>Collaboration with the University of Birmingham to shape and deliver inclusive leadership task forces (building upon the Leadership Commission recommendation for HR roundtables).</p> <p>Development and promotion of inclusive leadership case studies.</p>
<p>Campaigning and engagement:</p> <p>Lead and/or support activity to challenge, enable and support the WMCA and wider region to promote inclusivity, equalities and diversity.</p>	<p>Lead, support or coordinate campaigns (including working with partners and other stakeholders) on key challenges</p> <p>Collaboration with key partners on projects and engagement events that further inclusion and diversity in the West Midlands</p>
<p>Co-ordinate activity across portfolios:</p> <p>Help bring together activities and projects that tackle longstanding challenges that contribute to exclusion, inequality or unfulfilled potential.</p>	<p>Establish and lead a cross-portfolio taskforce that provides a focus and co-ordination of activity around an agreed policy area, challenge or marginalised community (e.g. making West Midlands a youth-friendly region).</p>

### Leadership & Corporate Support

Leadership & corporate support services work to support the WMCA to deliver sustained and inclusive economic growth by offering a joined-up solution and providing a range of services including Communications, Finance, Governance, Human Resources, Information Technology, Legal, Risk Management, Property, Programmes and Project support that help turn ideas into outcomes.

The role of corporate support services is to work collaboratively to deliver robust organisational support services that add value and help teams deliver outcomes that make a real difference to the people of the West Midlands.

Corporate support services have played a fundamental role in supporting the transition of the WMCA as it matures and have worked to standardise business processes and policies across the newly established organisation.

<b>Leadership &amp; Corporate Support</b>	<b>2019/20 Budget £</b>	<b>FTE (no.)</b>	<b>2020/21 Budget £</b>	<b>FTE (no.)</b>
Constituent / Non-Constituent Membership Fees	1,648,938		1,624,345	
Investment Income	1,693,500		1,766,040	
<b>Total Funding</b>	<b>3,342,438</b>		<b>3,390,385</b>	
Leadership	472,730	4.0	537,105	4.6
WMCA Central Project / Consultancy Support	100,000			
Corporate Support	2,769,708		2,853,280	
<b>Total Expenditure</b>	<b>3,342,438</b>		<b>3,390,385</b>	
<b>Total</b>	<b>-</b>		<b>-</b>	

#### **Fee Funded Posts 2019/20:**

##### **Leadership**

Chief Executive (CX), Head of CX Office, Executive Assistant to CX, Administrator (0.6), Executive Support Officer

Corporate Support Recharges to Operational Budget

Corporate support services reflect the distribution between Transport for West Midlands and the Delivery Budget agreed in 2018 to meet statutory requirements. In addition, the 2020/21 budget reflects capacity growth to support the wider West Midlands Combined Authority agenda, fully funded by additional income including a top-slice of grant income with no net impact on constituent authority fees.

Corporate support services capacity has been strengthened to reflect statutory obligations in relation to the building and build ICT capacity to meet increasing demands.

## APPENDIX 4 - TRANSPORT CAPITAL PROGRAMME

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Metro	Metro East Birmingham to Solihull Extension	6.7	12.2	163.6	129.6	139.6	451.8
	Metro Wednesbury to Brierley Hill Extension	70.6	200.3	86.3	45.5		402.7
	Metro Birmingham Eastside Extension	20.5	43.0	36.2	22.5	7.6	129.7
	Metro Edgbaston & Centenary Square Extension	25.4	13.2				38.6
	Metro Network Enhancements	8.6	5.1	1.5	0.5	0.0	15.7
	Wolverhampton Interchange Station and Car Park works	1.8					1.8
	Metro Wolverhampton City Centre Extension	3.8					3.8
	Buy Before Boarding	0.7	0.1	0.5	0.0		1.3
<b>SUB TOTAL METRO</b>		<b>138.0</b>	<b>273.9</b>	<b>288.1</b>	<b>198.2</b>	<b>147.2</b>	<b>1,045.4</b>
Rail	Rail - Camp Hill Line New Stations	6.6	40.3	1.2			48.1
	Rail - Walsall to Wolverhampton New Stations	18.4	26.5	0.0			45.0
	University Station Improvement Project	11.3	24.6				35.9
	Rail - Sutton Coldfield Gateway	9.3	12.0				21.2
	Rail - Snow Hill Lines	1.1	1.1	2.0	16.3		20.5
	Perry Barr Rail Station	5.1	13.6				18.6
	Coventry South Package - Tile Hill Station Improvements	1.7	1.5	4.6			7.8
	Snow Hill 3rd Access	1.5					1.5
	Park and Ride Delivery	0.7					0.7
	Snow Hill Public Realm	0.2					0.2
<b>SUB TOTAL RAIL</b>		<b>55.8</b>	<b>119.5</b>	<b>7.8</b>	<b>16.3</b>	<b>0.0</b>	<b>199.4</b>
Sprint	Sprint - A45 Birmingham to Airport and Solihull	27.8	26.6	1.2			55.7
	Sprint - Hagley Road Phase 2	0.5	3.8	8.8	10.7	27.6	51.3
	Sprint - Longbridge to Birmingham	0.3	8.1	9.0	11.0	13.4	41.8
	Sprint - A34 Walsall to Birmingham	24.7	14.9	0.1			39.6
	Sprint - Sutton Coldfield to Birmingham (via Langley)	12.5	12.8				25.3
	Sprint - Hall Green to Interchange via Solihull	0.2	2.6	1.6	3.1	5.7	13.2
	Sprint - Hagley Road Phase 1	6.9					6.9
<b>SUB TOTAL SPRINT</b>		<b>72.9</b>	<b>68.8</b>	<b>20.7</b>	<b>24.8</b>	<b>46.7</b>	<b>233.9</b>
Highway	Regional Transport Coordination Centre (RTCC)	7.1	6.0	3.8	0.0	0.0	16.8
	Birchley Island (Sandwell MBC)	2.0	5.4				7.4
	B4106 Spon End (Coventry CC)	4.1		1.1			5.2
	ADEPT Live Lab	0.9					0.9
	Key Route Network Safety	1.6					1.6
	Highway Investment Programme	1.3	0.4				1.8
	NPIF 2 Birmingham Growth Point	0.9					0.9
	Commonwealth Games (Transport Modelling / Strategy)	0.8					0.8
<b>SUB TOTAL HIGHWAY</b>		<b>18.6</b>	<b>11.8</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>35.3</b>
Bus	Dudley Interchange		7.5	2.2			9.7
	Real Time Information Upgrades	1.8	0.2				1.9
<b>SUB TOTAL BUS</b>		<b>1.8</b>	<b>7.7</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>11.7</b>
Cycling	Cycling Programme	1.0	3.0	17.0			21.0
	Better Streets Community Fund	1.3	0.2	0.1	0.0		1.7
<b>SUB TOTAL CYCLING</b>		<b>2.3</b>	<b>3.2</b>	<b>17.1</b>	<b>0.0</b>	<b>0.0</b>	<b>22.7</b>
Assets	Asset Management Programme	1.2	1.2	1.2	1.2		4.8
	Network Infrastructure Measures	0.5					0.5
<b>SUB TOTAL ASSET REPLACEMENT</b>		<b>1.7</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>5.3</b>
Other	Autonomous Highway,Rural & Parking Test Facilities	3.1					3.1
	AutopleX	0.1	0.0				0.1
	Connected and Autonomous Vehicles TestBed (CAV)	2.3					2.3
	Future Mobility Zone	3.3	6.9	8.5	0.0	0.0	18.8
	Gateway Controlled Project Development	0.3					0.3
	LTP Technical Development Nims Mattisse	0.0	0.0	0.0	0.0	0.0	0.1
	New St/High St/Victoria Sq Public Realm (Bham CC)	3.2	1.7				4.9
	Top Slice	0.1	0.1	0.1	0.1		0.3
<b>SUB TOTAL OTHER</b>		<b>12.3</b>	<b>8.8</b>	<b>8.6</b>	<b>0.1</b>	<b>0.0</b>	<b>29.8</b>
<b>TOTAL TRANSPORT</b>		<b>303.4</b>	<b>495.0</b>	<b>350.6</b>	<b>240.6</b>	<b>193.9</b>	<b>1,583.5</b>

The Transport Programme contains programmes schemes delivered from project specific grants (i.e. DfT grants for Edgbaston Metro), other grants such as Transforming Cities Fund and borrowing supported either through the Investment Programme financial model, or from the commercial model underpinning the Metro network which uses future passenger fares to facilitate the up front investment.

As detailed within the report, the Capital Programme as presented articulates the full anticipated programme of investment for the West Midlands. There will be areas of the programme where the decision to cap Investment Programme investment at the affordable limit will mean that progression through the assurance framework will be subject to WMCA Finance Directors working with WMCA to identify additional income to support the levels of borrowing required to deliver the full programme.

## APPENDIX 5 - HOUSING CAPITAL PROGRAMME

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Housing	Brownfield Land & Property Development Fund (BLPDF)	17.9	10.8				28.8
	LPIF (Black Country Consortium)	22.3	8.5	20.0	20.0	21.2	92.1
	Land Fund - Friar Park Sewage Disposal Works	5.2	4.8				10.0
	Land Fund - Other	30.0	30.0	20.0	6.8		86.8
<b>TOTAL HOUSING</b>		<b>75.5</b>	<b>54.2</b>	<b>40.0</b>	<b>26.8</b>	<b>21.2</b>	<b>217.6</b>

The Brownfield Land and Property Development and LPIF land remediation funds consist of the £200m allocation within the WMCA Investment Programme. These funds are all committed within the affordable limit agreed by WMCA Board in November. The Land Fund represents the grants provided to WMCA following Devoluton Deal 2. These funds are expected to be fully committed in line with the grant conditions which includes Tranche 1 being committed by January 2020. The phasing of expenditure reflects the profile of remediation works at a high level whilst procurement routes and details are being refined.

## APPENDIX 6 - INVESTMENT PROGRAMME GRANTS TO LOCAL AUTHORITIES

Portfolio (£M)	Project Name	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	2024 / 2025	TOTAL
Investment Programme Grants to Local Authorities	Commonwealth Games	10.0	15.0				25.0
	Coventry City Centre South Regeneration - CCS	5.0	11.5	54.6	0.1		71.2
	Coventry City Centre South Regeneration - Friargate	25.0	25.0	0.4			50.4
	Coventry UKC Plus - Coventry North Package	0.5	1.5	2.0	11.3	6.1	21.4
	Coventry UKC Plus - Coventry South Package	4.1	3.7	15.5	27.5	42.8	93.6
	Coventry UKC Plus - Coventry Station Masterplan (CSMP)	32.7	3.1				35.8
	Coventry UKC Plus - UK City of Culture 2021	23.5	5.0				28.5
	Coventry UKC Plus - Very Light Rail	11.8	1.8	1.7	15.8	15.8	46.9
	UK Battery Industrialisation Centre (UK BIC)	15.0					15.0
	UK Central HS2 Interchange	68.1	52.9	66.4	54.6	6.4	248.4
UK Central Infrastructure Package	31.2	40.7	46.8	46.0	34.2	198.9	
<b>TOTAL INVESTMENT PROGRAMME GRANT TO LOCAL AUTHORITIES</b>		<b>226.8</b>	<b>160.2</b>	<b>187.4</b>	<b>155.3</b>	<b>105.3</b>	<b>835.1</b>

All investments referred to above form part of the Investment Programme from Devolution Deal agreed 2016. The committed investments have all been assured through the WMCA assurance process agreed with Government. Elements of the expenditure detailed above would represent commitments that would be beyond the affordable limit agreed by WMCA Board in November 2019. Such items are not currently being submitted through the Assurance Process pending identification of income solutions which is being led by the WMCA Finance Directors.

## Overview and Scrutiny Committee

### Mayoral Question Time Q and A - Budget 2020/21

Members of the committee, along with Aisha Masood from the Young Combined Authority, questioned the Mayor on financial matters relating to the WMCA and its developing budget for 2020/21. The Portfolio Lead for Finance, Councillor Bob Sleight, was also questioned on matters relating to the Investment Programme that had been considered at meetings of the Investment Board.

Members questioned the Mayor on issues including financial transparency between proposed and actual spend, measures to achieve inclusive growth outcomes, targeting investments and outcome-based funding, the future funding arrangements for the Young Combined Authority, future intentions for a mayoral precept and a WMCA business rate supplement, and a greater focus on explaining to the public the outcomes that the WMCA had achieved.

In respect of specific matters to bring to the attention of the WMCA Board, it was recommended that:

- (a) A mechanism be developed that provided for assessing the impact on the WMCA's Investment Programme of new projects coming forward, and that this mechanism include an evaluation of carbon accounting, social impact and value-added assessments.
- (b) An environmental impact assessment be undertaken before any new WMCA policy was introduced so that its direct impact on the environment was assessed as part of wider policy considerations.
- (c) Any assessment of the regional skills gap be focused on addressing the future and projected skills needs of the region.
- (d) A commitment be given to fund the Young Combined Authority for the four-year period 2020/21- 2023/24.
- (e) Investment be prioritised to reflect the changing contexts within the region since the WMCA was initially established in 2016 (e.g. climate emergency, economic impacts).
- (f) Caution be exercised over the use of reserves to fund the WMCA's revenue expenditure and the need to identify a more sustainable longer-term approach.
- (g) The delivery and performance monitoring framework be further developed so that it provides greater public transparency and clarity regarding the successes and challenges in delivering the WMCA's policy objectives.

It be recommended to the WMCA Board that:

The matters identified above that arose out of the Mayoral Q&A on 18 December 2019 be considered further by the WMCA Board.