



WEST MIDLANDS COMBINED AUTHORITY

Board Meeting

Date: 20 January 2017

Time: 11.00 am

Public Meeting? YES

Venue: Council Chamber, Birmingham Council House, Victoria Square, Birmingham, B1 1BB

Membership

Constituent Members

Birmingham City Council
City of Wolverhampton
Coventry City Council
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Walsall Metropolitan Borough Council

Non-Constituent Members

Black Country LEP
Coventry and Warwickshire LEP
Greater Birmingham and Solihull LEP
Telford and Wrekin Council
Cannock Chase District Council
Nuneaton and Bedworth Borough Council
Redditch Borough Council
Tamworth Borough Council

Observers Awaiting Membership

North Warwickshire Borough Council
Rugby Borough Council
Shropshire Council
Stratford on Avon District Council
Warwickshire County Council
The Marches LEP
Herefordshire Council

Observers

West Midlands Police and Crime Commissioner
West Midlands Fire and Rescue Authority

Quorum for this meeting shall be at least one member from five separate constituent councils.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Jaswinder Kaur
Tel/Email 01902 550320 jaswinder.kaur@wolverhampton.gov.uk
Address Combined Authority, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

Agenda

Item No. Title

No.	Item	Presenting/ Cabinet Member or officer	Papers
1.	Meeting Business Items		
1.1	Apologies for absence	Councillor Bob Sleigh	None
1.2	Declarations of Interest (if any)	Councillor Bob Sleigh	None
1.3	Minutes of the WMCA Meeting held 9 December 2016	Councillor Bob Sleigh	Attached
1.4	Forward Plan	Councillor Bob Sleigh	Attached
1.5	Chairs Remarks	Councillor Bob Sleigh	None
2.	Combined Authority Governance		
2.1	Minutes of the Transport Delivery Committee held on 5 December 2016 – to note	Clerk to the Combined Authority	Attached
2.2	Report confirming Board decisions of 9 December 2016	Clerk to the Combined Authority	Attached
3.	Chair of West Midlands Combined Authority		
3.1	Mayoral Combined Authority 'Functions' Order Update	Councillor Bob Sleigh	Verbal Update
3.2	Driving Policy Development for Devolution	Councillor Bob Sleigh	Attached
3.3	Appointment of Combined Authority Returning Officer	Councillor Bob Sleigh	Attached
4.	Transport		
4.1	Contactless Ticketing and Fare Capping	Councillor Roger Lawrence	Attached
4.2	Swift Programme Update	Councillor Roger Lawrence	Attached
4.3	Strategic Cycle Network	Councillor Roger Lawrence	Attached
4.4	West Midlands Rail Ltd – Revised Collaboration Agreement with Department for Transport	Councillor Roger Lawrence	Attached

4.5	2017-2018 Transport Levy	Councillor Roger Lawrence	Attached
5.	Economic Growth		
5.1	Economic Growth Portfolio Update	Councillor John Clancy	Verbal Update
5.2	WMCA Growth Company Update	Councillor John Clancy	Verbal Update
6.	Health and Wellbeing		
6.1	Mental Health Commission Update	Councillor Pete Lowe	Attached
7.	Productivity and Skills		
7.1	Productivity & Skills Portfolio Update	Councillor George Duggins	Attached
8.	Public Service Reform		
8.1	Public Service Reform Update	Councillor Steve Eling	Verbal Update
9.	Any Other Business		
9.1	None Notified		
10.	Date of Next Meeting		
10.1	Friday 17 February 2017, 11:00 – 13:00		

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WEST MIDLANDS COMBINED AUTHORITY

Board Meeting

Friday 9 December 2016

Minutes

Members

Birmingham City Council	Councillor Stewart Stacey
City of Wolverhampton Council	Councillor Roger Lawrence
Coventry City Council	Councillor George Duggins
Coventry City Council	Councillor Abdul Khan
Solihull Metropolitan Borough Council	Councillor Bob Sleigh – Chair
Solihull Metropolitan Borough Council	Councillor Ian Courts
Walsall Metropolitan Borough Council	Councillor Sean Coughlan
Black Country Consortium	Ninder Johal
Cannock Chase District Council	Councillor George Adamson
Nuneaton and Bedworth Council	Councillor Bill Hancox
Redditch Borough Council	Councillor Bill Hartnett
North Warwickshire Borough Council	Councillor David Humphreys
Stratford-on-Avon-District Council	Councillor Chris Saint
Warwickshire County Council	Councillor Izzi Seccombe
Herefordshire Council	Councillor Malcolm Pate

Observers

West Midlands Fire & Rescue Service	Councillor John Edwards
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Officers In Attendance

Birmingham City Council	Tony Smith
City of Wolverhampton Council	Keith Ireland
Coventry City Council	David Cockroft
Dudley Metropolitan Borough Council	Sarah Norman
Sandwell Metropolitan Borough Council	Jan Britton
Solihull Metropolitan Borough Council	Paul Johnson
Walsall Metropolitan Borough Council	Paul Sheehan
Black Country Consortium	Sarah Middleton
Coventry and Warwickshire LEP	Paula Deas
Greater Birmingham and Solihull LEP	Katie Trout
Cannock Chase District Council	Tony McGovern
Nuneaton and Bedworth Council	Brent Davies
Redditch Council	Kevin Dicks
North Warwickshire Borough Council	Jerry Hutchinson
Rugby Borough Council	Adam Norburn
Stratford-on-Avon-District Council	Dave Webb

Warwickshire County Council
Herefordshire Council
Police & Crime Commissioner Office
West Midlands Fire Service
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
Solihull Metropolitan Borough Council
City of Wolverhampton Council
City of Wolverhampton Council
City of Wolverhampton Council

Monica Fogarty
Clive Wright
Jonathan Jardine
Phil Loach
Laura Shoaf
James Aspinall
Jan Jennings
Andrew Kinsey
Chris Tunstall
Rachel Ratcliffe
Jaswinder Kaur

1.1 **Apologies for absence**

Apologies for absence were received from Councillor John Clancy (substituted by Councillor Stewart Stacey), Councillor Ian Ward, Councillor Peter Bilson, Councillor Pete Lowe, Councillor Steve Eling, Councillor Preet Kaur Gill, Councillor Lee Jeavons, Stewart Towe (substituted by Ninder Johal), Jonathan Browning, Steve Hollis, Councillor Shaun Davies, Councillor Dennis Harvey (substituted by Councillor Bill Hancox), Councillor Steven Claymore, Councillor Michael Stokes, Councillor Tony Johnson, Graham Wynn and David Jamieson (substituted by Jonathan Jardine).

1.2 **Declarations of Interest (if any)**

There were no declarations of interest made.

1.3 **Minutes of the WMCA Meeting held on 18 November 2016**

That the minutes of meeting which took place on the 18 November 2016 be agreed as an accurate record.

1.4 **Forward Plan**

Resolved:

That the forward plan be noted.

1.5 **Chairs Remarks**

Councillor Bob Sleight advised that the Overview and Scrutiny Committee had been formally established and that the scrutiny workshop had taken place on the on the 25 November 2016.

The Audit and Standard Committee had been formally established under the chairmanship of David Lane.

A meeting had taken place with Nick Timothy the Prime Minister's advisor with some of the members of the WMCA and that the notes would be circulated when

available. The meeting was preceded by a meeting with Lord Snape and the Secretary of State Chris Grayling. It was noted the WMCA was gaining national prominence.

2. Transport

2.1 Mobility as a Service Commercial Pilot

Councillor Roger Lawrence presented the progress made towards establishing a “Mobility as a Service” pilot project in the West Midlands and sought agreement for TfWM to facilitate progressing this pilot to a live commercial service. This would be the first live commercially funded Mobility as a Service project in the UK.

Mobility as a Service was provision of transport via a real-time personalised service model that integrates all types of mobility choices and presents them to the customer in a completely integrated manner to get them from A to B as easily as possible. The proposed pilot would be delivered over an 18-month period for to up to 500 customers based in the West Midlands providing them access, through their smartphone, to bus, metro and rail travel, car hire and car journeys. If possible other services, such as cycle hire, would be added as the pilot progresses.

All costs were contained within existing budgets.

In response to Councillor Ian Courts question on customer base, Councillor Roger Lawrence clarified that a wide range of customers would be used as part of the pilot.

Councillor Izzi Seccombe welcomed the report and was interested in supporting and piloting the project when available. Councillor Roger Lawrence responded that if the pilot was a successful it would be rolled out across the West Midlands.

In response to Jonathan Jardine’s question on network resilience, Laura Shoaf clarified that in the pilot phase behaviour change would be explored and if the pilot was a success then the project would be developed further to incorporate network resilience.

Resolved:

That the WMCA support for a “Mobility as a Service” commercial pilot project, to be delivered by the commercial sector, be agreed.

2.2 Devolved Transport Grant

Councillor Roger Lawrence presented the approach for allocating the Devolved Transport Grant, which was confirmed by Government in March 2016 for the period 2017/18 to 2020/21. It was clarified that there was scope for individual Constituent Councils to undertake their own maintenance activity on the Key Route Network and that recommendation 4 would be updated to reflect this.

Resolved:

1. That the Devolved Transport Grant allocations, including Integrated Transport Block for 2017/18 be agreed and the anticipated grant allocations through to 2020/21 be noted.
2. That a Joint Initiatives Top Slice of £90,000 be agreed as set out in paragraph 5.3 of the report be agreed.
3. That the creation of a ring fenced development funding pot within individual Local Authority annual allocations from April 2017 onwards as set out in paragraph 5.5 of the report be agreed.
4. That the principle of utilising the Highways Maintenance Incentive Fund for a programme of interventions (including maintenance) on the West Midlands Key Route Network as set out in paragraph 5.9 of the report from April 2017 be agreed.

2.3 Transport Briefings

Councillor Roger Lawrence presented a briefing paper which had been shared with prospective Mayoral Candidates covering strategic and operational transport matters. In order to ensure all prospective candidates were consistently briefed on all WMCA strategic and operational transport matters a series of briefing papers were prepared and shared with all mayoral candidates and to protect the integrity of the organisation other areas should adopt a similar approach to ensure there was transparency in data sharing.

Councillor Ian Courts commented that the briefings were an excellent piece of work and requested that for digital connectivity a vision be developed so that Wi-Fi was universal across the West Midlands and that network resilience incorporates the rural areas.

Councillor Roger Lawrence clarified the briefing notes outlined the remit of TfWM and not on the wider transport agenda. Other stakeholders had a responsibility for Wi-Fi and there was a struggle to secure funding from government to roll out Wi-Fi.

Resolved:

1. That the Transport Briefing for the prospective Mayoral Candidates be noted.
2. That the briefings be endorsed as live documents to be updated regularly.

3. Combined Authority Governance

3.1 Minutes of the Transport Delivery Committee held on 7 November 2016

Resolved:

That the minutes of the Transport Delivery Committee held on 7 November 2016 be noted.

4. Chair of West Midlands Combined Authority

4.1 Implementing the Devolution Agreement – the Mayoral Combined Authority ‘Functions’ Order

Chris Tunstall presented the draft Mayoral Combined Authority Functions Order and sought consent subject to the delegations outlined within the report. The Order detailed the functions required by the West Midlands Combined Authority to deliver the devolution deal. For the outstanding areas it was noted:

- The mayor votes in all ‘unanimous’ items, however the mayors vote was **not** required to be in the vote ‘for’, **unless** the matter affects the mayor’s general functions.
- A generic finance order was to be created for all combined authorities, which should be shared by government shortly.
- Mayoral Development Corporations - to ensure that the affected Constituent Councils were protected, the intention was to provide the necessary checks and safeguards within the Constitution.

On behalf of the West Midlands Police and Crime Commissioner, Jonathan Jardine made the following observations:

- The role of the mayor was too restricted by the Order and Constitution
- The transport powers of the mayor needed to be extended beyond the Key Route Network
- That the appointment of one advisor was restrictive
- That mayor was not a legal entity and if the role of the West Midlands Police and Crime Commissioner was to come under the WMCA, the role of the mayor should be a legal entity

Councillor Roger Lawrence welcomed the observations. He went onto to clarify transport powers were in the control of government. The powers of the mayor were sufficient for the mayor to deliver the present devolution deal and the mayor would give the WMCA strong leadership to draw down further powers from government and not from local authorities. The powers of the mayor would evolve dependent on future devolution deals. The WMCA would not be a heavily bureaucratic structure but instead work with all members and stakeholders to deliver programmes.

Councillor Sleight echoed the sentiments made by Councillor Roger Lawrence and emphasised that the powers of the mayor at this time mirrored the current devolution deal and in future further powers would be devolved dependent on future devolution deals.

Resolved:

1. That consent be provided to the laying of the draft West Midlands Combined Authority (Functions and Amendment) Order 2016 in Parliament, attached at appendix A within the report.
2. That authority be delegated to the Chair of the Combined Authority, in consultation with the Clerk, to approve the outstanding areas of drafting agreement - namely the unanimous voting provision and drafting and minor amendments. This delegation was also subject to agreement of the Chair, in consultation with the Chief Executive that the generic Finance Order was in line with principles agreed in the Scheme.
3. The Mayoral WMCA Scheme consultation summary, as submitted to the Secretary of State for Communities and Local Government on 5 September 2016, as detailed in paragraph 3.3 within the report be noted.

4.2 Revised Constitution

Keith Ireland presented the revised version of the Constitution including the draft amendments for consideration and approval by the Board. The Constitution was a living document and would be revised in a few months when the mayor was in place.

Resolved:

1. That the revised Constitution and structure including minor amendments be approved and adopted.
2. That the revised Scheme of Delegations for the Metro Programme in order to facilitate effective and efficient operational and procurement arrangements for onward programme delivery be approved.
3. That the draft amendments to the Financial Regulation be approved and adopted so as to incorporate a process for dealing with Virements following recommendation of West Midlands Combined Authority's Internal Auditor.
4. That responsibility for making minor amendments to the constitution be delegated to the Chair, in consultation with the Clerk to the Authority.
5. That the name change for Audit and Standards Committee to Audit, Risk and Assurance Committee including amendment to the associated Terms of Reference be approved.

4.3 Devolution

Katie Trout provided an update on devolution. The Chancellor referenced the WMCA in his autumn speech and statement which was regarded as a strong commitment by government to the WMCA. A further conversation had taken place between Mark Rogers and government and further details would be provided at the next Board meeting.

Councillor Bob Sleigh added a process was required for future devolution deals going forward on how the devolution process would work and across the Non-Constituent footprint.

Councillor Izzi Seccombe requested that devolution reflect the 3 LEP geography of the WMCA so that Non-Constituent members could also actively contribute to the ambition of the WMCA.

Katie Trout welcomed the comments and highlighted that the Devolution Strategy Group represented the geography of the 3 LEP and that this model could be replicated at member level.

Keith Ireland as clerk to the WMCA to coordinate member engagement on devolution.

5. Economic Growth

5.1 WMCA Growth Company Update

Keith Ireland advised that work was being progressed on the development of a WMCA Growth Company. A number of different propositions were being discussed with stakeholders to ensure a vehicle was developed to deliver the Strategic Economic Plan.

Councillors Roger Lawrence and Stewart Stacey left the meeting at this point and the meeting proceeded inquorate. Discussions took place on the remaining agenda items with the decisions subject to ratification at the next meeting.

6. Health and Wellbeing

6.1 West Midlands Mental Health Commission Update

On behalf of Councillor Pete Lowe, Sarah Norman provided an update on the work of the Mental Health Commission. The final report was due to be received this weekend and would be presented to the Board in the New Year for formal acceptance. Work was being progressed with all relevant agencies to ensure the sign off was completed and it was recognised that members would want sight of the report before formal sign off. The West Midlands Police and Commissioner was thanked for the financial contribution in relation to the criminal justice system work. The Police Superintendent Sean Russell had commenced the position of Implementation Director.

7. Housing and Land

7.1 WMCA Housing Delivery Board

Councillor Sean Coughlan requested that the report be deferred to a future meeting as the report required consideration in conjunction with the Land Commission report.

Resolved:

That the report on the WMCA Housing Delivery Board be considered at the next Board meeting.

7.2 West Midlands Land Commission

Councillor Bob Sleigh advised that the report would be deferred for consideration at the next Board meeting.

Resolved:

That the report on the West Midlands Land Commission be considered at the next Board meeting.

8. Productivity and Skills

8.1 Devolution of the Adult Skills Budget

Councillor George Duggins presented the actions and progress to date relating to devolution of the Adult Education Budget. The current Adult Education Budget received by providers based within the constituent member area was approximately £100m, it was therefore anticipated the devolved figure would be similar. Providers usually receive an indication of their budget in January with confirmation in March prior to the start of the academic year. The WMCA does not yet have the necessary information upon which to base a decision regarding the variation of block grant allocations in 2017/18 and an ever decreasing amount of time to act upon it when it was made available. Should information be provided on which the WMCA can make a decision in relation to 2017/18 in advance of the January WMCA Board meeting delegated authority was sought for the Cabinet Member to determine whether or not to pursue the option to vary block grant allocations. At present Councillor George Duggins was of the view that block allocations would not be varied for 2017/18.

Resolved:

1. That the principles of joint working between WMCA, the Further Education Productivity & Skills Group and the West Midlands Adult & Community Learning Alliance (ACLA) be agreed.
2. That the FE Productivity & Skills Group and WM ACLA be consulted on devolution proposals relating to skills.
3. That the collaborative approach to working with the Further Education

and Adult Community Learning sector in preparing for devolution of the Adult Education Budget as outlined within the report be endorsed.

4. That authority be delegated to the Cabinet Member for Productivity & Skills to make a decision regarding whether or not the WMCA should vary block grant allocations of the Adult Education Budget in 2017/2018.
5. That the Adult Education Budget should be ring fenced locally to ensure that it was allocated to activity relating to employment and skills.

9. Public Service Reform

9.1 Public Service Reform Update

On behalf of Councillor Steve Eling, Phil Loach presented the future governance structure for the WMCA Public Service Reform Programme and the support work required to develop proposals for savings through collaborative working and economies of scale. The future governance structure for the WMCA Public Service Reform Programme would enable an integrated programme approach to accelerate momentum.

It was clarified Some areas of public service reform were governed by existing CA arrangements, for example work around mental health (reporting to the Wellbeing Board) and employment & skills (reporting to the SEP Board). The PSR Board would not duplicate these functions but would ensure a coherent reform strategy be developed to deliver the agreed SEP outcomes, and ensure co-ordination across the various work programmes.

On behalf of the West Midlands Police and Crime Commissioner Jonathan Jardine commented that that Public Sector Reform was also reflected within the West Midlands Police and Crime Commissioners Plan and that the West Midlands Police Crime Commissioner was committed to the PSR agenda.

Ninder Johal added that a focus on skills and education was required to balance the economy.

Phil Loach acknowledged the work currently undertaken on data sharing and recognised the West Midlands Police and Crime Commissioner would be a key stakeholder for this work strand.

Resolved:

1. That the Public Service Reform future governance structure (as outlined within section 3 of the report) be agreed.
Support work to develop proposals for savings through collaborative working and economies of scale (section 6).

10. Finance and Investment

10.1 Coventry City Centre South Development

Councillor Izzi Seccombe presented the Coventry City Centre development proposal and highlighted the process already undertaken to challenge and clarify the proposed scheme, and sought support from the board for the application of a grant of up to £98.8m.

Coventry City Council were in the final stages of appointing and announcing a preferred development partner to deliver the City Centre scheme following a comprehensive procurement exercise and as such, there were a number of matters, which were deemed to be “commercially sensitive information” and which had been addressed in the private report.

Councillor George Duggins welcomed the report and highlighted the regeneration benefits the proposal would deliver in Coventry.

On behalf of the Chairman of the Coventry and Warwickshire LEP, Paula Deas made the following statement:

The regeneration of Coventry City Centre was a priority within the Coventry and Warwickshire Strategic Economic Plan. The impact of its rejuvenation had been identified as a game changer that would help this area to achieve its potential in the next 15 years and beyond.

The outputs would be significant; the 2,300 temporary jobs created during the construction period would give a one-off GVA benefit of over £200m, the 1,500 additional permanent jobs that would be created would have a GVA impact of over £1.1bn. Housing and student accommodation, together totalling some 850 units, would also be delivered.

This was a scheme that not only benefits Coventry and the Coventry and Warwickshire LEP but it would also act as a pathfinder to the WMCA’s ambitions and its objectives as set out in the Strategic Economic Plan.

I would therefore like to take this opportunity to commend this scheme to the WMCA Board as the essential next stage in the regeneration of Coventry, the city which was at the heart of Coventry and Warwickshire and a significant player the WMCA.

Resolved:

1. That the Coventry City Council application for funding to support its Coventry City Centre South proposal be approved and a grant of up to £98.8 million be supported subject to:
 - a) that any terms of a grant should ensure that the risks associated with any legal challenge were solely the responsibility of Coventry City Council and should such

challenge prove successful then any grant paid over should be returned to the WMCA;

- b) that where there were any cost savings or unused contingency the WMCA should benefit from such reductions which should be included in the grant conditions;
- c) that delegation be given to the WMCA Monitoring and WMCA S151 officers and their equivalent Coventry City Council colleagues to enter into the appropriate grant agreement between the West Midlands Combined Authority and Coventry City Council to secure the grant funding.

10.2 **Bi monthly Finance Update**

Councillor Izzi Seccombe presented the update of the WMCA finances as at the 31 of October 2016. There had been positive movement in the revenue statement and the forecast was on budget at the end of the period. The major schemes under development were £3.9m behind budget which was mainly as a result of previously reported delays to utility works on the Centenary Square Metro programme.

Resolved:

That the current financial position to the end of October 2016 be noted.

10.3 **Mid-year Treasury Management update**

Councillor Izzi Seccombe presented a mid-year update on the West Midlands Combined Authority Treasury Management Strategy and was being submitted as a requirement under the CIPFA Treasury Management Code. In August 2016 WMCA received a full year allocation (£36.5m) of Devolution Deal Grant to fund the approved Investment Programme. Funds were invested in major institutions and short term investments had given a return of 0.58%. James Aspinall added that the treasury management strategy needed to be monitored closely to ensure the WMCA was operating within its parameters and an annual report would be provided in February 2017.

Resolved:

1. That the results of the Treasury Management Strategy as at 30 September 2016 be noted.
2. That it be noted the Authority's borrowing was within the prudential indicators established at the beginning of the year as outlined in appendix 2.

10.4 **Corporate Risk Management Strategy**

Councillor Izzi Seccombe presented the draft Risk Strategy and Corporate Risk register which was presented to the Audit and Standards Committee at its meeting on 21 October 2016, at which the Committee resolved that the Corporate Risk Strategy be adopted and presented to the West Midlands Combined Authority Board for approval. The Audit and Standards committee was responsible for providing oversight of Risk Management within the West Midlands Combined Authority (WMCA). The committee was provided with regular reports on the WMCA risk environment to ensure effective risk management was in place throughout the organisation.

Resolved:

1. That the draft Corporate Risk Management Strategy be approved.
2. That authority be delegated to the Audit, Risk and Assurance committee (formally Audit and Standards committee) the responsibility to review, manage, and provide oversight of the corporate Risk register that identifies risks in line with this strategy, and to bring matters to this committee's attention as appropriate.

10.5 **Decision to Opt into the National Scheme for Auditor Appointments**

Councillor Izzi Seccombe presented the proposals for appointing the external auditor to the Combined Authority for the 2018/19 accounts and beyond, as the current arrangements only cover up to and including 2017/18 audits. The auditors were currently working under a contract originally let by the Audit Commission which was novated to Public Sector Audit Appointments (PSAA) following the closure of the Audit Commission. The Combined Authority Board will need to consider the options available and put in place new arrangements in time to make a first appointment by 31 December 2017.

Resolved:

That the Combined Authority Board agree to opt-in to the sector led option for the appointment of external auditors for the five years commencing 1 April 2018.

11. **Any Other Business**

11.1 **None Notified**

Councillor Bob Sleight advised that he was meeting with the Non-Constituent Council at the conclusion on the Board meeting.

12. Date of Next Meeting

12.1 Friday 20 January 2017, 11:00 – 13:00

Resolved:

That the date and time of the next meeting be noted.

13. Exclusion of the Press and Public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information relating to any individual, information which was likely to reveal the identity of an individual and/or information relating to the business affairs of any particular person (including the authority holding that information)]

Part 2 – Matters Not Open to the Public and Press

13.1 Coventry City Centre South Development

Councillor Izzi Seccombe presented the Coventry City Centre development proposal and to highlight the process already undertaken to challenge and clarify the proposed scheme, and to seek the board support for the application for a grant of up to £98.8m.

Coventry City Council were in the final stages of appointing and announcing a preferred development partner to deliver the City Centre scheme following a comprehensive procurement exercise and as such, there were a number of matters, which were deemed to be “commercially sensitive information” and which had been addressed in the private agenda.

Resolved:

1. That Coventry City Councils application for funding to support its Coventry City Centre South proposal be supported and to approve a grant of up to £98.8 million subject to:
 - a) that any terms of a grant should ensure that the risks associated with any legal challenge were solely the responsibility of Coventry City Council and should such challenge prove successful then any grant paid over should be returned to the WMCA;
 - b) that where there were any cost savings or unused contingency the WMCA should benefit from such reductions which should be included in the grant conditions;

- c) That delegation be given to the WMCA Monitoring and WMCA S151 officers and their equivalent Coventry City Council colleagues to enter into the appropriate grant agreement between the West Midlands Combined Authority and Coventry City Council to secure the grant funding.

DRAFT

Forward Plan of the West Midlands Combined Authority Board

Date	Title	Lead Member	Lead Officer	Aim
3 February 2017	Provisional Board meeting, if required - hold			
17 February 2017	Governance			
	Membership update - if required	Cllr Bob Sleigh	Keith Ireland	
	Mayoral Protocol	Cllr Bob Sleigh	Keith Ireland	
	Devolution			
	Devolution Update	Cllr Bob Sleigh	Mark Rogers	
	Commissions			
	Land Commission Report	Cllr Sean Coughlan	Jan Britton	
	Productivity and Skills Commission update	Cllr George Duggins	Nick Page	
	Mental Health Commission update	Cllr Pete Lowe	Sarah Norman	
	Strategic Framework			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth (incl. Strategic Economic Plan)	Cllr John Clancy	Martin Reeves	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Midlands Engine	TBA		
	Embedding Universities	Cllr George Duggins	Martin Reeves	
	Growth and Infrastructure Plan	Cllr John Clancy	Martin Reeves	
	Delivery			
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Employment Support Pilot	Cllr George Duggins	Nick Page	
Transport <ul style="list-style-type: none"> • Bus Alliance Update • HS2 Connectivity Package • Movement for Growth Monitoring • Network Resilience • Strategic Transport Plan Monitoring • Swift Programme Overview • Centenary Square Metro Extension Full Business case Approval 	Cllr Roger Lawrence	Keith Ireland		

Date	Title	Lead Member	Lead Officer	Aim
3 March 2017	Provisional Board meeting, if required - hold			
17 March 2017	Governance			
	Membership Update	Cllr Bob Sleigh	Keith Ireland	
	Mayoral Remuneration Proposals	Cllr Bob Sleigh	Keith Ireland	
	Devolution			
	Devolution Update	Cllr Bob Sleigh	Mark Rogers	
	Commissions			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Mental Health Commission	Cllr Pete Lowe	Sarah Norman	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	Strategic Framework			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzie Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Midlands Engine	TBC		
	Public Sector Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	Embedding the Universities	Cllr Bob Sleigh	Martin Reeves	
	Delivery			
	Investment Propositions	Cllr Izzie Seccombe	James Aspinall	
Transport	Cllr Roger Lawrence	Keith Ireland		
7 April 2017	Governance			
	Membership Update	Cllr Bob Sleigh	Keith Ireland	
	Devolution			
	Devolution Update	Cllr Bob Sleigh	Mark Rogers	
	Commissions			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Mental Health Commission	Cllr Pete Lowe	Sarah Norman	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	Strategic Framework			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzie Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	

Date	Title	Lead Member	Lead Officer	Aim
	Midlands Engine	TBC		
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	Delivery			
	Investment Propositions	Cllr Izzie Seccombe	James Aspinall	
	Transport	Cllr Roger Lawrence	Keith Ireland	
21 April 2017	Provisional Board meeting, if required - hold			
12 May 2017	Governance			
	Membership update – if required	Cllr Bob Sleigh	Keith Ireland	
	WMCA Mayoral Order Update	Cllr Bob Sleigh	Keith Ireland	
	Devolution			
	Devolution Update	Cllr Bob Sleigh	Mark Rogers	
	Commissions			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Mental Health Commission	Cllr Pete Lowe	Sarah Norman	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	Strategic Framework			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Midlands Engine	TBA	TBA	
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	Delivery			
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Transport	Cllr Roger Lawrence	Keith Ireland	
26 May 2017	Provisional Board meeting, if required - hold			

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WEST MIDLANDS
COMBINED AUTHORITY

Meeting: Transport Delivery Committee

Subject: Minutes

Date: Monday 5 December 2016 at 1.00pm

Present:

Councillor Richard Worrall (Chair) (Walsall Metropolitan Borough Council)
Councillor Philip Davis (Vice-Chair) (Birmingham City Council)
Councillor Pervez Akhtar (Coventry City Council)
Councillor Roberts Alden (Birmingham City Council)
Councillor Adrian Andrew (Walsall Metropolitan Borough Council)
Councillor Paul Brothwood (Dudley Metropolitan Borough Council)
Councillor Susan Eaves (Sandwell Metropolitan Borough Council)
Councillor Mohammed Fazal (Birmingham City Council)
Councillor Kath Hartley (Birmingham City Council)
Councillor Diana Holl-Allen (Solihull Metropolitan Borough Council)
Councillor Roger Horton (Sandwell Metropolitan Borough Council)
Councillor Timothy Huxtable (Birmingham City Council)
Councillor Chaman Lal (Birmingham City Council)
Councillor Keith Linnecor (Birmingham City Council)
Councillor Ted Richard (Solihull Metropolitan Borough Council)
Councillor Judith Rowley (Wolverhampton City Council)
Councillor David Stanley (Dudley Metropolitan Borough Council)
Councillor Daniel Warren (Wolverhampton City Council)
Councillor David Welsh (Coventry City Council)

In attendance:

Ben Ackroyd (National Express Midland Metro)
Sophie Allison (Metro Operations Manager)
James Aspinall (Corporate Services Director)
Pete Bond (Director of Transport Services)
Jon Hayes (Head of Network Delivery)
Tunde Olatunji (Interim Rail Partnerships and Delivery Manager)
Alison Pickett (Head of Sustainable Travel)

46/16 Chair's Remarks

(a) Recent Awards Success

The Chair announced that Transport for West Midlands had recently been successful in achieving the following awards:

- Transport Awards - City Region Transport Authority of the Year
- UK Bus Awards - West Midlands Bus Alliance had won Local Authority Bus Project of the Year
- National Air Quality 2016 - Passenger Transport Award,
- Metro Alliance had won the Global Light Rail Award, Best Customer Initiative, the Project of the Year, and Construction Project of the Year.

The Chair congratulated all those who had been involved in these initiatives, and asked that the appropriate lead member continue to be informed of forthcoming awards at the various stages.

47/16 Minutes

The minutes of the meeting held on 7 November 2016 were agreed, and signed by the Chair, as a correct record.

48/16 Matters Arising

(a) Solihull Bus Service to Balsall Common (*minute no. 36(b)/16*)

Since the introduction of the new bus service no. 89, which replaced Taxibus, patronage had increased. In addition to this, Transport for West Midlands had been in dialogue with local groups and forums to ascertain whether there were any areas that use to be serviced by Taxibus that needed to be reviewed.

(b) West Midlands Travel Trends 2016 (*minute no. 40(2)/16*)

In respect of resolution (2) 'that further analysis be undertaken by Research and Intelligence to provide robust strategic evidence base for informing the 2017/18 Annual Business Plan', the Director of Transport Services agreed to look into this and would provide an update to members of the committee.

(c) Safer Travel Update (*minute no. 41/16*)

The Director of Transport Services confirmed that at the January briefing for committee members, a comprehensive report that detailed a breakdown of the recorded crime figures for Metro and Rail would be provided and a visit to the CCTV Control Centre at 16 Summer Lane would also be incorporated into the briefing session.

The Director of Transport Services agreed to circulate a link to the Safer Travel video to members of the committee.

49/16 Metro Operations Business Report

The committee considered a report of the Metro Programme Director on matters relating to the performance, operation and delivery of Metro Services in the West Midlands.

The Metro Operations Manager provided an overview of the report and noted that patronage on Midland Metro had increased since the opening of the new Grand Central tram stop on 30 May. The passenger counters on the trams showed that passenger numbers were under-recorded by 16%, however this data was currently being validated. The scale of under reporting was unknown as further work needed to be undertaken.

Patronage had also increased on Midland Metro at weekends which meant that more people were travelling for leisure purposes.

With regard to the fare changes for 2017, Ben Ackroyd, National Express Midland Metro, advised that fares would increase by an average of 3% from January 2017. However some popular fares such as the £1 city hop and group fares would remain unchanged.

The Metro Operations Manager reported that the decision to progress Snow Hill 3rd Access was deferred in 2014 and this decision was currently being reviewed to review the position to date. An update on the progress being made in respect of the introduction of Snow Hill 3rd Access would be submitted to a future meeting of the committee.

The Metro Operations Manager added that the lift at Snow Hill tram stop was due to open in January 2017, which would give people access to other parts of the city. The request for additional signage by Bar Opus was noted.

Councillor Kath Hartley questioned whether the Metro Passenger Panel could be reflected within future reports to the committee. She would also welcome an explanation as to how the £1 city hop contributed to the increase in patronage, as residents within her ward would welcome this information. Ben Ackroyd noted this request and agreed to provide this information to Councillor Kath Hartley.

Resolved that the report be noted.

50/16 D Train Report

The committee considered a report of the Interim Rail Partnerships and Delivery Manager on the progress made by the project to support the introduction of the D train into trial.

Transport for West Midlands was co-ordinating a project in partnership with Coventry City Council, Warwickshire County council (as funders), Vivarail (as suppliers) and London Midland (as train operator) to deliver D trains into service on a trial basis.

Board approval was given on 22 July 2016 enabling the combined authority to support the development of a prototype D train by Vivarail. The innovative approach had the potential to address a national shortage of diesel rolling stock across the rail network. The trial would replace the Class 153 single car with a three- car D train. The Interim Rail Partnerships and Delivery Manager provided assurances in respect of the timescales for the trial and advised that it would commence on 27 February 2017.

Councillor David Welsh welcomed the report and highlighted the benefits of the introduction of the D train. He thanked the partners involved in this project and London Midland for its proactive approach. The Chair thanked the Interim Rail Partnerships and Delivery Manager and other colleagues who had been involved in this project.

Resolved that:

- (1) the update on the ongoing efforts by Transport for West Midlands and its partners to facilitate the delivery of the Class 230 train into trial on the Coventry-Nuneaton Line be noted;
- (2) the dates proposed for the start of the trial be noted; and
- (3) the key objectives for the trial be endorsed.

51/16

West Midlands Cycling Charter Progress

The committee considered a report of the Head of Sustainable Travel on matters relating to the performance, operation and delivery of the West Midlands Cycling Charter initiatives.

Councillor Judith Rowley thanked the Head of Sustainable Travel for a comprehensive and thorough report, and reminded the committee of the target of 5% of all trips being made by bicycle by 2023.

Councillor Daniel Warren welcomed the report and enquired about the levels of engagement with other local authorities and public health bodies. The Head of Sustainable Travel reported that Transport for West Midlands was a member of a number of public health and planning groups, and was currently in dialogue with the newly appointed Implementation Director of the WMCA Mental Health Commission.

Councillor Ted Richards supported the West Midlands Cycling Charter but noted his concerns about dedicated cycle lanes on the highway, as a majority of cyclists chose not to use them due to safety concerns. Councillor Diana Holl-Allen added that, although she supported cycling, she also recognised that more needed to be done to improve cycle safety.

Councillor Judith Rowley reported that there was an intention to have a joined-up regional approach to deliver the cycling vision, and with regards to safety, it was recognised that this could be a barrier to travel, although the number of measures and regulations that had been introduced to improve cycle safety were significant. The Head of Sustainable Travel provided an overview of the initiatives introduced and available funding to ensure cycle safety.

Resolved that the progress to date with the West Midlands Cycling Charter Action Plan be noted.

52/16 Revised Public Transport Services over the Christmas and New Year Holiday Period 2016/17

The committee considered a report of the Director of Transport Services on the special arrangements for bus, rail and metro services over the Christmas and New Year holiday period 2016/17.

The Head of Network Delivery explained that normal service would operate on all modes up until Christmas Eve, and on Christmas Eve, bus services to adjacent shire counties and some local rail services would finish early.

With regard to communicating with members of the public, comprehensive leaflets would be produced that would include all bus, rail and metro service information from Christmas Eve until 3 January 2017. Advertisements and posters would direct members of the public to the Network West Midlands website for service information on all modes.

In respect of rail services, Councillor Kath Hartley sought assurances that the rail operator would ensure that passengers were aware of the timetable for Christmas Eve, as some services would finish early. The Head of Network Delivery assured the committee that Transport for West Midlands would be in dialogue with rail operators to ascertain the information that they would be releasing to its customers.

Councillor David Welsh enquired about the network that would be operating in Coventry over the Christmas and New Year period. The Head of Network Delivery agreed to provide Councillor David Welsh with details on the network that would be operating in Coventry during the Christmas and New Year period.

Councillor Roger Horton enquired as to whether he could receive copies of the Christmas and New Year leaflets when they were available for distribution. The Head of Network Delivery noted this request and agreed to send a number of copies to him.

In response to a question raised by Councillor Roger Horton, the Head of Network Delivery agreed to liaise with colleagues within the Metro team to ascertain whether information could be displayed on respective tram stops that indicated the time of the last tram from that particular tram stop. The Head of Network Delivery agreed correspond directly with Councillor Roger Horton.

Resolved that the contents of the report be noted.

53/16 Transport Delivery Committee Lead Member Responsibility

The committee considered a report of the Director of Transport Services on the work undertaken to further refine the Lead Member roles and responsibilities aligned to the work programme for Transport Delivery Committee.

The working arrangements for the Lead Members and their reference groups were now underway and had been developed further since the last report in September 2016. The committee noted the updated list of Lead Members, support members and opposition members. The Chair added that Councillor Daniel Warren was a support member for the Safe and Sustainable Travel Reference Group and not Sprint.

Councillor Huxtable nominated Councillor Adrian Andrew to be appointed as the opposition member onto the Rail and Metro Lead Member Reference Group.

Resolved that:

- (1) the contents of the report be noted;
- (2) the amendments to the Lead Member roles and responsibilities as shown in appendix 1 of the report, to be effective immediately, be agreed, subject to Councillor Daniel Warren being identified as a support member for the Safe and Sustainable Travel Lead Member Reference Group and not Sprint; and
- (3) Councillor Adrian Andrew be appointed as the opposition member on the Rail and Metro Lead Member Reference Group

54/16 West Midlands Combined Authority Board Update - Transport Reports

(a) Devolved Transport Grant

The committee considered a report of the Head of Programme Development on the approach for allocating the Devolved Transport Grant, which was confirmed by Government in March 2016 for the period 2017/18 to 2020/21. The report would be submitted and considered by the West Midlands Combined Authority Board on 9 December 2016.

The Director of Transport Services agreed to ask the Head of Scheme Development to provide a breakdown of the specific schemes that would be delivered through the funding streams once this information was available.

Resolved that the report be noted.

(b) Mobility as a Service Commercial Pilot

The committee considered a report of the Head of Transport Innovation on the progress towards establishing a 'Mobility as a Service' pilot project in the West Midlands, which also sought the agreement for Transport for West Midlands to facilitate progressing this pilot to a live commercial service. The report would be submitted and considered by the West Midlands Combined Authority Board on 9 December 2016.

Resolved that the report be welcomed and noted.

55/16 Notice of Motion

The committee considered and debated a Notice of Motion submitted by Councillor Timothy Huxtable, and following an amendment submitted by the Vice-Chair, the Notice of Motion, as amended, was debated and voted upon.

Resolved that the Notice of Motion, as amended, be agreed as follows:

'The Transport Delivery Committee welcomes the announcement of £5m funding for the Midlands Rail Hub in the Autumn Statement.

The Transport Delivery Committee continues to support greater investment in West Midlands' heavy and light rail infrastructure and in the work of Midlands Connect in investing in and promoting partnership between the West and East Midlands regions, towards improved pan-regional transport links and better connectivity to English ports. The committee calls for a consistent Government policy of long-term investment to achieve these aims.

The committee notes, however, the alarming economic condition of the UK following six years of damaging austerity imposed by the Government, plus forecasts of a £59bn - £125bn gap in the public finances by 2020, with negative consequences for investment in transport. The committee regrets that nothing in the Chancellor's Autumn Statement will correct these failing policies or address the growing imbalance between transport spend in London and in the West Midlands.'

56/16 Any Other Business

(a) Coventry Bus Lane Review

The committee considered a report of the Managing Director, Transport for West Midlands, on the review of bus lanes within Coventry that had

involved Transport for West Midlands and bus operators in the development of the process and agreed outcomes.

Members of the committee reviewed the revised list of bus lanes proposed for the trial and considered the measures of success and failure as detailed in the report. In respect of air quality, it was considered that this was an important area to be assessed, although it was recognised that this was an area for Coventry City Council to consider as the air quality monitoring authority for Coventry.

Resolved that;

- (1) The work undertaken with Coventry City Council, the assurances sought and agreed regarding the approach and management of the review, including the mitigation measures for monitoring the impact of the trial and what was deemed as success or failure, be noted;
- (2) The revised list of bus lanes proposed for the trial through joint consultation with Coventry City Council and bus operators which represents approximately 25% of the city's bus lanes, be endorsed, and these sections of route be monitored to ensure a consistent approach was taken to evaluating benefits and dis-benefits to car and bus journey times for customers;
- (3) The agreement to extend the period of objection for an Experimental Traffic Regulation Order from six months to eight months, so that a full assessment could be made whilst the results of the trial were analysed, and still allowing for formal objection if appropriate, be recognised and endorsed;
- (4) The measures of success and failure shown in paragraph 18, which ensure that all parties were clear about what the objectives were, be agreed; and
- (5) The Transport for West Midlands' commitment to collating and sharing all appropriate bus based data, and to provide representation at the various boards and forums to support the trial, be supported.

[The meeting ended at 2.55pm]

CHAIRMAN

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WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date	20 January 2017
Report title	Report confirming Board decisions of 9 December 2016
Portfolio Lead	Councillor Bob Sleight – Chair
Accountable Chief Executive	Keith Ireland, Clerk to the WMCA Board Email Keith.Ireland@wolverhampton.gov.uk Tel 01902 55 4500
Accountable Employee	Andrew Kinsey, Legal Services, Solihull MBC Email: akinsey@solihull.gov.uk Tel: 0121 704 6146

Recommendation(s) for action or decision:

The Board is recommended to:

1. Approve the recommendations contained in the report at Agenda item 10.1 (and corresponding private item no. 13.1) to the Board on 9 December 2016 relating to the Coventry City Centre South Development.
2. Approve the recommendations contained in the report at Agenda item 10.5 to the Board on 9 December 2016 relating to the decision to opt-in to the national scheme for auditor appointments

1.0 Purpose

- 1.1 To approve the recommendations contained in reports presented to the Board at its meeting on 9 December 2016 relating to the Coventry City Centre South Development, and decision to opt-in to the national scheme for auditor appointments.

2.0 Background

- 2.1 The Board will recall receiving a report at its meeting on 9 December 2016 relating to the investment by the WMCA in the Coventry City Centre South Development. Those present at the meeting were supportive of the proposals and recommendations in the report. However, at the point this item was considered the meeting was not quorate and so the Board were unable to formally agree the recommendations. The WMCA Board are now asked to confirm the recommendations contained in that report.
- 2.2 Copies of the reports are available on the WMCA website:

<https://westmidlandscombinedauthority.org.uk/media/1572/adocpackpublicversion0001.pdf>

Coventry City Centre South Development – pages 159 – 162

Opt-in to the national scheme for auditor appointments - Pages 201 – 205

3.0 Financial implications

- 3.1 As contained in the reports to Board on 9th December 2016

4.0 Legal implications

- 4.1 As contained in the reports to Board on 9th December 2016

5.0 Equalities implications

- 5.1 As contained in the reports to Board on 9th December 2016



WEST MIDLANDS
COMBINED AUTHORITY

WMCA Board

Report title	Driving Policy Development for Devolution	
Accountable Chief Executive	Mark Rogers, Birmingham City Council	
Originating Council	Birmingham City Council	
Accountable employee(s)	Tony Smith	Policy Executive
	Tel	0121 303 4550
	Email	tony.smith@birmingham.gov.uk
Report to be/has been considered by	Devolution Strategy Group	
Date	20 January 2017	

The WMCA Board is recommended approve:

- (1) The creation of a new Fiscal Devolution Working Group and to extend the remit of the Health sub group.
- (2) Looking at how developing devolution policies in each area are fed back to lead officers and portfolio lead members, to ensure that members are up to speed with the direction of policy, opportunities being explored with government and lobbying issues.

1. Purpose

- 1.1. This report presents proposals about how to bring more focus to the policy development work of the Devolution Strategy Group.

2. Background and the challenge

- 2.1. The Devolution Strategy Group (DSG) was approved by the Shadow Board in March 2016. The Group, chaired by Mark Rogers is responsible for taking forward a strategic approach to devolution and for overseeing devolution discussions and negotiations with government. It also prepared the WMCA submission to the Autumn Statement. It reports to the CA Board and its membership includes the three LEP directors, most of the metropolitan council CEOs and representatives from the NCMs.
- 2.2. The group has made good progress on defining our devolution priorities in line with the SEP and provides a good mechanism for addressing some key issues for the devolution negotiations. It has also presented a more strategic approach to devolution, for example in the devo 2 discussions and in our submission to the Autumn Statement.
- 2.3. However, we need to dedicate more capacity to a number of policy issues prioritised in the SEP or where little progress has been made with government, such as housing, skills, employment and fiscal devolution, if we are to develop genuinely radical proposals for further devolution. To address this, DSG (and the CA as a whole) needs to be able to draw on a greater resource input (principally in terms of time and expertise).
- 2.4. Whilst devolution is only a part of the whole CA agenda, it does provide a focus and a driving force for the rest of our work. By properly supporting devolution policy development we will therefore be creating more momentum for the wider CA agenda.
- 2.5. However, we need to ensure that devolution work links fully into the wider officer group and member portfolio activity. We also need to be clear about the boundaries between policy development and programmes for implementation and change. Similarly the work to implement existing deals will be distinct from this work on new propositions, but there must be interplay between the two. DSG must have a clear co-ordination role in bringing together all of this work into a coherent and integrated devolution agenda. Present arrangements are not strong enough to ensure that all these requirements are being met.

3. Proposed way forward

- 3.1. The Health Sub-Group of DSG has provided the space to allow this thinking to be done in that policy area, for example in detailing a proposition around the proposed “best start in life” theme. This might prove a useful approach to the development of policy in other key areas, supporting the work of the existing lead officers through “policy working groups” or “think tanks”.

- 3.2. Importantly the Health Sub-Group includes representatives from partner agencies and expert input from external sources. This inclusive approach could be replicated across other policy areas, including government appointments to the groups where closer working has been agreed in devolution deals and other national and international expertise and good practice.
- 3.3. In some areas we already have good mechanisms in place to generate new policy (e.g. the commissions and the proposed Housing Delivery Board). In others we may wish to set up further sub groups.
- 3.4. The group has identified the following themes where further policy work is needed and the existing resources in place. More detail on the policy work required is in the Appendix.
- Fiscal devolution – new working group proposed. This area is critical to the future devolution agenda. We need to consider how to link better with the Finance Directors Group and how to tap into a wider set of external expertise.
 - Employment and Skills – via the existing Productivity and Skills Commission
 - Health and Social Care (extending the remit of the existing Health sub-group)
 - Public Service Reform – Arrangements for PSR are currently being reviews. PSR Board in place as well as identified leads on specific issues. Do we need a specific devolution focus linking that to the DSG?
 - Housing and Land – new Housing and Land Board being established and Land Commission up and running
 - Transport – Are existing resources and external links providing an adequate focus on devolution policy?
 - Culture and creative industries – Culture and Tourism working group already in place.
- 3.5. The group therefore proposes to set up a new Fiscal Devolution Working Group and to extend the remit of the Health sub group.
- 3.6. The group further proposes to review how it picks up on the work of the other groups already in place. It also proposes to look at how developing devolution policies in each area are fed back to lead officers and portfolio lead members, to ensure that members are up to speed with the direction of policy, opportunities being explored with government and lobbying issues.
- 3.7. The views of WMCA Board are sought on whether further action is needed to address the other areas of policy development.

4.0 Financial implications

- 4.1 There are no direct financial implications as a result of the recommendations within this report.

5.0 Legal implications

5.1 There are no legal implications flowing from the contents of this report.

Appendix: Possible areas of work within the themes

Fiscal Devolution

- The business rates retention pilot process and plans for 2020+, including new functions and freedoms (removed ring fences, housing, public health etc.)
- Future of gain share including potential PSR gain share
- A future approach to enterprise zones
- Developing solid propositions for wider fiscal devolution, e.g. TIF, borrowing and investment powers, new taxes and voluntary levies, freedoms and flexibilities, linked to government backed outcomes
- Developing our vision for the “West Midlands Exchequer”
- Linking

A group could link the Finance Directors Group more closely to the devolution work and also receive input from finance officers and external expertise from commercial or other national organisations.

Employment and skills

- Developing a new local employment model
- Co-design of employment support for the hardest-to-help claimants from April 2017 – taking forward devo 1 agreement
- Proposition for commissioning of the Employment and Health Programme
- Alternative models for employment support such as the IPPR proposition
- Links to health agenda
- Developing a new local skills model, including how it will operate across the 3 LEP geography – picking up commitments in devo 1 and building on them
- Partnerships with universities and FE colleges
- Relationship with the business community and promoting the skills agenda
- Learning from the devolved nations on the skills infrastructure they have put in place

The Productivity and Skills Commission is taking forward thinking in this area.

Health and Social Care

- Health and wellbeing for children and young people
- Devolution implications of the Mental Health Commission
- CA level Health/Care integration agenda

This group already exists and includes local partners and external expert input.

PSR

- Wider strategic framework for devolution and integration, including shaping the role of the CA
- Health and wellbeing for children and young people theme

- Troubled individuals – including work with government from devo 1
- Strategic approach to transformation, including funding
- Data sharing and evidence base
- Digital

The work needs to link into the Public Service Board and other resources being put in place in this area. Any additional group could include local partners as well as government support as set out in devo 1 including data sharing and departmental support. These relationships are already being developed across Cabinet Office and HMT and with other service-specific government departments.

Housing and Land

- The role of the CA and councils – developing a CA approach to land and new housing supply – what can scale add?
- Learning from One Public Estate and work with the Government Property Unit on public sector hub and neighbourhood hubs
- Developing a regional and sub-regional non-statutory approach to growth and land use
- Unlocking private development, land remediation and supply, encouraging smaller developers and self-build
- How to position social housing? Potential for new forms of ownership and management in housing – responding to RTB and other government policies
- Regeneration of priority social housing estates – a WM model/vehicle
- Homelessness and links to health and wider PSR agenda

Note: the Housing Delivery Board is also intended to pick up devolution work. Initial paper has been circulated and reflected in our Autumn Statement submission.

Transport

- Developing policy on key transport issues such as bus and rail franchising and how to generate more resources and accelerate investment programmes

Culture and creative industries

- Clarifying the devolved WMCA role in supporting arts and culture as an investment and a key part of our economic strategy
- Developing strategic approaches to key development areas such as film, digital and creative industries and identifying devolution components of these.



Board Meeting

Date	20 January 2017
Report title	Appointment of Combined Authority Returning Officer
Cabinet Member Portfolio Lead	Councillor Bob Sleigh – Chair of the WMCA
Accountable Chief Executive	Martin Reeves, Chief Executive WMCA Email Martin.Reeves@coventry.gov.uk Tel 024 7683 3232
Accountable Employee	Robert Connelly, Head of Electoral Services, Birmingham City Council Email Robert.connelly@birmingham.gov.uk Tel 0121 303 2443
Report to be/has been considered by	None

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Appoint the Returning Officer for Birmingham as the West Midlands Combined Authority Returning Officer (designate).
2. Agree a budget allocation of £4m for the conduct of the election.
3. Agree that no staff employed by a Local Returning Officer shall be paid less than the voluntary living wage.

1.0 Purpose

- 1.1 The purpose of the report is to enable the West Midlands Combined Authority (WMCA) to appoint a Combined Authority Returning Office in respect of the Combined Authority mayoral election on 4 May 2017.
- 1.2 To agree a budget allocation for the mayoral election on 4 May 2017.

2.0 Background

- 2.1 The draft Combined Authorities (Mayoral Elections) Order 2017 provides that each Combined Authority must appoint one of its officers or one of the officers of a constituent council to be the Combined Authority Returning Officer (CARO). If the latter this will normally be a Local Returning Officer.
- 2.2 The CARO will have overall responsibility for the election of the mayor and may, for example, give to a Returning Officer of a constituent member directions relating to the conduct of the election. In addition, the CARO will be responsible for accepting nominations and coordinating the regional result.
- 2.3 The relevant statutory instrument regarding the conduct rules is currently awaiting formal approval by parliament. As such until the order is formally made any appointment of a CARO is as a CARO designate. The CARO's appointment will formally take effect on the making of the appropriate statutory order.
- 2.4 DCLG has stated that the costs of the election will be met by the Combined Authority (CA) which again is in accordance with the draft regulations.
- 2.5 Estimated costs of the election for the WMCA have been estimated based on the "maximum recoverable amounts" allocated to the various voting areas in respect of the Police and Crime Commissioner election and EU referendum held in 2016.
- 2.6 These costs are determined by central government and subject to parliamentary approval via the appropriate statutory orders and will be in the region of £3.4-£3.9m, which includes an element for services provided by the relevant Local Returning Officer and CARO. Each Local Returning Officer shall be allocated a proportion of the proposed budget, again based on the allocation for the Police and Crime Commissioner election and EU referendum.
- 2.7 In addition to the above costs there is a need for a separate candidate booklet costs for which are estimated to be approximately £200,000.
- 2.8 It is also proposed that each LRO should ensure that no staff employed by them should be paid less than the voluntary living wage which from April 2017 will be £8.45 per hour. Whilst this will have the effect of increasing the cost of the election, the overall costs should still be within the estimate as set out in paragraph 2.6.

3.0 Wider WMCA Implications

- 3.1 There are no foreseen wider implications for the WMCA or for non-constituent areas.

4.0 Progress, options, discussion, etc.

4.1 There are no other options other than to appoint a CARO and provide a sufficient budget to allow Local Returning Officers to undertake their statutory role and ensure that the election is fair, transparent and that everyone has confidence in the result.

5.0 Financial implications

5.1 An allowance of £4.0m will be included within the 2017/18 Budget proposals

6.0 Legal implications

6.1 The combined authority has a statutory duty to appoint a CARO for the Mayoral Elections and failure to do so will mean the Mayoral election cannot be held.

7.0 Equalities implications

7.1 No equality implications are foreseen.

7.0 Other implications

7.1 None are foreseen

8.0 Schedule of background papers

8.1 None

9.0 Appendices

9.1 None. However the appropriate orders relating to the Police and Crime Commissioner election and EU referendum can be found at:

<http://www.legislation.gov.uk/uksi/2016/514/contents/made>.

<http://www.legislation.gov.uk/uksi/2016/419/contents/made>

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Board Meeting

Date	20 January 2017
Report title	Contactless Ticketing & Fare Capping
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
Accountable Chief Executive	Keith Ireland, Managing Director, City of Wolverhampton Council & Monitoring Officer for West Midlands Combined Authority Email Keith.Ireland@wolverhampton.gov.uk Tel 01902 554 405
Accountable Employee	Chris Perry, Head of Transport Innovation, Transport for West Midlands Email: chrisperry@centro.org.uk Tel: 0121 214 7183
Report has been considered by	Smart Programme Board, 4 January 2017 WMCA Programme Board, 6 January 2017

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Review and agree to the requirements for the development of a roadmap to deliver contactless payment and “best value” capping across all modes, initially in the West Midlands and including a feasibility review for wider rollout throughout the wider Combined Authority area.
2. Agree to commission this work through PA Consulting Services Ltd as recommended by the Smart Programme Board and based on their track record as set out in paragraph 5.5 below.

1.0 Purpose

- 1.1 The purpose of this report is to outline the scope of works, including an estimated timeline, required to produce a detailed roadmap for the delivery of contactless payment and “best value” capping¹ for the West Midlands Combined Authority (WMCA).
- 1.2 This report also seeks to gain approval for the commissioning of this work through PA Consulting Services Limited who are experts within this field having supported the South East Flexible Ticketing (SEFT) initiative and Midlands Connect in its development of the Smart Connectivity work package.

2.0 Background

- 2.1 The WMCA is committed to the delivery of a contactless payment “best value” fare capping solution across all three modes of transport (bus, train and tram) to rival that which has been delivered by Transport for London (TfL).
- 2.2 However, this is a newly emerging and fast moving area where a number of agencies including Transport for the North (TfN) and National Express West Midlands have already announcing their intentions to develop a solution for which WMCA may have an opportunity to share. TfL is also keen to share its established solution with others through its commercial partner Cubic Systems and this also requires more detailed exploration.
- 2.3 Therefore, it is vitally important that the WMCA sets a clear vision that will enable it to begin the successful navigation through these options which may also include the development of its own system. TfWM is seeking to commission a piece of work to develop this vision and undertake the required options review.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 This work is associated with the Smart Mobility Tier as it will lead to the delivery of an optimum payment solution for transport which will become a fundamental part of the Personal Mobility Platform.

4.0 Wider WMCA Implications

- 4.1 The wider aspirations of the WMCA, including the larger geographic area will form part of the considerations of this work through a detailed feasibility review that set out any differing requirements across the as part of defining the vision and throughout the optioneering. To support this, James Willocks, Transport Commissioning Manager for Shropshire Country Council has joined the Smart Programme Board to represent the non-constituent Authorities.

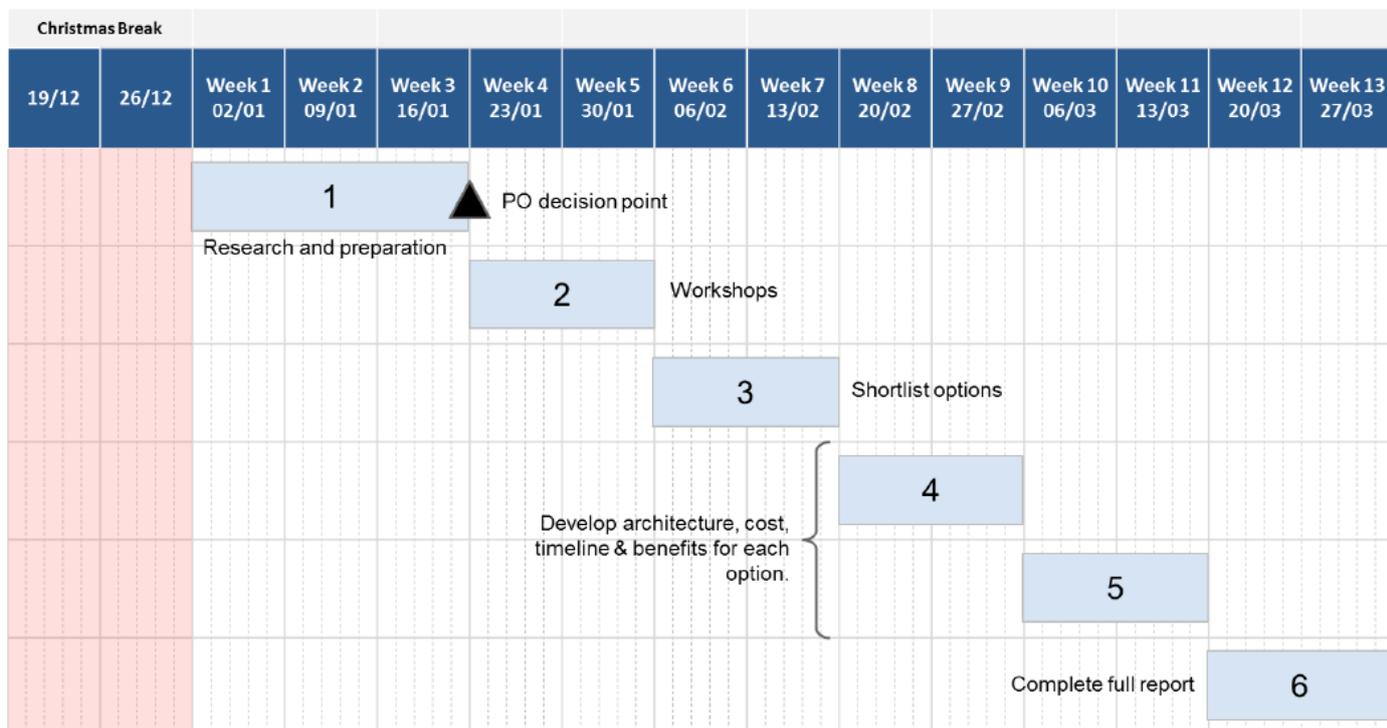
5.0 Roadmap development and PA Consulting Services Limited

- 5.1 TfWM has developed a consultancy brief which has been endorsed by the Smart Programme Board. This brief identifies the following tasks as requirements to be completed in order to analyse the options and develop a comprehensive roadmap:

¹ Capping is the term given to the calculation of appropriate fares to be charged at the end of the day based on the journeys that were undertaken during that day.

- The development and agreement of a vision
- A review of the available back office opportunities including working with TfL
- Detailing the optimum high level architecture
- Developing a delivery timeline
- Setting out an estimation of costs (both capital and revenue)
- Defining the benefits to enable cost-benefit analysis
- Stakeholder mapping
- Risk and issue identification and documentation

5.2 TfWM has worked closely with PA Consulting to develop a timeline for the delivery of these outputs which is set out in the graphic below:



5.3 The phases of this work is represented by the six boxes in the graphic above. Each of these phases will provide the following output:

- Phase 1 – Identification of all the available opportunities to partner with organisations that have declared their intent to deliver a contactless payment solution.
- Phase 2 – The development of a vision including gaining agreement of stakeholders.
- Phase 3 – A detail review of the opportunities measured against the vision with the aim of streamlining to two or three viable options.
- Phase 4 – The development of indicative architecture, delivery costs and a timeline for delivery.
- Phase 5 – Establishing the benefits and key risks associated with each of these viable options to enable high level costs-benefits analysis.
- Phase 6 – The delivery of a full report consolidating all of the work undertaken in the previous five phases and setting out clear recommendations of which option should be taken forward.

- 5.4 The timeline above shows that we expect this work to be concluded by the end of March 2017.
- 5.5 PA Consulting Services Limited are recognised for their expertise in this area and have a track record of successful delivery. PA Consulting Services Limited have also worked closely with Midlands Connect to develop its vision and objectives for Smart Connectivity which includes the desire to deliver a contactless payment solution for the wider region and as such, much of the learning required to support this work has already been achieved through the work with Midlands Connect which is why PA Consulting Services are so confident that they can achieve the tight deadlines set out above.
- 5.6 This work will not only benefit the WMCA but also supports the next steps for Midlands Connect and as such TfWM are in discussions with Midlands Connect with regards to it making a financial contribution towards the costs of this work.

6.0 Financial implications

- 6.1 The fixed cost of the work outlined above is contained within the existing Transport for West Midlands budget and should be complete by the end of the Financial Year. The costs and funding implications of the project's recommendations will need to be considered once the detailed work has been done and a proposed way forward has been agreed.

7.0 Legal implications

- 7.1 Procurement are seeking to ensure that the best solution is sought for the WMCA, a solution which is cost effective and provides the required level of service that meets the current needs. The supplier has been appointed following the direct award route, which is in line with the internal procurement policies. The necessary paperwork has been reviewed by the procurement and legal department, and has been approved according to the schedule of authorisation.

From a legal perspective all necessary legal agreements required to underpin the contractual arrangements will need to be entered into at the appropriate stage.

8.0 Equalities implications

- 7.1 No equality implications envisaged at this stage of the project.

9.0 Schedule of background papers

- 9.1 Smart Ticketing, 19 August 2016, West Midlands Combined Authority.

10.0 Appendices

None.



Board Meeting

Date	20 January 2017
Report title	Swift Programme Update
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
Accountable Chief Executive	Keith Ireland, Managing Director, City of Wolverhampton Council & Monitoring Officer for West Midlands Combined Authority.
Accountable Employee	Matthew Lewis, Head of Swift, Transport for West Midlands Email: matthewlewis@centro.org.uk Tel: 0121 214 7025
Report has been considered by	Smart Programme Board, 4 January 2017 WMCA Programme Board, 6 January 2017

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Agree to the next phases of the Swift programme as defined in section 6 below, noting the progress to date as set out in section 5.

1.0 Purpose

1.1 The purpose of this report is to seek approval for the next phases of the Swift programme and to provide an update on progress to date.

2.0 Background

2.1 Swift was launched in 2012 and is now the largest and most comprehensive smart ticketing scheme in the UK outside of London. This is detailed in section 5 below together with a wider progress update.

2.2 Swift is now widely available for adult bus and tram users and as such the next phase as set out in section 6 below is aimed at bringing Swift to the child market and more extensively onto the rail network.

3.0 Impact on the Delivery of the Strategic Transport Plan

3.1 These further enhancements to the Swift platform link to the Smart Mobility Tier as part of the Personal Mobility Platform.

4.0 Wider WMCA Implications

4.1 As part of the next phase of Swift we are seeking to further investigate opportunities to rollout the platform to the wider WMCA geographic area. Further detail is set out in section 6 below.

5.0 Swift Update Infographic

This table shows how TfWM's scheme compares to smart ticketing schemes within the other large urban regions. As can be seen, Swift has the greatest range of functionality and more than twice as many journeys as the next largest scheme.

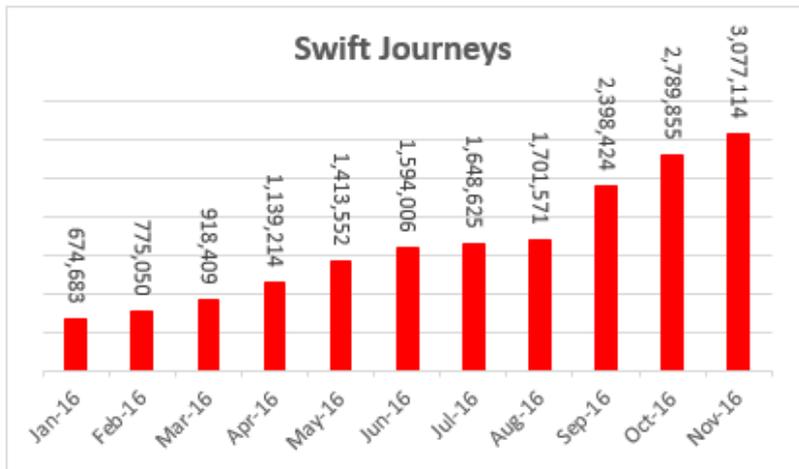
Urban Transport Group Statistics

Authority	Monthly Smart Journeys	Pay as you go	Multi-day tickets	Season tickets	Bus	Tram	Train	On-line retailing
TfWM	3.0m	✓	✓	✓	✓	✓	✓	✓
Greater Manchester	Unknown	✗	✗	✓	✓	✗	✗	✗
West Yorkshire	1.2m	✓	✓	✓	✓	n/a	✓	✗
South Yorkshire	1.1m	✗	✗	✓	✓	✓	✗	✓
Tyne & Wear	1.0m	✓	✗	✓	✓	✓	✗	✓
Merseyside	0.6m	✗	✗	✓	✓	n/a	✓	✗

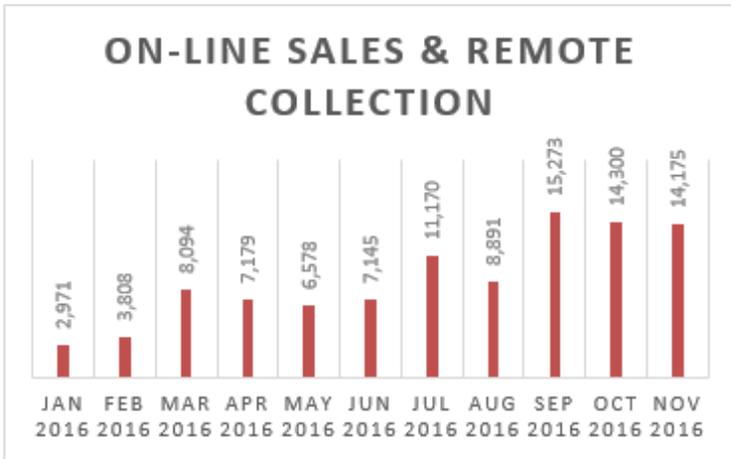
Usage

Swift is the largest smart ticketing system outside of London with more than 80,000 regular users making over 3m journeys per month.

The number of Swift journeys continues to grow at a rapid rate with journeys in November almost 5 times larger than those achieved in January.



ON-LINE SALES & REMOTE COLLECTION

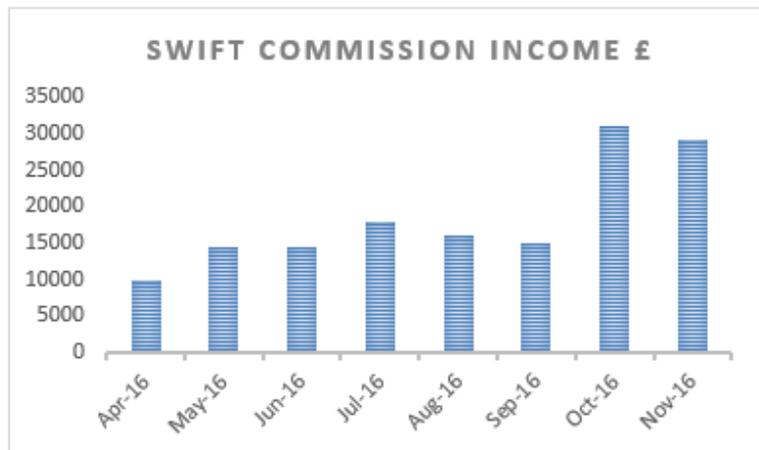


Thousands of Swift customers buy their season ticket or pay-as-you-go credit on line and collect it through the mobile app or one of the 100 collectors that are out on the network.

This is making it far easier for customers who previously would have had to queue at a newsagent or Travel Shop to pick up their ticket.

Swift is a commercially sustainable scheme which takes a commission from the sales income to fund its operational costs. As the popularity of the scheme grows, as does the commission received with October 16 producing the highest ever income at over £31,000.

The core systems have recently been moved to a new supply which has resulted in significant operational savings.



Modes



Swift has a comprehensive ticket set available for use on the bus and tram network which includes Swift Pay-as-you-go. There are also a number of new season tickets that have been introduced which are exclusive to Swift – these include the Black Country nBus, the Coventry nBus and the nBus Student.



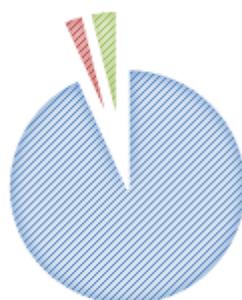
Swift is also accepted on the train with c. 4,000 Swift using either the multimodal nNetwork or the train only nTrain through TfWM's direct debit schemes. We will shortly move a further c. 11,000 direct debit customers onto the Swift platform which will mean the direct debit function for the rail network is available entirely on Swift.



Both WMR franchise bidders are committed to the further rollout of Swift onto the Rail network as is Midlands Connect who has recently bid for significant funds to provide further hardware that will enable the rollout of other product

SWIFT BY MODE - NOVEMBER 2016

■ Bus ■ Train ■ Tram



93% of all Swift journeys are on the bus with 4% on tram and 3% on rail.

Swift makes up 14.3% of all non-concessionary journeys on bus, 25.9% of all non-concessionary journeys on the tram and 2% of all non-concessionary journeys on the local rail network.

6.0 Swift next phases

6.1 Introducing contactless payment and “best value” capping is the principle priority going forward. The next steps for this work is outlined in a separate report to the meeting of the WMCA Board. This paper therefore focuses on the next steps for Swift outside of contactless payment and “best value” capping.

6.2 The Swift smart ticketing platform incorporates an extensive offer for adults across both the bus and tram with a wide variety of ticketing options including Pay-as-you-go, multi-day¹ and season tickets valid within the West Midlands area. Swift is also accepted on the train but currently the offer is limited to direct debit customers only. There are three main objectives for the next phase of the Swift programme. Firstly, the introduction of the child ticketing range onto the platform. Secondly, the wider rollout of Swift across the rail network; and thirdly, the wider rollout of Swift functionality throughout the WMCA area.

6.3 Bringing contactless payment and best-value capping into the Swift environment.

¹ Multi-day is a purchased day ticket bought in blocks of 15 days.

Child Ticketing

- 6.4 Children with irregular travel habits can already access the Swift platform through Swift Pay-as-you-go which provides discounts on single journeys and day tickets when compared with the cost of paying cash.
- 6.5 Therefore, the main focus of this phase will be to introduce child season tickets including the term range onto the platform so that children can benefit from the extra security, flexibility and ease of access that Swift provides. The solution will be available for children under the age of 16 and those aged between 16 and 18 and in full time education. This mirrors the concessionary fares arrangements that TfWM has in place for children in the West Midlands.
- 6.6 This solution is scoped, planned and funded and subject to approval will be delivered in time for the 2017 academic year.

Rail Ticketing

- 6.7 The rail ticketing work stream is made up of scoped and funded deliverables and projects that require further investigation.
- 6.8 Firstly, we have scoped out and have access to funding for the wider rollout of the nTrain² season ticket for direct debit customers which, subject to approval, will see 12,000 customers able to access the barriers installed at New Street, Snow Hill, Moor Street, Five Ways, University, Coventry and International stations. This is scheduled for completion in April 2017.
- 6.9 We are also working closely with our suppliers to scope out the further rollout of the nNetwork³ ticket onto the Swift platform through channels beyond direct debit, such as on-line and through our retail relationship with Payzone. Funding is available for this and though initial scoping work we estimate that this could be delivered by late 2017.
- 6.10 However, in order to comprehensively deliver Swift onto the rail network, we require significant investment in infrastructure to deliver further gate-lines where appropriate; and validators at each stations. TfWM has been working closely with DfT, Midlands Connect and the rail franchise bidders to establish an approach to deliver these requirements. Subject to approval, TfWM will continue to work with these partners to formally agree a way forward and seek the funding required.

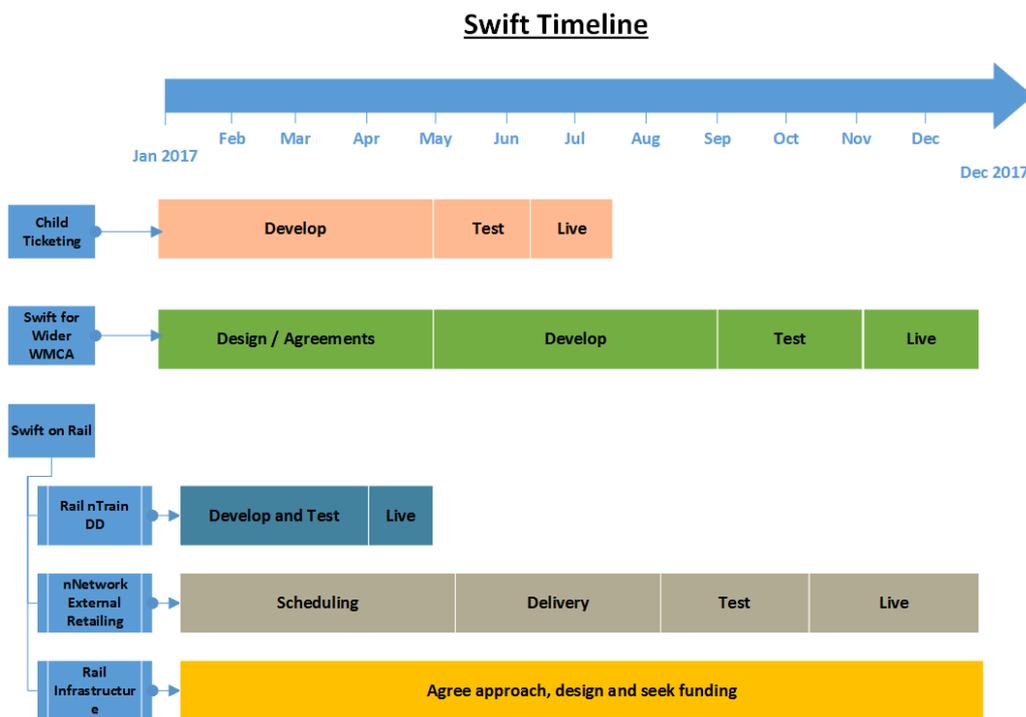
Swift throughout the WMCA area

- 6.11 The Swift ticketing platform has been developed using the UK national standard for smart ticketing (ITSO) and as such is fully interoperable with other schemes and systems that also meet this national standard.

² nTrain is the multi-operator season tickets that allows travel on all rail operators' services within the West Midlands.

³ nNetwork is the multi-operator and multimodal season ticket that allows travel on all rail, tram and bus operators services within the West Midlands

- 6.12 Bus operators receive an uplift in their Bus Service Operators Grant (BSOG) if they have smart ticketing machines that comply with the national standards and as such it is likely that all smart ticket machines in the wider WMCA are compatible with the systems that TfWM have developed.
- 6.13 TfWM are therefore keen to further investigate opportunities for wider rollout of Swift to other areas of the WMCA. As part of this, initial discussions have taken place with Worcestershire County Council about bringing Swift into Redditch as the main bus operator already uses TfWM systems and as such a minor configuration change on their ticket machines would enable the introduction of Swift.
- 6.14 Should this pilot be successful it would set out a path for further rollout into other areas.



7.0 Financial implications

- 7.1 The proposed workstreams outlined in paragraph 6.2 to introduce child ticketing and to increase the roll-out of Swift both across the rail network and throughout the WMCA area will be funded from the core systems development budget. £450k was set aside to develop the HOPS and Card Management Systems with the purpose of facilitating greater functionality and enabling further product roll-out such as this. As mentioned in the report, a more comprehensive roll-out of Swift onto the Rail network will rely upon significant investment in rail-gates and validators. This will involve working with partners such as Rail Franchisees, Midlands Connect and DfT to take this forward and to attract investment.
- 7.2 Additional funding has been secured to undertake a research project on contactless which should be complete by the end of this Financial Year. This work should establish both how the organisation should take contactless forward and the associated costs. Once these are known, funding will need to be secured as there is currently no budget identified for either contactless or capping.

8.0 Legal implications

8.1 There are no immediate implications envisaged at this stage of the project.

9.0 Equalities implications

9.1 There are no equalities implications are envisaged at this stage of the project.

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Board Meeting

Date	20 January 2017
Report title	Strategic Cycle Network
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
Accountable Chief Executive	Keith Ireland, Managing Director, City of Wolverhampton Council & Monitoring Officer for West Midlands Combined Authority Email: keith.ireland@wolverhampton.gov.uk Tel: 01902 554500
Accountable Employee	Mike Waters, Head of Policy and Strategy, TfWM Email: MikeWaters@wmita.org.uk Tel: 0121 214 7150
Report to be considered by	WMCA Programme Board

Recommendation for action or decision:

The Combined Authority Board is recommended to:

1. Approve the Strategic Cycle Network set out in the appendix, subject to any minor amendments being sent to TfWM by 27 January 2017.

1.0 Purpose

- 1.1 The purpose of this report is to gain approval for the proposed Strategic Cycle Network, developed by national cycle planning experts Phil Jones Associates in conjunction with officers from TfWM and the local authorities of the West Midlands metropolitan area.

2.0 Background

- 2.1 The Combined Authority's strategic transport plan "Movement for Growth" contains a draft Metropolitan Strategic Cycle Network. This is a key component of the Metropolitan Tier set out in the plan.
- 2.2 The Department for Transport (DfT) commissioned Sustrans consultancy resource across England to support cycling and walking as part of its forthcoming National Walking and Cycling Investment Strategy (CWIS). Sustrans brought in other specialist consultancies as part of this consultancy advice. The support was provided without charge to Local Enterprise Partnerships (LEPs). In the West Midlands 50 days free consultancy support was provided to the Black Country and Greater Birmingham and Solihull LEPs combined, plus support to the Coventry and Warwickshire LEP.
- 2.3 Transport for West Midlands engaged with the LEPs as part of this initiative. This led to the work focusing on defining the Metropolitan Strategic Cycle Network using the methodology produced by Phil Jones Associates for DfT as part of its draft National CWIS.
- 2.4 Coventry and Warwickshire LEP's consultancy support was to provide specialist input for an expression of interest and for business case development for LEP funding of improvements to the local cycle network. These cycle improvements are related to wider North – South Coventry/Warwickshire Corridor public transport enhancements.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 A Combined Authority approved definitive strategic cycle network will be an important advance in the delivery of the Metropolitan Tier of the Strategic Transport Plan.

4.0 Wider WMCA Implications

- 4.1 The proposed Strategic Cycle Network includes National Cycle Network links which connect non-constituent authority areas with the constituent areas.

5.0 Proposed Strategic Cycle Network

- 5.1 Phil Jones Associates has produced a proposed Strategic Cycle Network, which has been amended following consideration by TfWM and STOG. This is contained in Appendix 1. This brings together consideration of the Coventry element of the network with that of the Black Country and Birmingham/Solihull. This network is compatible with the draft Black Country Walking and Cycling Strategy and has been produced following engagement with West Midlands Authorities Cycling Officers.

- 5.2 The network is made up of Cycle Investment Corridors, Canal and River Trust paths, Off-Road Greenways, and National Cycle Network links which connect the wider Combined Authority area with this Metropolitan Strategic Cycle Network. This strategic cycle network will be integrated with all authority's more comprehensive local cycle networks, for which much work is in progress at the local level in each authority. This local work is in accord with the more detailed transport plans of councils, such as Solihull Connected, and the Cycling and Active Travel strategies at the local level.
- 5.3 Cycle Investment Corridors are corridors where a high quality cycle route is required as part of this strategic network. Any transport improvements within these corridors therefore need to consider provision of a route on the strategic cycle network from the outset. If the main highway within the corridor is unable to be designed so that all user needs can be appropriately accommodated then an alternative route in the wider corridor must be considered for the high quality cycle route. Potentially competing needs are identified, for example, providing for high quality segregated cycle provision; a rapid transit route; provision for main bus routes; provision for freight movements; and an acceptable level of provision for general traffic. The requirement to consider cycling provision in this way puts a strong onus on ensuring a high quality cycle route is provided for each cycle investment corridor.
- 5.4 The Movement for Growth strategy states that "The strategic routes in this network will be designed in accordance with well-respected design guidelines such as the Welsh Government's Active Travel Design Guidance and will include a cycle route audit tool". It is envisaged, through the Cycle Charter, that Birmingham City Council's forthcoming Cycle Design Guidance will be used as the basis for this strategic cycle network.
- 5.5 In line with the Cycle Charter, a Design Panel will be need to be formed to review proposed schemes and consideration of cycle design training for highway authority staff will need to be pursued.

6.0 Financial implications

- 6.1 There are no direct financial implications as a result of the recommendations within this report.

7.0 Legal implications

- 7.1 There are no direct legal implications arising from this report.

8.0 Equalities implications

- 8.1 Enhanced cycling provision will increase opportunities to travel safely at low cost and with health benefits. This will increase social inclusion and well-being, as well as providing affordable access to skills, training and employment. Therefore the initiative is considered to have a beneficial impact on equalities considerations.

8.0 Schedule of background papers

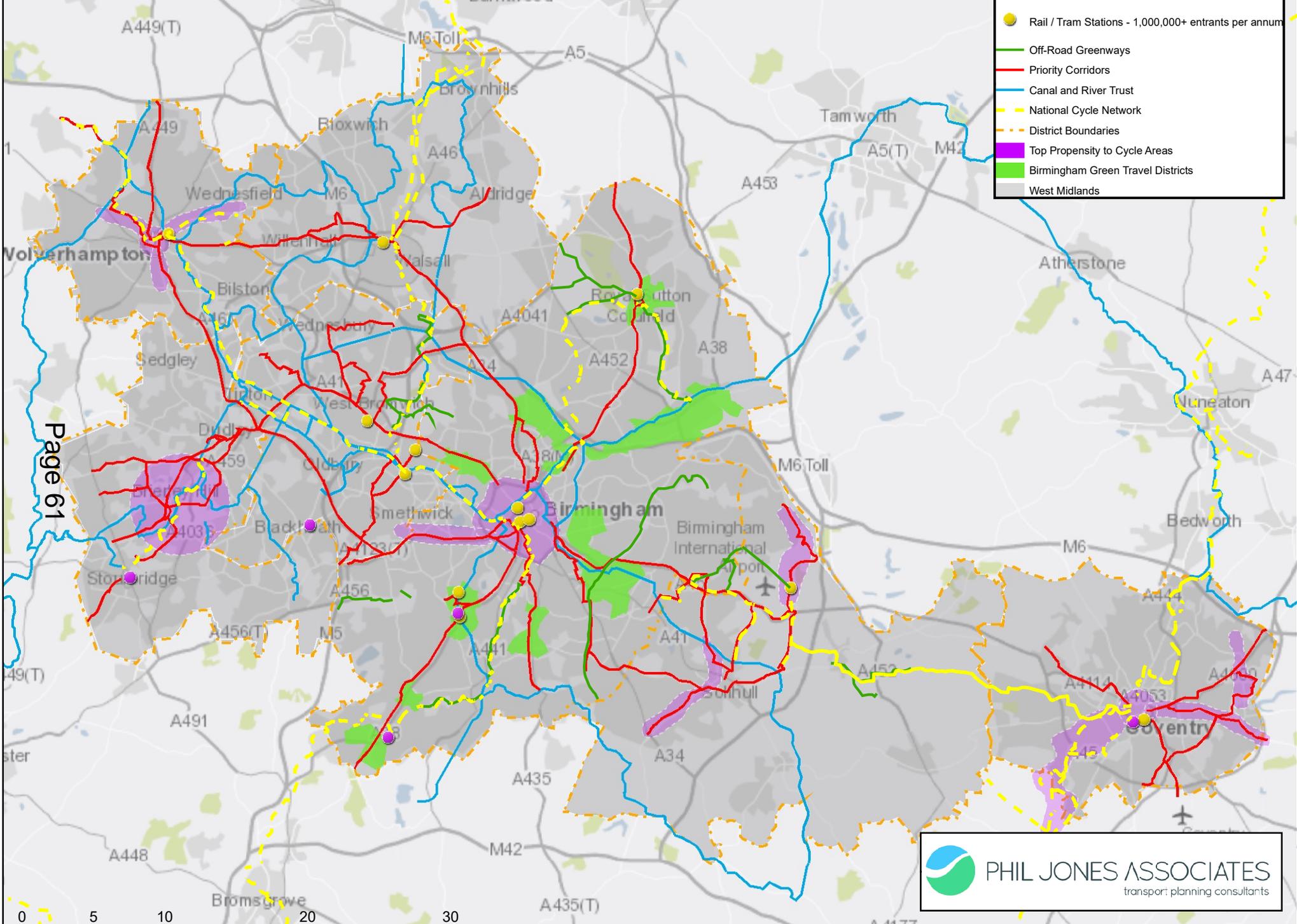
- 8.1 None.

9.0 Appendices

This report is PUBLIC
NOT PROTECTIVELY MARKED

STDEP West Midlands - Strategic Cycle Network

-  Cycle Hub
-  Rail / Tram Stations - 1,000,000+ entrants per annum
-  Off-Road Greenways
-  Priority Corridors
-  Canal and River Trust
-  National Cycle Network
-  District Boundaries
-  Top Propensity to Cycle Areas
-  Birmingham Green Travel Districts
-  West Midlands



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WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date	20 January 2017
Report title	West Midlands Rail Limited – Revised Collaboration Agreement with Department for Transport
Leader with lead responsibility	Cllr Roger Lawrence – Transport
Accountable Chief Executive	Laura Shoaf, Managing Director, TfWM Email: laurashoaf@centro.org.uk Tel: 0121 214 7183
Accountable employee(s)	Malcolm Holmes, Programme Director, West Midlands Rail Email: malcolmholmes@westmidlandsrail.com Tel 0121 214 7058
Report to be/has been considered by	WMR Officers' Rail Devolution Group

Recommendation(s) for action or decision:

The West Midlands Combined Authority is recommended to:

1. **Note** the change of position to rail devolution being adopted towards rail devolution in the West Midlands by the new Secretary of State for Transport; and
2. **Cast** its votes in favour of the special resolution that is necessary under Article 8.3 of West Midlands Rail Limited (WMR Ltd) Articles of Association to authorise the signing of the revised Collaboration Agreement (appended to this report), whether that resolution is passed in writing or at a general meeting of the Company.

1.0 Purpose

- 1.1 The purpose of this report is to advise the West Midlands Combined Authority (WMCA) of a change to the drafting of the Collaboration Agreement between West Midlands Rail Limited (WMR Ltd) and the Department for Transport (DfT) since being approved by the Authority on 19 August 2016. The change has come about because of a change of opinion by the new Secretary of State for Transport.
- 1.2 The Collaboration Agreement sets out the relationship between WMR Ltd and the Department for Transport (DfT) in relation to the management of the West Midlands passenger rail franchise. Authorisation is sought for WMCA to cast its votes in favour of the special resolution to that is necessary under Article 8.3 of WMR Ltd Articles of Association to authorise the signing of the Collaboration Agreement.

2.0 Change of Ministerial Approach to Rail Devolution

- 2.1 On 19 August 2016, WMCA approved that WMR Ltd should sign the draft Collaboration Agreement with the DfT. Since that time, a new Secretary of State for Transport, Chris Grayling, has indicated a change of policy with regards to future devolution of rail franchising.
- 2.2 The change of thinking from the Transport Secretary reflects his concern about the benefits of full devolution of rail responsibilities across the UK. This has resulted in the Collaboration Agreement draft that has been approved by all WMR Member¹ authorities being amended to remove reference to full devolution.
- 2.3 Positively, the Transport Secretary wholeheartedly supports the collaborative approach that WMR has developed with the DfT, and is keen to highlight this as best practice for other partnerships that the DfT may enter into.
- 2.4 This change of approach raises a number of challenges for WMR, not least that the premise of the current draft Collaboration Agreement was based on us being on a journey to full devolution. Following discussion with Cllr Winnington and Cllr Lawrence, Chair and Vice Chair of WMR Ltd, it was concluded that the change of approach is manageable, and in practical and legal terms it changes nothing with regard to our involvement in franchise bid evaluation, the management of the franchise after award and our role in the competitions for other franchises, meaning our level of influence will remain the same. The Collaboration Agreement draft did not commit the Secretary of State or WMR to full devolution, and as that decision is not required until the early 2020s, there is plenty of time to build confidence with the ministerial team now and in the future.
- 2.5 In the meantime, the WMR Ltd priority will be to build a strong relationship with the new Secretary of State, and to that end, Cllr Winnington and Cllr Lawrence met with him and the Rail Minister Paul Maynard on 14 December. WMR Ltd will also continue to work positively and in close partnership with the DfT at an officer level.

¹ WMR Member authorities are the West Midlands Combined Authority and the seven Shire and Unitary Local Transport Authorities. In the continuing spirit of inclusivity, approval from individual Metropolitan District Authorities have also been sought throughout this process, although this is not technically required under WMR Ltd Articles of Association

3.0 Revised Collaboration Agreement Draft

- 3.1 Appended to this report is the revised drafting of the Collaboration Agreement. This version removes reference to longer term full devolution which, in any case, were not firm commitments on either party.
- 3.2 The revised Collaboration Agreement draft has been reviewed by Pannone Corporate, the WMR Ltd external legal advisors.
- 3.3 This revised draft was approved in principle by the WMR Board on 9 December 2016.

4.0 Financial implications

- 4.1 There are no changes to the arrangements outlined in the report approved by WMCA on 19 August 2016. DfT will continue to honour the previous commitment to provide the majority of future WMR Ltd funding (£0.5m² per annum), with a minimum £0.14m contribution from WMR Ltd member authorities.

5.0 Management of Risk

- 5.1 The changes to the Collaboration Agreement do not change the issues in relation to risk outlined in the report approved by WMCA on 19 August 2017.

7.0 Legal implications

- 7.1 Matters required to be considered are set out within the body of this report. There are no additional legal implications flowing from the contents of this report.

8.0 Equalities implications

- 8.1 None arising directly from this report.

9.0 Other implications

- 9.1 None arising directly from this report.

10.0 Schedule of background papers

- 10.1 West Midlands Combined Authority, 19 August 2016: 'West Midlands Rail Limited – Collaboration Agreement with Department for Transport'.
- 10.2 West Midlands Integrated Transport Authority, 18 November 2015: 'Establishment of West Midlands Rail Limited'.

11.0 List of Appendices

- 11.1 The draft 'Collaboration Agreement relating to rail operation in the West Midlands' is appended to this report.

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Dated

2016

SECRETARY OF STATE FOR TRANSPORT

WEST MIDLANDS RAIL LIMITED

COLLABORATION AGREEMENT
relating to rail operation in the
West Midlands

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Between

- (1) **The Secretary Of State For Transport** whose principal place of business is at Great Minster House, 33 Horseferry Road, London, SW1P 4DR (**Secretary of State**); and
- (2) **West Midlands Rail Limited** (No. 08991160) whose registered office is at 16 Summer Lane, Birmingham B19 3SD (**WMR**).

Whereas

- (A) The Secretary of State has confirmed his support for working together with WMR to develop proposals for how, by adopting a collaborative approach, local decision making could play a central role in defining future rail services in the West Midlands (**Agreed Position**).
- (B) The Parties have been working together in furtherance of the Agreed Position and are now working together to determine further arrangements which will govern their relationship going forward.
- (C) This Agreement sets out the terms under which the Parties agree to collaborate in order to achieve the Objectives set out in this Agreement.

It is agreed

1 Definitions

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

2017 WM Franchise means the franchise which is currently being re-let by the Secretary of State in relation to the West Midlands franchise services, being the services designated by the Secretary of State pursuant to Section 23 of the Act as franchise services and currently operated by the Franchisee under the Franchise Agreement

2017 WM Franchise Agreement means the franchise agreement to be entered into, pursuant to which the 2017 WM Franchise will be operated

Act means Railways Act 1993 (as amended from time to time)

Commencement Date means the date of this Agreement

Control Period means a railway investment period (currently a five year period from 2014 to 2019 for Control Period 5)

CEDR means the Centre for Effective Dispute Resolution

Confidential Information has the meaning given in clause 15.1

Coventry Corridor and Stafford Corridor means the route coloured green and titled West Coast Separable Business Unit (WMR area) on the plan set out in part 1 of Schedule 4

DfT or **Department for Transport** means the Department for Transport which is the organisation that discharges the duties of the Secretary of State

DfT Annual Funding Amount means:

- (a) in respect of each Franchisee Year containing 13 Reporting Periods, an aggregate amount of £500,000 (five hundred thousand pounds sterling) and
- (b) in respect of any Franchisee Year containing less than 13 Reporting Periods (which for the avoidance of doubt, shall apply to the first Franchisee Year being the period from the Start Date until the end of the last Reporting Period in the first Franchisee Year) an aggregate amount of not less than:

A x (B/13) where:

A means £500,000 (five hundred thousand pounds sterling) and

B means the number of Reporting Periods in the relevant Franchisee Year

Dispute has the meaning given in clause 17.1

Dispute Resolution Procedure means the procedure set out in clause 17

Environmental Information Regulations means the Environmental Information Regulations 2004 and any subordinate legislation made under them together with any guidance and/or codes of practice issued by relevant Government Department in relation to such legislation

Franchise Agreement means the West Midlands franchise agreement dated 2 December 2015 between (1) the Secretary of State and (2) London and Birmingham Railway Limited

Franchisee means the company known as at the date of this Agreement as London and Birmingham Railway Limited

Franchisee Year means any period of twelve (12) months, beginning on 1 April and ending on 31 March, except that the first and last Franchisee Years under a franchise agreement may be for a period of less than twelve (12) months

Freedom of Information Act means the Freedom of Information Act 2000 and any subordinate legislation made under this Act together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such legislation

Funding Outputs means the outputs set out in schedule 5 of this Agreement

Initial Dispute Board has the meaning given in clause 17.3

Insolvency Event means one of the following events:

- (a) a court makes an order that WMR be wound up or a resolution for a voluntary winding-up of WMR is passed
- (b) a receiver or manager in respect of WMR is appointed
- (c) any voluntary arrangement is made for a composition of debts or a scheme of arrangement is approved under the Insolvency Act 1986 or the Companies Act 2006 in respect of WMR or
- (d) an administration order is made or an administrator is appointed in respect of WMR

Joint Funding Account has the meaning given to it in clause 9.1

Joint Savings Account has the meaning given to it in clause 10.3

Law includes any enactment, subordinate legislation, rule, regulation, order, directive or other provision, including those of the European Community, and any judicial or administrative interpretation or application thereof, which has, in each case, the force of law in the United Kingdom or any part of it (including the Act, the Transport Act 2000, the Transport Safety Act 2003 and the Railways Act 2005)

Management Team means the management team to be established as described in clause 8.1

Notice of Mediation has the meaning given in clause 17.6

Objectives means the joint objectives of the Parties as defined in clause 3

ORR means the Office of Rail and Road established by Section 15 of the Railways and Transport Safety Act 2003 and having duties and obligations as set out in the Act

Network Rail means Network Rail Infrastructure Limited, a company registered in England with registered number 02904587 whose registered office is at 1 Eversholt Street, London, NW1 2DN and any successor in title to the network or any relevant railway facility

Parties means WMR and the Secretary of State

Phase 1 means the period from commencement of this Agreement and expiring on the first anniversary of the Start Date, or earlier if agreed between the Parties

Phase 2 means the period commencing from the first anniversary of the Start Date (or earlier if agreed between the Parties) and expiring at the end of the 2017 WM Franchise or on earlier termination of this Agreement

Purpose means the purpose defined in clause 4.1

Rail Investment Strategy or **HLOS** means the railway investment strategy or high level output specification produced by the Department for Transport which defines the strategy for railway investment for each Control Period

Reporting Period has the meaning given in the 2017 WM Franchise Agreement;

Request for Information means a request for information or an apparent request under the Freedom of Information Act or the Environmental Information Regulations

Reserved Matters means the following matters reserved to the Secretary of State:

- (a) decisions increasing net costs or net future costs to the Secretary of State
- (b) determination of events of default under the 2017 WM Franchise
- (c) the content of the Rail Investment Strategy and Statement of Funds Available
- (d) any action required to comply with the Secretary of State's duty under Section 30 of the Act and

- (e) enforcement against the franchisee under the 2017 WM Franchise pursuant to Section 55 of the Act.

Secretary of State Duties has the meaning given in clause 5.1(a)

Separable Business Units or **SBU** means:

- (a) the West Midlands Separable Business Unit (WMSBU) and
- (b) the West Coast Separable Business Unit (WCSBU)

and **Separable** in this context means that the SBUs are to be designed and set up with distinct passenger facing offers and separately identifiable revenues, costs (to the extent possible and appropriately allocated where costs cannot be separately identified), customer and performance metrics and on the basis that they could be re-let separately after the expiry of the 2017 WM Franchise. The WMSBU will have its own brand identity (which shall include a name, logo and colour palette) that reflects the market that it serves as specified by WMR and is capable of having longevity beyond the term of the 2017 WM Franchise

Statement of Funds Available means the statement issued by the Department for Transport in relation to the public funds that are or are likely to be available for delivery of the Rail Investment Strategy

Start Date means the start date to be specified in the 2017 WM Franchise Agreement

Strategic Board means the joint board to be established as provided for in clause 7

WCSBU means the passenger services and station services in the remainder of the 2017 WM Franchise excluding the WMSBU, as identified in part 1 of schedule 4

WMR Annual Funding Amount means:

- (a) in respect of each Franchisee Year containing 13 Reporting Periods, an aggregate amount of £140,000 (one hundred and forty thousand pounds sterling) and
- (b) in respect of any Franchisee Year containing less than 13 Reporting Periods (which for the avoidance of doubt, applies to the first Franchisee Year being the period from the Start Date until the end of the last Reporting Period in the first Franchisee Year) an aggregate amount of not less than:

$A \times (B/13)$ where:

A means £140,000 (one hundred and forty thousand pounds sterling)

B means the number of Reporting Periods in the relevant Franchisee Year

WMR Area means the West Midlands Rail area shown on the map set out in part 2 of schedule 4

WMR Change has the meaning given in clause 10.1

WMR Fare Change has the meaning given in clause 10.2

WMSBU means the passenger services and station services in the West Midlands Separable Business Unit (including station services at 2017 WM Franchise stations to the west of the West Coast Main Line), as identified in part 1 of schedule 4

Working Day means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London

1.2 Interpretation

Unless the context otherwise requires:

- (a) references to clauses and schedules are to clauses of, and schedules to, this Agreement;
- (b) use of any gender includes the other genders;
- (c) references to a "**company**" shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (d) references to a "**person**" shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (e) "**body corporate**" shall have the meaning given in section 1173 Companies Act 2006 and "**wholly-owned subsidiary**" shall have the meaning given in section 1159 Companies Act 2006;
- (f) a person is deemed associated with another person or an associated person if the person is an associate of the other person within the meaning of section 435 Insolvency Act 1986
- (g) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (h) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated at any time;
- (i) headings and titles are for convenience only and do not affect the interpretation of this Agreement;
- (j) the rule known as the ejusdem generis rule shall not apply and accordingly general words introduced by the word "**other**" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- (k) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2 Commencement and Term

- 2.1 This Agreement shall come into full force and effect on the Commencement Date, save that the terms set out in clauses 10.2 and **Error! Reference source not found.** of this Agreement shall only become effective on and from commencement of Phase 2.

- 2.2 This Agreement shall remain in full force and effect unless terminated by either Party in accordance with clause 13 of this Agreement.

3 Collaboration Objectives

The Parties shall collaborate with a view to achieving the objectives set out in schedule 1 (**Objectives**) for the duration of the 2017 WM Franchise.

4 Purpose of the Agreement

- 4.1 The Parties intend to collaborate on the running of rail services in the West Midlands area for the benefit of passengers (**Purpose**) and the Parties shall each use their respective reasonable endeavours to give effect to the Purpose through the operation of this Agreement.
- 4.2 The Parties shall carry out their obligations, and exercise their rights, under this Agreement with a view to achieving the Objectives and the Purpose.

5 Secretary of State Duties and Reserved Matters

- 5.1 The Parties acknowledge and agree that:
- (a) the Secretary of State has responsibilities and duties deriving by reason of statutory or regulatory requirements under Law including without limitation pursuant to the Act and in relation to the proper expenditure of public monies (**Secretary of State Duties**);
 - (b) such Secretary of State Duties must be discharged by the Secretary of State and cannot be delegated to any other persons.
 - (c) the role of WMR in respect of such Secretary of State Duties can only be advisory.
- 5.2 Nothing in this Agreement shall fetter the discretion of the Secretary of State when carrying out the Secretary of State Duties and / or the Reserved Matters.
- 5.3 The Reserved Matters are a definitive list of matters in respect of which decisions are reserved to the Secretary of State. The Secretary of State shall be entitled to update the Reserved Matters by notifying WMR in writing of the amendments required.

6 Phase 1

During Phase 1, WMR shall:

- (a) collaborate with the Secretary of State to develop the franchise specification and Invitation to Tender for the 2017 WM Franchise;
- (b) arrange for the secondment of appropriate staff to the West Midlands Franchise Competition Team within the Department for Transport to assist with public consultation, specification and evaluation of the 2017 WM Franchise;
- (c) work with the franchisee under the 2017 WM Franchise Agreement and the Department for Transport on mobilisation for the 2017 WM Franchise;
- (d) establish the Strategic Board with the Department for Transport;
- (e) develop the structure of the Management Team;

- (f) arrange for the provision of all reasonably required support to the Management Team in respect of its management of the WMSBU;
- (g) work with the Department for Transport and the Franchisee during the first year of the 2017 WM Franchise to establish the Separable Business Units; and
- (h) do anything else which the Parties jointly decide they require.

7 Strategic Board

- 7.1 The Parties shall endeavour to establish a joint board (**Strategic Board**) by no later than 31 October 2016.
- 7.2 The Strategic Board shall be the primary formal mechanism for the collaboration between the Parties in relation to rail matters in the WMR Area and in so doing shall:
- (a) aim to further the Objectives and the Purpose;
 - (b) oversee the creation and operation of the WMSBU and the WCSBU; and
 - (c) be responsible for the matters set out in schedule 2.
- 7.3 The Strategic Board shall comprise two (2) senior representatives from each of the Parties and may include an independent chairperson appointed by the Strategic Board in accordance with clause 7.4. Upon establishment of the Strategic Board, both the Secretary of State and WMR shall appoint such representatives as board members of the Strategic Board. Either Party shall be entitled to replace its own board members on giving the other Party notice of the replacement board member, provided that any replacement shall be at least a deputy director or equivalent within the relevant organisation.

Meetings of the Strategic Board

- 7.4 The Parties shall arrange a meeting of the Strategic Board as soon as practicable after the Commencement Date. At the first meeting of the Strategic Board, the Strategic Board shall appoint a chairperson for the Strategic Board. The appointment of the chairperson shall be by mutual agreement by the board members of the Secretary of State and WMR and shall either be (i) a board member of the Secretary of State or WMR or (ii) an independent chairperson to be considered at the discretion of the Strategic Board as deemed to be necessary or desirable. In circumstances where an independent chairperson is appointed, the board members shall also decide by majority decision whether or not the independent chairperson shall have a vote in matters of the Strategic Board. The Strategic Board shall be entitled to replace the chairperson on the basis of a majority decision (and for the avoidance of doubt, on such decisions the chairperson shall not have a casting vote).
- 7.5 The Strategic Board shall meet at least quarterly commencing after the first meeting convened in compliance with clause 7.4 or more frequently:
- (a) as may be determined by the chairperson of the Strategic Board; or
 - (b) at the request of either Party.
- 7.6 Subject to clauses 7.7 and 7.9, the Parties agree that the Strategic Board is required to reach decisions by majority having regard to the Purpose and Objectives which shall be subject to:
- (a) the Secretary of State Duties; and

(b) the Reserved Matters.

- 7.7 The Strategic Board shall be quorate for the purposes of making any decision by majority only when at least one Secretary of State board member and at least one WMR board member is present at the Strategic Board meeting. For the avoidance of doubt, a Strategic Board meeting shall be quorate whether attendance is in person or via telephone or video conferencing. Where a quorum is not present, the meeting shall be adjourned until such other time as a quorum can be present.
- 7.8 Either Party shall be entitled to appoint an alternate board member to attend meetings of the Strategic Board where a board member is unable to attend provided that the alternate is at least a deputy director or equivalent within the relevant organisation and the other Party is given notice in writing of the alternate.
- 7.9 Where the Strategic Board reaches a decision in accordance with clauses 7.6 and 7.7, such decision shall not be valid unless it was reached with the agreement of both a Secretary of State board member and a WMR board member. In the event that not all Secretary of State board members or WMR board members are present at a meeting where a decision is taken, the Secretary of State board members who are present shall be entitled to act on behalf of absent Secretary of State board members and the WMR board members who are present shall be entitled to act on behalf of absent WMR board members (including, in each case, by casting votes on behalf of such absent board members).
- 7.10 Any decision of the Strategic Board pursuant to this Agreement in respect of the exercise of the Secretary of State Duties or decisions to be taken by the Secretary of State on Reserved Matters shall be treated by the Secretary of State only as an informed recommendation to the Secretary of State in relation to the exercise of the Secretary of State Duties and those decisions and the Secretary of State shall have due regard to such recommendation but without fettering the Secretary of State's discretion in exercising such Secretary of State Duties and making those decisions.
- 7.11 The Strategic Board shall develop a policy regarding the use of Confidential Information by the Parties as soon as possible following the date of this Agreement (**Confidentiality Policy**). Until the agreement of the Confidentiality Policy, the Parties shall comply with clause 15 and the business and decisions of the Strategic Board shall be kept confidential and not disclosed to third parties except to the extent the Strategic Board by agreement discloses such information by release of a press announcement or other such means.

8 Franchise Management

- 8.1 The Parties shall endeavour to establish a management team (**Management Team**) by no later than 31 March 2017 for the 2017 WM Franchise which shall perform on behalf of the Secretary of State (in respect of the WCSBU) and the Strategic Board and the Secretary of State (in respect of the WMSBU) the Management Team Responsibilities set out in schedule 3.
- 8.2 The initial composition and reporting structure of the Management Team shall be as set out in the diagram in the Appendix to schedule 3
- 8.3 Each Party shall contribute available and relevant expertise (legal, finance, media/press/communications etc) to support the Management Team
- 8.4 The WMR members of the Strategic Board and/or the WMSBU Manager are the primary conduits of information relating to any matters which may arise pursuant to the operation of

the 2017 WM Franchise Agreement relating directly or indirectly to the WMR Area and they shall inform WMR as soon as reasonably practicable on becoming aware of any such issues or matters which need to be brought to the attention of WMR, and liaise with WMR as necessary in relation to those matters. The Secretary of State members of the Strategic Board will support appropriate engagement with WMR on the matters referred to in this clause 8.4.

9 Funding

9.1 WMR shall set up and maintain a bank account in the joint names of WMR and the Secretary of State into which (subject to compliance by WMR with the notification provisions of this clause 9.1) the Secretary of State shall pay the DfT Annual Funding Amount and WMR shall pay the WMR Annual Funding Amount the **Joint Funding Account**. WMR shall notify the Secretary of State of the details of the Joint Funding Account promptly after opening it and each Party shall provide notice to the other Party as soon as reasonably possible after a payment has been made by them of the amount and date of such payment. Payments shall be made:

- (a) in respect of the first Franchisee Year of the 2017 WM Franchise, on the Start Date; and
- (b) in respect of each subsequent Franchisee Year of the 2017 WM Franchise, on or before the first day of the relevant Franchisee Year.

9.2 The DfT Annual Funding Amount and the WMR Funding Amount shall be used solely in relation to the Funding Outputs and WMR shall use all reasonable endeavours to achieve such Funding Outputs:

- (a) by the end of the first 12 months of the 2017 WM Franchise in the case of the "Year 1" funding outputs; and
- (b) throughout (and repeatedly during where appropriate) the remainder of the 2017 WM Franchise in the case of the "Year 2 and future years" outputs.

As soon as becoming aware that the DfT Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, the Secretary of State shall notify WMR.

9.3 As soon as becoming aware that the WMR Annual Funding Amount has not been paid, or is not reasonably likely to be paid, in accordance with clause 9.1 of this Agreement, WMR shall notify the Secretary of State.

9.4 Where notification is served under either clause 9.2 or 9.3, the Secretary of State and WMR shall meet as soon as reasonably practicable to discuss how the deficit in funding can be best resolved between the Parties.

9.5 The Secretary of State and WMR shall monitor and review the funding requirements under this Agreement and may reasonably amend the funding requirements under this Agreement by mutual agreement in writing. Neither Party shall be liable to the other Party to provide any funding under this Agreement beyond its respective funding commitments under clause 9.1 except where amended pursuant to this clause 9.5.

9.6 Where a Party fails to make payment on the due date in accordance with clause 9.1 (unless non-payment is due to the default of the other Party) interest shall accrue at the rate of 2%

above the base rate of Royal Bank of Scotland plc from the due date until the date payment is received in full.

- 9.7 WMR shall maintain the Joint Funding Account until 3 months following termination of this Agreement by whatever means and this clause 9.7 (and any other provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.

10 Changes Proposed by WMR

- 10.1 WMR may propose and require the implementation of cost reducing, WMR-funded or third party funded changes to the passenger services and station services provided by the WMSBU pursuant to the 2017 WM Franchise Agreement (**WMR Change**) provided always that:

- (a) where the agreement of the franchisee is required under the 2017 WM Franchise Agreement, the WMR Change shall be subject to such agreement of the franchisee;
- (b) subject to clause 10.1(c), the Secretary of State has a right to object to any WMR Change that he reasonably considers is likely to have an adverse financial consequence to the Secretary of State;
- (c) the Strategic Board shall decide if WMR Change is likely to have an adverse financial consequence to the Secretary of State provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMR Change; and
- (d) either Party may refer such decision of the Strategic Board to the Dispute Resolution Procedure if it does not agree with the decision.

- 10.2 WMR may propose and require the implementation of changes to fares within the West Midlands Commuter Fares Basket (as defined in the 2017 WM Franchise Agreement) (including without limitation by requesting the use of the "flex" or changing the value of "k" in the 2017 WM Franchise in relation to the fare controls applicable to those passenger services) (**WMR Fare Change**) where such WMR Fare Change does not:

- (a) have adverse consequences for the Secretary of State (including without limitation by increasing costs under the 2017 WM Franchise or any other franchise, causing significant adverse changes to the Secretary of State's risk profile and by exposing the Secretary of State to the risk of successful legal challenges relating to breach of applicable public procurement legislation); or
- (b) conflict with any Secretary of State Duties.

provided always that:

- (i) where the agreement of the franchisee is required under the 2017 WM Franchise Agreement, the WMR Change shall be subject to such agreement of such franchisee;
- (ii) subject to clause 10.2(b)(iii) the Secretary of State has a right to object to any WMR Fare Change that he reasonably considers is likely to have an adverse financial consequence to the Secretary of State; and

- (iii) the Strategic Board shall decide if WMR Fare Change is likely to have an adverse financial consequence to the Secretary of State or conflict with any Secretary of State Duties provided that it shall take into account any information or evidence provided by the Secretary of State in relation to such financial consequences of the WMR Change or conflict with his Statutory Duty (as the case may be); and
 - (iv) either Party may refer such decision of the Strategic Board to the Dispute Resolution Procedure if it does not agree with the decision.
- 10.3 WMR shall set up and maintain a bank account in the joint names of WMR and the Secretary of State into which (subject to compliance by WMR with the notification provisions contained in this clause 10.3) all net savings generated by either WMR Changes or WMR Fares Changes proposed by WMR as referred to in clause 10.1 and 10.2 (after any required payments have been made to the franchisee by the Secretary of State pursuant to the 2017 WM Franchise Agreement) shall be paid by the Secretary of State (the **Joint Savings Account**). WMR shall notify the Secretary of State of the details of the Joint Savings Account promptly after opening it and shall notify the Secretary of State of the value of any savings generated pursuant to this clause 10, accompanied by details of how those savings have been calculated, as and when it requires payment into the Joint Savings Account (but not more frequently than once every three months and not in respect of trivial amounts), and following receipt of a valid notification of savings, the Secretary of State shall have a period of 14 days in which to make payment.
- 10.4 WMR may use the monies held in the Joint Savings Account to fund WMR Changes or WMR Fare Changes as referred to in clauses 10.1 and 10.2 respectively and may also, with the prior written consent of the Secretary of State, transfer approved amounts out of the Joint Savings Account to the West Midlands Combined Authority (**WMCA**) or another local authority member of WMR designated by WMR on the basis that those monies shall be used to improve rail passenger services and/or associated rail facilities in the WMR Area.
- 10.5 Where the Strategic Board have not decided that the WMR Change or WMR Fare Change is likely to have an adverse financial consequence to the Secretary of State, the Secretary of State shall consent to the transfer of approved amounts out of the Joint Savings Account to the WMCA or another local authority member of WMR designated by WMR as set out in clause 10.4.
- 10.6 WMR shall be solely responsible for, and shall keep a full and accurate record of, any monies paid into and out of the Joint Savings Account and shall be liable for any deficiencies identified in the Joint Savings Account (save where such deficiencies are as a consequence of the Secretary of State failing to pay net savings generated pursuant to clause 10.3 into the Joint Savings Account). A deficiency shall be taken to have arisen where monies in the Joint Savings Account are applied other than in accordance with this Agreement or as otherwise agreed by the Parties in writing.
- 10.7 WMR shall maintain the Joint Savings Account until 3 months following termination of this Agreement by whatever means and this clause 10.7 (and any provisions necessary to give effect to it) shall survive the termination of the Agreement, irrespective of the reason for termination.

11 Ongoing Engagement

The Parties intend that during Phase 2 the Secretary of State (or Minister) shall meet with the WMR Board Chair and Vice Chair on an annual basis to discuss the progress in achieving the Objectives and the Purpose.

12 Assignment, Transfer and Novation

- 12.1 Unless required by law, neither party shall be entitled to assign or transfer its rights and/or obligations under this Agreement without the written consent of the other Party except that the Secretary of State shall be entitled to transfer his rights and/or obligations under this Agreement to any person having the same legal capacity, power and authority of the Secretary of State.
- 12.2 WMR may with the Secretary of State's consent assign, transfer or novate all of its rights and obligations under this Agreement to another suitable body assuming the responsibility of WMR in respect of the delivery of rail services in the WMR Area.

13 Termination

- 13.1 Either Party shall be entitled to terminate this Agreement with immediate effect in the event of material breach of the Agreement or fraud or gross negligence by the other Party.
- 13.2 The Secretary of State shall be entitled to terminate this Agreement with immediate effect:
- (a) where WMR suffers an Insolvency Event;
 - (b) in the event that WMR ceases to be substantially representative of the local transport authorities within the WM Area; or
 - (c) before the award of the 2017 WM Franchise if he decides, acting reasonably, that the arrangements set out therein are no longer consistent with current Government policy.
- 13.3 The Parties shall be entitled to agree to terminate this Agreement where the Parties intend to enter into a new collaboration agreement which shall supersede this Agreement in which case the Parties shall consider whether it will be appropriate to enter into a new Licence of Intellectual Property Rights in respect of the branding developed by WMR and which the Parties anticipate will be made available to the Secretary of State and the franchisee of the 2017 WM Franchise.
- 13.4 This Agreement shall expire on the expiry of the 2017 WM Franchise.
- 13.5 Notwithstanding termination of this Agreement, the provisions of this clause and of clauses 9.7 (duration of the Joint Funding Account), 10.7 (duration of the Joint Savings Account), 14 (Consequences of Termination), 15 (Confidentiality) 16 (Freedom of Information), 28 (Governing Law), 17 (Dispute Resolution Procedure), 22 (Rights of Third Parties) and 25 (No Partnership) shall expressly survive such termination and continue in full force and effect along with any other clauses of and any schedules to this Agreement necessary to give full and proper effect to those clauses.

14 Consequences of Termination

- 14.1 If this Agreement is terminated or expires pursuant to clause 13, the Joint Funding Account and the Joint Savings Account shall be closed by WMR after all monies standing to the credit

of the Joint Funding Account and the Joint Savings have been returned by WMR to the Parties in accordance with clause 14.2.

- 14.2 Any monies standing to the credit of the Joint Funding Account shall be distributed by WMR within 3 months following termination of the Agreement to the Parties in proportion to their respective funding contributions as set out under Clause 9 of this Agreement. Subject to clause 14.3, any monies standing to the credit of the Joint Savings Account shall be distributed by WMR within 3 months following termination of the Agreement to the Secretary of State. Promptly following notice by WMR of any monies owing to the Secretary of State pursuant to this clause 14, the Secretary of State shall provide WMR with details of the bank account to which such monies should be paid.
- 14.3 Prior to distributing any monies left to the credit of the Joint Savings Account, WMR shall be entitled to deduct sums that it can demonstrate to the Secretary of State (acting reasonably) are required to discharge any financial commitments to third parties reasonably and properly made in pursuance of the objectives of this Agreement, provided that WMR shall apply such sums by discharging those commitments and shall account to the Secretary of State in respect of the same.

15 Confidentiality

- 15.1 The provisions of this clause 15 shall apply until the Parties agree the Confidentiality Policy pursuant to clause 7.10. Thereafter, the Parties shall comply with the provisions of the Confidentiality Policy.
- 15.2 Subject to the provisions of the Act, the Transport Act 2000, the Railways Act 2005, the Environmental Information Regulations, the Freedom of Information Act (and any code of practice or other guidance related to the same) and clauses 15.3 to 15.9 inclusive, each Party shall hold in confidence all documents, materials and other information, whether technical or commercial, supplied by or on behalf of the other Party (all together the **Confidential Information**) and shall not, except with the other party's prior written authority, publish or otherwise disclose any Confidential Information otherwise than as expressly provided for in this Agreement unless or until the recipient Party can demonstrate that any such document, material or information is in the public domain through no fault of its own and through no contravention of the Agreement, whereupon to the extent that it is in the public domain this obligation shall cease.
- 15.3 Each Party may disclose any data or information acquired by it under or pursuant to the Agreement without the prior written consent of the other Party if such disclosure is made in good faith:
- (a) to any outside consultants or advisers engaged by or on behalf of such Party and acting in that capacity, upon obtaining from such consultants or advisers an undertaking of confidentiality equivalent to that contained in clause 15.1;
 - (b) to the extent required by Law or pursuant to an order of any court of competent jurisdiction or the rules of any dispute resolution procedures to which a Dispute is referred in accordance with the Agreement; or
 - (c) to any director, employee or officer of such Party, to the extent necessary to enable such Party to perform its obligations under the Agreement or to protect or enforce its rights under the Agreement;
- 15.4 The Secretary of State may disclose the Confidential Information of WMR:

- (a) on a confidential basis to any Central Government Body for any proper purpose of the Secretary of State or of the relevant Central Government Body;
- (b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- (c) to the extent that the Secretary of State (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (d) on a confidential basis for the purpose of the exercise of its rights under this Agreement;
- (e) on a confidential basis to a proposed successor, transferee or assignee of the Secretary of State in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Secretary of State under this clause 15.4.

15.5 For the purposes of clause 15.4, the following defined term shall have the following meaning:

Central Government Body means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

- (a) Government Department
- (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal)
- (c) Non-Ministerial Department or
- (d) Executive Agency.

15.6 Nothing in this clause 15 shall be deemed to prohibit, prevent or hinder, or render the Secretary of State liable for, the disclosure of any information by the Secretary of State to the ORR, Network Rail, the Parliamentary Commissioner for Administration, a Minister of the Crown, any department of the government of the United Kingdom, the Scottish Parliament, the National Assembly of Wales, the Mayor of London, the Greater London Authority or any department or officer of any of them or of information which is otherwise disclosed for the purpose of facilitating the carrying out of his functions.

15.7 WMR hereby authorises the Secretary of State to provide to the ORR, to the extent so requested by the ORR, such information as may be provided to the Secretary of State in relation to this Agreement.

15.8 The Parties recognise that the Comptroller and Auditor General may, in pursuance of his functions under the Exchequer and Audit Department Act 1921, the National Audit Act 1983 and the Government Resources and Accounts Act 2000, disclose information which he has obtained pursuant to those Acts and which a party to this Agreement would not be able to disclose otherwise than under this clause 15.

15.9 This clause 15 (and any other provisions necessary to give effect hereto) shall survive the termination of the Agreement, irrespective of the reason for termination.

16 Freedom of Information

- 16.1 The Parties acknowledge and shall procure that their agents and subcontractors acknowledge that the Parties are each subject to the requirements of the Freedom of Information Act and the Environmental Information Regulations and accordingly the parties shall, and shall procure that their agents and subcontractors shall, assist and co-operate with the other Party to enable that Party to comply with his information disclosure obligations under the Freedom of Information Act and/or the Environmental Information Regulations (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party (as defined below) would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly).
- 16.2 Where a Party receives a Request for Information (**Requested Party**) and the Requested Party is unable to respond to such Request for Information without the assistance of the other party (**Assisting Party**), the Requested Party shall notify the Assisting Party that assistance is required and the Assisting Party (save if prevented by law or by contractual obligations or in circumstances where the Assisting Party would be able to withhold such information legitimately were the same Request for Information to be made to such Party directly) shall and shall procure that its agents and subcontractors shall:
- (a) provide the Requested Party with a copy of all information in its (or their) possession or power in the form that the Requested Party requires within five Working Days of the Requested Party's request (or within such other period as he may specify); and
 - (b) provide all necessary assistance as reasonably requested by the Requested Party to enable him to respond to any Request for Information within the time for compliance set out in section 10 of the Freedom of Information Act or regulation 5 of the Environmental Information Regulations as applicable.
- 16.3 The Requested Party shall be responsible for determining in his absolute discretion, and notwithstanding any other provision in this Agreement or any other agreement, whether Confidential Information and/or any other information is exempt from disclosure in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations.
- 16.4 Each Party acknowledges and shall procure that its agents and subcontractors acknowledge that notwithstanding any provision to the contrary in this Agreement each Party may be obliged under the Freedom of Information Act and/or the Environmental Information Regulations and any related Code of Practice or other guidance to disclose information concerning each Party and/or their respective agents and subcontractors:
- (a) in certain circumstances without consulting the other Party (or its agents and/or subcontractors where applicable); or
 - (b) following consultation with the other and having taken its views into account (and the views of its agents and/or subcontractors where applicable),

provided always that where applicable the Requested Party shall in accordance with the provisions of the Freedom of Information Act and/or the Environmental Information Regulations take reasonable steps where appropriate to give the other Party advance notice or failing that to draw the disclosure to the other Party's attention after any such disclosure.

17 Dispute Resolution Procedure

- 17.1 The Parties shall use all reasonable endeavours to negotiate in good faith and settle amicably any dispute or difference of whatever nature between them arising under, out of, or in connection with this Agreement (each such dispute or difference a **Dispute**).
- 17.2 Following any referral of a Dispute to the Dispute Resolution Procedure in accordance with the terms of this Agreement, the provisions set out in this clause 17 shall apply.
- 17.3 The Dispute shall initially be referred for resolution to the Managing Director, Passenger Services and the Chief Executive (or equivalent until appointed) of WMR (**Initial Dispute Board**) who shall seek to resolve the matter as soon as reasonably possible and in any event within twenty (20) Working Days of escalation, or such other period as may be reasonable given the nature of the Dispute, and the urgency of resolution. The Initial Dispute Board shall be entitled to request such additional information as may be reasonably requested from either WMR or the Secretary of State in respect of the Dispute, including, but not limited to, any information to be provided pursuant to the relevant provisions of this Agreement.
- 17.4 Both Parties shall be entitled to make oral and/or written representations to the Initial Dispute Board prior to the Initial Dispute Board making its final determination.
- 17.5 Where the Initial Dispute Board are not able to resolve the Dispute within twenty (20) Working Days of escalation pursuant to clause 17.3, the Initial Dispute Board shall refer the Dispute for resolution by the Director General, DfT Rail Executive and the chairperson of WMR who shall seek to resolve the Dispute within twenty (20) Working Days of escalation to them, or such other period as may be reasonable given the nature of the Dispute
- 17.6 If the Parties cannot resolve a Dispute in accordance with the above escalation procedure, either Party may at any time refer the Dispute for mediation by serving a written notice on the other Party to that effect (**Notice of Mediation**).
- 17.7 If a Notice of Mediation is given, then the Dispute shall be referred to the CEDR for mediation in accordance with the CEDR's model mediation procedure. If the Parties are unable to agree on the appointment of a mediator, or any other matter relating to the referral or conduct of the mediation, it shall be referred to the then president of CEDR who shall decide such matters.
- 17.8 Except where this Agreement has terminated, the parties shall continue to perform their obligations under the Agreement, regardless of the nature of the Dispute and notwithstanding the referral of the Dispute for resolution pursuant to this clause 17.
- 17.9 WMR acknowledges and accepts that the decision of the Secretary of State in relation to this exercise of any of the Secretary of State Duties is final and binding.

18 Notices

- 18.1
- (a) Any notice, notification or other communication under or in connection with clause 13 (Termination) or clause 17 (Disputes) of this Agreement shall be in writing and shall be delivered by hand or recorded delivery or sent by pre-paid first class post to the relevant party at the address for service set out below, or to such other address in the United Kingdom as each party may specify by notice in writing to the other party:

Name: The Department for Transport
Address: 33 Horseferry Road, London SW1P 4DR

Attention: Senior Commercial Manager, Midlands

Name: West Midlands Rail Limited
Address: 16 Summer Lane, Birmingham B19 3SD
Attention: Programme Director

(b) Any other notice, notification or other communication under or in connection with this Agreement shall be in writing and shall be delivered:

(i) in accordance with clause 18.1(a) (except that it shall be marked for the attention of the Contract Manager (in the case of notices being sent to the Secretary of State) or the Programme Director of the West Midlands franchise (in the case of notices being sent to WMR); or

(ii) by electronic data transfer to:

westmidlandsfranchisemanagement@dft.gsi.gov.uk ; or

malcolmholmes@westmidlandsrail.com

as appropriate.

18.2 Deemed Receipt

Any notice or other communication issued pursuant to clause 18.1 shall be deemed to have been received by the party to whom it is addressed as follows:

- (a) if sent by hand or recorded delivery, when delivered;
- (b) if sent by pre-paid first class post, from and to any place within the United Kingdom, three Working Days after posting unless otherwise proven; and
- (c) if sent by electronic data transfer under clause 18.1(b) above, upon sending, subject to receipt by the sender of a “delivered” confirmation (provided that the sender shall not be required to produce a “read” confirmation).

19 Waiver

19.1 Either Party may at any time waive any obligation of the other Party under this Agreement and the obligations of the parties hereunder shall be construed accordingly.

19.2 No waiver by either Party of any default by the other Party in the performance of such Party's obligations under this Agreement shall operate or be construed as a waiver of any other or further such default, whether of a like or different character. A failure to exercise or delay in exercising a right or remedy under this Agreement shall not constitute a waiver of any right or remedy or a waiver of any other rights or remedies and no single or partial exercise of any right or remedy under this Agreement shall prevent any further exercise of such right or remedy or the exercise of any other right or remedy.

20 Partial Invalidity

If any provision in this Agreement is held to be void, illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of Law, such provision or part shall to that extent be

deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of the Agreement shall not be affected.

21 Further Assurance

Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary or expedient for the carrying out of the provisions of this Agreement.

22 Rights of Third Parties

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.

23 Variation

This Agreement may only be varied in writing signed by each of the Parties.

24 Cumulative rights

The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.

25 No Partnership

Nothing in this Agreement and no action taken by the Parties under this Agreement shall constitute a partnership, association or other cooperative entity between any of the Parties or constitute any Party the agent of any other Party for any purpose.

26 Entire Agreement

26.1 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

26.2 Each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this Agreement.

27 Counterparts

This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

28 Governing Law

This Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agreement.

Executed as a deed by the Parties or their duly authorised representatives but not delivered until the date of this Agreement.

THE CORPORATE SEAL OF)
THE SECRETARY OF STATE FOR TRANSPORT)
is hereunto affixed:)

Authenticated by authority of the Secretary
of State for Transport

Executed as a deed by)
West Midlands Rail Limited)
acting by a director in the presence of) Director

.....
Signature of witness

Name

Address

.....

Schedule 1

The Objectives

- 1 Better for the economy – Support the current and predicted growth in jobs, housing, industry, leisure and tourism and retail with a distinct focus on each of the following markets:
 - West Midlands’ local and regional services;
 - long-distance services along the West Coast Mainline from Liverpool to Birmingham and from Crewe to London; and
 - Services to/from London including branch lines.

Ensure there are the right services and capacity to cater for current users and future growth throughout the day and week.
- 2 Better for the passenger – Deliver high quality services and stations, reduce delays and cancellations, and achieve significant improvements in customer satisfaction. Provide affordable, easy to use services at the times and to the places that people want to travel both now and in the future supported by the provision of accurate and timely information.
- 3 Better for communities – Increase engagement between the operator of the new franchise and the communities it serves.
- 4 Better for staff – Deliver a franchise which demonstrates a genuine pride in developing staff over the long term, aiming to improve staff satisfaction, motivation and retention, and deliver best in class customer service.
- 5 Better for taxpayers – Make the most of the significant investment being made to make improvements to the rail network. Making sure the right level of service is provided to reflect travel patterns and demand, ensuring resources (funding, staff and trains) are used in the areas that need it most. Make improvements efficiently, providing value for money.
- 6 Maximising the benefits from investment in infrastructure – Supporting the development of a safe and accessible network to modernise and meet the requirements of a modern railway.
- 7 Supporting HS2 – Work with HS2 and Network Rail as a partner on relevant works to enable the delivery of the new high speed rail line between London, the Midlands and Crewe. Ensure that the foundations are in place for the West Midlands to be ready for the opening of HS2, supporting the HS2 Connectivity Programme being delivered through the recently announced West Midlands £8bn growth deal.
- 8 Both the DfT and WMR are also committed to ensuring that rail fully plays its part in supporting low carbon, environmental and wider sustainability objectives.

Schedule 2

Strategic Board Responsibilities

Subject to the Reserved Matters, the Strategic Board shall be responsible for:

- 1 overseeing franchise management activity in respect of the WMSBU and providing appropriate input into the WCSBU insofar as that input concerns rail services in the WMR Area;
- 2 preparing and approving the WMSBU annual business plans;
- 3 undertaking an annual (or more frequent if agreed by both parties) review of franchise management responsibilities which have been delegated by the Secretary of State to WMR;
- 4 developing and keeping under review investment options in respect of the WMSBU and providing appropriate input into the investment options for the WCSBU insofar as that input concerns rail services in the WMR Area;
- 5 keeping WMSBU performance under review and making recommendations to the Secretary of State as to the taking of enforcement action and providing appropriate input in relation to the performance of the WCSBU insofar as that input concerns rail services in the WMR Area;
- 6 making recommendations and providing guidance to the Secretary of State on the carrying out of other Secretary of State Duties and decisions on other Reserved Matters, to the extent relevant to WMSBU services;
- 7 discussing WMR's proposals and representations relating to passenger services and station services in the WMR Area that do not fall within the WMSBU (including any such services in the WCSBU and in franchises other than the 2017 WM Franchise) and where appropriate making recommendations or providing guidance thereon to the Secretary of State; and
- 8 consider proposals put forward by WMR pursuant to the matters referred to in clauses 10.1 and 10.2 of the Agreement.

Schedule 3

Management Team Responsibilities

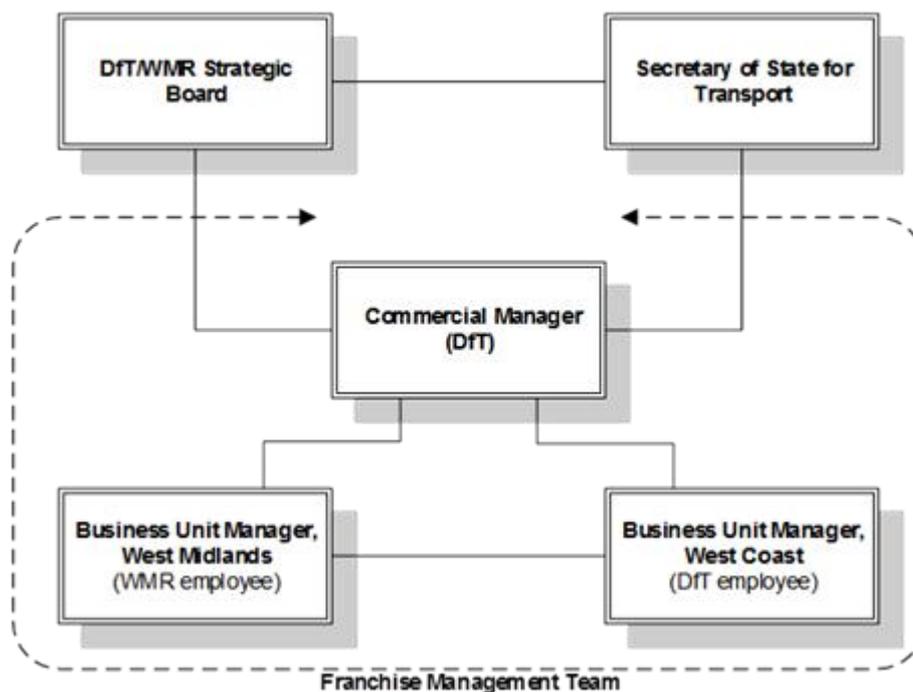
- 1 Subject to the Reserved Matters, the Management Team shall be responsible for:
- (a) subject to the Reserved Matters, implementation of the Strategic Board business plans for the WMSBU;
 - (b) implementation of cost neutral or cost reducing changes in respect of the WMSBU in accordance with the delegated authority of the Strategic Board and the terms of the Agreement;
 - (c) save in respect of Reserved Matters, day-to-day contact and commercial management of the WMSBU (on behalf of the Strategic Board and the Secretary of State) including:
 - (i) appropriate contract administration;
 - (ii) performance monitoring (including any service quality regime); and
 - (iii) risk management and reporting.
 - (d) developing change proposals for consideration by the Strategic Board in conjunction with the Franchisee, WMR and other stakeholders including the changes referred to in clauses 10.1 and 10.2 of the Agreement;
 - (e) providing general briefing and support for ministers and the WMR partner authorities relating to the WMSBU and the operation of the Strategic Board and Management Team and in preparing for the annual reviews;
 - (f) in relation to rail investment in the WMR Area:
 - (i) developing proposals for the Government's HLOS for each Control Period, identifying related or necessary change proposals;
 - (ii) developing WMR funded investment proposals, identifying related or necessary changes pursuant to clauses 10.1 and 10.2 of the Agreement;
 - (iii) overseeing the development of output statements and metrics for Network Rail setting out in more detail what is sought from HLOS requirements and proposed changes having regard to the total HLOS funding available;
 - (iv) where the Strategic Board has been delegated HLOS Scheme Management by the Secretary of State, to act as Network Rail's 'Client' for such HLOS schemes, as agreed between Secretary of State and WMR, including finalising the detailed scheme output specifications and agreeing these with Network Rail and Secretary of State including budget provision and affordability;
- 2 Notwithstanding that the Strategic Board shall have primary responsibility for the WMSBU and the Secretary of State shall have primary responsibility for the WCSBU, the Parties shall work together in respect of the two business units. In particular the Secretary of State recognises that WMR has an interest in the Coventry Corridor and Stafford Corridor and the Secretary of

State shall have due regard to comments made by WMR in respect of the Coventry Corridor and the Stafford Corridor.

Appendix to Schedule 3

Franchise Management Structure

- 1 Designed to be dynamic and to facilitate the development of local leadership of the WMSBU, with responsibilities transferring to WMR incrementally over time
- 2 One full-time Business Unit Manager to be provided by each of DfT and WMR
- 3 DfT Commercial Manager on West Midlands franchise



- 4 The WMSBU Manager shall be based predominantly in the West Midlands, with co-location at Great Minster House as required and as workload dictates
- 5 WCSBU Manager shall be based predominantly in Great Minster House but with regular travel to and time spent in the West Midlands as required and as workload dictates
- 6 Accommodation in the West Midlands to be provided by WMR – likely to be 16 Summer Lane, Birmingham

Reporting

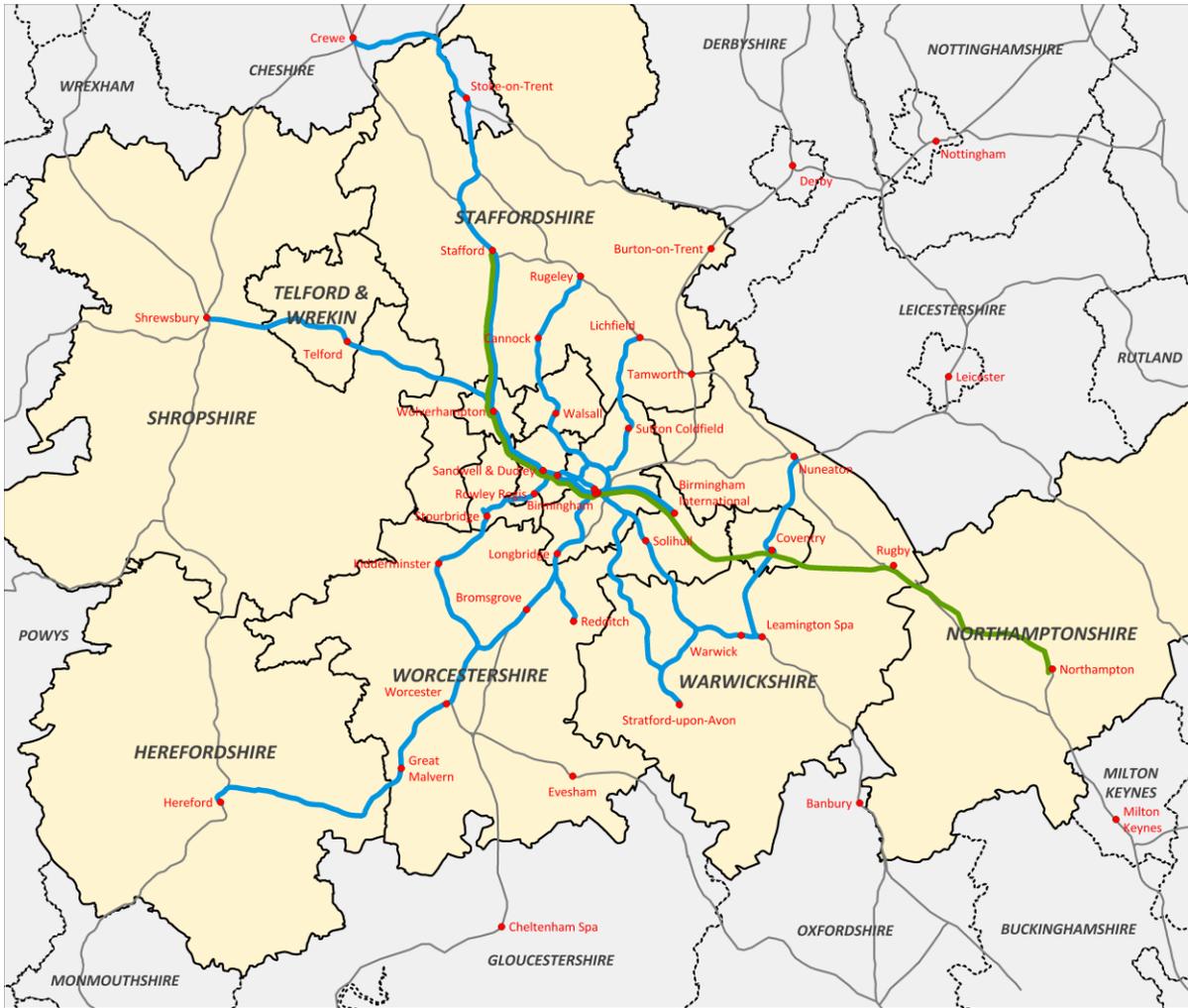
- 7 Quarterly franchise-wide report/meetings shall be held between the Commercial Manager, the WMR Director and both SBU Managers
- 8 Business unit reporting/meetings shall be held during each reporting period between both SBU Managers (each to lead for their SBU)

Schedule 4

Part 1 - Separable Business Units Map



Part 2 - WMR Area Map



Schedule 5

Funding Outputs

1 Year 1 Outputs

- 1.1 Recruit WMR Director, WMR Business Unit Manager and WMR Contract/Admin Support;
- 1.2 Establish WMR company structure, office space and support services;
- 1.3 By Q1 2018/19 prepare first version of the Business Plan and within this define the targets for marketing;
- 1.4 Establish relationship with the franchisee including regular attendance in shadow form at 2017 WM Franchise Agreement review meetings;
- 1.5 Support the set-up of the Separable Business Units and establish structures for formal West Midlands Separable Business Unit reporting by the date required in the 2017 WM Franchise Agreement; and
- 1.6 Attendance at the Strategic Board.

2 Year 2 and Future Years

- 2.1 Confirm staff (WMR Director, WMR Business Unit Manager and WMR Contract/Admin) are in-post;
- 2.2 Report progress against the Business Plan;
- 2.3 Update the Business Plan on an annual basis; and
- 2.4 Attendance at the Strategic Board.

3 General

- 3.1 Establish clear roles and responsibilities regarding the services to be provided under the 2017 WM Franchise Agreement and the Separable Business Unit monitoring and management;
- 3.2 Establish meeting structure to monitor the outputs of the Separable Business Units; and
- 3.3 Ensure that obligations are understood and processes in place to manage outputs and outcomes to be consistent with the Purpose and Objectives of this Agreement.

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WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date	20 January 2017
Report title	2017-2018 Transport Levy
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
Accountable Chief Executive	Keith Ireland, Monitoring Officer, WMCA Email Keith.Ireland@wolverhampton.gov.uk Tel 01902 554 405
Accountable Employee	James Aspinall, Corporate Services Director Email jamesaspinall@centro.org.uk Tel 0121 214 7600 Laura Shoaf, Managing Director of TfWM Email LauraShoaf@wmita.org.uk Tel 0121 214 7444
Report to be/has been considered by	West Midlands Metropolitan Leaders

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Agree that in accordance with the Local Government Finance Act 1988 (as amended) and the Transport Levying Bodies regulations 1992, and subject to the recommendations below, to make a levy of £121,542m for the year 2017/18 without affecting any existing policies.
2. Agree that the Treasurer be authorised to issue the levy for 2017/18 to the West Midlands Districts Councils on the basis of the apportionment set out in section 5.

3. Agree the amount of levy to be paid by the Authority by the Councils by ways of 12 equal instalments, each to be received on the last banking day of each calendar month during 2017/18.
4. Approve an Annual Net Expenditure Budget for 2017/18 as summarised in paragraph 3.2.
5. To note that the Authority and its delegated sub-committees, will receive regular monitoring reports throughout the year.

1.0 Purpose

1.1 To provide Leaders with an update on the Transport Levy to meet the requirements of TfWM for the 2017/18 financial year, and subsequent two years.

2.0 Background

2.1 In January 2016 the ITA set a levy of £124.83m for the 2016/17 year as part of a three year settlement proposal reflecting a 5% reduction from 2015/16 which was in addition to the £25.2m (17%) reduction achieved since 2011/12.

2.2 Prior to that meeting papers were taken to Leaders in September and November 2015 outlining savings options that identified how savings of up to 15% could be achieved.

2.3 Those papers identified that savings of £5.617m (4.3%) in 2016/17 and further savings of £4.183 (3.1%) over the following two years could be achieved without changing existing ITA transport policies, which would deliver total savings of 9.8m (7.4%) by 2018/19.

2.4 Additional savings of £9.9m, representing a further 7.5% reduction were presented to the ITA. These further savings could only be achieved by making serious inroads into the long held core policy provisions relating to

- Rail & Metro Concessions
- Child Concessions
- The socially necessary bus Network (subsidised bus) and
- Accessible Transport

2.5 Following consideration of the policy saving options the ITA decided that no policy changes were to be considered over the three year term at that stage.

3.0 Current Position

3.1 The forecast plan has been updated to reflect the up to date position relating to the expenditure categories which indicate that the three year position can be improved as a result of the pension revaluation.

3.2 The latest medium term forecast is summarised below.

	2017/18 Draft Revenue Budget		2018/19 Revised Revenue Forecast		2019/20 Revised Revenue Forecast	
Expenditure Category	£'000	%	£'000	%	£'000	%
National Policy						
English National Concessions Travel Scheme	52,659	43.33%	52,085	43.09%	51,493	42.74%
Finance Related						
Debt Interest Repayments	10,550	8.68%	10,215	8.45%	9,976	8.28%
Capital Debt Charge (MRP)	5,220	4.30%	5,370	4.44%	5,370	4.46%
Deregulation Pension Deficit	1,856	1.53%	1,856	1.54%	1,856	1.54%
Transport Development	1,500	1.23%	1,500	1.24%	1,500	1.24%
		15.74%		15.67%		15.52%
TFWM Policies						
Child Concessions	9,609	7.91%	9,359	7.74%	9,384	7.79%
Subsidised Services	8,858	7.29%	9,016	7.46%	8,980	7.45%
Accessible Transport	7,369	6.06%	7,170	5.93%	7,171	5.95%
Passenger Information	6,010	4.94%	6,186	5.12%	6,350	5.27%
Rail and Metro Concession	4,409	3.63%	4,585	3.79%	4,769	3.96%
Bus Services	4,121	3.39%	4,053	3.35%	3,946	3.28%
Rail Services	1,916	1.58%	1,956	1.62%	1,994	1.65%
Safety and Security	1,122	0.92%	1,131	0.94%	1,139	0.94%
Sustainable Travel	25	0.02%	41	0.03%	42	0.03%
		35.74%		35.98%		36.33%
Other						
Corporate Services	3,446	2.83%	3,610	2.99%	3,697	3.07%
TfWM Policy & Strategy	2,006	1.65%	2,060	1.70%	2,107	1.75%
Elected Members	301	0.25%	308	0.25%	314	0.26%
West Midlands Rail	566	0.47%	385	0.32%	404	0.34%
		5.20%		5.26%		5.41%
Total	121,542	100.0%	120,887	100.0%	120,491	100.0%
Surplus / (Deficit)	0		(768)		(372)	
Proposed Levy	121,542	100.0%	120,119	100.0%	120,119	100.0%

3.3 As can be seen in the table 43% of the Transport budget is used to fund the English National Concession Policy, 16% is committed to historic finance charges, 36% for TfWM policies and 5% for the other corporate and strategic support costs.

3.4 Detailed below is a brief explanation of what each expenditure area covers.

English National Concessions Travel £52.6M

3.5 This represents free travel for all those entitled to the national pass which is currently everyone over 63.5 years old.

3.6 For 2017/18 and 2018/19 figures have assumed a patronage decline of 3.5% and a fares increase of 2.4%.

3.7 Reimbursement for ENCTS is regulated by the Secretary of State with guidance provided by the DfT which provides a formulaic approach which ensures that per journey reimbursement increases are governed by inflation levels rather than operator own fares.

3.8 The current scheme extends entitlement from 11pm to the last bus which has been assumed to continue for the next two years.

Finance Charges £18.91

- 3.9 Loan interest: this represents the interest charges on the existing loan book. All loans are at fixed interest rates ranging from 3.87% to 8.37% with £43m of principle repayable over the next 4 years.
- 3.10 The minimum revenue provision represents the charge applied to repay the debt principle. The historical MRP charge of 4% was halved to 2% with effect from the 2016/17 financial year.
- 3.11 The deregulated pension costs relate to the pension commitments arising from deregulation in 1986, when a significant number of employees transferred from the Transport Authority to Travel West Midlands, but their pension rights accrued to that date remained an obligation of the Passenger Transport Executive now West Midlands Combined Authority.
- 3.12 The recent pension's revaluation has identified that the ongoing deficit reduction payment can be reduced by approximately £5m. £2m of this reduction was always anticipated and had been built into Budget and levy forecasts
- 3.13 The proposed pension contribution therefore represents a reduction of £3m in excess of that previously planned for.
- 3.14 Further to discussions with Metropolitan leaders it has been agreed that £1.5m of this reduction should be passed back to the districts by way of a further decrease in the levy; and the other £1.5m should be used to fund Transport development requirements.

Child Concessions £9.6m

- 3.15 The provision of approximately half fare travel concession is offered to children aged five to 15 and young adults aged 16-18 in full-time education and resident in the West Midlands. This concession is only available on weekdays before 9.30am and between 15.00 and 18.00. Passenger numbers continue to rise and are currently 25 million trips per annum. The reduction in 2017/18 results from a change in the calculation methodology for term pass holders as agreed last year.

Subsidised Services £8.9

- 3.16 The subsidised services is a service provided by the Authority where one would not commercially be available and is a statutory obligation. There are however no statutory criteria laid down and the Authority have therefore set their own criteria (which was last changed in April 2014) which are.
- A minimum of 8 passengers per journey
 - A maximum cost per passengers of £1.60
 - Access criteria of 400M (7am-7pm) 700M (all other times)
- 3.17 In 2015/16 there were nearly 11 million journeys made on the subsidised network at an average of £0.68 per journey. The subsidised network represents 10.3% of the total network kilometres operated.

Accessible Transport £7.4m

- 3.18 This expenditure funds services for 18,000 registered users, making 0.87m journeys per annum. A review of Ring and Ride led by Councillor Cooper in 2015 saw the reinstatement of some Sunday services the continuation of the current service levels for Monday to Saturday and an agreed 3 year funding profile as follows:
- 2016/17 £7.5m
 - 2017/18 £7.3m
 - 2018/19 £7.1m

- 3.19 In addition to the Ring and Ride service, a Walsall and Birmingham shopper's service is provided for older people who are primarily based in sheltered housing and a prison visitors service provides assistance for families, especially mothers with young children, to visit family members in prison. These cost £0.07m.

Passenger Information £6.0m

- 3.20 Passenger information expenditure relates to providing real time information across the network; customer information at bus stops, bus stations, on line, and includes the customer services teams and telephone support. This is provided in conjunction with the operators as part of the network commitments, which also includes a number of promotional campaigns throughout the year, and the operators contribute approximately £0.5m p.a.

Rail and Metro Concessions £4.4m

- 3.21 In the West Midlands the free national bus scheme has been extended to residents to include local rail and Metro services within the region, enabling cardholders to travel after 9.30am up to midnight on weekdays and all day at weekends and bank holidays. The recent extension to Grand Central has seen an overall weekly increase in Metro patronage of up to 40% year on year. A further metro concessions patronage increase of 5% has been assumed for the next 2 years.

Bus services £4.1m

- 3.22 These costs cover the operation of bus stations and all management and maintenance associated with bus stations, as well as over 12,200 stops and shelters. The increase results from the reduction in advertising revenue as traditional Bus shelter adverts are not attractive in the current digital market.

Rail Services £1.9m

- 3.23 Rail and Metro car parks are provided free of charge within the Metropolitan area and provide in excess of 9,000 parking spaces. This cost represents the enforcement of the considerate Parking Policy; management and maintenance of the car parks; and Metro costs relating to commitments made under the concession deed relating to insurance and maintenance.

Safety and Security £1.1m

- 3.24 Safety and security expenditure relates to the Safer Travel Police Team CCTV at Bus Stations and Rail Stations and the CCTV centre based in 16 Summer Lane. During 2017/18 the CCTV centre should continue to be expanded as part of the drive to utilise this facility across the districts.

Corporate Services £3.4m

- 3.25 This covers 16 Summer Lane and the provision of ICT, Legal, Procurement, Health and Safety, Equalities, Programme Management, Finance, Human Resources, Business Management and the general business infrastructure and support.

TfWM Policy and Strategy £2.0m

- 3.26 This covers the Transport Policy and Strategy teams delivering the statutory transport functions; shaping the delivery plans for devolution and the investment programme; developing business cases and securing funding for the strategic economic plan transport proposals.

West Midland Rail £0.6m

3.27 This cost relates to the management of West Midlands Rail working with the DfT and the rail franchise operator.

4.0 Policy Saving Areas

4.1 As previously highlighted in November 2015 Leaders considered policy options needed to achieve a further levy reduction of 7.5% being a further £9.9m cut.

4.2 It was acknowledged that any further reductions could only be achieved by policy changes to any of the Child concessions, Rail and Metro Concession, the subsidised network, or the provision of Ring & Ride.

4.3 As can be seen from the table in 3.2 the Child Concession Policy is the only single policy that could deliver further material savings, otherwise such a saving would need to be from a combination of policies.

4.4 At the January 2016 ITA meeting the Leaders confirmed that there was no appetite to change any policies, and this was reaffirmed at the December 2016 meeting

5.0 Levy and Reserves

5.1 A Levy of £121.542m based upon recommendations (i) in 2017/18 would result in the following contributions and savings by District. The levy is calculated based upon the 2016 published population statistics, which is why the savings by district vary.

	Resident Population mid-2015	2017/18 Levy £'000	% split	2016/17 Levy £'000	Change £'000	% change
Birmingham	1,111,300	47,667	39.22%	48,955	-1,288	-2.63%
Coventry	345,400	14,815	12.19%	14,999	-183	-1.22%
Dudley	316,500	13,576	11.17%	14,037	-461	-3.29%
Sandwell	319,500	13,704	11.28%	14,078	-374	-2.65%
Solihull	210,400	9,025	7.43%	9,330	-305	-3.27%
Walsall	276,100	11,843	9.74%	12,187	-344	-2.82%
Wolverhampton	254,400	10,912	8.98%	11,245	-333	-2.96%
West Midlands	2,833,600	121,542	100.00%	124,830	-3,288	-2.63%

5.2 As at 31 March 2016 the usable reserves were as follows

31 £'000	March	2016
General fund balance		2,522
Earmarked reserves		9,093
Capital grants unapplied reserve		247
Total		11,862

- 5.3 The anticipated use of reserves in 2016/17 will reduce the general fund balance by £924,000 to £1,598,000.
- 5.4 The forecast general fund balance of £1.6m represents only 1.3% of the proposed 2017/18 levy. The Audit Commission recommend that general fund reserves should be between 5% and 7.5% of expenditure.
- 5.5 The proposed balance is significantly below this recommended level.
- 5.6 This Transport budget and Levy will form part of the wider Combined Authority Finances which are being considered by the Authority.

6.0 Legal implications

- 6.1 Setting the levy is a statutory responsibility of the WMCA and needs to be set by 14th February 2017.

7.0 Equalities implications

- 7.1 A detailed Equality Impact Analysis was completed as part of the 2014/15 consultation and Levy setting process. This has been updated to reflect the proposals in this paper, in particular the reduction in the Ring and Ride West Midlands grant.

8.0 Financial implications

- 8.1 These are included in the body of the report.

9.0 Schedule of background papers

- 9.1 Policy savings option 2017/18 and 2018/19 - 18 November 2015.
West Midlands ITA 2016/17 Budget and levy – 27 January 2016.
West Midlands Metropolitan leaders meeting- 16 December 2016



Board Meeting

Date	20 January 2017
Report title	Mental Health Commission Update
Portfolio Lead	Cllr Pete Lowe – Health and Wellbeing
Accountable Chief Executive	Sarah Norman, Chief Executive, Dudley MBC Email: sarah.norman@dudley.gov.uk Tel: 01384 815223
Accountable Employee	Sean Russell, Mental Health Commission Implementation Director Email: s.russell@west-midlands.pnn.police.uk Tel: 07818276259
Report to be/has been considered by	WMCA Programme Board – 6 January 2017

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Support efforts by the Implementation Director to secure sign up to the Mental Health Commission report prior to the Launch on 31 January 2017.
2. Support the proposed Mental Health budget for 2017/18
3. Delegate to the Chair, in consultation with the Vice-Chair and Portfolio Lead for Health & Wellbeing and the Clerk to the Board, approval of the actions proposed by the Commission, subject to all members being briefed on the final draft Mental Health Commission report prior to its publication.

1.0 Purpose

- 1.1 The report seeks to provide an update for the West Midlands Combined Authority Board on the work of the West Midlands Mental Health Commission chaired by Rt. Hon. Norman Lamb MP and supported by Sarah Norman (Chief Executive Dudley Metropolitan Borough Council)
- 1.2 The report will provide an update on current position of the Commission work, outline the proposed timetable for delivery from January 2017 and seek delegated approval of the actions proposed by the commission, subject to all members being briefed on the final draft report prior to its publication.

2.0 Background

- 2.1 The Commission was established in October 2015 and has worked with a host of organisations and individuals to develop an understanding of the possible opportunities within the mental health Agenda in the region. Working with Dr Karen Newbiggin, (HMSC, University of Birmingham) a baseline assessment was undertaken which has supported the evidence based approach for the work considered by the Commission panel members and wider operational group.
- 2.2 The Commission has been concerned to ensure that its work leads to practical action that makes a difference to mental health and wellbeing in the West Midlands. It is therefore seeking to get agreement from relevant partners to actions published in the form of a Concordat, rather than publishing a set of recommendations.

3.0 Progress

- 3.1 The evidence received the Commission has now developed a series of proposed actions relating to its key lines of enquiry. It is expected that before the document is published, all the key organisations and stakeholders in the region including the NHS (commissioner and providers), WMCA and the Police will have signed up to support the actions and their implementation. The proposed actions are grouped under six themes:
 1. Supporting people into work
 2. Providing safe and stable places to live
 3. Mental health and criminal justice
 4. Developing approaches to healthcare
 5. Getting the community involved
 6. Working with other cities and regions
- 3.2 Each of the themes has a collection of actions aiming to support the Combined Authorities approach to reducing the fiscal gap in the region and using partners and stakeholders to deliver a system leadership approach to delivery.
- 3.3 The report is now in its final stage of completion. Partners from Local Authorities, Clinical Commissioning Groups, Sustainable Transformation Plan Lead, Primary, Secondary and Acute Health providers, Emergency Services, Third Sector and others are being asked to commit to the Actions.
- 3.4 Organisations are being given briefings of the final draft to ensure that they understand the actions and how they are able to support the implementation plan. It is hoped that all of the

key organisations in the region will have committed to the Concordat by 16 January 2017. A full list of signatories will be presented to the Board for the meeting on the 20 January

- 3.5 The final report will be launched by the Rt. Hon. Norman Lamb MP at 1200 on 31 January 2017. Work is ongoing to engage partners and the Media. A save the date invite has been sent to Chief Executives and key stakeholders who have helped to get the report to this stage and who will support the ongoing implementation of the actions. The Launch is anticipated to take place in Birmingham and will create the momentum for the ongoing implementation.
- 3.6 It was agreed in the November 2016 Combined Authority Board that a Wellbeing Board would be established and this would create the governance framework for the implementation of the Commission work. The first Wellbeing Board is due to take place in February 2017 and will be presented with a copy of the implementation plan. This will then be presented to the Combined Authority Board shortly afterwards.

4.0 Financial implications

- 4.1 To support the on-going work of the MH Commission and enabling the implementation of the plan a budget of £290,000 is being requested which includes the salary of the Implementation Director which is shared through the Police and Crime Commissioner, West Midlands Combined Authority and NHS (E). The additional funding will support the on-going development and engagement;

- £10,000 for the Walk out of Darkness event in May 2017
- £10,000 for the citizen jury to support service user engagement
- £15,000 for the Criminal Justice Project lead – Lived Experience Consultant
- £30,000 for on-going project support to develop the primary care Mental health interface
- £20,000 for on-going project support for the Commission key leads
- £40,000 for project management resource
- £75,000 for on-going action activity

- 4.2 Whilst this is a substantial investment it will lever in considerable additional funds which includes:

- £250,000 from the Office of Police and Crime Commissioner for Offender related projects
- £65,000 from the Health and Work Unit to support the £10 Million pound bid for the role out of Individual Placement and Support Budgets across the region
- £60,000 to initiate a Mental Health Treatment Requirement approach in Birmingham Courts
- Up to £2 Million being bid with NHS (E) and the Health and Work Unit currently to support a Wellbeing Tax incentive pilot scheme.
- Up to £1 Million to support a complex needs Housing First Project

5.0 Legal implications

5.1 There are no specific legal implications arising from this report

6.0 Equalities implications

6.1 There are no specific equalities implications arising from this report.

7.0 Other implications

7.1 None

8.0 Schedule of background papers

8.1 Mental Health Commission Draft Report (Private)

8.2 List of signatories for the Mental Health Commission Concordat (to follow)



Board Meeting

Date	20 January 2017
Report title	Productivity & Skills Portfolio Update
Cabinet Member Portfolio Lead	Cllr George Duggins – Productivity and Skills
Accountable Chief Executive	Nick Page, Chief Executive Solihull MBC Email: npage@solihull.gov.uk Tel: 0121 704 6018
Accountable Employee	Rachel Egan, WMCA Skills Lead Email: regan@solihull.gov.uk Tel: 0121 704 8219
Report has been considered by	N/A

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Note progress and future direction of travel for the portfolio.

1.0 Purpose

1.1 To provide the Board with an update on activity within the Productivity & Skills portfolio.

2.0 Background

2.1 Delivery of the employment and skills aspects of the Devolution Agreement and setting up the Productivity & Skills Commission are the key areas of focus for the portfolio as well as looking at potential areas for further devolution.

2.2 The Devolution Agreement includes three key aspects in relation to employment and skills:

- a) Devolution of the Adult Education Budget from 2018
- b) Co-design of the DWP Work & Health Programme to be launched Autumn 2017
- c) Putting together a business case for an innovative employment support pilot for the hardest to help.

2.3 The Productivity & Skills Commission is being set up with the following aims:

- a) To establish the true extent of the productivity and skills challenge in the West Midlands.
- b) To understand the component causes of the productivity and skills challenge and the inter-relationships between them.
- c) To make recommendations as to how these causes can be addressed at pace, taking a whole system approach.
- d) To ensure appropriate plans are developed for the implementation of these recommendations and monitoring systems exist to review their effectiveness.

3.0 Progress to date

Devolution Agreement

3.1 The Adult Education Budget (AEB) combines all Skills Funding Agency participation and support funding (not including European Social Fund, Advanced Learner Loans and apprenticeships). Its principal purpose is to engage adults and provide the skills and learning that they need to equip them for work, an apprenticeship or further learning. It also enables more tailored programmes of learning to be made available, which do not need to include a qualification, to help those furthest from learning or the workplace. AEB funds a number of statutory entitlements. Responsibility for ensuring that statutory entitlements continue to be delivered is likely to be transferred to the Mayor. AEB funds activity in Further Education (FE) Colleges, Local Authority Adult & Community Learning services and, at a much smaller scale, through private training providers.

3.2 Officers are working collaboratively with FE Colleges and Local Authority Adult & Community Learning services to analyse current provision and develop a commissioning framework in preparation for full devolution of funding in 2018. A set of joint working principles between WMCA, FE Colleges and Local Authority Adult & Community Learning

Services has been agreed to demonstrate this collaborative working relationship, underpinned by a shared objective to ensure that the needs of the learner and the local economy are at the heart of decision making. Officers are also working closely with the Department for Education (DfE) and the Skills Funding Agency to understand and prepare for the practicalities involved in devolving the funding.

- 3.3 DfE announced at the end of December that they will be making funding available to devolved areas to support preparation for devolution of the Adult Education Budget with funding to be spent by 31st March 2017. A bid has been submitted to fund the piece of work around data analysis. Subject to confirmation, a bid will be submitted to fund the piece of work around data analysis.
- 3.4 Officers have been engaged in a series of workshops with DWP to work through the co-design process for the Work & Health Programme. Through this engagement it became clear that the expectation that devolved areas would co-design the nature and content of the Work & Health Programme would not be met. DWP's position is that they believe it is best for potential providers to propose how they will deliver the programme. There may be the opportunity for WMCA to influence the shape of the programme through the competitive dialogue process with potential providers.
- 3.5 The Work & Health Programme will be commissioned by DWP under an Umbrella Agreement for the Provision of Employment and Health Related Services. An officer was involved in scoring tenders for the Umbrella Agreement on behalf of the Combined Authority.
- 3.6 Government provided guidance relating to the innovative employment support pilot in December 2016. Officers are working with the Warwick Institute of Employment Research and the What Works Centre to develop the pilot as well as engaging with officers from across the Combined Authority area, particularly those that are involved in delivering projects that could be learned from to develop the pilot. A workshop, primarily for local authority officers and originally aimed at sharing the experience of Manchester New Economy in developing good evidence, was held on 15th December during which initial ideas were developed.
- 3.7 Government has indicated that the pilot should be innovative and designed to fill gaps in the 'what works' evidence. The results will be used to inform future government policy and the next spending review. Early thinking is based around the influence and use of social networks to support people in areas of high unemployment into employment. Indications are that pilots can support both benefit claimants and non-benefit claimants and that it can be delivered in non-constituent areas. The following approaches are currently under consideration:
 - a) Focus on small communities with high levels of generational unemployment
 - b) Aim to nudge cultural norms towards employment
 - c) Take a saturation approach
 - d) Work with self-selecting groups/peer groups to develop social support networks to underpin the transition to and sustainability of employment
 - e) Incorporate devolved adult education budget into the support package, e.g. through delivery of the Citizens Curriculum
 - f) Work with employers to identify and then support people to access 'good work' – jobs with known career progression and/or progression from shorter to longer hours
 - g) Link with apprenticeship agenda, particularly the levy, either to support unemployed people into entry level jobs or to enable entry level jobs to be freed up for new entrants
 - h) Trial the model across a number of different types of communities across the WM

- 3.8 The first draft business case is to be submitted to government on 27th January 2017 and the final version on 24th February 2017. The detailed proposal will be considered by WMCA Board in February 2017 prior to final submission.
- 3.9 Future devolution proposals are currently under development and include measures to improve careers education, to support the apprenticeship agenda and to take a whole system approach to supporting outcomes relating to employment and skills.

Productivity & Skills Commission

- 3.10 A draft project plan identifying clear actions, timelines and associated resource requirements has been produced and agreed by the Chair of the Commission and the Strategic Economic Plan Board. This will be finalised following the first meeting of the West Midlands Productivity Leadership Group and subject to the level of funding agreed by WMCA Board.
- 3.11 The Commission will focus on developing solutions to the productivity and skills challenges faced by the area. Work undertaken to understand the challenges include detailed statistical analysis of the productivity and skills issues within the WMCA area, building on the evidence base developed for the Strategic Economic Plan (SEP), and a rapid evidence review carried out by local universities. These pieces of work, along with the output from the skills workshop that took place last year, will guide an initial Call for Evidence to be announced at the official launch of the Commission.
- 3.12 The Commission will be guided by a West Midlands Productivity Leadership Group, Chaired by Dr Andy Palmer as Chair of the Commission. The Commission will be independent with a reporting line to the Strategic Economic Plan Board and will be advised by a Technical Reference Group consisting of technical experts and academics.

4.0 Deliverables for 2017

Devolution Agreement

- 4.1 Activities to ensure that WMCA is fully prepared for devolution of the Adult Education Budget by April 2018 include:
- a) All readiness conditions for devolution are to be met including arrangements for sharing financial risk and managing failure of 16+ providers and agreement to an Order to transfer certain powers (to be confirmed) from the Secretary of State to the Mayor
 - b) Working with FE and Adult Education Services to develop the Commissioning Framework for the Adult Education Budget (AEB)
 - c) Analysis of current and emerging government policy and local data on the supply and demand for skills to inform the Commissioning Framework
 - d) Development of a monitoring and evaluation framework for the deployment of AEB
 - e) Development of the WMCA funding policy for AEB
 - f) Development of the WMCA Assurance Framework to ensure that it takes account of the responsibilities of devolved AEB
 - g) Develop funding agreements with all FE Colleges and Local Authority Adult Education Services that are in scope

4.2 Activities relating to co-design of the Work & Health Programme include:

- a) Active participation in the procurement process for the Work & Health Programme, including both scoring bids and involvement in the competitive dialogue stage
- b) Supporting the integration of the Work & Health Programme provider and its supply chain with local services prior to launch in Autumn 2017
- c) Active involvement in the contract management process for the Work & Health Programme from Autumn 2017

4.3 Subject to a Ministerial decision on funding, further development and preparation for delivery of the innovative pilot for employment support will be undertaken during 2017.

Productivity & Skills Commission

4.4 During its inaugural year, the commission will produce a clear vision for what a more productive West Midlands should look like underpinned by priorities across each of the five drivers of productivity. It will also produce an Integrated Productivity & Skills Plan for each of the transformational sectors identified within the SEP.

5.0 Financial implications

5.1 A 2017/18 budget proposal totalling £543,913 for the portfolio area is under consideration through the WMCA budget process. This includes £392,567 (of which £120,000 was approved during 2016/17) to deliver the Productivity & Skills Commission and £151,346 to deliver essential activities to ensure that WMCA obligations identified within the Devolution Agreement are met.

5.2 Deliverables identified under section 4.0 may be subject to change if the funding agreed is not in line with the budget proposal.

6.0 Legal implications

6.1 There are no immediate legal implications arising from this report.

7.0 Equalities implications

7.1 The activities of the portfolio are reflected in the draft WMCA Equalities Scheme.

8.0 Other implications

8.1 N/A

9.0 Schedule of background papers

9.1 N/A

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