



**MEETING OF THE
WEST MIDLANDS JOINT COMMITTEE**

**TO BE HELD IN COMMITTEE ROOMS 3 AND 4 IN THE COUNCIL HOUSE,
BIRMINGHAM ON WEDNESDAY 27 JANUARY 2016 AT 10AM**

A G E N D A

1. **APOLOGIES**
2. **CHANGE TO NOMINATED MEMBER TO SERVE ON WEST MIDLANDS
JOINT COMMITTEE FROM BIRMINGHAM CITY COUNCIL**

Change to nominated member from Birmingham City Council following the appointment of Cllr John Clancy as Leader.

Attached

3. **MINUTES**

To confirm the "Public" section of the Minutes of the previous meeting held on 24th June 2015.

Attached

4. **CO-ORDINATED SERVICES AND SHARED FACILITIES BUDGET
2016/17**

Report of Secretary to WMJC/Chief Executive Birmingham City Council

Attached

5. **WEST MIDLANDS JOINT COMMITTEE ANNUAL RISK ASSESSMENT
STATEMENT**

Report of Secretary to WMJC/ Chief Executive, Birmingham CC

Attached

6. **COMBINED AUTHORITY UPDATE**

Verbal update from Secretary to WMJC/ Chief Executive, Birmingham CC

Attached

7. **BIRMINGHAM AIRPORT- ACTION TAKEN BETWEEN MEETINGS**

Report of District Advisers

8. DATE OF NEXT MEETING

Wednesday 29th June 2016 - Rooms 3 & 4, The Council House, Birmingham

9. EXCLUSION OF THE PUBLIC

CHAIRMAN TO MOVE:-

"That in view of the nature of the business to be transacted, which includes the following exempt information, the public be now excluded from the meeting: -

Title of Report etc

**Description of
Exempt Information**

(Part 1, Schedule 12A of the Local Government Act, 1972)

1. MINUTES

"Private" Minutes of the meeting held on 25th June 2015.

Paragraph 3

**2. BIRMINGHAM AIRPORT – ACTION
TAKEN BETWEEN MEETINGS**

Report of District Advisers

Paragraph 3

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Item 4

West Midlands Joint Committee – 27th January 2016

Report from Mark Rogers - Secretary to West Midlands Joint Committee, Chief Executive Birmingham City Council (on behalf of West Midlands District Treasurers' Group)

Co-ordinated Services and Shared Facilities Budget 2016/17

1 Introduction

- 1.1 There are a number of services and facilities which are co-ordinated or shared by the West Midlands Joint Committee member authorities and which have a financial impact on their budgets. These are:
- a) West Midlands Joint Committee Budget - there are a number of activities which are jointly funded by the West Midlands Joint Committee.
 - b) Other services and facilities which are funded by separate contributions from member authorities, namely:
 - Planning and Transportation - Joint Data Team
 - Pensions
- 1.2 The key points of these various budgets are set out below for your information with further details provided in Appendices A to C. Pensions information will be supplied at a later date.

2 Recommendations

- 2.1 The Joint Committee is recommended to:
- (a) Approve the West Midlands Joint Committee's 2016/17 Budget and consequential member Authority contributions, as set out in Section 3 and in Appendices A and B.
 - (b) Note the required member Authority contributions for the Joint Data Team (JDT) contract for 2016/17, set out in Section 4 and Appendix C.

3 West Midlands Joint Committee Budget

2015/16 Forecast Outturn

- 3.1 **Appendix A** attached shows the Budget and forecast outturn position for the current financial year.
- 3.2 When setting the Budget last year, a surplus balance of £1,376 was forecast to be brought forward from 2014/15. However, as reported to the Joint Committee on 24th June 2015, at year end, the actual surplus was £35,967, an improved position of £34,591 compared to the forecast assumed in setting the 2015/16 Budget.
- 3.3 For 2015/16, the Committee is forecast to incur expenditure of £131,980. This will create a surplus. The component elements of the Budget are:
- a) Pensions: This is for the ongoing pension payments relating to when the Airport was wholly owned by member authorities.

- b) Subscriptions: This is the cost of the subscriptions which allow nominated Members to sit on the Strategic Aviation Special Interest Group and the West Coast Rail 250 Campaign.
- c) Finance and Administrative Support Services: This relates to the charge from Birmingham City Council for the cost of staff time and other associated costs for work carried out in relation to the Airport and for supporting this Committee.
- d) Aeronautical Adviser: This is for aeronautical advice to the 7 West Midland Districts in relation to their shareholding in Birmingham Airport.
- e) Miscellaneous: This is the cost of catering, photocopying etc for the Committee's meetings.
- f) Audit of accounts: To comply with Statutory Regulations, the annual accounts of the WMJC needed to be subject to both internal and external audit for 2014/15 accounts. This will not apply for 2015/16 accounts onwards.

3.4 Taking into account the balances brought forward from 2014/15 £35,967 compared to the 2014/15 budget assumption of £1,376 (an additional £34,591) a reduction in pension contributions together with the minor in year variations, this results in a net projected surplus of £74,157 for 2015/16. This surplus will be carried forward to 2016/17 to fund alternative project work.

2016/17 Budget

- 3.5 **Appendix A** also shows the proposed 2016/17 Budget for the Joint Committee. If the Committee approves the proposed Budget allocations, the 2016/17 Joint Committee Budget will be £244,000. The forecast surplus in 2015/16 of £74,157 will be used to fund the project activities of the Joint Committee in 2016/17.
- 3.6 **Appendix B** shows the level of contributions required from members. The contributions for 2016/17 remain at £170,169 redistributed on more recent population data.
- 3.7 The 2016/17 Joint Committee contributions have been apportioned on the basis of West Midlands Mid 2014 Population estimates (as published by the Office for National Statistics in June 2015).

4 Planning and Transportation - Joint Data Team

- 4.1 The Joint Data Team, managed by Mott MacDonald, provides member authorities with strategic planning and transportation data analysis in support of their transport and planning targets and policies. Birmingham City Council currently provides day to day contract and financial management support.
- 4.2 Based on usage estimates, the recharge to Districts for 2016/17 is now estimated at £624,100.
- 4.3 It should be noted that total member contributions for the Joint Data Team (JDT) contract for 2016/17 as set out in Appendix C no longer allow for future retendering costs or system development and these will need to be considered in future years as circumstances dictate.

Mark Rogers
Secretary to West Midlands Joint Committee
Chief Executive Birmingham City Council

ITEM 4												APPENDIX A	
West Midlands Joint Committee 2015/16 Forecast Outturn and proposed 2016/17 Budget													
			2015/16				2016/17 Budget						
			Original Estimate	Revised Estimate	Forecast Outturn	Variation		Proposed					
			£	£	£	£		£					
BALANCES BROUGHT FWD													
	Cumulative (surplus)/shortfall		(24,407)	(35,967)	(35,967)	0		(74,157)					
	Total		(24,407)	(35,967)	(35,967)	0		(74,157)					
EXPENDITURE													
Joint Committee													
	Pensions		63,000	63,000	46,280	(16,720)		50,000					
	Subscriptions:		7,300	7,300	7,000	(300)		7,500					
	Finance & Administrative Support		56,000	56,000	56,000	0		56,000					
	Aeronautical Adviser		27,000	33,969	20000	(13,969)		20,000					
	Legal Fees		5,000	5,000	0	(5,000)		5,000					
	Projects		30,000					30,000					
	Funds to be allocated							73,000					
	Miscellaneous		2,500	2,500	500	(2,000)		2,500					
	Audit of accounts		2,400	2,400	2,200	(200)							
			193,200	170,169	131,980	(38,189)		244,000					
INCOME													
	Contributions		(170,169)	(170,169)	(170,170)	(1)		(170,169)					
(SURPLUS)/SHORTFALL BALANCE CARRIED FWD			(1,376)	(35,967)	(74,157)	(38,190)		(326)					

Item 4							Appendix B	
<u>Contributions for West Midlands Joint Committee</u>								
	Birmingham	Coventry	Dudley	Sandwell	Solihull	Walsall	Wolverhampton	Total
	£	£	£	£	£	£	£	£
<u>2015/16 Contributions</u>								
West Midlands Joint Committee ⁽¹⁾	66,780	20,163	19,223	19,217	12,769	16,639	15,379	170,169
<u>2016/17 Contributions</u>								
Proposed								
West Midlands Joint Committee ⁽²⁾	66,740	20,454	19,127	19,195	12,712	16,608	15,332	170,169
<u>Notes</u>								
1. 2015/16 Joint Committee contributions apportioned on basis of West Midlands Mid 2013 Population estimates (as published by the Office for National Statistics in June 2014)								
2. 2016/17 Joint Committee contributions apportioned on basis of West Midlands Mid 2014 Population estimates (as published by the Office for National Statistics in June 2015)								

Item 4			Appendix c
<u>Joint Data Team Contributions 2016/17</u>			
2015/16 Proposed JDT Contributions			
Authority	2015/16 Contribution	2016/17 Proposed Contribution	Change compared to 2014/15
	£	£	£
Birmingham	244,918	244,755	(163)
Coventry	73,949	74,987	1,038
Dudley	70,500	70,180	(320)
Sandwell	70,478	70,384	(94)
Solihull	46,830	46,644	(186)
Walsall	61,023	60,929	(94)
Wolverhampton	56,403	56,221	(182)
Total Contributions	624,100	624,100	(0)
2015/16 figures have been calculated using Mid 2013 Population statistics			
2016/17 figures have been calculated using Mid 2014 Population statistics			

ITEM 5

West Midlands Joint Committee Meeting 27th January 2016

Report from Mark Rogers - Secretary to West Midlands Joint Committee & Chief Executive Birmingham City Council.

West Midlands Joint Committee Annual Risk Assessment Statement

1. Introduction

- 1.1 The purpose of this report is to seek the Committee's approval to the Annual Risk Assessment Statement. In doing so, highlight any actions taken to mitigate potential risks.

2. Recommendation

- 2.1 You are recommended to note and endorse the content of the Annual Risk Assessment statement and actions taken to mitigate risks as outlined at **appendix 1**.

3. Background

- 3.1 At its meeting on 23 January 2008, this Committee agreed to produce and formally approve an Annual Return in order to comply with the Accounts and Audit Regulations 2003 and the Audit Commission Act 1998.
- 3.2 In order to comply with regulations and the Annual Return process, it was also agreed, as part of the governance statement, to carry out an annual assessment of the risks facing this Committee and outline appropriate actions taken to manage these risks.
- 3.3 At its meeting on 5 March 2008, this Committee agreed the process for reviewing the adequacy of controls put in place and that the Committee would receive an updated Annual Risk Assessment Statement for approval by Members at its meeting in January each year.

4. Annual Risk Assessment Statement

- 4.1 The attached **appendix 1** contains a breakdown of the risks assessed and the controls to address them.

M Rogers

Secretary to West Midlands Joint Committee/Chief Executive Birmingham City Council

Contact Officer: Tracey Murray – 0121 464 5718 (WMJC Secretariat)

Item 5 - APPENDIX 1

REPORT TO WEST MIDLANDS JOINT COMMITTEE 27 JANUARY 2016

WEST MIDLANDS JOINT COMMITTEE ANNUAL RISK ASSESSMENT STATEMENT

RISK INFORMATION			COUNTER MEASURES			
Description of Key Risks	Likelihood / Impact of Risk	Consequences if the risk event occurred (impact)	Description of current controls in place	Date Controls Implemented	Frequency of control	
<u>Legal</u>						
<ul style="list-style-type: none"> Lack of formal constitution/ToR Lack of governance structure/process to enable decision making 	<p>Low/medium</p> <p>Low/medium</p>	<ul style="list-style-type: none"> No formal democratic representation at district level. No nominations process to Joint Authorities i.e. Police Crime Panel/WMITA O&S (balancing places) & Birmingham Airport Board No ability to determine & exercise district powers and rights as shareholders in Birmingham Airport 	<ul style="list-style-type: none"> Formal constitution in place which provides the necessary framework for operation and democratic representation. This sets out voting rights and the role and functions of the Committee 	Body formally constituted in 1985	Ongoing	
<ul style="list-style-type: none"> Unclear role and responsibilities resulting from the introduction of the Combined Authority. 	Low/medium	<ul style="list-style-type: none"> Adverse impact on effective decision making. 	<ul style="list-style-type: none"> Legal advice has been sought on the impact of the Combined Authority and proposals re responsibilities are being developed. 	From December 2015.	Ongoing	
<ul style="list-style-type: none"> Inability to monitor and take actions arising from the decision making process 	Low/medium	<ul style="list-style-type: none"> No ability to co-ordinate actions on important issues affecting the districts and provide a vehicle 	<ul style="list-style-type: none"> Regular clerked meetings of Joint Committee, where matters of joint interest/decision affecting the Met. Districts are reported, 	Ongoing	Ongoing	

		for communicating actions and the needs of the districts to government and other bodies	discussed and decisions formally recorded and acted upon			
<ul style="list-style-type: none"> Inability to consult and share information with joint bodies i.e. Police and Fire & Rescue. 	Low/Low	<ul style="list-style-type: none"> No formal joint consultative mechanism in place to liaise with Joint bodies (Police, Fire etc) on issues that cut across the Met. Districts 	<ul style="list-style-type: none"> Chairman of joint bodies from the Met area are Ex-Officio members on Joint Committee. 	ongoing	ongoing	
<ul style="list-style-type: none"> Insufficient staff resource to effectively deliver the Committee's objectives 	Low/medium	<ul style="list-style-type: none"> Inability to provide staffing at the appropriate level of expertise to provide strategic/policy advice 	<ul style="list-style-type: none"> Sufficient officer/admin support at the appropriate level of expertise to enable the Committee to exercise its duties. 	ongoing	ongoing	
<ul style="list-style-type: none"> Lack of expertise & timely advice 	Low/medium					
<u>Reputation</u>						
<ul style="list-style-type: none"> Adverse/negative publicity 	Medium/medium	<ul style="list-style-type: none"> Inability to improve public perception 	<ul style="list-style-type: none"> Communications Strategy Development of positive press releases/briefings which are agreed by CEX's and Leaders before release 	Ongoing As and when required	Ongoing Ongoing	
<u>Financial</u>						
<ul style="list-style-type: none"> Insufficient Budget Planning & Forecasting 	Low/medium	<ul style="list-style-type: none"> Inability to agree a detailed annual budget which is deliverable and individual member contributions 	<ul style="list-style-type: none"> Report to Joint Committee for approval on an annual basis 	Annually	Annually (January)	

<ul style="list-style-type: none"> Poor budgetary control 	Low/medium	<ul style="list-style-type: none"> Inability to deliver expenditure in line with agreed budget resulting in significant end of year under or over spend position 	<ul style="list-style-type: none"> Regular internal monitoring takes place Forecast outturn the year reported to Joint Committee for approval Actual outturn for the year reported to Joint Committee for approval 	<p>Ongoing</p> <p>Annually</p> <p>Annually</p>	<p>Ongoing</p> <p>Annually (January)</p> <p>Annually (June)</p>	
<ul style="list-style-type: none"> Lack of accountability 	Low/medium	<ul style="list-style-type: none"> Inability to keep efficient and effective records Inability to prevent mal-administration and fraud 	<ul style="list-style-type: none"> Expenditure is recorded on BCC's financial ledger 'Voyager' Voyager system ensures that invoices and orders are appropriately checked and authorised. 	<p>Ongoing</p> <p>Ongoing</p>	<p>Ongoing</p> <p>Ongoing</p>	
<ul style="list-style-type: none"> Lack of compliance with accounting policy 	Low/medium	<ul style="list-style-type: none"> Inability to follow correct accounting policy 	<ul style="list-style-type: none"> Compliance with Birmingham City Councils accounting procedures/policies 	Ongoing	Ongoing	
<ul style="list-style-type: none"> Failure to comply with relevant financial internal controls and procedures 	Low/medium	<ul style="list-style-type: none"> Inability to detect and prevent above financial risks 	<ul style="list-style-type: none"> Assessment of compliance with relevant procedures and controls carried out annually by Birmingham City Councils Internal Audit Team 	Annually	Annually	

Item 7

WEST MIDLANDS JOINT COMMITTEE – 27th January 2016

Report of Birmingham City Council and Dudley MBC District Advisers

BIRMINGHAM AIRPORT

1. Purpose of Report

- 1.1 To note actions taken under the Districts' Side Agreement since the last Meeting of Joint Committee

2. Background

- 2.1 Under Section 5.4 of the Districts' Side agreement, Joint Committee may arrange for the discharge of their functions by each of the Districts' Chief Executives or anyone authorised by any District to act in the Chief Executive's absence acting in consultation with the Chair or Vice Chair of Joint Committee
- 2.2 Since the last meeting of Joint Committee, approval has been given under Section 5.4 of the Districts' Side Agreement to the re-appointment of the Districts' Aeronautical adviser and change in representation from Birmingham MBC to the Board of Birmingham Airport Holdings Limited as set out in Paragraphs 3 and 4 below

3. Aeronautical adviser -action taken under Districts' Side Agreement

- 3.1 Following an interview process, Sir Michael Hodgkinson from Nyra Capital was appointed in January 2009 as Aeronautical Adviser to the 7 West Midland Districts in relation to Birmingham Airport at a cost of £25k per annum plus expenses. This contract with Nyra Capital has been extended annually since this time at the fee level agreed in 2009 of £25k plus expenses. To reduce Districts' costs, in January 2015 Sir Michael Hodgkinson was employed directly at a cost of £1,500 per day plus expenses.
- 3.2 It is felt that Sir Michael Hodgkinson provides important insight and knowledge and it is useful to have continuity of knowledge in the role.
Approval has been given under Section 5.4 of the Districts' Side Agreement to re-appoint Sir Michael Hodgkinson as aeronautical adviser to the West Midland Districts for a further 12 months until the end of December 2016 at a daily cost of £1,500 plus expenses. Dudley Council have been given authority to prepare a letter of engagement to give effect to the appointment

4. District nominations- action taken under Districts' Side Agreement

- 4.1 Each of the Districts other than Birmingham (which nominates four persons) nominates one person to the Joint Committee for appointment to the Board. Directors need not be Councillors. The Joint Committee is required to observe the wishes of each of the Districts

in respect of each appointment and removal, and wherever practicable to appoint Directors for a period of two years.

- 4.2 In June 2014, West Midland Joint Committee appointed the District Directors for a two year term of office ending with the Annual General Meeting of the Joint Committee in June 2016.
- 4.3 Approval has been given under Section 5.4 of the Districts' Side Agreement to the appointment of Councillor John Clancy from Birmingham MBC to serve on the Board of Birmingham Airport Holdings Limited for the remainder of the period expiring in June 2016 in place of Councillor Sir Albert Bore

5. Recommendation

It is recommended that:

- 5.1 the actions taken under the Districts' Side Agreement set out in paragraphs 3 and 4 above be noted

Elaine Peach
Airport Adviser

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