



**WMCA Board**

**Friday 23 July 2021 at 11.00 am**

**Minutes**

**Constituent Members**

Andy Street	Mayor of the West Midlands
Councillor Wasim Ali	Sandwell Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Ian Brookfield	City of Wolverhampton Council
Councillor Karen Grinsell	Solihull Metropolitan Borough Council
Councillor Brigid Jones	Birmingham City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Bob Sleigh	Solihull Metropolitan Borough Council

The following participated in the meeting remotely via Microsoft Teams:

Olivia Agbe	Young Combined Authority
Lee Barron	Midlands Trades Union Congress
Councillor Cathy Bayton	Overview & Scrutiny Committee
Councillor Matt Dormer	Redditch Borough Council
Councillor George Duggins	Coventry City Council
Simon Foster	West Midlands Police & Crime Commissioner
Councillor Kath Hartley	Transport Delivery Committee
Councillor Tony Jefferson	Stratford-on-Avon District Council
Councillor Abdul Khan	Coventry City Council
Councillor Seb Lowe	Rugby Borough Council
Councillor Olivia Lyons	Cannock Chase District Council
Councillor Jeremy Oates	Tamworth Borough Council
Councillor Izzi Seccombe	Warwickshire County Council
Councillor Ian Ward	Birmingham City Council
Tom Westley	Black Country Local Enterprise Partnership
Councillor Kristofer Wilson	Nuneaton & Bedworth Borough Council

**22. Apologies for Absence**

Apologies for absence were received from Councillor Ian Courts (Solihull), Councillor Patrick Harley (Dudley), Councillor Lezley Picton (Shropshire), Tim Pile (Greater Birmingham & Solihull LEP), Councillor David Vickers (Dudley) and David Lane (Audit, Risk & Assurance Committee).

**23. Minutes - 23 July 2021**

The minutes of the meeting held on 23 July 2021 were agreed as a correct record.

**24. Forward Plan**

The forward plan of items to be reported to future meetings of the board was noted.

## **25. Financial Monitoring Report 2021/22**

The board considered a report from the Director of Finance on the WMCA's finances as at the end of May 2021 (including the financial implications of COVID-19).

The report set out both the revenue and capital spend against the approved budget and showed the overall consolidated revenue position for the WMCA. The overall year to date position at the end of May showed a £0.159m favourable variance from budget. This consisted of a favourable variance within the transport budget of £0.280m largely due to child concession savings during the pandemic as a result of lower patronage and no fare increases. Revision of the Accessible Transport contract and staffing variations had delivered further savings. The report also set out the detailed summaries for transport, the WMCA delivery budget and the Mayoral office.

Councillor Ian Ward recognised the financial pressures that the WMCA was operating under and cautioned that further non-core activity risked pressures on those budgets that supported the delivery of its core functions. Councillor Ian Brookfield noted that these issues would be addressed through the agreement of a Medium Term Financial Plan for the WMCA.

Resolved

- (1) The financial outturn position as at the end of 31 May 2021 be noted.
- (2) The earmarking of up to £0.5m reserves to support proposals subject to separate reports to this meeting be noted.
- (3) The update on Medium Term Financial Planning Process be noted.
- (4) A £12.2m Collective Investment Fund loan be approved following its approval by the Investment Board.
- (5) The submission of the Phase 2 Business Case application to the Zero Emission Bus Regional Area scheme to the Department for Transport by 20 August 2021 be approved.

## **26. West Midlands Co-Investment Fund**

The board considered a report from the Director of Investment & Commercial Activities that provided information regarding a proposal for a new business friendly investment fund, aligned to the strategy, ambition and needs of the West Midlands Region. Crucially, it was designed to promote economic growth post COVID-19.

The June 2020 'Recharge the West Midlands' report proposed an Enterprise Investment Growth Fund which sought to work with Government to co-develop a large-scale equity fund to recapitalise viable firms and inject equity into high-growth potential firms. Since that point, Government had implemented several initiatives to address the recapitalisation of viable businesses on a national scale, ranging from recovery loan schemes to the Future Fund (convertible loan to equity matched by private sector).

The Director of Investment & Commercial Activities reported that the British Business Bank sat on the working group overseeing this proposal and had been supportive of the work being undertaken by the WMCA. Whilst recognising the degree on risk involved in any investment proposition, the project did align with the WMCA's objectives.

Resolved

- (1) The setting up of the proposed WMCO, a Co-Invest Equity Fund designed to facilitate investment into Growth SME's to aid the recovery of the West Midlands economy be approved, noting that a Full Business Case would follow before the fund was launched.
- (2) The initial grant funding request of £12.5m from the WMCA Investment Programme as set out in the Outline Business Case be approved, subject to approval of a Full Business Case detailing the form of Delivery Vehicle, noting that this represented 50% of the funding required to deliver this proposal.
- (3) It be noted that the onward development of the proposal, Full Business Case, delivery options and financial modelling would be taken forward through detailed scrutiny and consultation of the West Midlands Finance Director group.
- (4) It be noted that WMCA had approached the British Business Bank to pursue the potential to secure match funding of £12.5m from Government sources and, if available, then the British Business Bank was likely to require a match funding contribution from WMCA as requested in the Outline Business Case, and that the next stage Full Business Case would include details of the full funding structure.

## **27. City Learning Quarter (Phase 1) - College of Wolverhampton Technical Centre Business Case**

The board considered a report from the Director of Investment & Commercial Activity that provided details of the full business case received from the City of Wolverhampton Council requesting funding for the development of a brand new City of Wolverhampton College Technical Centre. The purpose of the full business case was to outline the justification for the facility, provide details of the proposal to build the new facility and associated costs and education, skills, employment and environment and regeneration benefits, set out the project delivery programme with key tasks, output realisation and delivery dates and seek approval for the allocation of £7.7m from WMCA Investment Programme to fully fund this project.

Resolved:

- (1) The capital funding request of £7.7m to fund the development of a brand new City of Wolverhampton College Technical Centre that would be situated at the rear of the college's existing Wellington Road campus and form Phase 1 of the wider City Learning Quarter Programme be approved.

- (2) It be noted that the WMCA Programme Assurance & Appraisal team had undertaken both independent assurance and investment appraisal on the business case submission and their respective reports were attached to support the consideration of the business case.
- (3) It be noted that this investment was approved by the Investment Board on 29 June 2021 as noted in the minutes attached at minute no. 34 below.

## **28. West Midlands Business Support Review**

The board considered a report from the Director of Strategy summarising the recommendation and findings of recent work commissioned by the Strategic Economic Development Board and led by the three West Midlands Local Enterprise Partnerships and the WMCA, working with the Recovery Forum, to design a fit for purpose business support system for the West Midlands to support an inclusive economic recovery post-pandemic and post-EU funding.

Lee Barron indicated his support for this report, but stressed the importance of the region securing good quality jobs, which would benefit both employer and employee. Tom Westley supported the findings of the review and welcomed the measures that would be targeted to support businesses across the region.

Resolved:

- (1) The recommendations of the review into the West Midlands business support eco-system be endorsed, which were that the West Midlands should make four major changes:
  - Put in place a modern customer journey, built around the user not the provider.
  - Implement a new approach to account management, covering the largest firms, investors and SMEs, with the LEP Growth Hubs, local authority teams and the West Midlands Growth Company operating as a fully integrated support eco-system.
  - Replace the current large number of schemes which were coming to an end with new premium products aimed at specific sectors, supply chains and issues, and delivered region-wide at scale.
  - Carry out a campaign to drive up demand and usage.
- (2) These recommendations, and a commitment to a shared implementation and funding plan, overseen by the Strategic Economic Development Board with delivery of each element carried out by a lead organisation on behalf of the region, enabling and supporting local priorities and building upon existing local strengths, be agreed.
- (3) It be ensured that the governance review covered the need for the Strategic Economic Development Board to hold individual programmes and agencies to account on behalf of the West Midlands as a whole, this being key to delivery.
- (4) It be agreed that the three LEPs, the WMCA and its constituent authorities commission the next stage of work to implement the recommendations so that early work on delivery planning could get under way, to co-ordinate with the West Midlands Growth Company's review of account management.

## **29. Race Equalities Taskforce**

The board considered a report from the Director of Inclusive Growth & Public Service Reform seeking the endorsement and support of the WMCA Board to the establishment of a Race Equalities Taskforce.

The nature of inequality in the West Midlands was both wide and deep. Inequalities were inter-related but different communities were affected in different ways. A more sophisticated understanding of key regional inequalities and their impact, informed by citizen experience as well as data and analysis, would enable the WMCA to refine its priorities and programmes of activity, to realise its vision of Inclusive Growth and ensure all communities were able to share in the region's success.

Olivia Agbe welcomed the proposals contained within the report, noting that it was one year since the Young Combined Authority challenged the WMCA to do more to champion diversity and equality across the region. She committed the YCA to help in three specific areas:

- To offer advice and insight on how to make the Race Equality Taskforce a success.
- To encourage the region's young people to engage with the work of the taskforce.
- To achieve outcomes and actions from the taskforce within the next 12 months.

Councillor Izzi Seccombe welcomed the establishment of the taskforce, noting that that Health of the Region report had identified tackling racism as an urgent action for the West Midlands. She stressed that lasting change was only achieved through systemic change. Lee Barron committed the TUC to work with the taskforce and recognised that as an organisation itself, there was further work it could do to be more representative of the region it served.

Resolved:

- (1) The establishment of a taskforce focussing on race equalities be agreed.
- (2) The proposed approach including scope, composition and timetable be noted.

## **30. HS2 Regional Enterprise Board**

The board considered a report from the Head of Transport Implementation on the proposed changes that would be taking place to enable the refresh and rebrand the HS2 programme managed on behalf of the West Midlands region. The board also received a revised term of reference for the HS2 Regional Enterprise Board.

In 2015, following the submission of the first HS2 Growth Strategy and the subsequent formation of the WMCA the HS2 Growth Delivery Board was formed and used as the main means by which the challenges and opportunities that would be presented by HS2, were dealt with at a regional level. However, as the next phase of delivery of the HS2 programme commenced, a more focused approach was needed to ensure that the WMCA embraced, fully, all of the opportunities that HS2, as a significant catalyst for growth, presented to this region.

Councillor Ian Ward expressed concern over the proposed membership of the board, noting that the benefits of HS2 would be region wide and all authorities should therefore be involved in the work of the board. The Chair supported this suggestion and undertook to look again at the proposed membership to ensure all local authorities were involved.

Resolved:

- (1) The revised refresh and rebrand of the HS2 Regional Enterprise Board be approved.
- (2) The revised terms of reference for the HS2 Regional Enterprise Board be approved, subject to a further review of the board's membership so as to ensure all parts of the region were properly represented.

**31. Appointment of Audit, Risk & Assurance Committee Chair**

The board received a report from the Interim Director of Law & Governance to appoint the Chair of the Audit, Risk & Assurance Committee for the next four years.

The WMCA's constitution required that the membership of the Audit, Risk & Assurance Committee included at least one 'independent person'. The constitution also required that the chair of the committee should be the (or one of the) independent person(s). David Lane had undertaken this role since October 2016, initially for a four year period but with a year's extension in September 2020 due to the uncertainties of recruiting during the COVID-19 pandemic. His appointment would now expire on 18 September 2021.

Resolved:

- (1) Mark Smith be appointed to the Chair of Audit, Risk & Assurance Committee for a four year period, starting 1 October 2021, subject to the satisfactory completion of normal appointment processes.
- (2) David Lane be thanked for undertaking the role of Chair of the committee for the past five years.
- (3) It be noted that the appointment of David Lane as Chair of the Audit, Risk & Assurance Committee was extended until the 30 September 2021 so as to enable him to oversee the committee's approval of the WMCA's 2020/21 final accounts.

**32. Audit, Risk & Assurance Committee - 28 June 2021**

The board received the minutes of the Audit, Risk & Assurance Committee meeting held on 28 June 2021.

Resolved:

The minutes of the meeting held on 28 June 2021 be noted.

**33. Transport Delivery Committee - 28 June 2021**

The board received the minutes of the Transport Delivery Committee meeting held on 28 June 2021.

Resolved:

The minutes of the meeting held on 28 June 2021 be noted.

**34. Investment Board - 29 June 2021**

The board received the minutes of the Investment Board meeting held on 29 June 2021.

Resolved:

The minutes of the meeting held on 29 June 2021 be noted.

**35. Environment & Energy Board - 1 July 2021**

The board received the minutes of the Environment & Energy Board meeting held on 1 July 2021.

Resolved:

The minutes of the meeting held on 1 July 2021 be noted.

**36. Employment Committee - 9 July 2021**

The board received the minutes of the Employment Committee meeting held on 9 July 2021.

Resolved

The minutes of the meeting held on 9 July 2021 be noted.

**37. Date of Next Meeting**

Friday 17 September 2021 at 11.00am

The meeting ended at 12.45pm.