



West Midlands
Combined Authority

Overview & Scrutiny Committee

Thursday 14 October 2021 at 9.30am

Minutes

Present:

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Lisa Trickett (Vice-Chair)	Birmingham City Council
Councillor Naeem Akhtar	Coventry City Council
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Tony Diccico	Solihull Metropolitan Borough Council
Councillor Peter Fowler	Birmingham City Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Charn Padda	Sandwell Metropolitan Borough Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

In Attendance:

Dan Essex	Governance Services Manager
Linda Horne	Finance Director
Lyndsey Roberts	Scrutiny Officer
Laura Shoaf	Interim Chief Executive
Andy Street	Mayor of the West Midlands
Kate Taylor	Head of Finance Business Partnering

1. Welcome & Introductions

The Chair welcomed the Mayor and members of the committee to the first mayoral question time of 2021/22 that would be focussing on WMCA policy-related matters.

2. Apologies for Absence

Apologies for absence were received from Councillor Maya Ali (Coventry), Councillor Liz Clements (Birmingham), Councillor Shabrana Hussain (Birmingham) and Councillor Paul Sweet (Wolverhampton)

3. The Mayor's Opening Statement

The Mayor provided an opening statement that focussed on the main areas of recent activity for the WMCA, including the submission to Government of a City Region Sustainable Transport Settlement bid totalling £1.7bn to support capital transport investment within the region, an ask as part of the Corporate Spending Review for a further Brownfield Land & Property Investment funding, a submission into the forthcoming Levelling-Up White Paper for a further devolution deal for the West Midlands, the WMCA's approach to economic recovery and activity related to the forthcoming Plan for Growth, and the development of the Corporate Strategy that set out the aims and objectives of the WMCA for the next three years and that would inform its Medium Term Financial Plan as well as annual budgets and deliverables.

4. Questions to the Mayor

The committee pursued a number of general lines of enquiry with the Mayor, including mayoral powers and devolution, economic development and regeneration, transport, housing and land and the environment.

In terms of devolution, the Mayor and members of the committee agreed that devolution was key to 'levelling up' the economy, and although the WMCA had gained significant devolved powers for some areas to date, it was seeking additional new powers through the Levelling Up White Paper specifically for three critical areas including the post-16 skills sector, net zero, and economic development tools. The Mayor recognised the wider importance of the need for a shared regional view and considered that the WMCA was well-placed to provide that collaborative and shared understanding for the region.

With regard to the West Midlands economy, it was noted that pre-pandemic the region had the best growth of any region outside of London, however this growth had been affected by the pandemic and the current trajectory was that the region would have a lower growth than other regions. The West Midlands 'Plan for Growth' had yet to be published, however it would identify the measures required to grow the regional economy. It was clear that all areas needed to incorporate growth with delivering net zero and delivering the right outcomes for those people most disadvantaged in communities.

The committee questioned the Mayor on manufacturing and how the challenges within this sector could be addressed. The Mayor summarised the activities and support being provided within a number of areas, including medical device manufacturing, the electric vehicle sector, energy efficiency and skills development programmes. In addition, members explored other potential opportunities for future manufacturing and growth industry sectors within the region.

During the question and answer session on skills shortages and training, it was reported that within the WMCA area there was currently 170,000 vacancies (40% up pre-pandemic). The Mayor provided an overview of the reasons for this, including the change in attitudes towards work and how the Department for Work & Pensions could further improve its offer. The committee received a breakdown of the Kickstart programme and shared concerns about the Department for Work & Pensions not effectively engaging with young people.

It was recognised that the battery gigafactory that was to be built at Coventry was a significant potential investment opportunity. The Mayor provided an update on his discussions with Government, other recent developments and what the WMCA had done to support the acceleration of the gigafactory project. In addition, the Mayor clarified his role in relation to energy and explained the thinking behind the energy innovation zones.

As part of its lines of enquiry, the committee questioned the Mayor on transport related policy matters, including the effects and economic cost of congestion, the need to align infrastructure and the public transport network with new developments, the City Region Sustainable Transport Settlement fund and bus franchising proposals.

In terms of bus franchising, the WMCA Board had asked Transport for West Midlands to assess future delivery options for bus services in the West Midlands in order to best achieve the objectives of its Vision for Bus strategy. In order to access funding through the Bus Services Improvement Plan, the WMCA Board had to agree whether to pursue franchising or enhanced partnerships. A report would be considered by the WMCA Board in January 2022.

The committee sought the Mayor's view as to whether bus franchising should be introduced within the region. The Mayor emphasised that he would await the conclusions of Transport for West Midlands' report on this matter, although he would need to be persuaded that bus franchising provided the best model for the operation of bus services within the region. He also considered that the region already received many of the benefits of bus franchising through the existing partnership work with National Express West Midlands. The committee shared their views and comments on bus franchising and the need to hold operators to account to ensure that they offered an efficient service at the right cost and within the right locations.

With regards to rail, the WMCA was working with Midlands Connect to lobby the Government ahead of an announcement on the forthcoming Integrated Rail Plan, which was expected shortly. The Mayor hoped that this announcement would include a commitment to the Midlands Rail Hub project, which included re-establishing the link between Coventry and Leicester.

The Mayor addressed questions in relation to the housing need within the West Midlands with a focus on registered providers, total housing funds, affordable housing, the use of brownfield land, local authority plans, city centre living, creative developments and the regeneration of high streets. The committee brought the Mayor's attention to the proposals for an Affordable Housing Delivery Vehicle that had been called-in by the Overview & Scrutiny Committee. The committee had yet to receive the Full Business Case for this proposition and the Mayor agreed to provide a written update as to the current status of these proposals.

Questions were raised in relation to housing associations and holding them to account for the delivery of affordable and social housing. Members questioned whether the funding allocated to housing associations came with separate requirements to deliver both affordable *and* social housing, or whether the regional threshold criteria could be met by delivering only affordable housing and there was no requirement for housing associations to deliver social housing. The Mayor agreed to clarify this point.

The committee sought the Mayor's view as to whether he would exercise his powers in relation to air quality to address the pollution caused by HGV traffic and polluting vehicles travelling through Birmingham to connect to the wider motorway network. The Mayor explained that he had limited concurrent powers with the local authorities and air quality issues had been addressed by local authorities not the WMCA. The WMCA had undertaken work on public transport and the decarbonisation of home and industry.

In addition, the Mayor referred to the Environment Bill, expected to be published shortly, that could ask combined authorities to play a fuller role in improving air quality. If this was the case, a report would be submitted to the WMCA Board setting out the options in detail.

Resolved:

The following observations be shared with the Mayor for considerations and response:

- (1) The committee recognised the existence of collaborative powers being exercised jointly by the Mayor/WMCA and constituent authorities. There was the impression that these powers were not currently being fully utilised. The committee stressed the importance of the Mayor working collaboratively with Leaders to ensure the development of a shared ambition and vision for the region was then translated into the transformative change that was needed.
- (2) The committee welcomed evidence of the Mayor working with other mayors across the country through the 'M10' group to pursue a shared agenda. It was hoped that this would develop further over time where regional leaders were able to collectively demonstrate the changes they required from Government to enable them to deliver local solutions most beneficial to their own regions.
- (3) The committee welcomed the submission of a bid for funding from the City Region Sustainable Transport Settlement, particularly as this would devolve responsibility for prioritising schemes to the West Midlands. However, it was recognised that this prioritisation process needed to be transparent, clearly understood by all stakeholders and undertaken in a timely manner to ensure the effective delivery of these vital infrastructure projects.
- (4) The committee noted that the Kickstart programme was due to end in March 2022. Given the noted concerns regarding the effectiveness of the Department for Work & Pensions' active engagement with young people wishing to access this scheme, could the Mayor consider whether there was any potential for the WMCA to take on additional regional responsibility for programme delivery?