

**West of England Combined Authority
WECA Overview & Scrutiny Committee**

(These minutes are subject to confirmation at the next meeting of the committee)

Wednesday, 27 January 2021, 10:30am

Meeting held virtually, via Zoom and broadcast on the Authority's Youtube channel

Present:

Cllr Brian Allinson, South Gloucestershire Council	Cllr Gary Hopkins, Bristol City Council
Cllr John Ashe, South Gloucestershire Council	Cllr Carole Johnson, Bristol City Council
Cllr Stephen Clarke, Bristol City Council (Chair)	Cllr Brenda Massey, Bristol City Council
Cllr Winston Duguid, Bath and North East Somerset Council	Cllr Hal MacFie, Bath and North East Somerset Council
Cllr Geoff Gollop, Bristol City Council	Cllr Mhairi Threlfall, Bristol City Council

Officers In Attendance:

Shahzia Daya, Director of Legal and Democratic Services	Malcolm Coe, Director of Investment and Corporate Services
Ian Hird, Scrutiny Manager	Karen Ross, Housing and Planning Team Manager
David Carter, Director of Infrastructure	Lynda Bird, Head of Performance, Planning & Projects
Stephen Bashford, Director of Business & Skills	

Apologies:

None

Minutes

1	WELCOME AND INTRODUCTIONS The Chair welcomed everybody to the meeting which was being held via Zoom and broadcast on the Authority's Youtube channel.
2	APOLOGIES FOR ABSENCE No apologies for absence were received.
3	DECLARATIONS OF INTEREST Cllr Huw James, North Somerset Council, declared an interest as a member of a Housing Trust. There were no further declarations of interest received.
4	MINUTES OF PREVIOUS MEETING The Minutes of the meeting held on 2 December 2020 were agreed as a correct record.
5	ITEMS FROM THE PUBLIC (QUESTIONS; STATEMENTS; PETITIONS) Four questions were received from members of the public and these questions and replies had been circulated prior to the meeting and published on the Authority's website. Four statements had been received and the following members of the public attended the

	<p>meeting and addressed the Committee on the topics of their statements:</p> <ol style="list-style-type: none"> 1. David Redgewell – Transport and regional issues; 2. Dick Daniel – Integrated Transport authority role; 3. Tony Lloyd – North Fringe Public Infrastructure Package;
6	<p>CHAIR'S BUSINESS / ANNOUNCEMENTS</p> <p>The Chair stated that the Committee would hold an additional meeting as soon as possible to discuss the implications of the possibility of North Somerset Council becoming a constituent member of the West of England Combined Authority. It was noted that a sub-group of members would meet first to discuss how best to take the meeting forward.</p> <p>The Chair also paid tribute to the front line workers who continued to keep the country going during the Covid crisis and commiserated with those who had lost loved ones.</p>
7	<p>REVIEW OF 29 JANUARY WECA COMMITTEE AND JOINT COMMITTEE REPORTS</p> <p>The Committee discussed the reports that would be brought to the WECA Committee and Joint Committee at its meeting on 29 January 2021.</p> <p>Karen Ross, Housing and Planning Team Manager, gave an overview of the West of England Housing Delivery Strategy report. The following comments were made in regards to that report:</p> <ul style="list-style-type: none"> • The National Planning Policy definition had been used for affordable homes but it was noted that the Government had changed the definition within the last year to include aspirational home ownership. A projected need for each category would be defined by the Local Housing Needs Assessment; • A question was raised regarding the needs of individual local authorities and the strategic plan. It was noted that there had been collaboration across the authorities but it was not meant to replicate their work; • A question was raised about the definition of Market Failure – this was defined that the needs would not be met without public sector intervention; • DIF – did this cover commercial activities? It was confirmed that it would cover facilitating realising the outcomes of the Enterprise Zones. There was also the opportunity to look at employment sites under the Housing and Regeneration fund; • It was important to include participation with residents who had local knowledge; • Did it include helping retrofit homes? There was opportunity for this elsewhere and the point would be followed up outside of the meeting; • West of England Housing Delivery Strategy – the comments from Planning and Housing Board did not include a mention of affordable housing. It was noted that this was likely to be a drafting error as the strategy was aiming to deliver affordable housing; • In terms of infrastructure funding, the challenge was that infrastructure was needed to deliver additional housing. There was nothing preventing the Authority to top up the DIF fund to support infrastructure. The document was coming now due to the funding packaging becoming available and to be clear to the Government that this was a policy priority of the Authority; <p>The Committee discussed the reports on the Bus Network Recovery and Transport Decarbonisation study. It was noted that the Overview & Scrutiny Committee Transport Sub-Group had looked at these issues and Cllr Huw James reported back on those discussions. The full minutes of the discussions would be circulated but are summarised as follows:</p>

- They had discussed the problems of not exploring franchising, although welcomed partnership working during the current crisis. They called on public authorities to support bus patronage to make the network ready post-pandemic;
- A concern was that without active involvement, the wider network would be lost as the operators would fund just some profitable routes;
- There was an opportunity to shape the networks going forward but were concerned over the local contract negotiations;
- David Carter stated that the report was providing a position awaiting any Government legislation. There would be likely to be an interim period following the pandemic for around 18 months. The status quo would be unsustainable over the long term. A return to the pre-pandemic service levels would be dependent on patronage and funding;
- How did the framework tool work – was it an algorithm or other methodology on connectivity when smart ticketing was introduced. With the need to take quick decisions, how would the public be involved. In response it was noted that the Transport Board would look at the issue in greater detail. There was no problem in circulating the workings for the framework tool for further scrutiny;
- JLTP4 would be discussed at the next Transport Board meeting but no formal proposals on the next iteration of the local transport plan would be available until the next Committee cycle at the earliest, although an early draft was requested at an informal Scrutiny meeting;
- The O&S Transport Sub-Group asked that electric vehicles be amended to read “zero admission vehicles” in the decarbonisation report. They welcomed the inclusion of low income families into the plan;
- The bullet pointed list of other similar initiatives around the country was welcomed and it was asked if this could be carried into all similar decarbonisation reports;
- It was asked whether there was a solution to charging points in terrace streets. It was stated that a blue print be drawn up irrespective of income and including terrace streets. It was however unclear who would own and maintain charging points. A regulatory system would need to be in place;
- There was concern that without investment into infrastructure there would be no progress. Authorities may be asked to intervene where it could not be delivered commercially;
- Was it possible that the amount of required power could be generated? A three-phase distribution to each house may be needed. Some detail was covered in ‘The Sixth Carbon Budget’ report (the UK’s path to net zero) published in December by the Climate Change Committee which plots a course of what needed to be done and by when to achieve net zero;

In response to a further question it was noted that there was not a single lead on Climate Change but was the responsibility of the Authority’s Senior Management Team (SMT) as a whole. It was suggested that the “Sixth Carbon Budget” report be discussed further at a future informal Scrutiny meeting.

Lynda Bird, Head of Performance, Planning & Projects gave an introduction to the WECA Annual Business Plan. The following comments were raised:

- It was asked whether skills should sit alongside education and whether all stakeholders were therefore included. It was confirmed that education sat within People and Skills and the Employment and Skills Plan and Skills Advisory Panel brought together businesses and education to join up across the region;
- Business Growth – 4 objectives – were there enough opportunities around growth to be mentioned as specific areas? These should be highlighted. The Business plan sat

alongside the climate emergency action plan and the objectives were threaded throughout but would be looked at further;

- It was asked whether the delay of the election and severe weather events should be mentioned. The delivery of the election would be done at local level and regular meetings were happening. The current Mayor would stay on until a new Mayor was elected. The severe weather point would be investigated;
- The use of low carbon technology to aid recovery was noted;
- The Authority had worked on bringing businesses to the region with inward investment a part of this strategy. International gateways were also a part of this work. It was asked that the improving international connections point was clarified;

Malcolm Coe, Director of Investment and Corporate Services briefly introduced the following reports which were going to be considered by the meeting of the WECA Committee and Joint Committee at its meeting on 29 January 2021 as follows:

- Local Enterprise Partnership revenue budget setting report 2021-22;
- Local Enterprise Partnership One Front Door funding programme;
- Mayoral Budget Setting Report 2021-22;
- Combined Authority Budget 2021-22 and medium term financial forecast;
- Capital Strategy including Treasury Management and Investment Strategies;
- Investment Fund;

The following comments were raised on these items:

- It was asked how the UAs engage with WECA's bids for funding and whether the UAs put in rival bids to government. It was noted that there were agreements with relevant senior officers and depending on how the grants were accessed (some had to be accessed through the UAs for instance);
- The reserve for LEP is around £600k but this would be clarified. Any 2020/21 underspend, currently forecast as £104k, will be carried-forward and added to the reserve;
- Reallocation of LGF money from the A4018 to the Bristol Beacon was queried. A change request had been received by BCC;
- It was asked whether the spend on agency staff/consultants could be clarified;
- A query was raised on the process of communicating delegated powers to members of the public. It was noted that delegated decisions were published via Mod.Gov. O&S Scrutiny Committee members would be added to the distribution list. Officers could be asked to attend a meeting of Scrutiny to justify a decision taken under delegated powers if necessary. A provision for additional meetings would be made if there were delays in holding the election;
- Treasury Management Strategy – cash balances held have been up to £250m, some of this is invested in equities. It was asked whether there was an ethical funds policy. In response, Malcolm Coe reported that Treasury management advisors were used who constantly challenge investment options including ethical investments. It was noted that most of the Authority's investments were with other local authorities who mainly used the funds to cover cash flow and arranged through brokers;
- The interest rates were constantly monitored but remain at an historic low;
- Investment Fund Report- Love our High Streets investments were used in Kingswood High Streets regeneration but an additional £5m from the 'Opportunities and Challenges' allocation has also been used to lever in £12.5m of government match funding;

Resolved: That the Committee's formal comments together with appendices be circulated to WECA Committee to be considered as part of the formal decision-making process (see

	Appendix 1).
8	<p>CITY DEAL BUSINESS RATES POOLING UPDATE</p> <p>Malcolm Coe, Director of Investment and Corporate Services, introduced a report providing a summary of the West of England's Business Rates Pool estimated balances and transactions for 2020-21, in accordance with the monitoring requirements of the Business Rates Pooling Principles Agreement. The report also summarised the 2020-21 estimated growth performance.</p> <p>Resolved: That the Committee note the update and current performance of the West of England Business Rate Pooling arrangements.</p>

The meeting closed at 12:45pm.

APPENDIX 1

COMMENTS FROM COUNCILLOR STEPHEN CLARKE, CHAIR OF WEST OF ENGLAND COMBINED AUTHORITY OVERVIEW & SCRUTINY COMMITTEE COMMENTS TO BE SUBMITTED TO: JOINT MEETING OF WEST OF ENGLAND COMBINED AUTHORITY COMMITTEE AND WEST OF ENGLAND JOINT COMMITTEE – 29 JANUARY 2021

Following our meeting on 27 January, I wish to raise the following matters on behalf of the Overview and Scrutiny Committee:

1. North Somerset Council joining WECA Mayors and Leaders will be aware of our concern that it was not possible to take forward the proposition of North Somerset joining WECA in advance of the next WECA Mayoral election scheduled for May. We have agreed that we will hold an additional meeting(s) specifically to discuss how North Somerset Council joining WECA could potentially be taken forward as soon as practically possible after the Mayoral election. We note that all authorities concerned would need to agree to take this forward. The specific questions and issues we wish to understand and explore, which we will hope will assist this process, are likely to include: - how we can seek clarification from / lobby the government about the extent of additional resources and devolved powers that could be secured for the region through North Somerset joining WECA; and compare this with what each authority is seeking through further devolution. - how to take forward discussions with government about this happening outside of the WECA Mayoral electoral cycle. - in the meantime, how can we ensure the maximum degree of involvement of North Somerset in WECA arrangements.

2. West of England Housing Delivery Strategy (agenda item 12)

We recognised that the housing delivery strategy is essentially about how to accelerate the delivery of housing utilising the available tools, mechanisms and funding available to WECA and delivery partners. We would like to emphasise though the critical importance of accelerating affordable housing across the region. This needs to be seen in the context that individual unitary authorities have more 'ambitious' affordable housing definitions than that defined through national planning policy. The local authorities need an agreed definition of affordable housing and this should be included as a definition in the housing delivery strategy to make it clear what is meant by these words. Implementing the strategy must help deliver these local ambitions by accelerating delivery and maximising new affordable housing.

We also noted that the strategy does not have formal, fixed targets but has been constructed to support existing Local Plans and the draft Spatial Development Strategy and updated/new Local Plans as they are developed.

3. Bus network recovery (agenda item 19) and Transport Decarbonisation study (agenda item 20) Our Transport sub-group fed back comments following a detailed briefing given to them by officers on 21 January. See appendix 1 for a detailed summary of points discussed at that meeting. At our meeting we also highlighted the following points:

* We would like to be kept informed of the position once a clearer view emerges from government about the National Bus Recovery Strategy and any proposed transitional arrangement e.g. a Bus Recovery Partnership with the Combined Authority.

* We note that as part of the previous Bus Strategy work, officers developed a framework to evaluate the relative costs and societal benefits of bus services and that an evidence-based tool has accordingly been developed that will help evaluate future tenders for bus services based on key principles included in the Bus Strategy. We note that the views of the Transport Board on this framework will be sought at their February meeting and welcome the offer that was made at our meeting to share this framework tool with us.

* In terms of the potential options that may be highlighted through the Transport decarbonisation study, and whilst recognising the significant scale of this challenge, we are particularly keen that as much as possible is done to help prepare for and enable zero-emission vehicle use into the future.

4. WECA annual business plan 2021-22 We generally welcomed the plan and the clarity of the information set out. In terms of the four Business Growth objectives set out on page 12, whilst appreciating there is a lot of activity behind these objectives, we felt it would have been helpful to include specific objectives in terms of clean business growth. In terms of the Corporate Risk Register at Appendix 2, we suggest that an additional risk should be added around the risk of extreme weather. We also felt that it will be important to consider, in the context of WECA's business plan moving forwards (and the Climate Emergency Action Plan), the implications of 'The Sixth Carbon Budget' report (the UK's path to net zero) published in December by the Climate Change Committee.

5. Finance reports We received a full briefing on the six finance reports and generally welcomed the proposals in the Investment Fund report. We noted that (as we approach the Mayoral election and with a longer break than usual between committee meetings) the finance reports seek approval of a number of delegations to officers to help ensure in particular that progress can continue to be made on projects included within the approved £350m investment programme – whilst we understand the need for this, we asked that we are kept informed about delegated decisions as they are taken. In relation to Treasury Management, we would like to be involved in discussions around developing an ethical investment programme. Cllr. Stephen Clarke Chair, West of England Combined Authority Overview & Scrutiny Committee

Appendix 1 WECA Scrutiny - Transport sub-group Summary points from meeting held on 21 January 2021

Members present: Cllr Gary Hopkins, Cllr Hal MacFie, Cllr Mike Bird, Cllr Huw James Apologies: Cllr Mhairi Threlfall, Cllr Carole Johnson, Cllr Brian Allinson

The sub-group was briefed on the following reports included on the 29 January WECA / Joint Committee agenda:

Item 19 – Bus network recovery

Peter Mann provided a briefing on this report and responded to members' questions.

There was general support from members for the report recommendations.

Main points noted/raised in discussion:

- * Bus patronage/demand is not expected to return to 100% of pre-Covid levels in the short to medium-term owing to the likely permanent changes in people's working behaviours and lifestyles.
- * It is difficult at this point to accurately assess how quickly bus patronage will increase as the Covid situation eases - the most optimistic view is that in 18 months - 2 years' time, there could be a return to 75-80% of pre-Covid levels.
- * The current bus strategy is due to be reviewed in any event by the end of 2021. This will present an opportunity to take stock of the impact of lifestyle changes since March 2020.
- * All authorities will need to take a full and very pro-active role in encouraging bus use as the pandemic eases and discouraging private car use, particularly in terms of the work commute. Potential congestion / pollution from increased levels of private car use is a serious concern.
- * The Government has committed to publishing a National Bus Recovery Strategy in the first quarter of 2021. The current understanding is that the government will propose a transitional arrangement (a Bus Recovery Partnership) as a bridge from the current emergency support to a longer-term delivery model for bus services such as an Page 5 Enhanced Partnership. This may involve an offer to devolve Government funding to mayoral combined authorities in the short to medium term. Details from the government are awaited – it is noted that the committee report proposes delegations to enable agreement to take place on devolved emergency funding to support local bus services and associated powers should a suitable offer be made by Government.
- * Under any such government proposals, there will not in practical terms be an opportunity for public consultation to be undertaken given the timescale for taking action; although carried out pre-Covid, the consultation previously held on the bus strategy is still relatively recent and is a useful reference point. At this point, there is no certainty about the overall timeframe that the government may propose for any bus recovery partnerships.
- * The issue of franchising was discussed - it was noted that taking up franchising carries significant risks to transport authorities in terms of 'certainty' about passenger numbers and revenue, particularly at this time. Some form of partnership arrangement is a more likely route and this seems to be the model most likely to be encouraged by the government.
- * Given reduced patronage, it is inevitably the case that the pre-Covid bus network will not be sustainable and very careful consideration will need to be given to service changes. Close liaison is taking place with First group as the main operator to understand those services that are least likely to be sustainable.
- * Moving forwards, it will be important for authorities to take the opportunity to consider and re-think how bus and rail services will co-relate in a post-pandemic world, taking account of changing behaviours – an integrated public transport offer must be encouraged.

Item 20 – Transport decarbonisation study

David Carter provided a briefing on this report and responded to members' questions.

There was general support from members for the report recommendations.

Main points noted/raised in discussion:

- * It was noted that the study will generate a set of options, each with a proportionate contribution towards the overall 2030 net zero carbon commitment, so that packages of options and their combined impacts can be considered. This will provide the evidence base for decision making on which strategic interventions to progress and take forward to design, consultation and delivery.
- * The list of potential future strategic interventions for the study at appendix 1 was noted and generally welcomed. In terms of the reference in the first listed intervention to electric vehicles, it was suggested that it would be better to use the term "zero emissions" rather than "electric" as this, for example, will keep open the option of hydrogen solutions.
- * In terms of emissions, the study/report will provide factual evidence and data about emission sources. There will then be choices to be made about options to reduce emissions. This will also

help provide clarity about the actions that the Combined Authority can achieve but also about those actions where other organisations will need to take a key role.

* It was noted that the study will include the opportunities for delivering sooner on proposals for a West of England area electric vehicle charging network. It is anticipated that while the private market will meet part of the infrastructure requirements, there is likely to be a significant role for public bodies in ensuring a sufficient network coverage Page 6 to create confidence, ensure viability, and increase EV uptake. This will include investing in those sites that might not be the most financially attractive at the moment (potentially with funding support) but that will play an important role in the network and have the potential to provide better financial returns in the future. In relation to this, there may be an opportunity for the unitary authorities to consider anticipating future developments by installing EV points for private car charging on a commercial basis in car park sites that they own.