



Group Meetings Notified

Conservative	10.30am	Room M39 (Group Office – Ground Floor)
Labour	10.30am	Room 151 (First Floor – opposite the Banqueting Suite)
Liberal Democrat	10.30am	Committee Room 6A

WEST MIDLANDS JOINT COMMITTEE

TO BE HELD IN THE CHAMBERLAIN ROOM
FIRST FLOOR,
THE COUNCIL HOUSE, BIRMINGHAM
ON WEDNESDAY, 29 JANUARY 2014 AT
11.00AM

A G E N D A

1. **APOLOGIES**

Attached

2. **MINUTES**

To confirm the “Public” section of the Minutes of the last meeting held on 23 October 2013.

3. **PROVISIONAL JOINT AUTHORITY BUDGETS FOR 2014/2015**

Verbal update by Chairman.

Attached

4. **CO-ORDINATED SERVICES AND SHARED FACILITIES BUDGET 2014/2015**

Report of Secretary and Strategic Director of Resources, Birmingham City Council, Birmingham City Council.

Attached

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

Report of Secretary.

6. **EXCLUSION OF THE PUBLIC**

"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: -

<u>Title of Report etc</u>	<u>Description of Exempt Information</u>
1. <u>Minutes</u> "Private" Minutes - meeting on 23 October 2013	(Part 1, Schedule 12A of the Local Government Act, 1972 - Paragraph 3)
2. <u>Birmingham Airport</u> <u>Action taken between</u> <u>meetings</u> Report of District Advisers	(Part 1, Schedule 12A of the Local Government Act, 1972 - Paragraph 3)

ITEM 2

**WEST MIDLANDS JOINT COMMITTEE HELD AT
THE COUNCIL HOUSE, BIRMINGHAM ON
WEDNESDAY, 23RD OCTOBER 2013 AT 11.00AM**

PRESENT:-

Birmingham

Councillor Sir Albert Bore (Voting Member)

Coventry

Councillor A Lucas (Voting Member)

Dudley

-

Sandwell

Councillor D Cooper (Substitute Voting Member)

Solihull

Councillor K Meeson (Voting Member)

Walsall

Councillor M Bird (Voting Member)
Councillor T Oliver

Wolverhampton

Councillor R Lawrence (Voting Member)

West Midlands Integrated Transport Authority

Councillor J McNicholas (Chairman)

West Midlands Fire and Rescue Authority

Councillor John Edwards (Chairman)

1. APOLOGIES

1970 Apologies were submitted on behalf of the following: -

Councillor I Ward - Birmingham
Lord M Whitby – Birmingham
Councillor J Blundell - Coventry
Councillor P Townshend – Coventry
Councillor D Sparks - Dudley
Councillor P Lowe – Dudley
Councillor S Eling – Sandwell
Councillor M Hughes - Sandwell
Councillor R Sleigh - Solihull
Councillor I Hedley - Solihull
Councillors A J A Andrew - Walsall
Councillor P Bilson – Wolverhampton
Councillor N Patten – Wolverhampton

2. MINUTES

1971 The "public" section of the Minutes of the meeting held on 1st August 2013, having been previously circulated, were confirmed as a correct record.

3. DUTY TO CO-OPERATE – CO-ORDINATION OF STRATEGIC PLANNING

Dave Carter, Chair of the Duty to Co-operate Group advised that the report's key purpose was to seek endorsement of an approach for coordination of strategic planning activity that assists individual local authorities discharge their Duty to Cooperate responsibilities as outlined at paragraphs 4.8 and 4.9 of the report.

That in order to embed arrangements and to ensure that they will stand up to scrutiny by Government Inspector's and examination and appeal it was proposed that:

- Support for officer delegations as set out in paragraph 4.8 of the report are reiterated. Responsibility for the briefing of Members on these matters in individual authorities lies with their officers.
- Any major review of policy, position changes or responses to Government or other consultations of strategic importance are reported via Chief Executives to WMJC for decision
- Any grey areas are referred to Chief Executives as a 'gatekeeper' prior to further action being taken
- Matters also continue to be addressed bilaterally or at other geographic levels as dictated by evidence.

1972

RESOLVED:-

- (i) That the proposed way forward as set out in paragraphs 4.8 and 4.9 of the report are endorsed.

4. **BIRMINGHAM AIRPORT HOLDINGS LTD – ACTION TAKEN BETWEEN MEETINGS**

1973

RESOLVED:-

That the action taken under the Districts' Side Agreement set out in paragraph 3 of the report be noted

5. **DATE OF NEXT MEETING**

1974

RESOLVED:-

That the next meeting to be held on Wednesday 29th January, 11– 12.30pm, in the Chamberlain Room, the Council House, Birmingham (Group meetings from 10am) is noted

6. **EXCLUSION OF THE PUBLIC**

1975

RESOLVED:-

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: -

1. **MINUTES**

"Private" Minutes of the meeting held on
1st August 2013

Paragraph 3 (Part 1, Schedule
12A of the Local Government
Act, 1972)

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

Report of District Advisors

Paragraph 3 (Part 1, Schedule
12A of the Local Government
Act, 1972)

West Midlands Joint Committee - 29 January 2014

Report from Stephen Hughes - 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 2014/15**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 D. These budgets are summarised in Appendix E.

2 Recommendations

- 2.1 The Joint Committee is recommended to:
- (a) Approve the West Midlands Joint Committee's 2014/15 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 2014/15, set out in Section 4 and Appendix C.
 - (c) Note the member Authority contributions for the costs of pensions of former County Council employees, as set out in Section 5 and Appendix D.

3 **West Midlands Joint Committee Budget**

2013/14 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 £26,290 was forecast to be brought forward from 2012/13. However, as reported to the Joint Committee on 23rd June 2013, at year end, the actual surplus was £39,542, an improved position of £13,252 compared to the forecast assumed in setting the 2013/14 Budget.
- 3.3 For 2013/14, the Committee is forecast to incur expenditure of £194,839. This represents an overall overspend of £10,097 compared to the budget for 2013/14. 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) 2013/14 a one off payment of £30,000 for a review of future transport governance structures.
 - f) Legal fees for general advice on various project work within WMJC. This year the increased legal fees were to cover an extra spend agreed for this year by the CEXs for Counsel opinion in relation to advice on the new governance arrangements for ITA Board going forward.
 - g) Miscellaneous: This is the cost of catering, photocopying etc for the Committee's meetings.
 - h) Audit of accounts: To comply with Statutory Regulations, the annual accounts of the WMJC need to be subject to both internal and external audit.
- 3.4 Taking into account the balances brought forward from 2012/13 £39,542 compared to the 2013/14 budget assumption of £26,290 (an additional £13,252, although this includes provision for a £6,500 payment for Aeronautical Adviser relating to the final quarter of 2012/13) together with the minor in year overspends, this results in a net projected surplus of £3,155 for 2013/14. This surplus will be carried forward to 2014/15.

2014/15 Budget

- 3.5 **Appendix A** also shows the proposed 2014/15 Budget for the Joint Committee. This includes an increase in the Legal fees budget due to the increased activity in relation to advice on the new governance arrangements for ITA Board going forward which may continue post March 2014. This contingency figure will be for any further Counsel advice required. As additional administrative support has been required this budget has also been increased to facilitate this.
- 3.6 If the Committee approves the proposed Budget allocations, the 2014/15 Joint Committee Budget will be £173,324 which is a decrease of £21,515, compared to the 2013/14 forecast outturn of £194,839. The forecast surplus in 2013/14 of £3,155 will reduce the level of contributions required to fund the activities of the Joint Committee to £170,169.
- 3.7 **Appendix B** shows the level of contributions required from members. The increase in contributions for 2014/15 reflects the lower level of surplus balances available to assist the 2014/15 Budget position compared to 2013/14, the increased expectation of legal expenditure and an increase in administrative support provided.
- 3.8 The 2014/15 Joint Committee contributions have been apportioned on the basis of the latest 2011 Census population figures (as published by the Office for National Statistics in July 2012).

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. Solihull MBC currently provides day to day contract and financial management support and Birmingham City Council will take over this role from April 1st 2014, subject to due diligence and internal approval.
- 4.2 Based on usage estimates, the recharge to Districts for 2014/15 is now estimated at £624,144, with inflationary increase applied by Mott Macdonald.
- 4.3 It should be noted that total member contributions for the Joint Data Team (JDT) contract for 2014/15 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.
- 4.4 2014/15 will be the seventh year of the JDT contract, with the contract currently extended for a further two years from 1st April 2014 until 31st March 2016. In extending the contract for a further two years Mott Macdonald have agreed to reduce daily rates for commissioned work from 1st April 2014 by up to 11%, dependent on category of staff. In addition, to mitigate budgetary constraints, inflationary increases to contract costs for 2014/15 and 2015/16 have been capped at no more than 1.5% per annum. Further contract extensions are possible beyond 2015/16 in two year blocks up to a maximum of 8 years. Any future extensions or a decision to retender the JDT will be subject to a separate report.

5 Pensions

- 5.1 The West Midlands District Councils are jointly responsible for the payment of previously agreed pension enhancements to former County Council employees who have no successor authorities. The revised estimate for 2013/14 is £431,770 (8.1% less than originally expected) and the equivalent estimate for 2014/15 is £438,060 (an increase of 1.5% compared to the 2013/14 revised estimate).

6 Overall Summary

- 6.1 The total contributions required from members for 2014/15 in respect of the Joint Committee Budget, Joint Data Team and Pensions are summarised at **Appendix E**.
- 6.2 If the Committee approves the Joint Committee's Budget for 2014/15, the total contributions required for 2014/15 amount to £1,232,373. This is an overall net reduction of £20,254 compared to the revised estimates for 2013/14 (0.16% reduction). This reduction is attributable to the reduction in pension contributions required.

Stephen Hughes
Secretary to West Midlands Joint Committee
Chief Executive Birmingham City Council

West Midlands Joint Committee 2013/14 Forecast Outturn and proposed 2014/15 Budget

	2013/14				2014/15 Budget
	Original Estimate	Revised Estimate	Forecast Outturn	Variation	Proposed
	£	£	£	£	£
BALANCES BROUGHT FWD					
Cumulative (surplus)/shortfall	(26,290)	(39,542)	(39,542)	0	(3,155)
Total	<u>(26,290)</u>	<u>(39,542)</u>	<u>(39,542)</u>	<u>0</u>	<u>(3,155)</u>
EXPENDITURE					
Joint Committee					
Pensions	76,510	76,510	71,065	(5,445)	74,000
Subscriptions:	6,190	6,190	6,950	760	6,950
Finance & Administrative Support	39,224	39,224	39,224	0	55,224
Aeronautical Adviser	27,018	27,018	32,550	5,532	27,000
Review of future transport governance structures	30,000	30,000	30,000	0	0
Legal Fees	500	500	10,000	9,500	5,000
Miscellaneous	2,000	2,000	2,500	500	2,600
Audit of accounts	3,300	3,300	2,550	(750)	2,550
	<u>184,742</u>	<u>184,742</u>	<u>194,839</u>	<u>10,097</u>	<u>173,324</u>
INCOME					
Contributions	<u>(158,452)</u>	<u>(158,452)</u>	<u>(158,452)</u>	<u>0</u>	<u>(170,169)</u>
(SURPLUS)/SHORTFALL BALANCE CARRIED FWD	<u>0</u>	<u>(13,252)</u>	<u>(3,155)</u>	<u>10,097</u>	<u>0</u>

Contributions for West Midlands Joint Committee

	Birmingham £	Coventry £	Dudley £	Sandwell £	Solihull £	Walsall £	Wolverhampton £	Total £
<u>2013/14 Contributions</u>								
West Midlands Joint Committee ⁽¹⁾	62,094	18,437	18,107	17,829	11,962	15,584	14,438	158,452
<u>2014/15 Contributions</u>								
Proposed								
West Midlands Joint Committee ⁽¹⁾	66,686	19,801	19,446	19,147	12,846	16,737	15,506	170,169

Notes

1. 2013/14 and 2014/15 Joint Committee contributions apportioned on basis of 2011 Census population figures (as published by the Office for National Statistics in July 2012)

Joint Data Team Contributions 2014/15

2014/15 Proposed JDT Contributions			
Authority	2013/14 Contribution	2014/15 Proposed Contribution	Change compared to 2013/14
	£	£	£
Birmingham	243,739	245,214	1,475
Coventry	74,210	73,001	-1,209
Dudley	72,259	70,845	-1,414
Sandwell	68,827	70,329	1,502
Solihull	48,447	46,851	-1,596
Walsall	60,388	61,206	818
Wolverhampton	56,275	56,698	423
Total Contributions	624,145	624,144	-1

Appendix D

Pension Fund – Allocation of Pension Costs 2013/14 and 2014/15

Relating to Former WMCC, WMRB and Other Employees without a Successor Authority

	2013/14		2014/15
	Estimate	Revised Estimate	Estimate*
	£	£	£
Birmingham	174,930	155,810	158,080
Coventry	52,260	48,210	48,910
Dudley	57,830	56,110	56,930
Sandwell	50,270	44,540	45,190
Solihull	46,770	47,960	48,660
Walsall	46,130	41,270	41,870
Wolverhampton	41,840	37,870	38,420
	470,030	431,770	438,060

* Allocation of 2014/2015 estimate has been recalculated based on the actual 2013/2014 tax base. When actual tax base is approved the figures will be recalculated using the known rates.

Contributions for West Midlands Joint Committee

	Birmingham £	Coventry £	Dudley £	Sandwell £	Solihull £	Walsall £	Wolverhampton £	Total £
<u>2013/14 Contributions</u>								
West Midlands Joint Committee ⁽¹⁾	62,094	18,437	18,107	17,829	11,962	15,584	14,438	158,452
Joint Data Team	243,739	74,210	72,259	68,827	48,447	60,388	56,275	624,145
Pension Fund	174,930	52,260	57,830	50,270	46,770	46,130	41,840	470,030
Total	480,763	144,907	148,196	136,926	107,179	122,102	112,553	1,252,627
<u>2014/15 Contributions</u>								
West Midlands Joint Committee ⁽¹⁾	66,686	19,801	19,446	19,147	12,846	16,737	15,506	170,169
Joint Data Team	245,214	73,001	70,845	70,329	46,851	61,206	56,698	624,144
Pension Fund	158,080	48,910	56,930	45,190	48,660	41,870	38,420	438,060
Total	469,980	141,712	147,221	134,666	108,357	119,813	110,624	1,232,373

Notes

1. Joint Committee contributions apportioned on basis of latest 2011 Census population figures (as published by the Office for National Statistics in July 2012)

West Midlands Joint Committee Meeting 29th January 2014

Report from Stephen Hughes - 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 updated version of 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** contains a breakdown of the risks assessed and the controls to address them.

S Hughes

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

Contact Officer: Yvonne Ashford – 0121 303 2150 (WMJC Secretariat)

Item 5 - APPENDIX 1

REPORT TO WEST MIDLANDS JOINT COMMITTEE 29 JANUARY 2014

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
<p><u>Legal</u></p> <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 & 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 & more recently the ITA Shadow Board 	<p>Body formally constituted in 1985</p>	<p>Ongoing</p>
<ul style="list-style-type: none"> Inability to monitor and take actions arising from the decision making process 	<p>Low/medium</p>	<ul style="list-style-type: none"> No ability to co-ordinate actions on important issues affecting the districts and provide a vehicle for communicating actions and the needs of the districts to 	<ul style="list-style-type: none"> Regular clerked meetings of Joint Committee, where matters of joint interest/decision affecting the Met. Districts are reported, discussed and decisions formally recorded and acted upon 	<p>Ongoing</p>	<p>Ongoing</p>

<ul style="list-style-type: none"> Inability to consult and share information with joint bodies i.e. Integrated Transport Authority, Police and Fire & Rescue. LEP representatives from the Met. area are also invited to attend meetings Insufficient staff resource to effectively deliver the Committee's objectives Lack of expertise & timely advice 	Low/Low	government and other bodies				
	Low/medium	<ul style="list-style-type: none"> No formal joint consultative mechanism in place to liaise with Joint bodies (ITA/Police, Fire etc) on issues that cut across the Met. Districts/LEPs 	<ul style="list-style-type: none"> Chairman of WMITA, WM Police & Crime Commissioner & WM Fire & Rescue Authority are Ex-Officio members on Joint Committee 	ongoing	ongoing	
	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	
<p><u>Reputation</u></p> <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 	<p>Ongoing</p> <p>As and when required</p>	<p>Ongoing</p> <p>Ongoing</p>	

<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 	Ongoing Annually Annually	Ongoing Annually (January) Annually (June)	
<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. 	Ongoing Ongoing	Ongoing Ongoing	
<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	