



Overview & Scrutiny Committee

Friday 11 December 2020 at 11.00 am

Minutes

Present

Councillor Lisa Trickett (Chair)	Birmingham City Council
Councillor Cathy Bayton (Vice-Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar	Coventry City Council
Councillor Ahmad Bostan	Sandwell Metropolitan Borough Council
Paul Brown	Black Country LEP
Councillor Chris Cade	Warwickshire Non-Constituent Local Authorities
Councillor Dean Carroll	Shropshire Non-Constituent Local Authorities
Councillor Mike Chalk	Worcestershire Non-Constituent Local Authorities
Councillor Peter Fowler	Birmingham City Council
Councillor Robert Grinsell	Joint Coventry/Solihull Representative
Councillor Penny Holbrook	Birmingham City Council
Councillor Suky Samra	Walsall Metropolitan Borough Council
Councillor Diane Todd	Staffordshire Non-Constituent Authorities
Councillor Kate Wild	Solihull Metropolitan Borough Council

In Attendance

Michael-Akolade Ayodeji	Young Combined Authority
Councillor Philip Bateman	Transport Scrutiny Sub-Committee
Deborah Cadman	West Midlands Combined Authority
Louise Cowen	West Midlands Combined Authority
Dan Essex	West Midlands Combined Authority
Kashmire Hawker	Young Combined Authority
Linda Horne	West Midlands Combined Authority
Tim Martin	West Midlands Combined Authority
Lyndsey Roberts	West Midlands Combined Authority
Councillor Bob Sleigh	Portfolio Lead for Finance
Laura Shoaf	Transport for West Midlands
Andy Street	Mayor of the West Midlands

**Item Title
No.**

89. Welcome & Introductions

The Chair welcomed the Mayor, members of the Overview & Scrutiny Committee, members of the Transport Scrutiny Sub-Committee and representatives from the Young Combined Authority to the second mayoral question time of 2020/21 that was focussing on WMCA budget-related matters.

90. Apologies for Absence

Apologies for absence were received from Councillor Lucy Seymour-Smith (Birmingham City Council), Councillor Angus Lees (Dudley Metropolitan Borough Council) and Councillor Stephen Simkins (Association of Black Country Authorities).

91. Declarations of Interests

Councillor Philip Bateman declared a non-prejudicial interest in respect of his membership of the Canal & River Trust Advisory Board and his receipt of a transport worker's pension.

92. Question to the Mayor

The Mayor provided an opening statement to members of the committee. He offered his thanks to both the Portfolio Lead for Finance and the WMCA Finance team for their work on achieving a balanced budget. The Mayor acknowledged the challenges of funding within the capital programme but did not expect any immediate changes to it to be made. The Mayor informed the committee of a positive outcome from an external review of investment funding arrangements.

Councillor Robert Grinsell sought further information on how the balanced budget had been achieved, along with how the WMCA would be protecting activities such as transport, investment, skills and training. The Portfolio Lead for Finance confirmed that the WMCA had received a level of support from the Government similarly to other local authorities during the COVID-19 pandemic. He also indicated that the WMCA was undertaking a transformation programme to better position it for a post-COVID-19 environment, and this could result in further savings being found. The Mayor indicated that significant work had been undertaken to ensure that all frontline services continued to be fully funded.

Councillor Dean Carroll sought further information on the regeneration budget. The Mayor reported that the Housing & Land Delivery Board oversaw £625m of funds which had already supported 17 projects, created 2,502 jobs and created 820 new homes within the region. He also stressed that those housing regeneration opportunities would not have been delivered by relying entirely on the private sector. The Chair was keen to understand how the fund for brownfield land remediation had addressed market failures. The Mayor indicated that majority of the developed land had been vacant for significant periods and the WMCA had therefore been able to address this market failure. It was also noted that work had been undertaken by the Housing & Regeneration team to address affordable housing and produce a more realistic and relevant regional definition.

Councillor Cathy Bayton noted that the 2021/22 budget could not be sustained in future years through a reliance on the use of reserves. The Director of Finance confirmed that the use of reserves would be used to achieve a balanced budget next year, but acknowledged the level of risk involved in this approach. The Mayor also confirmed that fees for both constituent and non-constituent authorities would remain unchanged. It was recognised that constituent authorities were the WMCA's largest single

contributor, and the Chair enquired as to how an individual Council Tax payer might recognise the value of the WMCA. The Mayor highlighted various ways in which the budget was used to benefit individuals within the region, including the use of the concessionary fares scheme to help disadvantage communities.

Councillor Kate Wild was keen to understand the Mayor's response to the recent Government announcement on the Comprehensive Spending Review and the potential it had to improve the West Midlands. The Mayor indicated that the Comprehensive Spending Review provided a number of new funding streams, including a fully devolved transport package to which new funds would be available from April 2021.

The Chair expressed some concern over the delivery of investment programme projects and the costs associated with delivery delays. The Mayor confirmed that a workshop had been undertaken with Constituent Leaders to confirm that where funds had been received for certain investment programme projects, these would not be spent on other projects. Work also continued to be undertaken on seeking funding for those identified to have a funding short fall.

Councillor Penny Holbrook sought information on the funds being made available for upskilling and education within the region to ensure individuals had access to good quality training that could lead to higher paid jobs. The Mayor highlighted that there had been an increase in benefit claimants and work had been undertaken to ensure funds from the Adult Education Budget was used to reskill and ensure that there was greater partnership with colleges and universities to support the new economic circumstances. It was also noted that a new Skills & Jobs Delivery Board, to be chaired by the Portfolio Lead for Economy & Skills, had been established to address this issue. It was noted that following the UK's withdrawal from the European Union and the loss of European Social Fund monies, there had been no confirmation from the Government on the proposed Shared Prosperity Fund, but a commitment had been given by the Chancellor of the Exchequer for a similar scheme to ESF funding.

Kashmire Hawker noted that there continued to be a rise in youth unemployment and enquired as to what was being done to tackle this issue. The Mayor highlighted the launch of the Kickstart programme as being of benefit to younger people finding themselves without employment.

The Chair expressed concern over the confirmation of funding for the upcoming Mayoral elections. The Director of Finance suggested that work was currently being undertaken amongst all combined authorities to secure Government funding for the elections. The Mayor confirmed that contingency plans had been discussed with Constituent Leaders and there would be no circumstances in which the elections would not be funded.

Councillor Cathy Bayton highlighted the pressures on the transport budget and questioned as to when within the next 12 months would the WMCA be looking to address the longer term funding challenges within transport. The Mayor confirmed that he understood the difficulties referred to and he

expected discussions would be held with Constituent Leaders in early summer on these matters. This timeframe would also hopefully give a better indication of likely post-pandemic patronage and how Transport for West Midlands might wish to tailor services accordingly.

Councillor Ahmad Bostan expressed his concern that accessible transport for individuals with disabilities could be reduced due to budgetary pressures and sought assurance that those services would be retained. The Mayor understood the criticality of continuing the funding for accessible transport and committed to doing everything he could to protect these services. He also confirmed that National Express West Midlands was continuing to follow its policy of not purchasing any further diesel buses within the region and to upgrade those existing buses to environmentally cleaner versions.

Further to the Chair's question relating to free transport for 16-18 year olds, the Mayor indicated that unfortunately there were no active proposals being brought forward, however Transport for West Midlands would continue with its current offers to young people and would actively look at future feasible options.

Councillor Chris Cade enquired as to what work was being considered for training opportunities for mechanics to service new and upcoming electric vehicles. The Mayor indicated that this was being considered by the Skills team and assured that a fuller update would be provided to committee.

Following Councillor Philip Bateman's question relating to the possibility of support for coach companies serving the leisure and tourism industry, night time economy and schools, the Mayor agreed that some coach operators were providing crucial services within the region, although he was unaware of any additional funding support that could be made available to coach operators.

Resolved:

The following observations be shared with the Mayor for consideration and reflection:

- (1) The need to use reserves to achieve a balanced budget for 2021/22 was noted, but concern was expressed as to the risks associated with this and the limitations it had as a longer term approach to budget planning.
- (2) The WMCA should continue to seek to achieve longer term financial stability that would better enable it to plan for and respond to the needs of the region.
- (3) The Medium Term Financial Plan currently included a number of risky assumptions that could have a significant negative impact on the WMCA's financial base. It was important that difficult decisions were considered early on in the financial planning process to help to better mitigate potential consequences.

- (4) All future financial planning and modelling should ensure that it reflected and addressed the priorities and needs of the region and its diverse communities.
- (5) The WMCA should lobby for greater flexibility over the use of its direct funding, with which it has previously achieved better outcomes when it has been able to use it in an innovatively way.
- (6) The desire to seek to protect accessible and supported transport services from potential reductions in funding be welcomed.
- (7) Concern be expressed over the possible longer term viability of the transport budget given the likely changes in travel patterns linked to evolving ways of working that could see a permanent reduction in the number of employees commuting into town and city centre locations.

The meeting ended at 1.00 pm.