



**Overview & Scrutiny Committee**

**Wednesday 15 December at 10.00am**

**Minutes**

**Present:**

Councillor Cathy Bayton (Chair)	- Association of Black Country Authorities
Councillor Lisa Trickett (Vice-Chair)	- Birmingham City Council
Councillor Naeem Akhtar	- Coventry City Council
Councillor Maya Ali	- Coventry City Council
Councillor Mike Chalk	- Worcestershire Non-Constituent Local Authorities
Councillor Liz Clements	- Transport Scrutiny Sub-Committee
Councillor Tony Dickey	- Solihull Metropolitan Borough Council
Councillor Peter Fowler	- Birmingham City Council
Councillor Ian Kettle	- Dudley Metropolitan Borough Council
Councillor Nigel Lumby	- Shropshire Non-Constituent Local Authorities
Councillor Charn Padda	- Sandwell Metropolitan Borough Council
Councillor Paul Sweet	- City of Wolverhampton Council
Councillor Vera Waters	- Walsall Metropolitan Borough Council

**In Attendance:**

Dan Essex	- Governance Services Manager
Kashmire Hawker	- Young Combined Authority
Councillor Barbara McGarrity	- City of Wolverhampton Council
Councillor Gurdev Hayre	- Coventry City Council
Councillor Adam Hicken	- Walsall Metropolitan Borough Council
Linda Horne	- Director of Finance
Councillor Thabiso Mabena	- Sandwell Metropolitan Borough Council
Councillor Martin McCarthy	- Solihull Metropolitan Borough Council
Lyndsey Roberts	- Scrutiny Officer
Laura Shoaf	- Chief Executive
Councillor Bob Sleigh	- Portfolio Lead for Finance
Mark Smith	- Chair of Audit, Risk & Assurance Committee
Andy Street	- Mayor of the West Midlands

**35. Welcome and Introductions**

The Chair welcomed the Mayor and members of the committee to the second mayoral question time for 2021/22 that would be focussing on the proposed draft 2022/23 budget.

**36. Apologies for Absence**

Apologies for absence were received from Councillor Kate Booth (Birmingham).

### **37. Mayor's Opening Statement**

The Mayor provided an opening statement focussing on the achievement of a four year balanced budget to date, the uncertainty in respect of the transport revenue due to the withdrawal of the COVID-19 recovery funding post-April 2022, and the ability of the budget being able to leverage in further capital investment.

Councillor Bob Sleight added that a balanced budget would be submitted to the WMCA Board on 14 January 2022, and although the WMCA was producing a one-year budget for 2022/23, due to strong financial management within the organisation it would again be a balanced budget.

### **38. Questions to the Mayor and Portfolio Lead for Finance**

The committee pursued a number of general lines of enquiry with the Mayor and the Portfolio Lead for Finance, including the sustainability of the budget, Mayoral precept, transport revenue, housing, environment and the Adult Education Budget.

In terms of the sustainability of the budget for 2022/23, the WMCA would be able to fund the key areas of activity from its non-transport budget and with regard to transport, the budget sustained all of the current transport services and concessions. However, if patronage declined next year and the Government ceased to provide financial support, the WMCA would have to fulfil the shortfall on the tram network and indirectly on the bus network, as the WMCA would have to decide whether it would fund those services that National Express West Midlands were no longer willing to operate on a commercial basis.

The Mayor answered questions in relation to addressing the housing needs within the region and the committee's concerns that the pace of delivery of affordable housing. The WMCA was making progress on the delivery of affordable housing but had yet to make progress on the provision of social housing. The Government had now agreed £8.1bn in funding, which had been allocated to housing associations across the country and, of that, £1.1bn had been allocated to housing associations within the region. The WMCA would be working closely with housing associations to help accelerate this expenditure. In terms of the housing delivery vehicle, the committee sought confirmation as to whether it captured all of the housing associations with a significant allocation of the £8.1bn and questioned how they had been chosen. The Mayor agreed to provide a briefing note on this matter that provided the transparency sought by the committee. The nature of the £8.1bn and how it fitted with the delivery vehicle and housing need would be referred to the Overview & Scrutiny Housing Review for further investigation.

With regard to the possibility of a Mayoral precept, a collective decision involving constituent authority leaders had been made not to set a precept for 2022/23 due to the impact that this would have on households during these difficult times. However, the WMCA may have to consider the introduction of a precept in subsequent years if the risks emerged in relation to transport.

The Mayor and members of the committee agreed that the current bidding process for funding from Government could be improved by adopting a 'single pot' funding model. The WMCA continued to lobby Government on the need to change the funding model.

Questions were raised in relation to the reliability and provision of public transport during the Commonwealth Games, concerns around the transport funding gap beyond 2022/23 and the delivery of the Local Transport Plan, the City Region Sustainable Transport Settlement, bus franchising, future of non-statutory travel concessions and the impact of the farebox revenue reductions in terms of the longer term plans for extending the Metro network, particularly the Wednesbury to Brierley Hill Metro extension, the current suspension of the Midland Metro services, the importance of connecting people to jobs and WMCA payments to National Express West Midlands for concessionary travel.

The committee noted the transport revenue challenges and the challenges in maintaining subsidised bus services if commercial operators chose to withdraw a route if it was unviable, along with the impact that this would have on the budget and those communities of most need of bus services. There needed to be greater clarity on how bus, train or metro connectivity was to be improved for those areas with the greatest need. In terms of bus franchising, there would be a report going to WMCA Board in January 2022. The committee welcomed and hoped that the lobby of government for the continuation of the COVID-19 Recovery funding was successful.

In terms of the current closure of the Midland Metro services and the implications that this would have on future extensions, in particular the Wednesbury to Brierly Hill Metro extension, members were assured that the WMCA would seek to mitigate the losses incurred over the last four weeks and dialogue continued to be had with regard to the investment funding model used for Midland Metro.

The Mayor assured members that within the 2022/23 budget, non-statutory travel concessions were maintained. However due to the deficit, in subsequent years the WMCA might need to make some difficult decisions. Members stressed the importance of maintaining the bus network that provided a vital service for the poorest communities. Further to the concerns raised by Councillor Vera Waters regarding National Express West Midlands, the Mayor agreed to ensure that she was provided with the opportunity to join National Express West Midlands Customer Panel.

In respect of the recently published Environment Act, there was a requirement for the WMCA to work with local authorities on air quality plans, although there was concern that the Act appeared to give additional responsibilities without the additional resources required to exercise these responsibilities. The Mayor added that a report would be submitted to the WMCA Board in February 2022 on this matter.

The Mayor explained the changes made following the devolution of the Adult Education Budget to the WMCA, including the reduction in contracts and the improvements made in the quality of the level of the workforce across the region. The Mayor welcomed dialogue with the Young Combined Authority on the issues around the Kickstart Programme and the take up of apprenticeships.

Resolved:

The following observations be shared with the Mayor for considerations and response:

- (i) What steps are to be taken to ensure that the WMCA and Transport for West Midlands review how Metro services came to be suspended, and that lessons would be learnt to ensure that a similar situation did not occur again?
- (ii) Can further assurance be provided that the key transport infrastructure being developed for the Commonwealth Games will be operational in time so as to ensure that connectivity and sustainability of the region's transport network was able to meet the challenges of hosting an international sporting event of the scale of the Commonwealth Games?
- (iii) What specific measures are Transport for West Midlands currently looking at that will seek to mitigate the potential removal of the Government's pandemic support funding for public transport from April 2022?
- (iv) Can further information be provided as to the considerations currently being undertaken regarding the financial viability of the Wednesbury - Brierley Hill Metro extension and any impact that these considerations may have on the construction timetable?
- (v) What specific decision-making role does the WMCA have within the proposed Affordable Housing Vehicle, and how might this vehicle help deliver more social housing supply within the region?

[The meeting ended at 12.30pm]