



West Midlands Combined Authority

WMCA Board

Friday 15 January 2021 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)

Councillor Bob Sleight (Vice-Chair)

Councillor Mike Bird

Councillor Ian Brookfield

Councillor Ian Courts

Councillor George Duggins

Councillor Patrick Harley

Councillor Brigid Jones

Councillor Ian Ward

Mayor of the West Midlands Combined
Authority

Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council

City of Wolverhampton Council

Solihull Metropolitan Borough Council

Coventry City Council

Dudley Metropolitan Borough Council

Birmingham City Council

Birmingham City Council

Non-Constituent Members

Councillor Julie Jackson

Councillor Tony Jefferson

Councillor Jeremy Oates

Councillor Alex Phillips

Councillor Izzi Seccombe

Tom Westley

Nuneaton & Bedworth Borough Council

Stratford-on-Avon District Council

Tamworth Borough Council

Shropshire Council

Warwickshire County Council

Black Country Local Enterprise

Partnership

Observer Member Awaiting Membership

Councillor Andrew Day

Warwick District Council

Co-Opted Member

Ayan Aden

Lee Barron

Kashmire Hawker

Young Combined Authority

Midlands Trades Union Congress

Young Combined Authority

Observer Members

Councillor Greg Brackenridge

David Jamieson

West Midlands Fire Authority

West Midlands Police & Crime

Commissioner

In Attendance

Councillor Kath Hartley

Waheed Saleem

Councillor Lisa Trickett

Transport Delivery Committee

Deputy Police & Crime Commissioner

Overview & Scrutiny Committee

94. Apologies for Absence

Apologies for absence were received from Councillor Maria Crompton (Sandwell), Councillor Shaun Davies (Telford & Wrekin) and Councillor Sebastian Lowe (Rugby).

95. Minutes - 13 November 2020

The minutes of the meeting held on 13 November 2020 were agreed as a correct record.

96. Forward Plan

The plan of items to be considered at future meetings of the board was noted, with the addition of the WM2041 Five Year Plan being considered at the WMCA Board on 19 March 2021.

97. Financial Monitoring Report 2020/21

The board considered a report from the Director of Finance that provided updates on the WMCA's finances as at the end of November 2020 (including the financial implications of COVID-19), and an update on the forecast outturn for 2020/21.

Resolved:

- (1) The financial outturn position as at the end of November 2020 be noted.
- (2) The latest forecast for 2020/21, incorporating the latest view of the impact of COVID-19, be noted.
- (3) The £2.5m WM5G guarantee be approved.
- (4) The proposed changes to the Joint Data Team contract be approved.

98. WMCA Draft Budget 2021/22

The board considered a report from the Director of Finance that presented a draft budget for consideration, to allow for feedback to inform the final 2021/22 budget report to be approved on 12 February 2021.

Councillor Lisa Trickett noted that the costs of the 2021 mayoral election were still unfunded. Councillor Bob Sleight indicated that discussions were still on-going with the Ministry of Housing, Communities & Local Government regarding how these elections were to be funded, but the WMCA was able to meet the costs of them should additional Government support not be forthcoming.

David Jamieson welcomed the target of reducing the numbers killed or seriously injured on the road network by 40%. He also urged further lobbying on a proposal for the penalty fines levied for 'yellow box' traffic infractions to be retained locally and used for road safety initiatives, rather than having to be returned to the Treasury.

In respect of concerns regarding the adequacy of the budget for environmental projects, Councillor Bob Sleight indicated that the board would be considering further reports on the implementation of its WM2041 carbon reduction strategy, and these would provide detail on how the measures would be funded.

Resolved:

- (1) The consolidated revenue budget monitoring position as at 30 November 2020 be noted.
- (2) The draft WMCA consolidated revenue budget be approved for consultation, which included:
 - (a) the budget requirement for transport delivery 2021/22 comprising three elements:
 - (i) £114.7m a year to be funded from the existing transport levy mechanism;
 - (ii) £3.9m to be funded from grant awarded by the Commonwealth Games Organising Committee; and
 - (iii) a transfer from earmarked reserves of £3.9m.
 - (b) the WMCA delivery budget requirement for 2021/22 of £141.9m comprising of five elements:
 - (i) £129.7m Adult Education spending to be funded from Adult Education Budget funding devolved by the Department for Education.
 - (ii) £5.1m to be funded from other devolution deal grants.
 - (iii) £4.6m to be funded from Constituent Authority fees (fees to remain at the same level as 2020/21).
 - (iv) £0.4m to be funded from Non-Constituent Authority and observer fees (fees to remain at the same level as 2020/21).
 - (v) £2.1m to be funded from other income, including a £1.2m use of reserves created from WMCA's share of 2020/21 Business Rates.
- (3) The inherent risks included within 2021/22 budget assumptions be noted.
- (4) The Mayoral Office budget for 2021/22 of £0.8m, to be funded from additional mayoral capacity funding of £0.8m, be approved for consultation and scrutiny.
- (5) It be noted that there would be no mayoral precept during 2021/22.
- (6) The WMCA's indicative 5 year Medium Term Financial Plan be noted.
- (7) It be noted that a full Strategic Plan would be completed following the 2021 mayoral election, to inform the annual Medium Term Financial Planning exercise to be completed in 2021/22.
- (8) The draft Capital Programme be approved.

- (9) The planned spend on the Investment Programme over the year period be noted.
- (10) The matters identified by Overview & Scrutiny Committee that arose out of the Mayoral Q&A on 11 December 2020 be noted.

99. Black Country Land & Property Investment Fund - Programme Update and Reprofile Approval

The board considered a report from the Chief Executive of the Black Country Consortium seeking to secure a reprofile of the Black Country Land & Property Investment Fund programme, to align with current project forecasts of spend and outputs.

Resolved:

- (1) The programme progress delivered to date of the Black Country Land & Property Investment Fund programme managed by the Black Country LEP and its Single Accountable Body (Walsall Metropolitan Borough Council) be noted.
- (2) The previous derogations which had been approved and provided for the Phoenix 10 and i54 Western extension projects be noted.
- (3) It be noted that the Black Country LEP utilised its LEP Assurance Framework, which was compliant with the Government's National Assurance Framework, to manage the Black Country Land & Property Investment Fund programme and would continue to do so until programme closure.
- (4) The programme management costs that were agreed at the start of the programme in 2017 (as part of the £53.04m allocation) and were not due to exceed their overall budget be noted.
- (5) It be approved that the Black Country Land & Property Investment Fund programme be re-profiled to allow expenditure and outputs to be claimed up to March 2025.
- (6) It be approved that programme management costs within this fund be reprofiled for an additional year to March 2026 to ensure that the expenditure and outputs were audited in line with the Black Country Assurance Framework.

100. West Midlands Digital Roadmap

The board considered a report from the Director of Inclusive Growth & Public Service Reform on the proposed West Midlands Digital Roadmap.

Resolved:

The West Midlands Digital Roadmap and a commitment to collaboration on the five missions outlined within the roadmap be agreed.

101. Young Combined Authority Vision and Priorities for the West Midlands

The board considered a report from the Leadership Commission Co-ordinator on the work of the Young Combined Authority to develop and publish its vision and priorities.

Ayan Aden indicated that the YCA's vision was an opportunity for everyone to come together to help build a more inclusive, greener and better West Midlands. The Portfolio Lead for Inclusive Communities urged each of the WMCA's portfolio leads to carefully read the vision and consider how their portfolio could engage with the YCA going forward.

Resolved:

The development of the Young Combined Authority's 'vision and priorities' document be noted and endorsed, including through reflecting on where proposals could inform WMCA policy, delivery and future devolution asks.

102. Recovery Co-ordination Group Community Recovery Roadmap and Prospectus

The board considered a report from the Director of Inclusive Growth & Public Service Reform seeking formal endorsement of the 'Levelling-up the West Midlands: Our Roadmap to Community Recovery and Prospectus for Government'.

Resolved:

(1) The endorsement of Levelling-up the 'West Midlands: Our Roadmap to Community Recovery and Prospectus for Government' made at the Recovery Forum on 20 November 2020 be re-confirmed.

(2) The further update on the community recovery work programme be noted.

103. New Stations Package 1 - Full Business Case

The board considered a report from the Director of Rail seeking approval for the Full Business Case for new stations Package 1 (Darlaston and Willenhall stations).

Resolved:

(1) The Full Business Case for new stations Package 1 (Darlaston and Willenhall stations) be authorised.

(2) A total project budget of £55.84m based on the Estimate at Completion for the scheme at Full Business Case stage be agreed, subject to the WMCA securing the funding for the project.

(3) The release of £6m from the WMCA Investment Programme be authorised, subject to Department for Transport approval of sufficient Rail Network Enhancement Pipeline funding being made available.

(4) It be noted that the WMCA intended to be the accountable body for the entirety of the funding package.

- (5) It be noted that the costs included within the Full Business Case were the current best estimates prior to the completion of single option development (GRIP 4).
- (6) The BCR of 6.5, representing very high value for money for the scheme, be noted, and the continued very high value for money for the scheme even taking into account the Department for Transport's COVID-19 long-term impact scenario, leading to a BCR of 4.7 in a reasonable worst case scenario, be noted.
- (7) The aim of securing funding in Quarter 1 2021 to enable the project to proceed as per stated timescales be noted.
- (8) The WMCA Monitoring Officer and WMCA Director of Finance be jointly authorised to award contracts to the successful tenderer for the design and build stage, subject to:
 - (i) The project being within the £55.84m recommended budget;
 - (ii) Adequate funding being secured to allow for the delivery of the new stations;
 - (iii) All funding agreements being signed and sealed to the satisfaction of the WMCA Director of Director and the WMCA Monitoring Officer;
 - (iv) The operating costs of the stations being fully quantified and affordable.
- (9) Delegations to the WMCA Monitoring Officer and WMCA Director of Finance to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the new stations, including (if necessary) the issuing of a Letter of Intent to ensure the project schedule was maintained whilst funding agreements were being finalised, subject to the risks of doing so being acceptable to the WMCA Section 151 Officer and the WMCA Monitoring Officer, be approved.

104. New Stations Package 2 - Full Business Case

The board considered a report of the Director of Rail seeking approval for the Full Business Case for new stations Package 2 (Camp Hill stations).

Councillor Kath Hartley noted that the scheme could be further developed to link it into Kings Norton, Longbridge and Northfield stations. The Portfolio Lead for Transport undertook to consider this suggestion to see if it could be accommodated within the proposals. Councillor Lisa Trickett noted that the scheme required a further £20.48m of additional funding to be secured. The Portfolio Lead for Transport accepted this, but noted that a funding request was currently with the Department for Transport and the report set out the proposed course of action should that funding bid be unsuccessful.

Resolved:

- (1) The Full Business Case for new stations Package 2 (Camp Hill line stations) be authorised.
- (2) A total project budget of £61.4m based on the Estimate at Completion for the scheme at Full Business Case stage be agreed, subject to the WMCA securing the funding for the project.
- (3) The release of £9m from the WMCA Investment Programme be agreed, subject to Department for Transport approval of the Rail Network Enhancement Pipeline funding.
- (4) It be noted that the WMCA intended to be the accountable body for the entirety of the funding package.
- (5) It was noted that the costs included within the Full Business Case be the current best estimates prior to the completion of single option development (GRIP 4).
- (6) It be noted that further economic analysis was ongoing to understand the impact of the latest COVID-19 growth scenarios on demand and benefits and that to date the scheme had consistently returned positive BCRs.
- (7) The aim of securing funding in Quarter 1 2021 to enable the project to proceed as per stated timescales be noted.
- (8) Authority be jointly delegate to the WMCA Monitoring Officer and the WMCA Director of Finance to authorise the award of contracts to the successful tenderer for the design and build stage, subject to:
 - (i) The project being within the £61.4m recommended budget;
 - (ii) Adequate funding being secured to allow for the delivery of the new stations;
 - (iii) All funding agreements being signed and sealed to the satisfaction of the WMCA Director of Finance and the WMCA Monitoring Officer;
 - (iv) The operating costs of the stations being fully quantified and affordable.
- (9) Delegations to the WMCA Monitoring Officer and WMCA Director of Finance to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the new stations, including (if necessary) the issuing of a Letter of Intent to ensure the project schedule was maintained whilst funding agreements were being finalised, subject to the risks of doing so being acceptable to the WMCA Section 151 Officer and the WMCA Monitoring Officer, be approved.

105. Perry Barr Railway Station and Bus Interchange - Full Business Case

The board considered a report from the Director of Rail seeking approval of the Full Business Case for the Perry Barr transport interchange.

The Portfolio Lead for Transport reported that the scheme was to be considered by Birmingham City Council's planning committee on 21 January 2021. He also confirmed that no construction contracts would be let until the full funding for the scheme had been secured.

Resolved:

- (1) The Full Business Case for the Perry Barr Transport Interchange be authorised.
- (2) The critical timescales for the project to secure Full Business Case approval for both the rail station and bus interchange if the project was to be completed in time for the Commonwealth Games be noted.
- (3) The estimated cost of £30.98m which was inclusive of the rail station and bus interchange works be noted.
- (4) The funding secured for the scheme and the current funding shortfall of £9.5m, and the work being done by WMCA to resolve the funding gap, be noted.
- (5) It be noted that the cost increase was partly driven by the re-design following initial stakeholder feedback, and that the proposals assumed a revised station design which had received initial endorsement from key stakeholders.
- (6) It be noted that the scope and costs of both the station and the interchange continued to be refined and that the risks to scope and cost uncertainty were mitigated by the inclusion of a project-based contingency.
- (7) The delegations of the authorisation of the award of contracts to the principle contractor for the rail station and Delivery Agent for the bus interchange to the WMCA Monitoring Officer and WMCA Director of Finance be approved, subject to:
 - The funding shortfall for the scheme being addressed;
 - The contract/s being within the approved budget;
 - All funding agreements being signed and sealed to the satisfaction of the WMCA Director of Finance and the WMCA Monitoring Officer;
 - The future operating costs of the rail station and bus interchange being fully quantified and affordable.
- (8) The delegations to the WMCA Monitoring Officer and WMCA Director of Finance to enter into the various funding agreements and contracts which would be reasonably required to enable delivery of the station/ bus interchange improvements be approved.

106. Midland Metro Buy Before Boarding

The board considered a report from the Head of Swift providing an update on progress towards delivering the 'Midlands Metro Buy Before Boarding' project and to gain agreement for an increase in the approved interim cash flow funding to ensure that the payment solution was both inclusive and fully accessible whilst still remaining value for money.

Resolved:

- (1) The contents of the report highlighting the progress that had been made to date towards the delivery of the 'Midland Metro Buy Before Boarding' project and the findings regarding accessibility and inclusion be noted.
- (2) An increase in the interim cash flow funding from £1.7m to £4.5m to enable the inclusion of Ticket Vending Machines to ensure that the payment solution was fully inclusive and accessible be approved.
- (3) It be noted that the final decision to proceed would be taken once the actual costs were received from suppliers via the procurement and following a final review of the borrowing model to confirm overall affordability.

107. Midland Metro Byelaws

The board considered a report from the West Midlands Metro Projects Director on the proposals to make changes to the Midland Metro byelaws and to seek approval to progress the changes in accordance with the powers conferred upon WMCA by s49 of the Midland Metro Act 1989.

Resolved:

- (1) The background to the existing Midland Metro byelaws be noted.
- (2) The proposed changes to the Midland Metro byelaws be noted.
- (3) Approval be granted to progress the changes in accordance with the powers conferred upon the WMCA by s49 of the Midland Metro Act 1989.

108. Midland Metro Penalty Fare

The board considered a report from the West Midlands Metro Projects Director on proposals to make changes to the Midland Metro penalty fare and payment system and to seek approval to commence consultation on the new Penalty Fare and two tier system in accordance with the Midland Metro (Penalty Fares) Order 2019.

Councillor Mike Bird stressed the importance of ensuring that sufficient signage was used on the Metro to alert passengers to new ticketing requirements when they were introduced.

Resolved:

- (1) The background to the existing Midland Metro penalty fare regime be noted.
- (2) The proposed changes to the penalty fare amount and payment system be noted.

- (3) The proposal to commence consultation on a new penalty fare amount and two tier system be approved.

109. Audit, Risk & Assurance Committee - 26 October 2020

The board received the minutes of the Audit, Risk & Assurance Committee meeting held on 26 October.

Resolved:

The minutes of the meeting held on 26 October 2020 be noted.

110. Investment Board - 9 November 2020

The board received the minutes of the Investment Board meeting held on 9 November.

Resolved:

The minutes of the meeting held on 9 November 2020 be noted.

111. Transport Delivery Committee - 9 November 2020

The board received the minutes of the Transport Delivery Committee meeting held on 9 November.

Resolved:

The minutes of the meeting held on 9 November 2020 be noted.

112. Strategic Economic Delivery Board - 19 November 2020

The board received the minutes of the Strategic Economic Delivery Board meeting held on 19 November.

Resolved:

The minutes of the meeting held on 19 November 2020 be noted.

113. Overview & Scrutiny Committee - 23 November 2020

The board received the minutes of the Overview & Scrutiny Committee meeting held on 23 November.

Resolved:

The minutes of the meeting held on 23 November 2020 be noted.

114. Environment & Energy Board - 9 December 2020

The board received the minutes of the Environment & Energy Board meeting held on 9 December.

Resolved:

The minutes of the meeting held on 9 December 2020 be noted.

115. Overview & Scrutiny Committee - 11 December 2020

The board received the minutes of the Overview & Scrutiny Committee meeting held on 11 December.

Resolved:

The minutes of the meeting held on 11 December 2020 be noted.

116. Investment Board - 14 December 2020

The board received the minutes of the Investment Board meeting held on 14 December.

Resolved:

The minutes of the meeting held on 14 December 2020 be noted.

117. Skills Advisory Board - 14 December 2020

The board received the minutes of the Skills Advisory Board meeting held on 14 December.

Resolved:

The minutes of the meeting held on 14 December 2020 be noted.

118. Transport Delivery Committee - 14 December 2020

The board received the minutes of the Transport Delivery Committee meeting held on 14 December.

Resolved:

The minutes of the meeting held on 14 December 2020 be noted.

119. Public Service Reform Board - 15 December 2020

The board received the minutes of the Public Service Reform Board meeting held on 15 December.

In respect of minute no. 21 ('Punishing Abuse'), David Jamieson stressed the importance of this work and urged all authorities to look at how they might contribute to the proposals for action. The Director of Inclusive Growth & Public Service Reform indicated that a workshop on this was planned for February 2021 where authorities could learn more about what they might want to do.

Resolved:

The minutes of the meeting held on 15 December 2020 be noted.

120. Exclusion of the Public and Press

Resolved:

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

121. Ring & Ride Customer Contact Transformation

The board considered a report from the Director of Integrated Transport Services seeking approval to transfer some customer service staff and functions that delivered the Ring and Ride service, from the current supplier National Express Accessible Transport to the WMCA as a first step towards wider service transformation.

Resolved:

- (1) The transfer of the Ring & Ride booking centre and associated customer contact activity be approved, currently provided by National Express Accessible Transport, to the direct management of Transport for West Midlands resulting in:
 - (a) Accountability for delivering the services.
 - (b) An increase to the establishment to deliver the proposed services, funded from existing budgets and to be managed under the TUPE regulations.
- (2) Officers be instructed to carry out the transfer of activities and associated staff from National Express Accessible Transport to the WMCA to facilitate a seamless transition in spring 2021.

122. The Marches Help to Own Project, Wolverhampton

The board considered a report from the Director of Housing & Regeneration on the Help to Own scheme, a proposed new affordable housing product which provided a rental solution to local residents that gave long-term tenure security, the benefits of home ownership without the risks and complete flexibility to leave whenever the tenant wished.

Councillor Ian Brookfield welcomed this proposal, which he considered to be a significant initiative to assist people from across the region own their own property.

Resolved:

- (1) A WMCA equity investment as set out in the report from the WMCA's devolved housing and land funds alongside City of Wolverhampton Council investment to enable the delivery of 100 Help to Own units on the Marches site in Wednesfield through the creation of a new Real Estate Investment Trust or other suitable structure as an exceptional proof of concept pilot for a new affordable housing product called 'Help to Own' be approved, envisaging that the investment would be in the form of equity but with the potential for the inclusion of capped first loss or other provisions to ensure viability, subject to further detailed due diligence.
- (2) It be noted that the funding was fully compliant with the WMCA's Single Commissioning Framework approved by the Investment Board, the Housing & Land Delivery Board and this board in March 2019 and which had been operational from 1 April 2019, and that that the scheme had progressed through each Single Commissioning Framework Gateway Approval point on the way to this board.
- (3) It be noted that this funding was considered to be compliant with the requirements set by central Government for devolved housing and land funds administered by WMCA.
- (4) It be noted that this proposal had been co-developed with officers from the City of Wolverhampton Council, the promoter of the Help to Own Marches project.
- (5) It be noted that the 100 units would be purchased from WV Living, a private limited company set up by the City of Wolverhampton Council.
- (6) It be noted that the pilot would be subject to ongoing evaluation with six monthly reports of progress to the Investment Panel and Investment Board, as well as annual reports to this board.
- (7) It be noted that this proposal had been jointly developed by WMCA s151 Officer, Monitoring Officer, Director of Investment & Commercial Activities and Director of Housing & Regeneration.

These resolutions were subject to:

- (8) The results of detailed accounting, taxation and legal advice in relation to the Marches Help to Own Real Estate Investment Trust, which was to be jointly commissioned by the WMCA and the City of Wolverhampton Council.
- (9) The City of Wolverhampton Council confirming that it had secured all necessary approvals and funding to co-invest in the project.
- (10) Availability of the debt funding at the terms detailed in the proposal.
- (11) The WMCA and the City of Wolverhampton Council being involved in the selection of the property manager by Frontier Development Capital, the proposed manager of the Help to Own Real Estate Investment Trust.

- (12) The completion of the detailed legal and financial documentation and due diligence to establish the Marches Help to Own Real Estate Investment Trust to the approval of the WMCA Director of Housing & Regeneration, WMCA Head of Governance, and WMCA Director of Finance.
- (13) The Ministry of Housing, Communities & Local Government assurance that this novel investment and the re-use of returns to deliver the purposes and intent of the Land Fund and to reduce the net investment commitment from WMCA was compliant with agreed terms of the Land Fund and accepted as an exceptional proof of concept project.

123. Date of Next Meeting

Friday 12 February 2021 at 11.00am

The meeting ended at 12.35pm.