



# WEST MIDLANDS COMBINED AUTHORITY

## Board Meeting

Friday 21 July 2017 at 11.00am

### Minutes

#### Mayor of the West Midlands Combined Authority Area

Andy Street (Chair)

#### Constituent Members

Birmingham City Council

Birmingham City Council

Coventry City Council

Coventry City Council

Dudley Metropolitan Borough Council

Sandwell Metropolitan Borough Council

Solihull Metropolitan Borough Council

Solihull Metropolitan Borough Council

Walsall Metropolitan Borough Council

City of Wolverhampton Council

Councillor John Clancy

Councillor Ian Ward

Councillor George Duggins

Councillor Abdul Khan

Councillor Patrick Harley

Councillor Syeda Khatun

Councillor Ian Courts

Councillor Bob Sleight

Councillor Sean Coughlan

Councillor Roger Lawrence

#### Non-Constituent Members

Black Country Local Enterprise Partnership

Cannock Chase District Council

North Warwickshire Borough Council

Nuneaton & Bedworth Borough Council

Redditch Borough Council

Rugby Borough Council

Stratford-on-Avon District Council

Tamworth Borough Council

Telford & Wrekin Council

Warwickshire County Council

Ninder Johal

Councillor George Adamson

Councillor David Humphreys

Councillor Dennis Harvey

Councillor Bill Hartnett

Councillor Michael Stokes

Councillor Chris Saint

Councillor Steven Claymore

Councillor Shaun Davies

Councillor Izzi Seccombe

#### Co-Opted Member

Midlands Trades Union Congress

Lee Barron

#### Observer Members

West Midlands Police & Crime Commissioner

West Midlands Fire & Rescue Authority

David Jamieson

Councillor John Edwards

## **In Attendance**

Councillor Peter Hughes

Chair - Overview & Scrutiny  
Committee

David Lane

Chair - Audit, Risk & Assurance  
Committee

Grant Patterson

Grant Thornton

Councillor Richard Worrall

Chair - Transport Delivery Committee

Apologies for absence were received from Councillor Steve Eling, Steve Hollis and Graham Wynn.

### **26. Minutes - 23 June 2017**

The minutes of the meeting held on 23 June 2017 were agreed and signed by the Mayor as a correct record.

### **27. Update: The Mayor and WMCA Structures**

The Mayor presented a report providing details of his proposed approach to the WMCA's structures to deliver the priorities of the Mayoral West Midlands Combined Authority.

The Chairman of Midlands Engine, Sir John Peace, wrote to the Mayor inviting him to become a member of the Midlands Engine Executive Board, representing the WMCA. Accepting this invitation would allow the Mayor to help ensure that the work of the WMCA and Midlands Engine was aligned, and that the Midlands Engine better served the needs of the WMCA.

Resolved:

(1) The proposed development of WMCA structures in order to deliver the priorities of the Mayoral West Midlands Combined Authority be endorsed.

(2) The Mayor be appointed to sit on the Midlands Engine Executive Board as a representative of the WMCA.

### **28. The West Midlands Leadership Commission**

The Mayor presented a report proposing to establish a West Midlands Leadership Commission to improve the opportunities for people from those communities and groups which were currently under-represented within the leadership of the West Midlands.

The West Midlands Leadership Commission would enable the WMCA to lead on work seeking to address the under-representation of certain groups in society from leadership positions across the region. Councillor Bob Sleigh indicated that he had spoken to Councillor Steve Eling as Portfolio Lead for Cohesion & Integration and he had indicated his support for this initiative.

Resolved:

(1) The establishment of the West Midlands Leadership Commission be endorsed and the WMCA Board commits to supporting its important work in spreading opportunity in the region.

## **29. WMCA Funding for Growth Programme**

The Mayor presented a report on his proposed approach to examining funding mechanisms available to the WMCA, and potential mechanisms to implement, in order to maximise investment in the West Midlands region through the establishment of the Funding for Growth Programme.

The report summarised the key aspects of the proposed Funding for Growth Programme, its aims, proposed structure and timeline of its work. Supporting the programme would be a project team of policy support, including academics and think-tanks. The Mayor confirmed that any discussions relating to additional tax-raising possibilities would involve political leadership across the region so as to ensure it had wide support.

Resolved:

(1) The establishment of the Funding for Growth Programme, focusing on driving additional funding for the Midlands, both in terms of devolved fiscal power from Government and seeking new funding mechanisms in the region to maximise investment, be approved.

(2) The initial funding requirements of the programme for the first phase of work up to September 2017 for the initial set-up and resourcing of a project team supporting the programme, which would be responsible for the research, analysis, recommendations and implementation plans of such mechanisms (the cost of such support in this phase not expecting to exceed £50,000) be agreed.

## **30. Appointment of WMCA Chief Executive**

The Mayor presented a report seeking approval of the appointment and final salary package of the WMCA Chief Executive.

Two candidates for the position of Chief Executive were interviewed by the Mayor and the Leaders of the seven Constituent authorities on 23 June, and the panel unanimously agreed that Deborah Cadman, currently the Chief Executive of Suffolk County Council, should be offered the role.

Resolved:

(1) The appointment of Deborah Cadman as the Chief Executive of the West Midlands Combined Authority be approved.

(2) The Chief Executive's salary package at a fixed point of £187,500 per annum be approved.

## **31. Minutes of the Investment Board - 6 May 2017**

The board received the minutes of the Investment Board held on 6 May 2017.

Councillor Patrick Harley welcomed the improvement in the cost:benefit ratio of the Wednesbury - Brierley Hill Metro extension, which was now even more favourable and demonstrated the benefit to the region of the extension being built.

Resolved:

The minutes of the meeting held on 6 May 2017 be noted.

**32. Minutes of the Audit, Risk & Assurance Committee - 16 June 2017**

The board received the minutes of the Audit, Risk & Assurance Committee held on 16 June 2017.

David Lane noted that the meeting had been inquorate due to insufficient members attending, and the Mayor stressed the importance of ensuring members (or their substitutes) made every effort to attend the meetings.

Resolved:

The minutes of the meeting held on 16 June 2017 be noted.

**33. Forward Plan**

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

**34. WMCA Performance Management Framework**

Councillor John Clancy presented a report on an update of the WMCA Performance Management Framework via the WMCA's 'Annual Economic Review' report.

The Performance Management Framework provided a clear framework against which success could be measured, and included a series of smart objectives with clear targets. The framework would be maintained and updated regularly by the Economic Intelligence Unit of the Black Country Consortium.

Councillor Syeda Khatun considered that the report could be considered by the Overview & Scrutiny Committee prior to being submitted to future meetings of this board, and this was supported by Councillor John Clancy. Lee Barron noted the 11.4% year-on-year increase in youth claimants, and Councillor John Clancy stressed the need to understand the reasons for this and the measures needed to reverse this recent trend.

Resolved:

(1) The update of the WMCA Performance Management Framework, reported through an executive summary and a full analysis report, be noted.

**35. Annual Accounts 2016/17 for the West Midlands Combined Authority and the West Midlands Integrated Transport Authority Pension Fund**

Councillor Izzi Seccombe presented a report seeking approval of the annual accounts of the West Midlands Combined Authority and the West Midlands Integrated Transport Authority Pension Fund for the financial year ended 31 March 2017.

Grant Patterson from Grant Thornton indicated that the WMCA had received an unqualified opinion on its accounts and had concluded that it had proper arrangements in place regarding financial control. Councillor Ian Courts noted that transport expenditure was a significant element within the accounts, and Councillor Izzi Seccombe indicated that as the other service areas of the authority expanded, these would be reflected more prominently within the accounts. It was also intended to bring a report to a future of the board proposing that the Audit, Risk & Assurance Committee be given delegated authority to approve the WMCA's accounts in future years.

Resolved:

(1) The signing of the letter of representation for the WMCA and the West Midlands Integrated Transport Authority Pension Fund by the Director of Finance be approved.

(2) The annual accounts of the WMCA and the West Midlands Integrated Transport Authority Pension Fund be approved.

(3) The audit findings report presented by Grant Thornton be noted.

(4) It be noted that Grant Thornton proposed to issue an unqualified audit opinion on these accounts.

**36. Financial Monitoring 2017/18**

Councillor Izzi Seccombe presented a report that provided an update on the WMCA finances as at the end of May 2017.

Within the transport budget, there was a favourable variance of £194,000 year to date, and the operational budget showed a favourable variance of £303,000. Projects with a WMCA funding value of £211m had received approval via the WMCA Assurance Framework, most notable of which was the £98.7m towards the Coventry City Centre Regeneration project.

Resolved:

(1) The financial position for May 2017 be noted.

**37. Establishing West Midlands Development Capital Limited**

Councillor Izzi Seccombe presented a report seeking to establish West Midlands Development Capital Ltd as the vehicle to advise and arrange investments on behalf of the West Midlands Combined Authority.

The West Midlands Development Company would be established to provide the opportunity for any member authority of the WMCA to use it for fund management services without the need for a procurement process. Furthermore, it would benefit from the established infrastructure and best practices already in place through Finance Birmingham.

Resolved:

(1) The creation of a company to be called 'West Midlands Development Capital Ltd' as fund manager for the combined authority to be owned by the West Midlands Combined Authority be approved.

(2) Constituent and Non-Constituent members of the West Midlands Combined Authority be invited to join West Midlands Development Capital Ltd.

(3) Other authorities be invited to join West Midlands Development Capital at its discretion.

(4) Authority be delegated to the Portfolio Lead for Finance & Investments, in consultation with the Director of Finance and the Monitoring Officer, for the progression of legal structures and branding, and to take all necessary actions and decisions on behalf of the West Midlands Combined Authority to ensure that West Midlands Development Capital Ltd went live in summer 2017.

(5) It be noted that West Midlands Development Capital Ltd would replace Finance Birmingham Ltd as the fund manager of the combined authority's Collective Investment Fund and the £50m element of the Land Remediation Fund.

(6) It be noted that, when establishing the Investment Board, future contractual relationships and any necessary group structural changes in respect of Finance Birmingham, were being worked on.

(7) It be noted that West Midlands Development Capital Ltd would be established in such a way that the Constituent and Non-Constituent members of the combined authority would be able to become shareholders, enabling each to use West Midlands Development Capital Ltd as their own fund managers should they wish.

(8) It be noted that further legal advice was being sought regarding the appropriate shareholding arrangements should other authorities wish to become members in the future.

### **38. Child Ticketing on Swift**

Councillor Roger Lawrence submitted a report seeking agreement for the rollout and migration of child ticketing on to the Swift smartcard platform through the approach set out in the report.

From 27 August, customers would be able to access a child Swift card through the Transport for West Midlands and National Express direct debit schemes, which would see the migration of 6,000 child customers. Once a child had their Swift card, they would be able to purchase their next ticket through one of 300 Payzone retail outlets or through one of eight Travel Information Centres. There would also be enhancements to the Swift web portal to enable online purchases.

Resolved:

(1) The rollout and migration of child ticketing on to the Swift platform from August 2017 be agreed.

**39. Solihull Town Centre Advanced Quality Bus Partnership**

Councillor Roger Lawrence presented a report on progress with the implementation of the Solihull Advanced Quality Bus Partnership Scheme and the actions that needed to be taken so the scheme could be made in August 2017 and implemented in November 2017.

The proposed scheme would be applied to 33 bus stops and stands within Solihull town centre and would require bus operators running within the scheme area to take any layover at the rail station bus stands to help with traffic flows. The scheme would also impose a minimum engine emission standard for all buses. It was confirmed that the scheme would apply to commercial operators rather than school bus services.

Resolved:

(1) The making of the Solihull Town Centre Advanced Quality Bus Partnership Scheme jointly with Solihull Metropolitan Borough Council by 18 August 2017 be agreed, subject to final approval by Solihull Metropolitan Borough Council at its meeting on 10 August 2017.

**40. Date of Next Meeting**

It was agreed that the provisional meeting of the WMCA Board scheduled for Friday 11 August 2017 be cancelled, and therefore the next meeting be held at 11.00am on Friday 8 September 2017.

**41. Exclusion of the Public and Press**

Resolved:

That, 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 specified in paragraphs 1 and 3 of the Act.

#### **42. Midland Metro - In House Operations**

Councillor Roger Lawrence presented a report providing an update on the progress made in establishing an in-house operating company 'MML' and to seek approval to the principle features of the new company.

Following the decision of this board on 17 March 2017 to operate the Midland Metro through a wholly-owned operating company, the programme to procure a replacement private sector operations and maintenance contractor was cancelled. National Express, as owner of Altram Ltd, was promptly notified of the decision and a briefing was provided to Midland Metro's staff. External advisors had now been appointed to support the work in establishing the in-house company.

Resolved:

(1) The progress of negotiations with National Express (Altram Ltd) over the arrangements for, and timing of, the transfer of operation and maintenance services to an in-house operating company Midland Metro Ltd be noted.

(2) The principles against which the governance of Midland Metro Ltd, the Public Services Contract and the performance specification would be developed be approved.

(3) Authority be delegated to the Management Board, in consultation with the Portfolio Lead for Transport, to negotiate the terms of the Public Services Contract and all other licences, leases and agreements required to enable Midland Metro Ltd to provide operating and maintenance services from the transfer date.

(4) The Monitoring Officer/Head of Governance be authorised to sign, execute or otherwise enter into the Public Services Contract and all other licences, leases and agreements with Midland Metro Ltd on behalf of the West Midlands Combined Authority, as negotiated by the Management Board.

#### **43. Appointment of WMCA Chief Executive**

The Mayor presented a report seeking approval to the terms of employment of the WMCA Chief Executive.

The report provided details of the final package agreed by the interview panel with Deborah Cadman following her being offered the role of Chief Executive.

Resolved:

(1) The appointment of Deborah Cadman as the Chief Executive of the West Midlands Combined Authority be approved.

(2) The Chief Executive's salary, at a fixed point of £187,500 per annum, be approved.

(3) It be agreed that, with the exception of JNC for Chief Officers pay awards, any changes to the pay level, pay grade, performance-related pay or associated matters would be the subject of a report to the WMCA Board.



(4) Resolution 3 above be reflected, as appropriate, within the constitution.

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