

Cabinet – 14 February 2018

West Midlands Combined Authority Borrowing, Business Rates Supplement and Changes to the Key Route Network

Portfolio: Councillor S. Coughlan, Leader of the Council

Related portfolios: All

Service: All

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 As part of the 2016 Devolution Deal, and subsequent Mayoral Governance Review and Mayoral Scheme approved by Cabinet on the 2 June 2016 and reported to Full Council on the same date. It was proposed that the Mayoral West Midlands Combined Authority (WMCA) be given Borrowing powers as well the ability to raise a Business Rates Supplement, that are subject to the statutory requirements provided for in this report, for the Mayor to raise funding for economic investment and regeneration projects.
- 1.2 Following discussions between the officers of the WMCA and Civil Servants representing DCLG and HM Treasury, the government is now in the position to be able to prepare and present to parliament the necessary draft Order conferring Borrowing and Business Rate Supplement powers on to the WMCA, the latter to be excised by the Mayor. In addition there are number of minor amendments to the West Midlands Key Route Network that require approval, these do not impact upon Walsall but all West Midlands Councils are required by law to agree the changes.
- 1.3 These decisions are Executive decisions, albeit Full Council has also had the opportunity to consider them as set out above, and as such Walsall's Cabinet has already approved the conferring of these powers. This process is a technically to grant delegated authority to Council Officers to approve the final wording after the Order to be laid before Parliament.

2. Recommendations

- 2.1 That Cabinet confirms its approval of the granting of borrowing powers to the Mayoral West Midlands Combined Authority subject to a borrowing cap as provided for in the report.

- 2.2 That Cabinet confirms its approval of the granting of Business Rate Supplement powers to the Mayoral West Midlands Combined Authority for the Mayor to exercise.
- 2.3 That Cabinet approves the minor changes provided for in the report to the West Midlands Key Route Network.
- 2.4 Delegate authority to the Chief Executive, in consultation with the Leader, to agree the draft Order(s) that will grant the Mayoral West Midlands Combined Authority Borrowing powers, Supplementary Business Rate powers and amend the Key Route Network

3. Report Detail

Amendments to WMCA Borrowing Powers

- 3.1 West Midlands Combined Authority (WMCA) was established in June 2016 following a Parliamentary Order which effectively dissolved the West Midlands Passenger Transport Executive (WMPTE) and the West Midlands Integrated Transport Authority (WMITA), both of which were replaced by the newly established WMCA.
- 3.2 The two statutory bodies which preceded the Combined Authority (WMPTE and WMITA) existed to promote and deliver public transport. As such, those entities held the necessary powers to undertake borrowing for transport related purposes (i.e. to fund the Metro expansion) only.
- 3.3 Prior to the granting of the WMCA its additional powers all seven Constituent Councils were required to approve a Mayor Governance Review and Mayoral Scheme setting out their proposals for the powers that the WMCA should hold, they included a proposal that the WMCA have powers to borrow for all of its functions and not just transport as well as the ability to raise a Business Rate Supplement. When WMCA was established (and subsequently acquired the broader range of powers/functions), these particular powers were still the subject of discussion with the government and as such did not transfer across. In short, whilst currently WMCA was granted powers across a broad range of areas, it only has the legal ability to borrow in relation to transport related expenditure.
- 3.4 Specifically, this issue manifests itself in a number of ways predominantly relating to the investment programme, where the WMCA has had to rely upon its Constituent Councils to borrow on its behalf, for example Birmingham City Council to undertake the commercial borrowing for the Collective Investment Fund and Wolverhampton County Council undertaking the borrowing for the Land Remediation Fund in advance of WMCA's powers being amended.
- 3.5 The Cities and Devolution Act 2016 amends previous legislation so that in addition to borrowing for transport functions, a Combined Authority may borrow in relation to "any other functions of the authority that are specified for the purpose of [section 23(5)] in regulations made by the Secretary of State". Such functions include Mayoral and non-Mayoral functions.
- 3.6 The purpose of the debt cap is to ensure HMT are safeguarded from any fiscal shocks relating to the management of the UK financial deficit. WMCA have

responded to HMT's request to design an annual cap for WMCA External Debt. The cap calculated by WMCA as presented to HMT was sufficient to:

- Cover the necessary borrowing to fund the investment programme based on recent Local Authority estimates.
- Cover any requirement WMCA may have to manage its 'legacy' debt position including any refinancing of debt which may be required over the period.
- Allow for £10m p.a. headroom to cover any acceleration of Investment Programme advancement.

The value of the borrowing cap proposal submitted to HMT is included as Appendix 1.

- 3.7 HMT subsequently accepted the calculations provided by WMCA and provided written confirmation of the provisional deal together with some broad terms. This written agreement aligns the cap to the 5 year gateway review which underpins the £36.5m gainshare grant and contains provisions regarding monitoring and review in the event of unforeseen, material events.
- 3.8 HMT now intend to recommend to the Chief Secretary that she approve the debt agreement and will send a letter to the Section 151 officer for WMCA. The WMCA will be required to give consent to the debt agreement coming into effect and this report requests approval to this agreement and debt cap being entered into by the WMCA.
- 3.11 It should be noted that regardless of the borrowing ceiling / cap agreed with HMT, all borrowing ultimately undertaken by WMCA within this limit will need to be done with due regard to affordability, the WMCA Treasury Management Strategy and the CPIFA Code and it is the responsibility of the WMCA Chief Finance Officer to ensure this.
- 3.12 WMCA, HMT, DCLG and other representatives from the region have been in dialogue regarding the borrowing powers which should be applicable to WMCA. Agreement has been reached whereby WMCA will be able to borrow for all of its functions.
- 3.13 In essence, following approval of the regulation as proposed, the borrowing powers attributable to WMCA will exactly mirror the legal functions of the organisation as outlined within the WMCA Orders. This is considered to be a sensible and logical approach and is consistent with borrowing powers given to other Local Authorities. It is important to note that despite the broadening of WMCA borrowing powers, the revised powers will remain within the overall remit of WMCA based on its currently approved functions.
- 3.14 The seven Constituent Authorities approved the Mayoral Governance Review and Scheme in 2016 and this review made the following observations in relation to WMCA's ability to borrow:
- The Mayoral WMCA is prevented from borrowing for the purposes of its economic development and regeneration functions and as a result one of the

Constituent Councils would in effect need to borrow on Mayoral WMCA's behalf.

- The Greater Manchester Combined Authority has found this approach to be unsatisfactory, administratively burdensome and inconvenient. For the West Midlands to also proceed in this way would be extremely unsatisfactory.
- The 2016 Act remedies this difficulty by amending previous legislation so that in addition to borrowing for transport functions, a Combined Authority may borrow in relation to "any other functions of the authority that are specified for the purpose of [section 23(5)] in regulations made by the Secretary of State". Such functions include Mayoral and non-Mayoral functions.
- Such regulations may only provide borrowing powers for a particular function of the Mayoral WMCA if all the Constituent Councils consent. It is proposed that the regulations should provide for the Mayoral WMCA to have borrowing powers in respect of all of its functions.

Key Route Network Amendments

3.15 For the purposes of efficiency in terms of the Parliamentary process, the amendment to the regulations as detailed above is also intended to cover some necessary amendments to the WMCA Key Route Network.

3.16 Following the adoption of the WMCA 2017 Order, discussions continued with Local Authorities about whether additional roads should be added into Key Route Network. During the initial development phase of this work in 2015 there was some uncertainty about powers and responsibility which has subsequently been clarified, hence the suggested amendments to the KRN.

3.17 In addition, WMCA and the relevant Constituent Authorities have jointly developed a network map outlining the agreed Key Route Network. The Key Route Network amendments attached as Appendix 2 highlight the changes required (being sought through the regulation) which will align the schedule with the map.

3.18 To clarify, the suggested amendments to the KRN:

- Have been jointly developed and agreed between WMCA and the relevant Constituent Local Authority Highway Managers.

Are required simply to address inconsistencies between the KRN as informally recognised by WMCA / Local Authorities and the strict definitions as contained within the WMCA Orders to date.

Business Rates Supplement

3.19 As with borrowing powers a Mayors power to raise a Business Rate Supplement was included in the 2016 Devolution Deal and approved as part of the Mayoral Governance Review and Mayoral Scheme and again those particular powers were still the subject to discussion with the government and as such did not transfer across at the time but the Government are now in a position to effect this.

- 3.21 The WMCA is required to develop funding plans through new financial mechanisms to the value of £3 billion to support £2 billion of investment and associated debt finance costs within the £8 billion Investment Programme agreed as part of the first Devolution Deal for the West Midlands.
- 3.22 Set out in table 1 below is how future new funding mechanisms could to be used by the WMCA to contribute to the overall funding of the Investment Programme. In a number of cases securing these income streams are based on the WMC early, the Mayor and the Constituent Authorities working together to obtain or exercise new powers.

Table 1: An indicative breakdown of the £2 billion WMCA funding (figures provided by the WMCA)

Funding Source (£ billions)	Investment	Interest	Total	Share
Devolution Deal	0.7	0.4	1.1	37%
Potential Business Rates Supplement	0.6	0.3	0.9	30%
Business Rates Growth	0.5	0.3	0.8	26%
Potential Future Mayoral Precept	0.2	0.1	0.2	7%
Total	2.0	1.0	3.0	100%

- 3.23 The ‘Business Rates Supplements’ income itemised above in Table 1 above and totalling £900 million was initially intended by Central Government to be obtained through powers extended to elected Mayors of Combined Authorities to raise funding of up to an additional 2% on businesses to fund infrastructure investment through a new power contained in the draft Local Government Finance Bill of 2016/17.
- 3.24 There are number of safeguards in place required by statute where a Business Rates Supplement is proposed to be levied by an Authority that has the power to raise a supplement. Such as any proposal for the imposition of a supplement must be set out in a detailed Prospectus specifying the project(s) it is being used to fund and the benefits that would derive thereof, further it is effectively restricted to economic development projects. In addition there must be a ballot by number and by rateable value of all those who would be required to pay the supplement, said ballot must be a majority vote in favour. Finally the majority of SME’s are afforded protection as all business properties with a rateable value below £50,000 are exempt from any supplement.
- 3.25 Set out in the first Devolution Deal was a planned implementation date of 1 April 2018. Due to the lead time to implement the charge, this date can no longer be achieved and work is being undertaken to confirm the impact that this delay may have on the Investment Programme’s Funding Position if a replacement scheme cannot be put into place for a 30 year period as envisaged in the original modelling.
- 3.26 The Local Government Finance Bill 2016/17 was drafted to provide Mayoral Combined Authorities with two potential routes to generate this funding, the first of which being a Supplementary Business Rate (i.e. a scheme which is equivalent to existing powers which Local Authorities possess) and a Mayoral

Infrastructure Supplement. The Mayoral Infrastructure Supplement was essentially similar to a Business Rates Supplement but with a small number of key differences as outlined in this report.

- 3.27 It was intended for these new powers to be provided to Mayors following the passing through Parliament of the Local Government Finance Bill 2016/17. Around the time of the General Election in 2017, however, the Bill fell. This presented a potential issue for Combined Authorities across England who were to rely on business rates to raise income to support investment.
- 3.28 As part of the second regional Devolution Deal supported by all Constituent Authorities, the WMCA set out to Central Government the potential impact that the withdrawal of the Local Government Finance Bill would have on the WMCA's ability to fund and deliver the Investment Programme. During these discussions, it was suggested that a possible solution would be to simply extend to the WMCA the equivalent and current powers that Local Authorities, including the seven Constituent Authorities and the Greater London Authority already have to raise a Supplementary Business Rate.
- 3.29 The current powers available to Local Authorities and the Greater London Authority are similar to those proposed in the Local Government Finance Bill that has now fallen but differ in two key respects as set out in the table 2 below.

Table 2: Summarised comparison of Business Rates Supplement Schemes

	Proposals within the Local Government Finance Bill	Existing Powers that may now be granted to the WMCA
Approval	Approval could be sought through the publication of a draft and final prospectus and consultation with affected businesses	Approval required through a ballot of businesses deemed to be affected
Rateable Value of Businesses captured	Subject to agreement on a scheme by scheme basis	Rateable Value over £50,000 (where undertaken to date)

- 3.28 It should be noted that the calculations underpinning the Investment Programme that were developed as part of the first Devolution Deal Investment Programme assumed a business rates scheme generating 2% income on businesses with a rateable value of over £50,000. The financial modelling captured all businesses at that time across the whole region. The Business Rates Supplement Scheme has been used successfully in London to part fund the Crossrail project.
- 3.29 Following the regions second Devolution Deal it has now been confirmed by Central Government late in December 2017 that it intends to apply the equivalent powers to Mayoral Combined Authorities to allow a Supplementary Business Rate to be raised under the existing scheme available to Local Authorities and the Greater London Authority. The Department for Local Government and Communities has contacted WMCA and the respective Chief Executives of the constituent Local Authorities to agree a process that would see legislation amended in during March 2018.

- 3.30 In a consistent approach to that required by Central Government with regard to Borrowing Powers, the guidance and requirement from Department for Local Government and Communities regarding the WMCA acquiring the relevant powers is that Central Government will require all Constituent Local Authorities to consent to the powers being applied to the WMCA.
- 3.31 In addition to all the Constituent Councils agreeing the final draft Order the WMCA also need to agree it. To that end there is intended that a report goes in February to the WMCA Board seeking its delegated power to the its Section 151 Officer together with the WMCA Monitoring Officer, in consultation with the Portfolio Lead for Finance to finalise with Central Government on all necessary work to allow the provision of the powers to raise a Business Rates Supplement. As with the Borrowing powers Walsall will also need to delegate to its own officers the authority to approve the draft order required to give the powers.
- 3.32 The Department for Local Government and Communities intend to seek Parliamentary approval to make an order under the Local Democracy, Economic Development and Construction Act 2009 as amended by the Cities and Local Government Devolution Act 2016. This order will provide for the power to raise funding through a business rates supplement (currently exercised by the Greater London Authority) under the Business Rates Supplement Act 2009 to be conferred on the Combined Authority. The order will also provide that the power when conferred will be exercised by the Mayor only.
- 3.33 Following the necessary powers being acquired, the Combined Authority will need to decide how to best implement the Supplementary Business Rate scheme. This will be subject to a further paper to the WMCA Board later in 2018 along with intensive and detailed work with Constituent Authority Members and local Businesses.

4 Council Corporate Plan priorities

- 4.1 The Councils Corporate Plan 2017-2020 seeks to serve the people and communities of Walsall, by representing and working with them to protect and improve the quality of life for all.

The priorities that will support this purpose are:-

- Pursue inclusive economic growth
- Make a positive difference to the lives of Walsall people
- Safe, resilient and prospering communities

5. Risk management

- 5.1 There is a risk that government grant funding is subject to a five year review, and a change in government or government policy may not support further funding streams. The WMCA will need to have in place robust and accountable financial management, and ensure strong governance is in place when the WMCA Board approve spending to reduce the risk of the Constituent Authorities being required to fully fund the WMCA non transport functions.

- 5.2 The WMCA Chief Finance Officer is responsible for ensuring all borrowing ultimately undertaken by WMCA will be done with due regard to affordability, the WMCA Treasury Management Strategy and the CPIFA Code.

6. Financial implications

- 6.1 The setting of the WMCA operational budget is a 2/3rds decisions of the WMCA Board, in addition decisions relating to Borrowing Limits, Treasury Management, Reserves, and Investment Strategy & Capital budget require unanimous approval of all seven Constituent Authorities representatives on the WMCA board.
- 6.2 The existing transport related borrowing powers, are supported by the WMCA ability to issue an annual Transport levy. The wider borrowing powers as sought will have to be supported through a number of means. These include the £36.5m gainshare government grant (5 year gateway review), any other sources of grant funding and income the WMCA obtain as well the mayor ability to raise a Precept. The Secretary of State has the power to authorise Combined Authorities to issue a Levy for all of their functions, despite the seven Constituent Councils requesting this as part of the Mayoral Governance Review and Scheme, the Secretary of State has yet to exercise those power.
- 6.3 In terms of the Mayor's budget, the Mayor must present a draft budget setting out his spending plans and how he intends to finance them to the WMCA Board to approve by no later than 1 February every year. The process includes for Constituent Councils by way of a 2/3rds vote to approve or veto the Mayors budget and in case of veto for CA board (not the mayor) to set the Mayors budget for which the Mayors Precept will be raised.
- 6.4 Where no funding has been provided for its activities and or functions (NB not transport authority specific powers that are subject to a levy), and no other funding stream is available and the Combined Authority is committed to the send the 7 Constituent Councils are responsible for the funding. If no local agreement as to that, then it is apportioned according to population. This is in effect a public policy principle, i.e. the principle that no public body can become insolvent.

7. Legal implications

- 7.1 Together the Mayoral Governance Review and Scheme, as approved by the Council in June 2016, amount to an application by the seven West Midlands Constituent Councils and the WMCA for the powers and functions included in those documents.
- 7.2 Further, the proposed changes to the Key Route Network require an Order to which the Constituent Authorities consent is required. Consequently, the Government propose to include both in the same order.
- 7.3 The process for conferring of the new powers on to the WMCA includes the Secretary of State preparing a draft order, which is debated in parliament to debate and then approve. Just before parliament approve the final wording of the Draft order each Constituent Council, the Mayor and the WMCA have to approve the final draft wording. Unfortunately, the dates of Parliamentary approval will be

not be known in advance therefore a delegation will be needed to meet the tight Parliamentary timescales.

8. Procurement Implications/Social Value

8.1 No direct procurement impact for the Council.

9. Property implications

9.1 There are currently no property implications for the Council.

10. Health and wellbeing implications

10.1 There are currently no direct health and wellbeing implications. However, the granting of the WMCA these further powers, helps support its social and economic regeneration purpose.

11. Staffing implications

11.1 There are currently no human resources implications for the Council.

12. Reducing inequalities

12.1 As the proposals are around are no direct operational impact on delivery of services there are no direct equalities implication at this stage.

12.2 The ability of the WMCA to borrow, will support delivery of its key functions, the WMCA must have regard to improving equality through the exercise of those functions.

13. Consultation

13.1 The Mayoral Governance review and Scheme which included the proposal that the WMCA receive borrowing powers was the subject to statutory consultation undertaken by the seven Constituent Councils and the WMCA on behalf of the Secretary of State as reported to previous Cabinet and Full Council meetings.

Background papers

- Cabinet report 12 August 2015 'proposals for a Combined Authority for the West Midlands (and its appendices)'
- Cabinet report 19 October 2015 'A Combined Authority for the West Midlands (and its appendices)'
- Cabinet report 7 March 2016 'Approval of the Order to establish the WMCA (and its appendices)'
- Cabinet report 2 June 2016 'Approval of the WMCA Draft Scheme, Elections order and West Midlands Devolution Deal (and its appendices)'
- Cabinet report 6 December 2016 'Approval of the Draft WMCA (Functions and Amendments) order 2016 (and its appendices)'



Dr Helen Paterson
Chief Executive

6 February 2018



Councillor Sean Coughlan
Leader of the Council

6 February 2018

APPENDIX 1 : WMCA Borrowing Cap Provisionally Agreed With HMT

Planned external debt

Body	Function(s)	Project Description		External debt at 31 March					
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
WMCA	Transport	Existing WMCA External Debt (Including Deductions for Planned Loan Maturities with PWLB, Legacy WM County Council Maturities and reductions in principal on annuity loans)		£172,078,145	£166,218,464	£160,289,728	£136,283,774	£130,199,122	£124,025,763
WMCA Planned Prudential Borrowing from Table Below	See Below			£0	£0	£78,975,784	£350,296,825	£532,666,835	£743,309,568
Total planned external debt				£172,078,145	£166,218,464	£239,265,512	£486,580,599	£662,865,957	£867,335,331

Planned prudential borrowing

Project	Function(s)	Project Description	Financing Description	Prudential borrowing between 1 April and 31 March						
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
Devo Deal Investment Programme : UKC Interchange	Transport / Economic Regeneration / Highways	UK Central Interchange Package involves delivery of improvements and interchange capability at the HS2 Interchange station hub.	WMCA will borrow from PWLB or an alternative suitable lender, with the repayments secured against income from WMCA Gainshare Grant (as contained within Devo Deal 1), Business Rates Growth and Supplementary Business Rates. This borrowing strategy is consistent with the arrangements discussed with Government when agreeing Devo Deal 1.			£2,172,240	£18,207,390	£16,113,290	£12,303,330	
Devo Deal Investment Programme : UKC Infrastructure	Transport / Economic Regeneration / Highways	UK Central Infrastructure Package involves delivery local network improvements, public realm and town centre enhancements, green infrastructure and digital connectivity. These measures will support connectivity and access to the HS2 Interchange Station and support economic growth in the UK Central growth zones and corridors.				£3,544,890	£10,686,250	£25,866,540	£56,719,160	
Devo Deal Investment Programme : Metro Birmingham Eastside Extension	Transport	Extension of the Metro route to the HS2 site to include track and vehicles.					£20,226,779			
Devo Deal Investment Programme : Bilston Road	Transport	Metro track works in Wolverhampton				£15,699,000				
Devo Deal Investment Programme : Coventry UKC City Centre First	Transport / Highways	Coventry Station Masterplan development plus Ring Road junction improvements.					£10,673,000	£32,396,000	£6,469,000	
Devo Deal Investment Programme : Coventry UKC South	Economic Development & Regeneration / Highways	A46 Link road, Binley & Walsgrave junction improvements, Coventry South park & ride station development.				£250,000	£4,762,000	£14,619,000	£16,115,000	
Devo Deal Investment Programme : Coventry UKC VLR	Transport	Development of a very light rapid transit public transport facility to support HS2 connectivity.				£0	£2,524,000	£1,524,000	£1,044,000	
Devo Deal Investment Programme : HS2CP Centenary Square	Transport	The extension of the Metro Network from New Street Station to Centenary Square and onwards to Edgbaston, including the costs of stat diversions, track and additional vehicles.				£5,088,000	£14,798,000	£12,435,000		
Devo Deal Investment Programme : HS2CP Metro Edgbaston Extension	Transport								£11,794,460	
Devo Deal Investment Programme : HS2CP Rail Schemes	Transport	Rail infrastructure improvement schemes including contributions to new stations.				£768,000	£2,279,000	£11,080,000	£16,820,000	
Devo Deal Investment Programme : HS2CP Wolverhampton Metro	Transport	Delivery of a Metro Extension in Wolverhampton with additional works to encompass Wolverhampton Rail Station and Car Park.				£5,277,792	£2,578,000	£4,544,208		
Devo Deal Investment Programme : HSCP Sprint Programme	Transport	The delivery of a Bus Rapid Transit network to include highway measured and vehicle procurement (with private sector investment assisting with the vehicle acquisition costs).				£965,025	£9,977,931	£18,107,234	£36,437,400	
Devo Deal Investment Programme : HS2 - Brierley Hill Metro Extension	Transport	The extension of the Metro Network to Wednesbury and Brierley Hill				£1,980,000	£13,680,000	£12,598,000		
Devo Deal Investment Programme : Programme Governance	Transport and Economic Regeneration	Costs of programme management in relation to the delivery of the HS2 elements of the Investment Programme.				£505,556	£382,691	£386,517	£390,383	
Devo Deal Investment Programme : Coventry City Centre Regeneration	Economic Development & Regeneration	Coventry City Centre South regeneration. A retail led development scheme to include a new department store, retail units, food and beverage units, a cinema, bowling alley, residential space, a hotel, car park and high quality public realm.				£7,585,281	£85,241,000	£8,252,000	£26,696,000	
Devo Deal Investment Programme : Coventry UK Central	Economic Development & Regeneration/ Highways	A45 to A444 Keresley Link and M6 Junction 3 improvements.				£140,000	£1,230,000	£1,375,000	£1,116,000	
Devo Deal Investment Programme : Land Remediation Fund	Economic Development & Regeneration/ Housing	Pump priming strategic development opportunities to unlock sites, remediate the industrial legacy and bring forward investable propositions				£5,000,000	£25,000,000	£25,000,000	£25,000,000	
Devo Deal Investment Programme : Business Innovation	Economic Development	Development and application of intelligent/smart systems technology and approaches to increase business competitiveness/productivity and to contribute to the reform of public services. Focus will be applications in the Mobility, Health and Energy sectors, reflecting local and regional strengths and priorities as identified in the recent Midlands Engine Science and Innovation Audit.					£1,075,000	£3,300,000	£11,375,000	
Other planned PWLB Debt Repayments	N/A	N/A		N/A					£(20,226,779)	£(26,637,000)
Collective Investment Fund	Economic Development & Regeneration / Housing	Commercial Property Fund accelerates the development of commercial property projects within the West Midlands area. It is a revolving Fund that aims to underpin the region's long term growth and stability.		This is an evergreen fund, paid for by charging a commercial return on monies loaned to business and the repayment of the principal over a relatively short period of time.			£15,000,000	£15,000,000	£15,000,000	£15,000,000
								£(15,000,000)	£(15,000,000)	
WMCA	Transport	Allowance for re-financing loan maturities	N/A			£5,000,000	£23,000,000	£5,000,000	£5,000,000	
WMCA Borrowing Headroom (Agreed verbally with HMT)	N/A	N/A	N/A			£10,000,000	£10,000,000	£10,000,000	£10,000,000	
Total planned prudential borrowing				£0	£0	£78,975,784	£271,321,041	£182,370,010	£210,642,733	

APPENDIX 2 : Key Route Network (Including Amendments as Highlighted)

Proposed Changes to Schedule 1 of the West Midlands Combined Authority (Functions and Amendment) Order 2017

(1) Schedule 1 (meaning of "combined authority roads") to the West Midlands Combined Authority (Functions and Amendment) Order 2017() is amended as follows.

(2) In paragraph 5, for the opening words substitute-

5. A45 from the Stivchall Interchange roundabout with the A444/A46 in Coventry to the A446/A452 Junction with Stonebridge Island; and from a point immediately east of its junction with the M42 motorway Junction 6 excluding the circulatory carriageway to the Bordesley Circus roundabout with the A4540 Watery Lane Middleway/Bordesley Middleway/B4128 Coventry Road, including its junctions with-

(3) For paragraph 14 substitute-

14. A453 from its junction with the A34 Walsall Road (see paragraph 1(i).) to its junction with the B4138 Kingstanding Road.

(4) For paragraph 17 substitute—

17. A457 from its junction with the A459 Dudley Street/High Holborn to the Spring Hill roundabout with the A4540 Icknield Street/Ladywood Middleway/B4135 Summer Hill Road, including its junctions with—

(a) Turl Street; (b) Setton Drive; (c) High Arcal Drive; (d) Tipton Road; (e) Marlborough Road; (f) Brooke Street; (g) Parkes Lane; (h) A457 Sedgley Road/Parkes Hall Road/Park Road; (i) Claycroft Terrace; (j) Woodsetton Close; (k) Bramford Drive; (l) A457 Sedgley Road/George Street/Vicarage Road West; (m) Fox Street; (n) Dawlish Road; (o) A457 Sedgley Road/A4123 Birmingham New Road; (p) A4037 Hurst Lane/Dudley Road; (q) B4517 Owen Street/High Street roundabout; (r) A461 Dudley Port; (s) A4033 Dudley Road West; (t) Roway Lane/Brades Road roundabout; (u) A4034 Oldbury Ringway/Freeth Street roundabout; (v) Rounds Green Road/Sainsbury's roundabout; (w) A4034 Churchbridge/Halesowen Street roundabout; (x) Rood End roundabout; (y) A4031 Spon Lane South/Mallin Street roundabout; (z) A4252 Telford Way/Fenton Street roundabout; (aa) A4030 High Street; (bb) B4136 Soho Street; (cc) B4135 Cranford Street/B4136 Windmill Lane roundabout; (dd) A4092 Cape Hill/Barrett Street roundabout; (ee) B4129 Rotton Park Road; (ff) A4040 City Road; (gg) A4040 Winson Green Road/B4126 Icknield Port Road; (hh) B4135 Heath Street; and (ii) Western entry to the Spring Hill roundabout with the A4540 Icknield Street/Ladywood Middleway/B4135 Summer Hill Road.

(5) In paragraph 21—

(a) for the opening words substitute—

"21. A461 from the northwestern Walsall Borough boundary just south of Barracks Lane/Cartersfield Lane to the junction of the A461 Stourbridge Road/A4036 Highgate Road, including its junctions with—"

(b) after sub-paragraph (q) add—

(r) A461 Duncan Edwards Way;

(s) Scotts Green roundabout with A4101 Stourbridge Road/A4101 Kingswinford Road/ Scotts Green Close; and

(t) A461 Stourbridge Road."

(6) After paragraph 24 insert—

"24A. A4030 from its junction with the A456 Hagley Road West to its junction with the A457 Tollhouse Way, including its junctions with—

(a) Poplar Road; (b) Anderson Road; (c) Sherwood Road; (d) St. Mary's Road; (e) Rutland Road; (f) Sandon Road/B4182 Three Shires Oak Road; (g) Ethel Street; (h) Merrival Road; (i) Belmont Road; (j) Rawlings Road; (k) Dunsford Road; (l) Reginald Road; (m) Richmond Road; (n) Beakes Road; (o) Linden Road; (p) Talbot Road; (q) Bearwood Road; (r) Marlborough Road; (s) Dawson Street; (t) Vince Street; (u) Pearman Road; (v) Wellington Road; (w) Capethom Road; (x) Church Road; (y) Grange Road; (z) Millpool Way; (aa) Pens Close; (bb) Norma Rose Close; (cc) Watery Lane; (dd) Firs Lane; (ee) Victoria Avenue; (ff) Brailsford Drive; (gg) Coopers Lane/Crocketts Lane; (hh) Pidcock Road; (ii) Regent Street; and (jj) Roslyn Close."

(7) After paragraph 33 insert—

"33A. A4092 from its junction with the B4125 to its junction with the A457 Grove Lane/Cape Hill/Barrett Street roundabout, including its junctions with—

(a) B4136 Windmill Lane; (b) Salisbury Road; (c) Rosebery Road; (d) Durban Road; (e) Montague Road; (f) Crown Street; and (g) Ragland Road."

APPENDIX 2 Continued: Key Route Network (Including Amendments as Highlighted)

Proposed Changes to Schedule 1 of the West Midlands Combined Authority (Functions and Amendment) Order 2017

(8) For paragraph 36 substitute—

*36. A4101 from the Dudley boundary (see paragraph 12(p).) to the Scotts Green Island roundabout with the A461 Duncan Edwards Way/Stourbridge Road/Scotts Green Close, including its junctions with—

(a) A449 Kidderminster Road; (b) B4178 Swindon Road/Cot Lane; (c) A491 Moss Grove/Market Street (see paragraph 24(b).); (d) B4179 Commonsides; (e) Pensnett Road roundabout; and (f) Scotts Green Island roundabout with the A461 Duncan Edwards Way/Stourbridge Road/Scotts Green Close."

(9) After paragraph 41 insert—

*41A. A4167 from its junction with the A34 Stratford Road, to its junction with the A4540 Haden Circus, including its junction with—

(a) Stoney Lane; (b) Queen Street; (c) Mole Street; (d) Ladypool Road; (e) Kyrwicks Lane; (f) Woodfield Road; and (g) Moseley Road."

(10) After paragraph 54 insert—

*54A. B4125 from its junction with the A4030 to its junction with the A4092 Waterloo Road/Cape Hill, including its junctions with—

(a) Edgbaston Road; (b) Corbett Street; and (c) Claremont Road."

(11) After paragraph 55 insert

B4138 from its junction with the A453 College Road to its junction with the A454 Walsall Road, including its junctions with –

(a) Elmbridge Road; (b) Crossway Lane (c) Tysoe Road (d) Greenholm Road (e) Goodway Road/Melverley Grove junction; (f) Blenheim Way; (g) Westward Close; (h) Hawthorn Road/Dyas Road junction; (i) Hotspur Road; (j) Cranbourne Road; (k) Heather Croft; (l) Old Oscott Hill; (m) Harringay Road; (n) Dunedin Road; (o) B4149 Kings Road/Kettlehouse Road/Rough Road roundabout; (p) Cooksey Lane/Norbury Road junction; (q) Beacon Road; (r) Endhill Road; (s) George Frederick Road; (t) Bakers Lane junction; (u) Sutton Oak Road junction; (v) Sutton Oak Road/A452 Chester Road North junction (w) A452/A4101 roundabout; (x) Oakmount Road; (y) Ryknild Drive; (z) Millcroft Road; (aa) Thornhill Park; (bb) Manor Road; (cc) Foley Road East; (dd) Horsley Road; (ee) Burnett Road; (ff) B4151 Streety Lane/hardwick Road/Roman Road roundabout; (gg) St. Margaret's (hh) Highbury Road; (ii) Wayside Drive; (jj) Endwood Drive; (kk) Woodstock Drive; (ll) Park Drive;

(12) After paragraph 56 insert—

*56A. B4145 from its junction with the A41 Warwick Road roundabout to its junction with the A45 Poets Corner roundabout, including its junctions with—

(a) Fraser Road; (b) Barrows Road; (c) Gough Road; (d) Ansell Road; (e) Hangleton Drive; (f) Benton Road; (g) Walford Road; (h) Sydenham Road; (i) Armoury Road; and (j) Anderton Road.

56B. B4146 from its junction with the A4040 Stockfield Road to its junction with the A41 Warwick Road, including its junctions with—

(a) Mansfield Road; (b) Wynford Road; (c) Augusta Road; (d) Francis Road; (e) Langworth Avenue; (f) Florence Road; (g) Beeches Avenue; (h) Cottesbrook Road; (i) Douglas Road/Elmdon Road; (j) Malvern Road; (k) Alexander Road; (l) The Avenue; (m) Sherbourne Drive; and (n) Oxford Road/Station Road/Sherbourne Road.

56C. B4148 Kingsbury Road from its junction with the A452 Chester Road roundabout to its junction with the A5127, including its junctions with—

(a) Padstow Road; (b) Eaton Wood/Egerton Road; (c) Pype Hayes Road/Sorrel Grove; (d) Paget Road/Burcote Road; (e) Holly Lane roundabout; (f) Bracken Road; (g) Tolworth Hall Road; (h) Birches Green Road; (i) Whitminster Avenue; (j) Firtree Road; (k) Spring Lane; (l) Ardenleigh Way; (m) Eagle Gardens; (n) Bromford Lane; (o) Arton Croft; (p) Ullink Green; (q) Wood End Lane; (r) Kingsbury Road; (s) Lyndhurst Road; (t) Kingsmere Close; (u) Marshfield Gardens; and (v) Wheelwright Road."

(13) After paragraph 59 add—

*60. B4179 from its junction with the A4101 to its junction with A461 Ventura Way/Level Street, including its junctions with—

(a) Bradley Street; (b) Victoria Street; (c) Broad Street/Tiled House Lane (d) Birbeck Place; (e) Queen Street; (f) Blewitt Street; (g) Bromley Lane; (h) Bryce Road; (i) Wallows Road; (j) Kerry Close; (k) Pensnett Road; (l) Hickman Road; (m) Pensnett Road; (n) B4180 High Street; (o) B4180 John Street; (p) Bent Street/Adelaide Street; (q) Victoria Street; (r) A461 Dudley Road/High Street; and (s) A461 Ventura Way."