



WMCA Board

Friday 10 February 2023 at 11.00 am

Minutes

Constituent Members

Andy Street (Chair)	Mayor of the West Midlands Combined Authority
Councillor Bob Sleight (Vice-Chair)	Solihull Metropolitan Borough Council
Councillor Mike Bird	Walsall Metropolitan Borough Council
Councillor Kerrie Carmichael	Sandwell Metropolitan Borough Council
Councillor Steve Clark	Dudley Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Patrick Harley	Dudley Metropolitan Borough Council
Councillor Abdul Khan	Coventry City Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Ian Ward	Birmingham City Council

Non-Constituent Members

Councillor Matthew Dormer	Redditch Borough Council
Councillor Tony Jefferson	Stratford-on-Avon District Council
Tom Westley	Black Country Local Enterprise Partnership
Councillor Kristofer Wilson	Nuneaton & Bedworth Borough Council

Co-Opted Member

Rob Johnson	Midlands Trades Union Congress
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In Attendance

Councillor Cathy Bayton	Overview & Scrutiny Committee
Mark Smith	Audit, Risk & Assurance Committee
Councillor Richard Worrall	Transport Delivery Committee

100. Apologies for Absence

Apologies for absence were received from Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Ian Brookfield (Wolverhampton), Councillor Brigid Jones (Birmingham), Councillor Shaun Davies (Telford & Wrekin), Councillor Olivia Lyons (Cannock Chase), Councillor Izzi Seccombe (Warwickshire) and Sarah Windrum (Coventry & Warwickshire LEP).

101. Chair's Remarks

(a) Councillor Ian Brookfield

The Chair noted that Councillor Ian Brookfield was currently undergoing a period of ill health and, on behalf of the board, offered his best wishes to him for a full recovery.

(b) Deborah Hindson and Paul Johnson

The Chair welcomed Deborah Hindson (Walsall) and Paul Johnson (Solihull) who were attending their first board meeting following their appointments as Interim Chief Executive of their respective authorities.

102. Minutes - 13 January 2023

The minutes of the meeting held on 13 January 2023 were agreed as a correct record.

103. Forward Plan

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

104. Regional Activity & Delivery Update

The board received an update from the Chief Executive on recent activity of the WMCA, including new Government funding that had been secured for social housing, the Live Labs 2 bid secured, training courses being delivered in Solihull and Wolverhampton to help address labour shortages within the equine industry, and the £150m investment by National Express in 300 UK made electric zero emission buses.

The board was also informed of regional trends, including the impact of inflation on core goods and services, and the impact of vacancies within the labour market.

Councillor Ian Courts welcomed the securing of funding for the UK Centre of Excellence for Materials Decarbonisation. He highlighted the recent jobs fare held in Solihull that had attracted over 1,000 people and over 50 businesses, pointing to the fact that there were many people looking at changing their careers or looking for new opportunities. Councillor Stephen Simkins stressed the importance of matching people to skills and the role of local authorities in this work. The Executive Director for Economic Delivery, Skills & Communities undertook to meet with Councillor Stephen Simkins to brief him on how the WMCA's current skills budget was used, along with the skills 'asks' likely to be included within the upcoming Trailblazer Devolution Deal.

Resolved:

That the update be noted.

105. WMCA Budget 2023/24

The board considered a report of the Executive Director of Finance & Business Hub presenting the final budget for consideration. A draft budget was presented to, and approved by, the WMCA Board at its meeting on 13 January.

The report represented the final stage of the budget setting process for the WMCA and incorporated the final revenue and capital budget for 2023/24, as well as the associated policies as required by statute. There were no changes from the overall financial plans as included within the draft budget report that was considered on 13 January. The report had been prepared in advance of the Chancellor of the Exchequer's next budget, setting out the Government's tax and spending plans, which was scheduled to be held on 15 March. The WMCA would continue to monitor any announcements made by the Government in relation to any further funding made available to support the region.

Councillor Ian Ward noted that the WMCA's levels of reserves of 1.3% were below the typical level for general fund reserves of between 3% - 5% of expenditure. He requested a report to a future meeting setting out further details on this, including clarity on the liabilities of individual constituent authorities should the circumstances ever arise when they were required to meet the WMCA's liabilities.

Councillor Stephen Simkins stressed the importance of ensuring that the WMCA had a long term balanced budget. The Executive Director of Finance & Business Hub reported that work was currently being undertaken on this and she expected to hold meetings with constituent authority leaders during the next six months to address these concerns.

Resolved:

- (1) The West Midlands Combined Authority consolidated revenue budget be approved, including:
 - (a) the budget requirement for transport delivery 2023/24 comprising three elements:
 - (i) £119.4m to be funded from the existing transport levy mechanism;
 - (ii) Use of £4.7m business rates retention income;
 - (iii) A transfer from earmarked reserves of £9.2m.
 - (b) the budget requirement for portfolio delivery in 2023/24 of £170.4m comprising of six elements:
 - (i) £140.6m adult education (including level 3) spending to be funded from adult education budget funding devolved by the Department for Education;
 - (ii) £16.1m to be funded from other devolution deal grants;
 - (iii) £1.3m to be funded from other income, notably investments;

- (iv) £4.6m to be funded from constituent authority fees (fees to remain at the same level as 2022/23);
 - (v) £400,000 to be funded from non-constituent authority and observer fees (fees to remain at the same level as 2022/23);
 - (vi) Use of £7.3m business rates retention income.
- (2) The Mayoral Office budget for 2023/24 of £900,000, to be funded from additional mayoral capacity funding, be approved.
- (3) The first year (2023/24) of the indicative WMCA capital programme, totalling £805.1m, be approved, noting the indicative onward programme thereafter.
- (4) The planned spend on the investment programme over the period be noted.
- (5) It be noted that there would be no mayoral precept during 2023/24.
- (6) The WMCA's ongoing commitment to work with the Mayor and Leaders to discuss future funding for the WMCA during 2023, including the need to review local choice transport policies, be noted.
- (7) Authority be delegated to the Director of Finance & Business Hub, in consultation with the Portfolio Lead for Finance, to make any final changes that may result from the final local government finance settlement.
- (8) The following policies and strategies, which contained items as required by statute, be approved:
 - (a) The WMCA Treasury Management Policy Statement;
 - (b) The WMCA Treasury Management Strategy, including the 2023/24 Investment Strategy and criteria for specified and non-specified investments;
 - (c) The WMCA Treasury Management Practice;
 - (d) The WMCA Capital Strategy and Minimum Revenue Provision Statement.
 - (e) The WMCA Pay Policy Statement.

[In accordance with the requirements of the Combined Authorities (Finance) Order 2017, the Mayor and constituent authority members voted on these resolutions as follows:

FOR (11): Andy Street, Councillor Mike Bird, Councillor Kerrie Carmichael, Councillor Steve Clark, Councillor Ian Courts, Councillor George Duggins, Councillor Patrick Harley, Councillor Abdul Khan, Councillor Stephen Simkins, Councillor Bob Sleigh and Councillor Ian Ward.

AGAINST (0): none.]

106. HS2 Growth Delivery Programme

The board considered a report of the Head of Transport Implementation on the actions and activities over the last twelve months by the HS2 Regional Enterprise Board and the workstreams that supported the delivery of the WMCA HS2 programme.

In a refresh of the programme governance, approved by the WMCA Board on 23 July 2021, it was agreed that the WMCA HS2 Regional Enterprise Board would focus on six key opportunities. These would ensure that the region sought to maximise the benefits of not just the construction and future operation of HS2, but also the wider economic benefits that could be realised. Over the last 12 months, considerable progress had been made with both the release of data from HS2 Ltd, and with the delivery of employment and training support across the entire region. There had also seen continued significant engagement with schools across the region, helping pupils better understand the opportunities created by HS2. The report set out the progress made in respect of these economic, education, employment, environmental, engagement and energy opportunities.

Councillor Ian Ward expressed his disappointment at the repeated scaling back of the HS2 network, considering high speed connectivity to be a crucial part of the region's plans for levelling up. He urged further lobbying of the Government to ensure it understood how vital it was to maintain the scope of the project. Councillor Ian Courts expressed his frustration at the constant speculation attributed to the project. The Chair indicated that he had recently spoken to both the Chancellor of the Exchequer and the Secretary of State for Transport, both of whom had reiterated their full support for the project. He did accept though that the WMCA needed to continue to make the case for HS2 to ensure the region was able to maximise the benefits the project could bring.

Rob Johnson sought further information on gender splits in the construction sector linked to HS2 as this was something he wished to pursue further through the TUC. Councillor Ian Courts welcomed this offer and requested that the information be shared with him.

Resolved:

The progress made be noted and supported.

107. West Midlands Local Transport Plan 'Reimagining Transport in the West Midlands' - Final Core Strategy and Draft Big Moves and Draft Area Strategy Guidance

The board considered a report from the Executive Director, Transport for West Midlands seeking agreement to the final version of the West Midlands Local Transport Plan 'Reimagining Transport in the West Midlands' Core Strategy as the first element of the new West Midlands Local Transport Plan (LTP5). Ultimately this would formally replace Movement for Growth (LTP4) as the metropolitan area's statutory Local Transport Plan.

Under the Transport Act 2000, local transport authorities had a statutory duty to produce and review a Local Transport Plan. As a consequence of the Local Transport Act 2008 and the West Midlands Combined Authority Order 2016, the WMCA was the local transport authority for the seven constituent metropolitan districts/boroughs. The plan needed to set out policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within the local transport authority area, as well as proposals for the implementation of those policies. The WMCA and the seven-metropolitan district/borough councils of the West Midlands needed to carry out their functions so as to implement these policies.

The Core Strategy set out the overarching approach and principles for the new Local Transport Plan. These were based on a change from traditional transport policy approaches, which had tended to focus on predicting future demands and then seeking to provide the infrastructure and services to meet that demand (a 'predict and provide' approach). Instead, the Core Strategy focused on a 'decide and provide' approach, in which the region focused on the end state it wanted to achieve (eg. a safe, clean public highway within which it was comfortable to walk or cycle and public transport was reliable efficient and affordable).

Councillor Cathy Bayton reported that the Transport Scrutiny Sub-Committee had previously considered this report on 6 February. Members had expressed the need of consumer affordability across the public transport network, the importance of clear delivery benchmarks to support the Local Transport Plan's implementation, and the need to ensure that the public consultation on the Big Moves documents captured the views of the widest cross-section of the public as possible.

The Office of the Police & Crime Commissioner indicated that a formal response to the consultation would be submitted that welcomed the plan and stressed the importance of further work being undertaken to reduce the criminal use of the road space, along with recognising the benefits of transferring the responsibility giving local authorities powers over traffic enforcement.

Councillor Ian Ward welcomed these contributions. He stressed that the Local Transport Plan should not be considered as 'anti car', but that the public had always strongly supported investment in public transport to provide genuine travel options.

Resolved:

- (1) The feedback from the public engagement on the draft Local Transport Plan Core Strategy be noted.
- (2) The new Local Transport Plan Core Strategy be agreed as the firm policy tone and direction within which the remaining Local Transport Plan components would be developed.
- (3) The Local Transport Plan 'Big Moves' documents, setting out key policies, principles and initiatives needed to deliver the aims of the Local Transport Plan be approved for public consultation.
- (4) The development of the Area Strategy guidance be noted, and Transport for West Midlands and local authorities commit to progressing the development of a set of four Area Strategy documents using the guidance, including the development of a Local Transport Plan Implementation Plan (in order to fulfil Government requirements for local transport plans).

108. Investment Board - 9 December 2022

The board considered the minutes of the Investment Board meeting held on 9 December 2022.

Resolved:

The minutes of the meeting held on 9 December 2022 be noted.

109. Skills Advisory Board - 9 January 2023

The board considered the minutes of the Skills Advisory Board meeting held on 9 January 2023.

Resolved:

The minutes of the meeting held on 9 January 2023 be noted.

110. Transport Delivery Committee - 9 January 2023

The board considered the minutes of the Transport Delivery Committee meeting held on 9 January 2023.

In respect of minute no. 59 ('Notice of Motion'), Councillor Richard Worrall reported that Diamond Bus had chosen not to participate in the Government's £2 maximum single fare initiative because the short term nature of the scheme.

Resolved:

The minutes of the meeting held on 9 January 2023 be noted.

111. HS2 Regional Enterprise Board - 10 January 2023

The board considered the minutes of the HS2 Regional Enterprise Board held on 10 January 2023.

Resolved:

The minutes of the meeting held on 10 January 2023 be noted.

112. Overview & Scrutiny Committee - 12 January 2023

The board considered the minutes of the Overview & Scrutiny Committee held on 12 January 2023.

Resolved:

The minutes of the inquorate meeting held on 12 January 2023 be approved.

113. Housing & Land Delivery Board - 23 January 2023

The board considered the minutes of the Housing & Land Delivery Board held on 23 January 2023.

Resolved:

The minutes of the inquorate meeting held on 23 January 2023 be approved.

114. Audit, Risk & Assurance Committee - 24 January 2023

The board considered the minutes of the Audit, Risk & Assurance Committee held on 24 January 2023.

In respect of minute no. 39 ('Annual Accounts 2021/22 for West Midlands Combined Authority'), Mark Smith confirmed that no further issues had been raised by Grant Thornton and therefore the WMCA's accounts for 2021/22 could be signed off. He also highlighted concerns at capacity within the internal audit function to deliver a comprehensive audit workplan. Work was being undertaken to find a longer term solution to this problem.

Resolved:

The minutes of the inquorate meeting held on 24 January 2023 be approved.

115. Exclusion of the Public & 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 item of business as it was likely to involve the disclosure of exempt information as specified in paragraphs 2 and 3 of the Act.

116. Update on Investigation into Financial Breach - Wolverhampton Interchange Project

The board received an update from Mark Smith on the latest position with the investigation into the financial breach that occurred with the Wolverhampton Interchange project.

The WMCA had instructed Mazars to carry out the independent investigation into the breach, and a draft report of the findings had now been shared with the Director of Law & Governance and the Chair of Audit, Risk & Assurance Committee. A number of recommendations were proposed in respect of budget governance, risk management and financial reporting, but Mazars had not identified any wilful misconduct. A briefing for the Portfolio Lead for Finance, Portfolio Lead for Transport and the City of Wolverhampton Council would be held to go through the report in more detail.

Separately, the Executive Director for Transport for West Midlands was undertaking a review of her directorate, and the recommendations within Mazards report would be incorporated into this review. The Monitoring Officer was also conducting her own review into the capital monitoring arrangements within Transport for West Midlands.

Councillor Ian Ward welcomed the undertaking provided by the Chief Executive that consideration was also being given to the suitability of Midland Metro Alliance to deliver metro capital projects.

Resolved:

The update be noted, and Mark Smith be thanked for his role in overseeing the independent review undertaken by Mazars.

117. Date of Next Meeting

Friday 17 March 2023 at 11.00am.

The meeting ended at 12.35 pm.