



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 |
|-------------------------------------|-------------------------|

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 Sleigh 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