



BROMSGROVE DISTRICT COUNCIL

YOU ARE HEREBY SUMMONED to attend a MEETING of BROMSGROVE DISTRICT COUNCIL to be held in the Council Chamber at Parkside Suite - Parkside at 6.00 p.m. on Thursday 9th June 2016, when the business referred to below will be brought under consideration:-

The formal business will be preceded by a prayer.

1. **To receive apologies for absence**

2. **Declarations of Interest**

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

3. **To confirm the accuracy of the minutes of the meetings of the Council held on 20th April 2016 and 18th May 2016 (Pages 1 - 16)**

4. **To receive any announcements from the Chairman and/or Head of Paid Service**

5. **To receive any announcements from the Leader**

6. **To receive comments, questions or petitions from members of the public**

A period of up to 15 minutes is allowed for members of the public to make a comment, ask questions or present petitions. Each member of the public has up to 3 minutes to do this. A councillor may also present a petition on behalf of a member of the public.

7. **The Government's Devolution Agenda - West Midlands Combined Authority Potential Membership** (Pages 17 - 160)

To consider the enclosed report setting out key issues relating to the Government's Devolution agenda, and inviting the Council to consider becoming a non-constituent member of the proposed West Midlands Combined Authority.

8. **Recommendations from the Cabinet (To follow)**

To consider the recommendations from the meeting of the Cabinet held on 1st June 2016

(Background information is included at the back of the Council agenda book)

9. **To receive the minutes of the meeting of the Cabinet held on 1st June 2016 (To follow)**

10. **Appointments to Outside Bodies** (Pages 161 - 166)

To consider the report of the Head of Legal, Equalities and Democratic Services.

11. **Questions on Notice (To be circulated at the Meeting)**

A period of up to 15 minutes is allocated for the asking and answering of questions. This may be extended at the discretion of the Chairman with the agreement of the majority of those present.

To deal with any questions on notice from Members of the Council, in the order in which they have been received.

12. **Motions on Notice (To follow if any)**

A period of up to one hour is allocated to consider the motions on notice. This may only be extended with the agreement of the Council.

Background Information on Recommendations from the Cabinet on 1st June 2016 - Dolphin Centre Replacement - Financial Update_(Pages 167 - 174)

Background Information on Recommendations from the Cabinet on 1st June 2016 - New Homes Bonus Scheme_(Pages 175 - 190)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

TO ALL MEMBERS OF THE BROMSGROVE DISTRICT COUNCIL

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

20TH APRIL 2016 AT 6.00 P.M.

PRESENT: Councillors C. J. Spencer (Chairman), H. J. Jones (Vice-Chairman), C. Allen-Jones, S. J. Baxter, C. J. Bloore, M. T. Buxton, S. R. Colella, B. T. Cooper, R. J. Deeming, G. N. Denaro, R. L. Dent, M. Glass, J. M. L. A. Griffiths, C.A. Hotham, R. E. Jenkins, R. J. Laight, P. Lammas, L. C. R. Mallett, K.J. May, C. M. McDonald, P. M. McDonald, S. R. Peters, S. P. Shannon, M. A. Sherrey, R. D. Smith, C. B. Taylor, P.L. Thomas, M. Thompson, L. J. Turner and P. J. Whittaker

113\15 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor S. A. Webb.

114\15 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

115\15 **MINUTES**

The minutes of the meeting of the Council held on 24th February 2016 were submitted.

Councillor G. N. Denaro referred to Minute 107/15 relating to the New Homes Bonus Scheme and stated that this would now be considered in June, as there were still outstanding information required regarding the final Government Settlement.

It was noted that the words in brackets following Minute 107/15 should read as follows:

“Councillors S. R. Colella and K. J. May each declared an other disclosable interest as the Chairman of Hagley Parish Council and Bournheath Parish Council respectively.”

RESOLVED that subject to the above amendment the minutes of the meeting of the Council be approved as a correct record.

116\15

ANNOUNCEMENTS FROM THE CHAIRMAN

The Chairman invited all Members to attend the following events:

Lighting of the official beacon to mark the 90th birthday of the Queen and associated concert by Blackwell Wind and Concert Band in the Event Space in Bromsgrove High Street on 21st April;

St George's Day celebrations and parade in Bromsgrove High Street on 23rd April.

117\15

ANNOUNCEMENTS FROM THE LEADER

The Leader reported on the meeting which had taken place the previous day with Greg Clarke MP, Secretary of State for Communities and Local Government. The Minister had agreed to look at the details raised in respect of the settlement and outcomes would be reported back..

The Leader also reported that the recently appointed Centres Manager had recently commenced in her new post.

During the debate some Members expressed disappointment that the representation from this Council at the meeting with the Minister had not been on a cross party basis. Information was requested on the discussions and their outcome and clarification of the position taken by the Local MP.

The Leader responded that she could not comment on behalf of the MP.

118\15

QUESTIONS FROM MEMBERS OF THE PUBLIC

The Chairman announced that two public questions had been received in relation to the alternative provision to be made when the Dolphin Centre Sports Hall was no longer available. Councillor R. J. Laight as Portfolio Holder for Leisure would respond to these questions.

From Mr C. Barnett

"Bromsgrove District Council have already informed us that the new Leisure Centre scheme will displace a number of daytime users due to the closure of the Sports Hall.

If BDC also fail to negotiate a contract with BAM to use the hall at North Bromsgrove High School then it is apparent that evening and weekend users will also be displaced.

What exactly will this Cabinet do to assist the adults and children displaced by this scheme in finding alternative facilities, and will this

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Cabinet be providing financial compensation to the businesses disrupted by this scheme in order to offset their loss of earnings?”

From Ethan Humphreys and Fletcher Howard

“We love playing football every Saturday morning in the sports hall at the Dolphin Centre at the Footiebugs Group. We love it because it’s helped our confidence, keeps us fit, we’ve met lots of new friends and it’s fun.

Can you guarantee that Footiebugs will have a venue to continue after the sports hall at the Dolphin Centre has been demolished? And if so, which sports hall will be able to use?”

Councillor Laight welcomed the questioners to the meeting of Council and in particular thanked Ethan and Fletcher for their interest at such a young age.

In response to the questions, Councillor Laight made the following points:

the Council was working towards its Strategic Purposes in this case “provide me with good things to see, do and visit” it was very important to the Council to achieve this;

the decision to replace the Dolphin Centre, largely due to structural issues, had not been taken lightly;

the issues of viability and the reasoning behind the mix of facilities had been discussed many times and he did not propose to repeat these arguments;

in relation to the question on Footiebugs sessions, there were a number of sports halls and gyms potentially available throughout the District including at North Bromsgrove High School. The venue to be used was a matter for whoever was managing the Footiebugs bookings but if there were difficulties the Sports Development Team and himself as Portfolio Holder would do their best to assist;

in relation to the question from Mr Barnett, again the Sports and Leisure Team would offer all assistance to various groups in finding alternative venues as from April 2017 and programmes were being developed to offer suitable levels of support. It was not the role of the Council however to provide state funding to private businesses so financial compensation would not be paid .

119\15

RECOMMENDATION FROM THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE - TREASURY MANAGEMENT STATEMENT

The recommendations from the Audit, Standards and Governance Committee were proposed by Councillor R. D. Smith and seconded by Councillor P. L. Thomas.

In proposing the recommendations Councillor Smith referred to the need for the Council to set the Treasury Management Statement and Prudential Indicators each financial year.

Councillor L. C. R. Mallett stated that whilst he would be supporting these recommendations, he had concerns in respect of the financial management, including controls and processes of the Council. The net movement of reserves over the previous 10 years had led to the need to fund projects such as the move to Parkside and the replacement Leisure Centre by way of borrowing.

Some Members suggested that the borrowing limit of £15m was excessive and that there were long term implications should borrowing increase to these levels. Attention was also drawn to the requirement for the Treasury Management Statement to be agreed prior to the start of the Financial Year.

Councillor G. Denaro commented that the borrowing limit had not been changed since the previous year and did not mean that the Council would be borrowing up to that limit. The Strategy would allow for a prudential way of managing the Council's investments.

Councillor Smith reminded Members that this recommendation was not part of the budget but was a strategy for managing the budget going forward and that the Audit, Standards and Governance Committee would be monitoring this throughout the year.

RESOLVED:

- (1) that the Strategy and Prudential Indicators shown at Appendix 1 to the report be approved;
- (2) that the Authorised Limit for borrowing, should borrowing be required be set at £15 million;
- (3) that the maximum level of investment to be held within each organisation (i.e. bank or building society) be as detailed at £2.5 million, subject to market conditions; and
- (4) that the updated Treasury Management Policy as shown at Appendix 2 to the report be approved.

120\15 **MINUTES OF THE MEETINGS OF THE CABINET HELD ON 24TH FEBRUARY 2016, 2ND MARCH 2016 AND 6TH APRIL 2016**

The minutes of the meetings of the Cabinet held on 24th February 2016, 2nd March 2016 and 6th April 2016 were received for information.

121\15 **REPORT FROM THE PORTFOLIO HOLDER FOR ENVIRONMENTAL SERVICES AND REGULATORY SERVICES**

As the Portfolio Holder for Environment and Worcestershire Regulatory Services, Councillor P. J. Whittaker presented a report on the areas covered by his Portfolio which he felt were wide ranging.

Members considered the report and there was discussion on a number of issues, including the following:

- the benefits of the Council working together with a number of organisations and Parish Councils to alleviate and prevent flooding issues;
- the benefits of working via “Place Teams” ;
- the omission of any reference to Air Quality Management Areas within the report although the Portfolio Holder updated the Council on action being taken to address air quality at specific points in the District;
- the free Evening Car Parking Trials and the changing remit of the associated Task Group in view of the difficulty of measuring the success of the trial;
- the need to ensure that Council Car Parks were kept in good repair and vandalism prevented;
- ways in which the problem of fly tipping could be addressed including prosecutions and better education to reduce incidences occurring;
- the choice of the new waste collection vehicles and the work undertaken to improve the performance of the service including route optimisation and working on a cross boundary basis where appropriate;
- it was recognised that the closures of the M5 were causing problems to residents and that work needed to continue to address Highways issues within the District including acknowledging the A38 as a Strategic Route.

122\15

QUESTIONS ON NOTICE

Question submitted by Councillor M Buxton

Several residents have noticed that, since its refurbishment, the condition of the High Street has deteriorated - I speak particularly of litter and chewing gum on the ground.

I acknowledge that Councillor Dent has recently been photographed in the High Street "cleaning for the queen" but long term, can Councillor Dent or the Leader confirm what strategies are in place to ensure the High Street does not continue to deteriorate. Particularly can the Leader or Portfolio Holder confirm, since the re-opening of the High Street, how many people have been fined for litter and chewing gum offences?

Councillor P. J. Whittaker responded that there was a regime of cleaning covering the High Street which included pressure washing and removal of chewing gum. There had been no prosecutions for litter and chewing gum offences.

Question submitted by Councillor M. Thompson

Would the Leader agree with me that the term "unqualified", in relation to accounts as brought up at the last full Council meeting, is a term used to describe accounts that are unquestionably correct and, therefore, that the Labour Group, who had four years of unqualified accounts – not achieved by this Council – should be congratulated?

Councillor M. A. Sherrey responded that he agreed the accounts for the 4 years up to 1999 had been unqualified. The accounts had also been unqualified for the last 6 years.

Question submitted by Councillor P. McDonald (asked at the meeting by Councillor L. Mallett)

Does the Chairman agree with me that it is wrong not to have an Ethical Policy regarding the awarding of contracts relating to organisations that use islands as advertisement boards?

Councillor R. J. Laight responded that the question of ethical guidelines within sponsorship arrangements would be reviewed to ensure consistency in policies.

From Councillor C. McDonald (asked at the meeting by Councillor L. Mallett)

Would the Chairman please inform me whether action is going to be taken against this Council for fly-posting at road junctions or is the Council a special case?

Councillor Taylor responded that this Council did have a fly posting policy in place and that the new operators of the Market had been advised regarding the correct procedures to be followed in this regard.

123\15

MOTION ON NOTICE - ANIMAL WELFARE

The Council considered the following motion submitted by Councillor M. Thompson which had been brought back to Council for consideration:

“Whilst humans and animals often enjoy a harmonious and mutually beneficial relationship, there are numerous examples of animals suffering extreme and unnecessary cruelty at the hands of humans; sadly and often , in the name of entertainment. Bromsgrove District Council should be a Council that promotes animal welfare and as such be a compassionate beacon to other Districts. This motion, therefore, proposes that on its land and premises the Council:

- (i) Does not allow circuses that use wild or domestic animals;
- (ii) Does not allow the use of animals as prizes (for example: goldfish in fairs)
- (iii) Uses only environmentally friendly cleaning products and products that have not been tested on animals.”

Councillor B. T Cooper expressed his broad agreement to the Notice of Motion subject to minor amendments. Councillor Thompson accepted the amendments and it was

RESOLVED:

That the Council

- (i) Does not allow circuses that use performing animals;
- (ii) Does not allow the use of animals as prizes (for example: goldfish in fairs)
- (iii) Uses only environmentally safe cleaning products and products that have not been tested on animals, wherever possible, being guided by information from product data sheets or COSSH (Control of Substances Harmful to Health) data sheets.

That having regard to the wishes of the Council, Cabinet be requested to prepare an appropriate policy for Council’s consideration.

124\15

MOTION ON NOTICE - URGENT MANAGEMENT RESTRUCTURE AND SAVINGS

The Council considered the following Notice of Motion submitted by Councillor L. C. R. Mallett:

“Council notes the perilous financial position of the Council imposed by cuts from central Government and past decisions to spend vital financial reserves. It is vital that change is implemented now to protect vital front line Council services.

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Council calls on the Leader and Cabinet to work with unions and senior management to commence a review of senior management (Heads of Service and Directors) at the Council with a view to save up to £200,000 of current management costs in future years against the current top management cost of over £1.1m annually across the two Councils.

Council further calls on the Leader and Cabinet to review external consultancy, legal, agency and IT costs to identify at least a further minimum of £200,000 of annual savings.”

The motion was proposed by Councillor L. C. R. Mallett and seconded by Councillor C. J. Bloore.

In proposing the motion, Councillor Mallett referred to the discussion at the previous meeting including the commitment to cross party working which had not subsequently been pursued.

Councillor Mallett expressed the view that fiscal incompetence had led to the present very difficult financial situation which it appeared there was no political will to resolve . He suggested that the costs of Senior Management were disproportionate as the overall budget reduced and he referred to specific costs relating to IT, Legal and Consultants.

The Leader referred to the significant cost savings to Bromsgrove District Council of £2.6 million which had been achieved through shared services, this included the reduction of 3 senior posts. The level of staff needed to meet the needs of the Council was continually assessed.

Some Members suggested that Members were constantly working with Officers to achieve savings to bridge the financial gap. This included looking at Management structures. In addition the use of agency staff would continue to be reviewed on a regular basis.

During the debate some Members expressed the view that more could be achieved if constructive cross party working was undertaken.

On being put to the vote the Chairman declared the motion to be lost.

125\15

NOTICE OF MOTION - AUDIT COMMISSION ACT 1988

The Council considered the following motion submitted by Councillor C. A. Hotham:

“The Council has been reported under Section 11 of the Audit Commission Act 1998 and is required to follow a legally defined protocol. The failure to alert the public through a newspaper advert as required by the official sanctioning of the financial management of the Council is unfortunate. However, now that this error has been highlighted the Council must be legally bound to follow the proscribed route and re-hold

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the public meeting to discuss what actions the Council proposes to take to improve its performance.

The Motion is:

Bromsgrove District Council recognises its shortcomings in dealing with it's designation under Section 11 of the Audit Commission Act 1998 and will use every endeavour to act in a legal manner in order to discharge its obligations."

The motion was proposed by Councillor Hotham and seconded by Councillor S. J. Baxter.

During the debate on the motion it was accepted that the failure to publish a Notice required under Section 12 (1) of the Audit Commission Act in relation to the Section 11 recommendations meant that this element of the Council's process for receiving the Auditor's recommendations had been flawed. This did not affect the accounts themselves or their validity or the action plan which was being implemented. It was reported that the External Auditors had formally advised they did not intend to challenge the process and that their primary concern was that the issues raised in their recommendations were addressed.

Councillor Hotham also drew attention to the requirement to discuss the Auditor's recommendations at Council rather than at a Committee.

On being put to the vote the Chairman declared the motion to be lost.

The meeting closed at 8.20 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

ANNUAL MEETING OF THE COUNCIL

18TH MAY 2016 AT 6.00 P.M.

PRESENT: Councillors C. J. Spencer (Chairman), H. J. Jones (Vice-Chairman), C. Allen-Jones, S. J. Baxter, C. J. Bloore, M. T. Buxton, S. R. Colella, B. T. Cooper, R. J. Deeming, G. N. Denaro, R. L. Dent, M. Glass, J. M. L. A. Griffiths, C.A. Hotham, R. E. Jenkins, R. J. Laight, K.J. May, C. M. McDonald, P. M. McDonald, S. R. Peters, S. P. Shannon, M. A. Sherrey, R. D. Smith, C. B. Taylor, P.L. Thomas, M. Thompson, L. J. Turner, S. A. Webb and P. J. Whittaker

1\16 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors P. Lammas and L. C. R. Mallett.

2\16 **ELECTION OF CHAIRMAN**

The following Councillors were proposed as Chairman for the ensuing year:

Councillor H.J. Jones - proposed by Councillor M. A. Sherrey and seconded by Councillor R. J. Laight

Councillor M. Thompson - proposed by Councillor C. J. Bloore, seconded by Councillor M. Buxton.

Following a show of hands it was

RESOLVED that Councillor H. J. Jones be elected Chairman of the Council for the ensuing year.

Councillor Jones signed the Declaration of Acceptance of Office and thanked Members of the Council for electing her to the Office of Chairman.

Councillor H. J. Jones - in the Chair

3\16

ELECTION OF VICE-CHAIRMAN

Councillor C. B. Taylor proposed, Councillor P. L. Thomas seconded that Councillor M. Glass be elected Vice-Chairman of the Council for the ensuing year.

Councillor S Baxter proposed, Councillor S. Colella seconded, that Councillor L. Turner be elected Vice-Chairman for the ensuing year.

Following a show of hands it was

RESOLVED that Councillor M. Glass be elected Vice- Chairman of the Council for the ensuing year.

Councillor Glass signed the Declaration of Acceptance of office and thanked Members of the Council for electing him to the office of Vice-Chairman.

4\16

VOTE OF THANKS TO RETIRING OFFICE HOLDERS

The Chairman paid tribute to the retiring Chairman, Councillor C. J. Spencer, and presented her with a bouquet of flowers and a Past Chairman's badge as a mark of the Council's appreciation of the work she had undertaken as Chairman.

It was

RESOLVED that the thanks of the Council be tendered to Councillor C. J. Spencer for her services as Chairman of the Council.

The Chairman presented Mr J. Spencer with a Past Consort's badge and a small gift as a mark of the Council's appreciation of him acting as consort to the Chairman during the past year.

5\16

DECLARATIONS OF INTEREST

No Declarations of Interest were received.

6\16

ANNOUNCEMENTS FROM THE CHAIRMAN

The Chairman announced that her Chaplain for the year would continue to be Reverend Ray Khan.

The Chairman also announced that her Charity for the year would be Sunfield Special School who supported boys and girls aged 6-19 with complex learning needs, including Autism. Representatives from Sunfield would be available at the end of the meeting to provide further information.

7\16

ANNOUNCEMENTS FROM THE LEADER

The Leader announced that Councillor R. L. Dent would be stepping down from the Cabinet and Councillor K. J. May would be joining the Cabinet.

The following Councillors would remain on the Cabinet:

- Councillor C. B. Taylor (Deputy Leader)
- Councillor G. N. Denaro
- Councillor R. J. Laight
- Councillor P. J. Whittaker

The Leader thanked Councillor Dent for the work she had undertaken on behalf of the Council during her time on the Cabinet. Councillor C. J. Bloore also paid tribute to the work Councillor Dent had undertaken as a portfolio holder.

8\16

APPOINTMENT OF COMMITTEES 2016-17

It was proposed by Councillor M. A. Sherrey, seconded by Councillor G. N. Denaro and

RESOLVED:

- (a) that for the ensuing Municipal Year, the Committees set out in the table in Appendix 1 of the report, be appointed and that the representation of the different political groups on the Council on those Committees be as set out in that table until the next Annual Meeting of the Council, or until the next review of political representation under Section 15 of the Local Government and Housing Act 1989, whichever is the earlier;
- (b) that Members be appointed to the Committees and as Substitute Members in accordance with the nominations made by Group Leaders and as set out at appendix 1 to these minutes;
- (c) that the terms of reference for the Boards and committees as set out at Appendix 2 to the report be confirmed.

9\16

APPOINTMENTS TO OUTSIDE BODIES

Councillor G. N. Denaro requested that this item be deferred for consideration at the next Council meeting in view of the on-going review of Outside Bodies.

Arising from a comment relating to whether it was appropriate to appoint to bodies associated with the Greater Birmingham and Solihull LEP in

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view of the Council's membership of Worcestershire LEP, it was agreed that this would be taken into account when the requirements to appoint were reviewed. A written explanation of the outcome would be provided to Members.

RESOLVED that the appointments to Outside Bodies be deferred until the next meeting of the Council and that in the meantime the existing appointments remain in post.

10\16

SCHEME OF DELEGATION

RESOLVED that the current version of the Officer Scheme of Delegations as set out in Appendix 1 to the report be noted.

Appointments to Committees 2016/17

The meeting closed at 6.35 p.m.

Chairman

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Bromsgrove District Council

Composition of Committees 2016-17

Committee	Cons	Lab	Independent Alliance	Comments
Overview and Scrutiny Board	Take 7 Allen-Jones Cooper Glass Smith Spencer Thomas Webb	2 Bloore Mallett	2 Baxter Colella	11 members on Board
Licensing Committee	6 Cooper Dent Lammas Spencer Thomas Webb	2 Take 3 Buxton C. McDonald Shannon	2 Peters Turner (substitute Baxter)	11 members on Committee
Planning Committee	6 Allen-Jones Deeming Glass Spencer Thomas Whittaker	2 Buxton Shannon	2 Take 3 Baxter Hotham Peters (Substitute Turner)	11 members on Committee
Audit, Standards and Governance Committee	5 Cooper Dent Smith Spencer Thomas	2 P. McDonald Thompson	2 Colella Peters	9 members on Committee
Electoral Matters Cttee	4 Allen-Jones Glass Griffiths Lammas	2 Mallett Thompson	1 Turner	7 members on Committee
Appeals	3 Allen-Jones Cooper Deeming	1	1	5 members on Committee

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Appointments/Statutory Officers Disciplinary Appeals Panel	3 Denaro May Taylor	1	1	5 members on Committee
TOTAL Entitlement	34	13	11 Take 12	59 places available

THE GOVERNMENT'S DEVOLUTION AGENDA – WEST MIDLANDS COMBINED AUTHORITY POTENTIAL MEMBERSHIP

Relevant Portfolio Holder	Cllr Margaret Sherrey
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 To set out key issues relating to the Government's devolution agenda.
- 1.2 To update the Council on the proposals to establish a West Midlands Combined Authority and the development of a devolution 'deal'.
- 1.3 To determine the position of the Council in respect of the invitation to join the West Midlands Combined Authority; subject to this decision, to consider the Governance Review and Scheme.
- 1.4 To update Council on discussions in Worcestershire about the Government's devolution agenda.

2. RECOMMENDATIONS

Council is asked:

- 2.1 To consider its response to the invitation to become a non-constituent member of the proposed West Midlands Combined Authority (WMCA).
- 2.2 To decide whether to accept or decline the invitation to become a non-constituent member of the proposed WMCA.
- 2.3 If the Council decides to accept the invitation, at 2.2 above, to endorse the Governance Review and Scheme (Appendix 2 and 3)
- 2.4 If the Council decides to accept the invitation, at 2.2 above, to become a non-constituent member of the proposed WMCA, to approve the release of balances of £25,000 for this Council's contribution to the WMCA in 2016/17 and the inclusion of £25,000 in the medium term financial plan for an ongoing financial contribution.
- 2.5 If the Council decides to accept the invitation at 2.2 above, to become a non-constituent member of the proposed West Midlands Combined Authority, to appoint 1 representative to each of the following bodies for 2016-17:
 - The WMCA Audit Committee

- The WMCA Overview and Scrutiny Committee

3. KEY ISSUES

Financial Implications

- 3.1 The £25,000 contribution to costs in 2016/17 will need to be met from balances.
- 3.2 Subject to the decisions of the Council, £25,000 be included in the medium term financial plan for an ongoing financial contribution towards the cost of the Combined Authority.

Legal Implications

- 3.3 The legal implications are set out in the report.

Service / Operational Implications

- 3.4 Combined Authorities and Economic Prosperity Boards are the primary mechanism identified by central government for the devolution of further powers and funding to local areas. They were introduced in the Local Democracy, Economic Development and Construction Act 2009, (sections 103-113). The power to set them up extends to England only. Local authorities must trigger a review process in advance of setting a combined authority up, but the power actually to create a combined authority lies with the Secretary of State, via statutory instrument. The membership and functions of the combined authority are to be specified in the Order setting it up. Local authorities are included in the Combined Authority by consent.
- 3.5 The seven Metropolitan Councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have made a commitment to establish a West Midlands Combined Authority. Appendix 1 shows the original proposed scale of the WMCA. A Statement of Intent was published on 5 July 2015 setting out how a proposed West Midlands Combined Authority (WMCA) would work across the three existing Local Enterprise Partnerships of Greater Birmingham & Solihull, Black Country and Coventry & Warwickshire to deliver conditions for business to flourish, creating more skilled and better paid jobs, bringing more investment into the area, improving health outcomes and reforming public services. It sets out key objectives to increase competitiveness and productivity and be a driver for growth nationally.
- 3.6 Bromsgrove District Council was invited, in October 2015, to join the proposed West Midlands Combined Authority along with all other District and Borough Councils in the Greater Birmingham and Solihull Local Enterprise Partnership and the Coventry & Warwickshire Local Enterprise Partnership (including Hinckley & Bosworth Borough Council in Leicestershire). At that stage the Leaders of the 3 political groups agreed that there was not enough information for the Council to make a formal decision. A lot of work has now been undertaken by the Shadow WMCA and a letter has been received from the

Shadow Board Chairman, Councillor Bob Sleigh, as to whether the Council would wish to consider this position again.

- 3.7 This report sets out the key issues for Members to consider in considering this invitation including any financial implications. Discussions about devolution involving the seven local authorities in Worcestershire have also taken place and the report updates on the status of this.

Functions of a Combined Authority / Economic Prosperity Boards

- 3.8 A combined authority is a type of local government institution introduced in England outside Greater London by Section 6 of the Local Democracy, Economic Development and Construction Act 2009. Combined authorities are created voluntarily and allow a group of local authorities to pool appropriate responsibility and receive certain delegated functions from central government in order to deliver transport and economic policy more effectively over a wider area.
- 3.9 The Act also introduced the power to set up Economic Prosperity Boards (EPB) which are also legal entities and can have devolved powers and hold funding but with more limited scope than combined authorities e.g. there is no provision in the Act for EPBs to be given borrowing or tax raising powers, nor to have the power to issue a levy to constituent authorities, nor to retain business rates.
- 3.10 Any proposal to establish a Combined Authority or Economic Prosperity Board must meet the statutory tests set out in part 6 of the Local Democracy, Economic Development and Construction Act 2009. These tests are that a combined authority is likely to improve
- the exercise of statutory functions relating to transport in the area;
 - the effectiveness and efficiency of transport in the area;
 - the exercise of statutory functions relating to economic development and regeneration in the area;
 - economic conditions in the area.

The Secretary of State will also have regard to the need:

- to reflect the identities and interests of local communities;
 - to secure effective and convenient local government
- 3.11 Once established, a combined authority is a legally recognised entity able to assume the role of an integrated transport authority and economic prosperity board. This gives the combined authority the power to exercise any function of its constituent councils that relates to economic development and regeneration, and any of the functions that are available to integrated transport authorities. For transport purposes, combined authorities are able to borrow money and can levy constituent authorities.

- 3.12 Combined authorities should consist of two or more contiguous English local government areas. The creation of a combined authority is voluntary and all local authorities within the area must give their consent before it can be created. The geographical footprint for a combined authority should be based on a coherent functional economic area.
- 3.13 The 2009 Act enables the Secretary of State to make an order establishing a combined authority for an area which meets specified geographic conditions that:
- the area is contiguous and forms a continuous area;
 - consists of the whole of an authority. In the case of a County, this would require the agreement of the County Council and all the District / Borough Councils in the county area.

These Councils become the constituent members of the combined authority. There is also the possibility of non-constituent membership. This is relevant to District / Borough councils and Local Enterprise Partnerships.

- 3.14 The Cities and Local Government Devolution Act 2016, received Royal Assent on 28th January 2016. This may be described as enabling legislation, as it provides a legislative framework which can be applied flexibly to different areas by secondary legislation. It provides for the creation of a directly-elected mayor of a combined authority to exercise specific functions; widens the range of functions that can be conferred on a combined authority beyond economic development, regeneration and transport, and allows for public authority functions to be conferred on a Combined or local Authority.
- 3.15 The Cities and Local Government Devolution Act did also make a change to the legislation which now sees District / Borough Councils able to become a Constituent Member without securing the agreement of the County Council. At this stage no authorities other than the 7 Metropolitan Councils have decided to take up this offer although it is understood that Warwickshire County Council may do this in 12 months time.
- 3.16 The Constituent Councils of the proposed West Midlands Combined Authority carried out a public consultation, in connection with the proposals in the Scheme, to inform the Secretary of State for Communities and Local Government's decision regarding the establishment of a Combined Authority in the West Midlands.
- 3.17 As part of the devolution deal for the West Midlands Combined Authority there is a requirement that there is an elected Mayor. The Mayor would only cover the geography of the Constituent Authorities (i.e., the 7 metropolitan borough councils) and as such the power to levy a precept are only relevant to this area. There will be no influence over non constituent authorities therefore the district's sovereignty is maintained.

Implications of becoming a non-constituent member

- 3.18 Joining as a non-constituent member does not mean that the Combined Authority area is extended to include the areas of the non-constituent councils. Therefore the extent of the Combined Authority's powers remains limited to the area of the 7 constituent members and, if Bromsgrove District Council became a non-constituent member, the Council would remain independent retaining all of its current powers. The WMCA would not be able to impose decisions on the Bromsgrove area and would not be able to take decisions in relation to any functions for which the District Council is responsible. Nor, as a non-constituent member, would the Council's functions come under the remit of the future West Midlands Mayor (due to be elected in May 2017).
- 3.19 It is open to the combined authority (Constituent Members) to determine locally how the non-constituent members are involved in decision making via the CA constitution. It is also open to authorities to delegate functions to other authorities, which includes a combined authority or Economic Prosperity Board, under s101 of the Local Government Act 1972. This could be in the form of a Joint Committee. The WMCA's current draft constitution (Version 4) sets out the voting arrangements. In summary:
- (i) Each constituent authority has the right to appoint 2 members (14 in total)
 - (ii) Each non-constituent authority has the right to appoint 1 member (currently 8)
 - (iii) All members have one vote each (where they are eligible to vote)
 - (iv) The quorum for WMCA meetings is at least one member from 5 separate constituent councils
 - (v) There is no casting vote
 - (vi) All WMCA decisions require a 2/3 majority of the constituent members present and voting. The intention however is for consensus
 - (vii) Some decisions require the unanimous consent of the constituent members present and voting – set out in Appendix 5.
 - (viii) The matters on which the WMCA has decided the non-constituent members will be able to vote are set out in Appendix 6.
 - (ix) Decisions of the WMCA can be called-in by 5 constituent members (from 5 different councils) of the overview and scrutiny committee
- 3.20 The requirement for a 2/3 majority of the constituent members would still apply to those matters on which the non-constituent members can vote. The non-constituent members would not be eligible to vote on other matters outside of this list however there are speaking rights for all members on all matters at WMCA meetings. This provides non-constituent members with the ability to influence, if not vote, on all matters under discussion.
- 3.21 Under the WMCA constitution, each non-constituent authority has the right to be represented by at least one member on any overview and scrutiny committee established as part of the WMCA governance arrangements. The majority of members of the overview and scrutiny committees must come from the constituent authorities.

3.22 The WMCA's audit committee also provides for non-constituent representation on the audit committee which will comprise 4 constituent member representatives and 3 non-constituent representatives.

3.23 The recommendations in this report propose that if the Council decides to become a non-constituent member of the Combined Authority, that representatives are appointed to the two committees at the meeting. Appointment to the Board is a Cabinet issue and if the Council becomes a member of the Combined authority, the appointment will be placed on the agenda for the Cabinet meeting on 6th July.

Functional Economic Area

3.24 The Heseltine Review of economic growth in the UK outlined a policy agenda that put increased emphasis on the role of Functional Economic Areas (FEAs) in securing increased economic productivity and prosperity. To strengthen FEAs, Lord Heseltine recommended that Government should 'remove all legislative barriers that are preventing local authorities from collaborating within FEAs' including legislation relating to CAs and EPBs as part of a wider agenda on local growth and fiscal devolution'.

3.25 In its White Paper response to the Heseltine review, the Government set out a "view of a future where local authorities put economic development at the heart of all they do; collaborating, including with private sector partners across a FEA". This consultation outlines that the Government regard the amendment of legislation relating to CAs and EPBs as a key policy in enabling local authorities within FEAs to create 'opportunities for greater collaboration and increased economic development'.

3.26 A combined authority must reflect the area's economic geography and provide a collective voice and enable collective decision making by the local authorities that make up the combined authority.

3.27 Attached at Appendix 2 is the statutory governance review that needed to be undertaken in order to prove that a Combined Authority should be formed for the West Midlands Combined Authority. The study analysed 3 areas:

- Travel to work areas (TTWA) as an effective definition of the local labour market;
- Migration data as a tool for analysing the local housing market, and;
- Industrial specialization.

3.28 With regard to travel to work patterns if the WMCA covers the geographic footprint of the 3 LEP's the self containment ratio rises to 90% from 85% (if focused purely on the 7 metropolitan areas). The migration data broadly replicated the pattern of the Travel to Work Analysis. The industrial specialisation data demonstrated that the area has a particularly strong representation in the manufacturing, wholesaling and automotive sectors. There is therefore more

than a compelling case for forming a CA over the geographic footprint of the 3 LEP's.

- 3.29 Attached at Appendix 4 shows the detailed Functional Economic Market Analysis (FEMA). Contained within that document are the detailed travel to work patterns for Bromsgrove which show that there is a net outflow of 7,216 commuters. This is made up of 18,892 inflow with the top 3 areas being Bromsgrove, Birmingham and Stratford upon Avon. The outflow of commuters totals 26,108 with again the same top 3 areas in the same order.
- 3.30 Also contained within the FEMA at Appendix 4 is the migration figures which show 5,062 inflow – primarily from outside the UK and secondly from Birmingham. The outflow of 4,718 is primarily to Birmingham.
- 3.31 There is therefore more than a compelling case for forming a CA over the geographic footprint of the 3 LEP's and for Bromsgrove being part of it.

Proposal to establish a West Midlands Combined Authority (WMCA)

- 3.32 The seven metropolitan authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have made a commitment to establish a West Midlands Combined Authority. The seven metropolitan authorities published a Statement of Intent on 5 July 2015. The Statement identifies an ambition for the WMCA to encompass a much wider and important geography across the three Local Enterprise Partnership areas (Greater Birmingham and Solihull; Black Country; and Coventry & Warwickshire). The WMCA would also incorporate the functions of the existing West Midlands Integrated Transport Authority.
- 3.33 The rationale for a 3 LEP combined authority covering some 20 local authorities is that it is a much more coherent functional economic market area. Evidence to support this includes a much higher self-containment ratio across the 3 LEP area than any individual LEP. Self-containment ratio means the percentage of people who live and work in a given geography. The self-containment ratio for the proposed WMCA (3 LEP area) is 90% whereas the same measure for each LEP is as follows: Black Country LEP (71%), Coventry & Warwickshire LEP (77%) and Greater Birmingham & Solihull LEP (77%). 90% is at the higher end of most proposed or established combined authorities to date. What this means is that if the 3 LEP's join the proposed WMCA, then this body could directly relate to 90% of the resident working population.
- 3.34 At the time of drafting the constitutional documents, the Combined Authority consisted of 15 members. This was comprised of 7 constituent authorities (listed above) and the following 8 non-constituent authorities/bodies;
- Cannock Chase District Council
 - Nuneaton and Bedworth Borough Council
 - Redditch Borough Council

- Tamworth Borough Council
- Telford and Wrekin Council
- Black Country LEP
- Coventry and Warwickshire LEP
- Greater Birmingham and Solihull LEP

3.35 Since that time, Stratford-on-Avon District Council, Shropshire Council and Warwickshire County Council decided to join the WMCA as a non-constituent member. We understand the West Midlands Police and Crime Commissioner and the West Midlands Fire Service hold observer status.

3.36 The Statement of Intent identified five early delivery priorities for the WMCA:

- Developing an overarching Strategic Plan for the West Midlands
- Access to a Finance and Collective Investment Vehicle
- Getting the transport offer right for the long term
- Creation of an economic policy and intelligence capacity
- A joint programme on skills

3.37 The Statement also proposes to establish three major new independent commissions to help shape the future of the Combined Authority. It will be seeking support from government to deliver these commissions. They are:

- The West Midlands Productivity Commission
- The West Midlands Land Commission
- The West Midlands Commission on Mental Health and Public Services

Additional details regarding the early delivery priorities and commissions can be found within the Statement of Intent (see Background Papers below).

3.38 The three key steps for the creation of a combined authority are:

- A review of existing governance arrangements for the delivery of economic development, regeneration and transport. The conclusion based on evidence must be that there is a case for change as it will bring about real improvement that could not otherwise be delivered.
- Drafting a Scheme which sets up the WMCA and contain issues such as membership, funding, functions and executive arrangements.
- The Secretary of State will consider the scheme and the consultation that has been undertaken. If he is satisfied with the outcome and persuaded that the improvements are likely to be delivered, a draft Order will be laid before both Houses of Parliament for adoption. The timetable (and summary update on WMCA) is attached at Appendix 8.

Any changes to the membership of a CA need to undergo the same process of consultation by the Secretary of State. If Council agree to join the WMCA as a non-constituent member, then it should also recommend approval of the Governance Review and draft Scheme which are attached as Appendix 2 and 3.

Relationship with existing Local Economic Partnerships

- 3.39 Local Enterprise Partnerships will continue to operate alongside any combined authority that is established. The Chairs of the Greater Birmingham & Solihull LEP, the Black Country LEP and the Coventry & Warwickshire LEP have written in support of the proposal to establish a WMCA and look forward to jointly creating “.. an economy that is the strongest outside London and contributes fully to the Government’s vision of a wider Midlands Engine for Growth”.
- 3.40 If the Council determine not to join the emerging West Midlands CA, it still remains as a full and proactive member of the Greater Birmingham and Solihull LEP and also of the Worcestershire LEP. The three LEP’s identified (Greater Birmingham & Solihull LEP, the Black Country LEP and the Coventry & Warwickshire LEP) above have decided to join the WMCA as non-constituent members. This does not mean that District / Borough Councils who are part of a LEP would be automatically committed to non-constituent membership through LEP membership of the CA. LEPs can only be non-constituent members of a combined authority. The longer term role of the three LEPs may need to be reviewed in light of any approval given to establish a West Midlands CA.

Devolution ‘Deal’ & Public Sector Reform

- 3.41 The WMCA devolution deal is part of the first wave of devolution deals following the 38 bids received by the Government in September 2015. The first phase for the West Midlands is the non-mayoral arrangement. The deal for this phase (‘Devo 1’) was agreed on 17th November 2015 and has three main strands;
- The additional £36.5m pa over 30 years allocated to the WMCA to support investment and contribute towards a £8bn investment programme
 - Devolved budgets from Government to the WMCA for transport of circa £100m pa of existing money largely from the West Midlands Integrated Transport Authority and constituent member maintenance budgets which will be consolidated to enable local decisions to be made around maintenance and infrastructure schemes
 - New powers enabling the WMCA Mayor, with the agreement of the relevant LEP Boards, to raise income by creating supplementary business rates up to a cap within the mayoral geography and through the power of the mayor to precept for mayoral functions and within the mayoral geography only.
- 3.42 Appendix 7 is a WMCA document which sets out the key points of the devolution agreement. The agreement is subject to ratification by all 7 constituent members and the appropriate Order being approved by both Houses of Parliament under the Cities and Local Government Devolution Act 2016 (which came into force on

28th March 2016) and then the Order formally being made by the Secretary of State. Upon the signing of the Order by the Secretary of State, the new combined authority will formally come into existence.

- 3.43 We understand that the constituent member Councils will all have approved the WMCA devolution deal so that the Order would be laid before Parliament during May to enable the WMCA to be in place from early June 2016, which is the WMCA's published launch date. This Order will not include provision for the agreed elected mayor. This will be the subject of further negotiation between Government and the WMCA and will be implemented via a further Order at a later date with a view to mayoral elections taking place in May 2017.
- 3.44 The second part of the statutory process relates to the mayoral arrangements. We understand that a draft scheme for a mayoral WMCA is being worked up now and this will be the subject of consultation by the DCLG over the summer period. The scheme sets out the functions and powers of the mayor and will ultimately require approval of both Houses of Parliament. All constituent and non-constituent members of the WMCA will be named in the mayoral scheme. The introduction of a mayoral model will also require formal approval of the Mayoral Order by both Houses of Parliament in due course and for the Secretary of State to sign the Order. This enables the mayoral elections to take place and must be done at least 6 months before the elections which are expected in May 2017.
- 3.45 We have been told that as a result of this timeframe, 10th June 2016 is the deadline which has been given for the WMCA Shadow Board to consider additional membership prior to the mayoral scheme going out to consultation. A decision after this date would be too late to enable the membership details in the draft scheme to be amended in time for the consultation. The timeframe the WMCA is working to is based on the expectation that all relevant approvals (of the scheme and the mayoral order) by both the Government and the constituent members will be in place before the end of 2016 to enable the mayoral elections to take place in May 2017.
- 3.46 As set out above, Devo 1 has been already agreed. However the devolution agenda is moving at a fast pace and with its increasing membership and Devo 1 implementation plans in progress, the WMCA has been invited by HM Treasury to plan for and prepare its Devo 2 requirements, including what additional elements of devolution, potentially involving greater fiscal powers, could be negotiated with Government. The Government's expectation is that each 'Devo Deal' will generate further 'deals' over time, each building on the last one as a progressive process. The Government has already indicated its commitment to continue working with the West Midlands into the future on other aspects of devolution (including policing, mental health, troubled individuals and youth justice); the intention being that these would be included in any Devo 2 negotiations. Consideration of Devo 2 is running in tandem with the statutory process to create a mayoral combined authority.

- 3.47 This effectively means that the Council now has a short window of opportunity to be included in the draft scheme, enabling us to take part in Devo 2 negotiations, if the Council chooses to do so.

How could Bromsgrove / Bromsgrove District Council benefit from membership of the WMCA?

- 3.48 As can be demonstrated from the Functional Economic Market Area information contained in Appendix 4 the District has significant economic linkages and interdependencies as part of the city region area and has a significant outflow of its working residents to Birmingham. Bromsgrove and its businesses have felt to have benefitted from membership of the Greater Birmingham & Solihull LEP. The proposed combined authority can be seen as a further development building on the achievements and relationships built up over the last five years. The ambition of the proposals is to work across the functional economic area of the 3 LEPs. The economic geography of the District goes beyond the administrative boundaries of local government and it is these factors that should be central to any Council decision to join WMCA as a non-constituent member or not.
- 3.49 In the recent meeting with the Secretary of State he made it clear that in future significant powers and funding will be devolved to the West Midlands Combined Authority. This presents a significant opportunity for Bromsgrove.

Consultation

- 3.50 In order to seek the views of the general public with regard to the possibility of joining the WMCA a consultation exercise was undertaken – this is included at Appendix 9. It should be noted that this doesn't ask a yes / no question due to the potential confusion around the referendum where we have received very clear guidance from the Electoral Commission. The analysis of the consultation exercise will be provided to members before the Council meeting.

Devolution discussions in Worcestershire

- 3.51 Council considered a report at its meeting on 18th November 2015 with regard to a potential devolution deal for Worcestershire. Council supported the direction of travel as set out in the summary document which outlined its six main themes (all underpinned by improved data sharing):
- Public Estates
 - Connecting People
 - Health and Social Care Reform
 - Infrastructure and Investment
 - Skills and Innovation
 - Environment.

- 3.52 A delegation from Worcestershire went to see Lord Heseltine on 20th April 2016 to pursue a devolution deal for Worcestershire. It is understood that Lord Heseltine was genuinely impressed that Worcestershire is working so well and in a joined up way. No issues were raised about our economic performance or public sector reform however, it is clear that Government are now working on larger geographic footprints than single counties without a mayoral model.
- 3.53 The Worcestershire Leaders met recently to consider next steps and it was agreed that many of the things contained in the devolution document can and should continue to be pursued. Therefore it has been agreed (by the Leaders Board) that partners will continue to work together to see what can be done without a devolution deal and assess whether a different configuration or arrangement could achieve our desired outcomes whilst continuing to monitor the progress of those deals already agreed and the evolving position of the Government on deals outside of the City Mayor model.

Customer / Equalities and Diversity Implications

- 3.54 None at this stage

4. RISK MANAGEMENT

- 4.1 Given the sensitivities around the potential involvement of the Council in the WMCA there may be reputational and relationship risks to all concerned as a result. This risk can best be mitigated by making sure of continuous communication between all of the sub regional authorities potentially involved but this Council will need to be alert to signals of fall out and any consequences.

5. APPENDICES

Appendix 1	Scale of WMCA
Appendix 2	WMCA Statutory Governance Review
Appendix 3	WMCA Scheme
Appendix 4	Functional Economic Market Area
Appendix 5	WMCA Unanimous Voting
Appendix 6	WMCA Non Constituent Voting
Appendix 7	WMCA Devolution Deal
Appendix 8	WMCA Summary Update
Appendix 9	WMCA Consultation

6. BACKGROUND PAPERS

Cities and Local Government Devolution Bill
WMCA Statement of Intent

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Appendix 1: Scale of proposed West Midlands Combined Authority

Greater Birmingham and Solihull LEP area

Redditch Borough Council	(non constituent member)
Bromsgrove District Council	
Wyre Forest District Council	
Birmingham City Council	(constituent member)
Solihull Borough Council	(constituent member)
Lichfield District Council	
Tamworth Borough Council	(non constituent member)
East Staffordshire Borough Council	
Cannock Chase District Council	(non constituent member)
Staffordshire County Council	

Black Country LEP area

Dudley Borough Council	(constituent member)
Walsall Borough Council	(constituent member)
Wolverhampton City Council	(constituent member)
Sandwell Borough Council	(constituent member)

Coventry and Warwickshire (including Hinckley and Bosworth) LEP area

Warwick District Council	
Stratford District Council	(non constituent member)
Rugby Borough Council	
Nuneaton and Bosworth Borough Council	(non constituent member)
North Warwickshire Borough Council	
Hinckley and Bosworth Borough Council	
Coventry City Council	(constituent member)
Warwickshire County Council	(non constituent member)

LEP area	Population 2013 (million)	Total GVA (£ billion)	GVA per head (£ million)
Coventry and Warwickshire	0.87*	19.7	22,443
Black Country	1.15	19.5	16,958
Greater Birmingham and Solihull	1.96	41.3	20,969
3 LEP areas	3.98	80.6	**
Greater Manchester	2.70	56.2	20,724

Source: ONS analysis for LEP partnerships (published February 2015)

*Population is c.1m with Hinckley and Bosworth

**official figure not available roughly calculates to £20,248

Note – In addition to the 3 LEP Geography Telford and Wrekin Council and Shropshire County Council have also decided to join the WMCA as Non Constituent Authority's.

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West Midlands authorities' statutory governance review

Undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 and section 82 of the Local Transport Act 2008

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Executive summary

The region will benefit from improving governance.

A Combined Authority would be the most appropriate governance model for the local authorities to act together to deliver their economic development, regeneration and transport functions. This stronger governance will deliver a more joined up strategic approach. It will bring together policy interventions in transport and in respect of the key economic drivers that will deliver enhanced growth. By working this way, members of a Combined Authority can deliver shared strategic priorities that are best addressed at a scale above local boundaries.

The area has a good track record of collaboration between local authorities and with the Local Enterprise Partnerships on issues that affect the area covered by the local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton – referred to as the “West Midlands”. However, the governance needs to change if the West Midlands is to demonstrate stronger, more efficient and more effective delivery of economic development, regeneration and transport responsibilities.

To do this, a Combined Authority needs the means and flexibilities to tailor the delivery of national scale interventions to address local issues. To support this there needs to be clear and effective governance arrangements in place with a long term strategic focus.

There are a number of alternative models of governance that could be adopted.

The following options have been considered:

Option 1 – status quo;

Option 2 – establish an Economic Prosperity Board; and

Option 3 – establish a Combined Authority.

This review examines the options above and concludes that the most appropriate option for the West Midlands is to establish a Combined Authority. Stakeholder engagement has been undertaken and views highlighted in the engagement section of this Governance Review.

The West Midlands is a functional economic market area.

There is compelling evidence that the area covered by the contiguous local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton (for the

purposes of this review this area is defined as the “West Midlands”) forms a functional economic market area. This is one of the statutory requirements under proposals to change governance requirements under section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA). A review of the evidence detailing the economic structure of the region shows high levels of economic integration, in terms of the labour market, travel to work areas and a number of the area’s key sectors.

Furthermore, the West Midlands sits within a broader and even better defined functional economic market area covered by three Local Enterprise Partnerships.

The broader area covered by the three Local Enterprise Partnerships (LEPs), Black Country, Greater Birmingham and Solihull and Coventry and Warwickshire (“the three LEP area”), is in fact a stronger functional economic market area. The Leaders of the seven local Authorities of the West Midlands agree that a Combined Authority collaborating across the much wider and important geography across the three LEPs is crucial.

The challenge for the West Midlands is to address the complex and inter-related issues which have held back its growth.

The three LEP area annually contributes more than £80bn of Gross Value Added (GVA) to the UK economy. In 2012/13, the region’s output grew by more than 4%, one of the fastest growth rates in any region of the UK, demonstrating the impact of our growing public and private sector collaboration. However there are a numbers of challenges to be addressed that if successfully addressed could accelerate this growth further.

These include a skills deficit at the lower and higher ends of the skills spectrum which has led to high levels of unemployment in the region and low levels of productivity. If unemployment rates moved into line with the England average, there would be 14,500 fewer claimants resulting in a benefits saving in excess of £35 million per annum.

The pressure on public services is becoming more complex. Current ways of running services do not appear to help people out of dependency. There is a need to tackle the hard issues on a collective, collaborative and jointly funded basis, for example in areas such as complex dependency, mental health and the challenges of aging well.

The region does not yet have an effective fully integrated public transport network. It needs quick and frequent services that connect people to employment opportunities and effective

freight transport and business travel options to connect businesses to supply chains, key markets and strategic gateways.

Addressing the West Midlands contribution to the country's prosperity is a driver for enhancing the governance of the area.

The West Midlands' aim is to lead the national effort to rebalance the British economy. This would see the region closing the gap between its current performance and national output. This currently stands at £3,427 per head compared to the UK average .

The West Midlands intends to create the most effective Combined Authority in the country, in order to propel the economy to further growth than can be achieved at present. The region's leaders are committed to delivering growth, prosperity and well-being for the benefit of all residents. Collaboration will enable the creation of a wider regional economy that aims to be the strongest outside of London and which contributes fully to the vision of a wider Midlands Engine for Growth.

National and international evidence suggests that dealing with regional issues is best achieved at a regional level.

In a recent speech the Chancellor of the Exchequer, George Osborne MP stated that "the old model of trying to run everything in our country from the centre of London is broken". Furthermore, economic analysis from the Organisation for Economic Co-operation and Development ("OECD") demonstrates that strategy integration across key policy areas can deliver economic benefits at the regional scale in terms of sustainable economic growth and employment. For example, dealing with regional skills shortages with locally developed policies.

The research emphasised the importance of having governance capacity at the level at which the local economy functions, this is a level which would be consistent with the proposed West Midlands Combined Authority area. A Combined Authority, with appropriate resources, offers the most beneficial option to enhance the region's ability to address its underlying economic challenges.

The Combined Authority will have a strategic focus and will not be bureaucratic.

The Combined Authority will not be another layer of politicians. It is a way of bringing together existing activities to create greater coherence. It will be a streamlined and strategically

focussed body, appropriately resourced to ensure more effective and efficient delivery of economic growth, skills and transport functions across the West Midlands.

It will be underpinned by strong research, intelligence and advocacy functions. It will deliver area-wide functions around the co-ordination of funding streams, seeking investment and collective resourcing and other responsibilities devolved from central government and other agencies. This will lead to greater self-reliance as the West Midlands will have the means to unlock its economic potential.

Although the consultation draft statutory guidance states that Combined Authorities are not primarily aimed at producing efficiencies, it is recognised that such a body will need to operate in an environment of reducing public sector budgets. There is a potential for a Combined Authority to be cost neutral and it will not create more levels of bureaucracy.

The Combined Authority will be democratic, accountable, transparent and effective.

A Combined Authority that reflects the functional economic market area, would enable decisions to be made by the democratically elected Leaders from the seven local authorities, together with the Chairs of the LEPs and other non-constituent members from the three LEP area and economically linked authorities. This joint accountability and leadership would increase collective responsibility. It would create a transparent and effective decision making process. The Combined Authority would provide a visible, stable and statutory body which could act as an Accountable Body to attract further funding to the West Midlands. It would be a vehicle capable of seeking additional powers which can be devolved from Government.

Collaboration will continue and improve.

The Combined Authority would build on and give legal form to successful public and private sector partnerships established through the working of the LEPs. It will enhance the close working relationships that already exist between the local authorities, LEPs and the West Midlands Integrated Transport Authority (“WMITA”) to make them more effective and efficient. A Combined Authority would bring together the strategic decision making powers relating to economic development, regeneration and transport. By creating a sub-regional body with legal personality and a governance mechanism that collaborates across the region, the prospects for improvements in the economic conditions of the area are most likely to be maximised. The need for issues to be considered at various bodies will be significantly streamlined through the strengthened governance process.

The partnerships between the private and public sectors will be central to the ambition of the West Midlands.

The Combined Authority will bring together authorities from the three LEP areas and economically linked authorities. There is a shared recognition of the importance of enabling further economic growth at a faster pace whilst undertaking necessary public sector reform. The private sector Chairs of the LEPs will have a place on the Combined Authority board. A Combined Authority Strategic Economic Plan will be developed by the Combined Authority, overseen by a steering group comprising of LEP and Local Authority Leadership. This will ensure that the partnerships between the private and public sectors will be central to the considerations of the decisions that will affect the region. Existing enduring partnerships can be built upon through the Combined Authority and offering an opportunity to show how public and private sectors working together can deliver jobs and growth.

The creation of a Combined Authority is the best way forward.

The Combined Authority will operate across a broad area and will be able to achieve a greater impact than the sum of its parts as a result of more effective and efficient governance.

The Combined Authority option brings together the governance of economic development, regeneration and transport. It therefore affords the area the best possible chance of addressing the issues that have held the region back. Working together across geographic boundaries and sectors and recognising the crucial role the private sector has to play will deliver conditions for growing businesses, more skilled and better paid jobs, increased investment, improving health outcomes and reducing the region's welfare bill.

The draft governance review has received broad support from engagement across the seven metropolitan areas

A draft of this governance review was used as the basis of an engagement process which took place during August and September 2015.

Over 300 respondents completed an on-line survey which was established to collate the answers to a number of specific questions and provide an opportunity to comment on the governance review. The feedback was broadly positive with over 60% of respondents agreeing or strongly agreeing that a Combined Authority would improve the efficiency and effectiveness of transport and economic development and regeneration. Highlights of the engagement are included on pages 28-30.

Review Conclusions

In order to deliver the identified improvements in the efficiency and effectiveness of governance of economic development, regeneration and transport in the West Midlands, a Combined Authority should be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009. The Leaders of the seven Metropolitan authorities of the West Midlands are all committed to a Combined Authority for their area. They agree that a Combined Authority collaborating across the much wider and important geography across the three LEPs is crucial and that LEP representation on the board will be key to the area's success and aligned priorities. Additionally, the West Midlands Integrated Transport Authority shall be dissolved pursuant to Section 91 of the Local Transport Act 2008 and its functions transferred to the Combined Authority.

The statutory process of the governance review

Introduction

This report has been prepared by the seven West Midlands Chief Executives; Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, on behalf of their Leaders. It sets out the findings of the governance review undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and Section 82 of the Local Transport Act 2008.

Purpose of the review

The purpose of the review is to determine:

- Whether the area covered by the local authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton can properly be seen as constituting a functional economic area for the purpose under consideration under the review;
- Whether the existing governance arrangements for economic development, regeneration and transport are effective or would benefit from changes;
- The options available and in relation to each option, to evaluate the likely improvement in:
 - The exercise of statutory functions relating to economic development, regeneration and transport in the area
 - The effectiveness and efficiency of transport in the area; and
 - The economic conditions in the area

Having examined these questions the report draws conclusions on what is considered to be the most effective form of governance.

Legal context

Part 6 of the LDEDCA enables the creation of economic prosperity boards (EPBs) or combined authorities (CAs). These sub-national structures have a separate legal personality to the local authorities who come together to create them. The bodies are available to support the effective delivery of sustainable economic development and regeneration and in the case of CAs, transport.

Delegation of additional powers from Central Government

The Localism Act 2011 contains powers for the Secretary of State to transfer certain powers between authorities (including Combined Authorities) and also to transfer ministerial functions

to such authorities. Property, assets and liabilities relating to those functions can also be transferred. Notably, transfers and delegations of additional functions under this legislation can be made at any time and independently from the procedure to create EPBs or Combined Authorities.

Transport

A Combined Authority is differentiated from an EPB due to the inclusion of transport functions. There are intended similarities between Part 6 of the 2009 Act and part 5 of the Local Transport Act 2008 (the LTA) which provides for Integrated Transport Authorities (ITAs). When a Combined Authority is established in an area where an ITA already exists, the ITA is dissolved and the Combined Authority assumes all the functions of the ITA for the area.

Whilst there are differences, the process for review is broadly similar under both Acts. In preparing a scheme under the 2009 Act, regard must be had to the provisions of the LTA as well as any guidance published by the Government relating to both pieces of legislation.

The Four Steps to Creation of a Combined Authority or Economic Prosperity Board

Under the LDEDCA 2009 the process for creating an Economic Prosperity Board or Combined Authority involves four main steps:

1. A review of existing governance arrangements for the delivery of economic development, regeneration and transport. This must lead to a conclusion that there is a case for changing these arrangements based on improvements;
2. A period of engagement with stakeholders to ascertain their views. This is not a statutory requirement, but to ensure views are understood engagement will be undertaken;
3. Drafting a Scheme for the Combined Authority. The Scheme will be the basis for the creation of the new body and should contain information on the area it will cover; its membership, voting and any executive arrangements; its functions and the way in which it will be funded. All constituent councils are required to approve the Scheme and governance review for submission to the Secretary of State for Communities and Local Government.

4. Finally, the Secretary of State will consider the Scheme and undertake a formal consultation. If he is satisfied with the proposals a draft Order will be laid before both Houses of Parliament for adoption by affirmative resolution. To approve a Scheme the Secretary of State must be satisfied that (in accordance with section 91(5) (for Economic Prosperity Boards) or 110(1) (for Combined Authorities) of the 2009 Act) that improvements are 'likely' if the Scheme proposed is adopted.

Flexibility and Control

A Combined Authority or an Economic Prosperity Board is not a merger or a takeover of existing local authority functions. Instead they seek to complement local authority functions and enhance the effectiveness of the way they are discharged. In particular, it is the enhancement of collaboration, strength of decisions and accelerating growth across the region at a strategic level.

Once established both Combined Authorities and Economic Prosperity Boards have wide general powers. However, the mechanisms by which those powers can be exercised, the functions to be discharged and the resources available will be determined by the members through the drafting of the constitution.

Creating the right governance arrangements for growth

The further purpose of this governance review is to consider ways to secure greater influence over key levers and resources affecting local growth that are currently in the control of central government.

The Growth Deals that have been agreed in the region have sought to capitalise on the region's strengths to attract investment into the area and create additional jobs. However, other areas have shown that in order to maximise opportunity to enhance local growth a strengthened governance model is required.

In the absence of improved governance, the West Midlands risks lagging behind areas which have taken this step and will not meet its ambition to support the re-balancing of the UK economy. The establishment of the region's ITA demonstrated the desire to work together on strategic issues. However, this does not provide a legal link between decisions made in relation to economic development/regeneration and transport. By joining up governance in a more transparent and effective decision making process, decisions will be made in a more effective and efficient way. Any new governance arrangements must eliminate time consuming bureaucracy in the making of strategic decisions for the benefit of the region.

The West Midlands

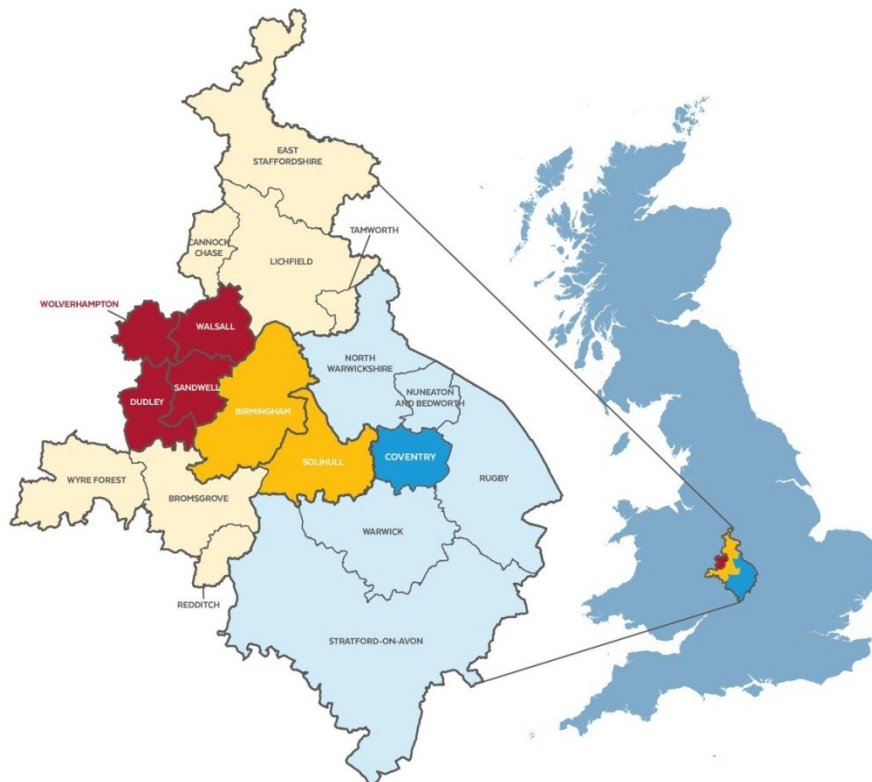
Geography

This governance review covers the seven local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton ('the West Midlands').

Leaders of all the seven Metropolitan Councils are committed to collaboration across the West Midlands. In addition, they agree that collaboration over a much wider and important geography across the three Local Enterprise Partnerships area and economically linked authorities is crucial.

The Local Enterprise Partnerships are partnerships between public and private sector. This collaboration has been responsible for the setting of strategic objectives and the development of innovative and cost effective delivery models, leading to growth and job creation in the area.

The three LEP area is shown on the map below:



Local context

The three LEP area shown in the map above make up a major economy of national significance with an annual Gross Value Added (GVA) of £80bn. GVA measures a specific area's contribution to the national economy, and is a measure of the value of goods and services produced in that region. In 2012/13, the area's output grew by more than 4%; one of the fastest growth rates in any region of the UK, demonstrating the impact of our growing public and private sector collaboration. The area has 1.9 million jobs and over 130,000 businesses. The region houses just 6% of the UK population but provides 10.5% of its exports. While 40% of the area's exports are to the EU, the top international markets for the area are China and the USA. There were 172 inward investment projects in 2013/14 (74% rise), creating over 9,000 jobs.

There is a world class higher education and further education offer with eight Universities across the area. The Universities have particular strengths in digital technology and computer science, healthcare, business administration, engineering and technology, and education. Additionally, the area has a range of internationally recognised research institutions. These specialise in fields such as automotive design and development, polymer research, ceramics and science and technology.

The area is England's manufacturing heart, home to a critical cluster of the UK's most important and biggest manufacturing businesses and leading centres of advanced engineering research. There are 300,000 jobs in high value manufacturing in the area. It is also home to one of the largest professional and financial centres outside of London, burgeoning creative and cultural industries and is the location of choice for world leading companies such as Cadbury, Deutsche Bank, Jaguar Land Rover, JCB, Aston Martin, BMW, Eon, Rolls Royce and Carillion PLC.

The area lies at the heart of the nation's transport network. The location at the centre of the UK's motorway and rail network means that it is within four hours travel time of 90% of the UK's population and business.

There are ambitious plans to build on the strong foundations, as the largest infrastructure project in Europe, high speed 2 (HS2) will be an economic catalyst for the West Midlands. Complemented by a local connectivity programme to ensure its benefits ripple out across the region, HS2 will attract and develop new skills, generate new jobs, reshape the region's road and rail networks and stimulate significant growth in supply chains.

Challenges to address in the West Midlands

Despite the many positive features highlighted above, the West Midlands is not maximizing its potential to grow output and productivity. There are a number of challenges that will need to be overcome. These are summarised below.

A Skills Deficit

The West Midlands suffers from a significant shortage of skills both at the lower and higher ends of the skills spectrum. The region's share of people with no qualifications is higher than the national average. The percentage of the population with skills training at or above level 4 is only 21% of the population, significantly worse than the average across England and Wales at 27%. The skills deficit across the region is reflected in the high level of unemployment (9.3%) across the seven Metropolitan Authorities.

If unemployment across the West Midlands was to fall to match the England average there would be some 14,500 less claimants resulting in a saving in excess of £35 million per annum in benefit spending. If the skills profile of the West Midlands was to match just the England average, so that an additional 19,000 people were qualified to level 4, GVA would increase by an estimated 1.7%. Furthermore, raising the skills levels to be best in class would increase GVA by 9.9%.

Addressing the region's skills deficit is a priority. The proposed establishment of the West Midlands Productivity Commission indicates the dedication to tackling the relatively low levels of productivity in the area and the causes for them. Innovative work aimed at tackling low skills levels is already being conducted by the Greater Birmingham and Solihull LEP and there is an ambition to spread this best practice more widely across the region.

A Legacy of Worklessness

The region has an economic activity rate of 74.1% compared to a national average of 77.2%, meaning that there are 77,700 people out of the labour market. There are encouraging signs of improvement with the unemployment claimant count across the West Midlands falling to 67,078 in May 2015 from a high of 146,160 in 2010.

There are excellent examples of innovative employment initiatives in operation across the West Midlands, such as the recently announced Work Coaches programme. However, the area has not recovered at the rate of comparable locations and more needs to be done to address the issue. There is a need to collaborate regionally on the underlying causes of worklessness, which

are often inter-related and wide ranging. Driving economic growth and increasing the understanding of these issues will move more West Midlands residents into work permanently.

A Public Service Challenge

Financial pressures are mounting. Traditional ways of running services seem not to help people out of dependency and reducing budgets create the need to look again at how costs can be reduced and outcomes improved. That means tackling the hard issues: complex dependency, mental health and the challenges of ageing well.

The seven Metropolitan Leaders propose to deliver the West Midlands Commission on Mental Health. It will take an innovative approach to Public Services to tackle the issues which give rise to a number of social and employment challenges. Collaboratively, it will examine best practice and pilot new ways of working to test effectiveness of interventions, as well as advising on how to best use public sector reform to make real change.

A Connectivity Challenge

The region does not have an effective fully integrated rail and rapid transport network that connects its main centres with quick frequent services, and that increases the number of people who can readily access HS2 stations and main centres. By delivering this, there will be a reduced impact on the environment, improved air quality, reduced carbon emissions and improved road safety. The resulting network will enable the efficient movement of goods to support businesses to connect to supply chains, key markets and strategic gateways.

Review of the economic evidence

Overview

The initial step for the governance review was to underpin the case for change with the preparation of a detailed review of economic evidence. This section summarises this evidence which addresses the following key question:

- Can the geography be understood as a ‘functional economic market area’?

Analysis of functional economic market areas (FEMAs)

Introduction

The Department for Communities and Local Government (DCLG) define FEMAs as, “the area over which the local economy and its key markets operate”. They vary in size and boundary, depending on the issue under consideration (e.g. labour market, housing markets) and the criteria used to define them.

FEMAs reflect the real world in which the economy operates; they do not respect the boundaries of administrative areas. Collaboration across these borders is therefore essential to deliver transport and economic development and regeneration in the most effective way.

The seven Metropolitan authorities commissioned a study¹ to consider whether the following geographies could be considered to be FEMAs:

- The seven authorities that make up the West Midlands (Coventry, Solihull, Birmingham, Wolverhampton, Sandwell, Dudley and Walsall);
- Each of the Black Country, Coventry & Warwickshire, and Greater Birmingham & Solihull LEPs individually and on a combined basis. On a combined basis, this comprised the seven unitary authorities noted above, and 13 other local authorities.

The study analysed three separate metrics:

- Travel to work areas (TTWA) as an effective definition of the local labour market;
- Migration data as a tool for analysing the local housing market, and;
- Industrial specialization.

Each of these is discussed in more detail below.

¹ Functional Economic Market Area (FEMA) study – initial findings can be found at <http://westmidlandscmbinedauthority.org.uk/media/1106/west-midlands-functional-economic-market-area-study.pdf>

Travel to Work Areas

A TTWA is a collection of areas for which "at least 75% of the resident economically active population work in the area, and also, that of everyone working in the area, at least 75% live in the area". The ratio of the population who live and work in the area is known as the self-containment ratio.

Our work considered whether (a) the areas of the seven Metropolitan authorities, (b) each of the individual LEP areas of the Black Country LEP, Coventry & Warwickshire LEP and Greater Birmingham & Solihull LEP, and (c) the three LEP areas combined are a TTWA. The results of this work is shown in the table below:

Area	Resident in-work population working with the area	Total resident in-work population	Self-containment ratio
Black Country LEP	298,000	419,000	71%
Greater Birmingham & Solihull LEP	514,000	677,000	77%
Coventry & Warwickshire LEP	263,000	341,000	77%
7 metropolitan authorities	837,000	976,000	85%
3 LEPs combined	1.29m	1.44m	90%

Each of the three LEPs broadly meets the definition of a TTWA, with self-containment ratios varying between 71-77%. However, the self-containment ratio rises considerably when the seven metropolitan areas are considered as a TTWA to 85%, and to 90% when the three LEP areas are combined.

The table below shows how these self-containment figures compare with established Combined Authorities:

Area	Self-containment ratio
North East CA	93%
West Yorkshire CA	91%
West Midlands 3 LEPs	90%
Greater Manchester CA	89%
West Midlands 7 Metropolitan authorities	85%
Sheffield CA	85%
Liverpool CA	83%

The conclusions drawn from this work is that TTWAs exist at all three levels considered in this study – at LEP level, at seven Metropolitan authority level, and at the three LEP combined level. The three LEP geography has the highest rate of self-containment.

The travel to work relationships between Birmingham and the Black Country, and between Birmingham and Solihull, are particularly strong and so form the basis of any consideration of a functional economic market area. Whilst Coventry’s travel to work relationship with the Greater Birmingham & Solihull and Black Country LEPs areas is less strong, there are important commuting routes into and out of both Birmingham and Solihull which are evidence of the shared labour markets between these areas. Almost 10,000 commuters travel daily between Birmingham and Coventry, and more than 7,000 people commute daily between Coventry and Solihull.

It is evident from the analysis of individual travel to work patterns that there is a high level of inter-connectivity across the seven metropolitan authorities and a higher level of connectivity across the three LEP area. It is precisely this level of interconnectivity that provides the evidence of employers in one area accessing labour pools in a connected area, and is the basis for the conclusion in respect of the existence of TTWAs across our area.

Migration data

Migration data is derived from an analysis of where individuals were moving to and from in the year preceding the 2011 Census. It broadly replicated the pattern of the TTWA data, although with a considerably smaller number of transactions. Again, there was a very strong linkage evident between the Black Country and Greater Birmingham & Solihull. Coventry’s principal relationship was with Warwick, but again there were important linkages between Birmingham

and Solihull with Birmingham being the third most popular destination for Coventry residents to relocate to.

Industrial specialisation data

In order to look at industrial specialisation a data set called “location quotients” is considered. These compare the number of people employed in a particular industry in an area to the national average. The industrial specialisation data demonstrated that the area has a particularly strong representation in the manufacturing, wholesaling and automotive sectors. To put this into context, there are 60,000 more people employed in the manufacturing sector than would be expected from a comparison with the UK average. In addition, the three LEP area employs 25% of all Great Britain’s automotive manufacturing workforce.

All three LEP areas are particularly closely linked in these three sectors, showing Location Quotients well in excess of 1, indicating there is a significantly above average employment level across the sector compared to the rest of the country. These Location Quotients are evidence of both the clustering effect evident in these industrial sectors and the impact of the supply chains for many of the end user manufacturers which extend across all three LEP areas.

Conclusion

A FEMA exists at the level of the seven unitary authorities. This gives a positive rationale for collaborative working in a stronger governance arrangement in this area. The strongest self-containment figure in the region comprises of the three LEP area. This area and the economically linked neighbouring authorities are crucial to collaborative working across the region.

Under the current legislation relating to Combined Authorities and Economic Prosperity Boards, not all local authorities are able to join as constituent members. However, since the three LEP area is the stronger FEMA, there is an ambition to collaborate across this broader area and in some instances, economic markets extend beyond the three LEP boundaries, and in collaboration and formulating its economic strategy, these economic linkages and markets will be crucial.

The current governance arrangements and the case for change

Introduction

This chapter sets out the current arrangements in relation to the local government functions that are the subject of this review and seeks to establish if an alternative model of governance is likely to improve:

- (a) the exercise of the statutory functions relating to transport in the area;
- (b) the effectiveness and efficiency of transport in the area;
- (c) the exercise of statutory functions relating to economic development and regeneration in the area; and
- (d) the economic conditions in the area.

The alternative models of governance considered were as follows:

- Option 1 – status quo;
- Option 2 – establish an Economic Prosperity Board; and
- Option 3 – establish a Combined Authority.

Current governance in relation to transport

Integrated Transport Authorities (previously Passenger Transport Authorities) are a type of joint authority established with responsibilities for transport strategy and passenger transport across metropolitan areas. It is worth noting that the original ITAs in Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear and West Yorkshire have been dissolved as part of the move to Combined Authority status in those areas, with the Combined Authorities taking on the role of the ITA. The West Midlands Integrated Transport Authority (“WMITA”) is the only remaining ITA.

The WMITA, (formerly the West Midlands Passenger Transport Authority), was established in 1986. The WMITA comprises the Leaders of the seven Metropolitan Authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. It also includes a non-voting representative from each of the LEPs. The ITA is currently chaired by the leader of the City of Wolverhampton Council, Councillor Roger Lawrence.

The ITA is responsible for formulating the transport strategy and policy for the Metropolitan Area, incorporating strategic highways, freight, rail, bus and rapid transit networks. The ITA is directly supported by the Policy and Strategy Team, who are producing a new Strategic

Transport Plan which will align with LEPs Strategic Economic Plans, to connect people and places and support economic growth and jobs. The ITA has an important role as the Local Transport Authority for the West Midlands.

Following a review of the transport governance in November 2013, an improved set of governance arrangements were established for the ITA.

The changes were specifically designed to improve the co-ordination and delivery of transport in the West Midlands, and the integration of policy on economic development, planning and transport priorities. The ITA, with the Leaders as its members, has a:

- Stronger focus on the role of transport in supporting economic development and regeneration, through effective collaboration between the Leaders, supported by a Secretariat with resources to provide expert advice;
- Strong interfaces with the LEPs: the seven Leaders are active on the Boards of the three LEPs and, alongside the LEP private sector representatives, are central to ensuring that the LEPs' growth priorities are fully reflected in the planning, commissioning and delivery of transport in the West Midlands.
- Stronger focus by Leaders on the whole of the West Midlands transport network, including roads, to ensure effective connectivity to address the needs of our future economy, whilst connecting communities in greatest need with future opportunities;
- Proven expertise of the Leaders in taking strategic decisions to drive transport forward in the West Midlands;
- Streamlining of decision-making facilitating more rapid and efficient decision-making;
- Strong shared commitment from the Leaders in working together to deliver the best outcomes for the West Midlands.

As part of the November 2013 governance review the establishment of a Combined Authority, with a strong focus on transport functions, was considered. The Combined Authority option was not pursued at that point as it did not have the necessary stakeholder support to ensure that the option was deliverable. This position has now changed and the Combined Authority receives broad support, which in turn removes the barrier in terms of deliverability. The next logical step now is to formally cooperate on strategic transport, economic development and regeneration to support economic growth and job creation in the West Midlands.

The option pursued in November 2013 (in respect of transport responsibilities) was to change the membership structure of the ITA. The seven councils appointed a single member to the ITA in accordance with the provisions of schedule 10 of the Local Government Act 1985 (as amended). This also included three non-voting members from the Greater Birmingham & Solihull, Black Country and the Coventry & Warwickshire LEPs. The Secretary of State for Transport made a Parliamentary Order in exercise of the powers conferred by section 29(2) of the Local Government Act 1985(a) with the West Midlands Integrated Transport Authority (Decrease in Number of Members) Order 2014 coming into force on 4 June 2014.

Current governance in relation to economic development and regeneration

Currently, there is no overarching body which deals with economic development and regeneration across the region. However, there is already successful collaboration on this issue across the region, examples of which are detailed below.

The West Midlands Joint Committee

A joint committee for the West Midlands comprising the seven Metropolitan councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton was established in 1986 following the abolition of the West Midlands County Council. The Committee is a joint committee for the purposes of Part VI of the Local Government Act 1972. The Constitution was updated to reflect changes as set out in the Localism Act 2011 in relation to strategic planning and cross boundary infrastructure matters which must now be dealt with via the Duty to Cooperate.

The overall objective of the joint committee is to co-ordinate actions on important issues affecting the local authorities in the West Midlands. Key functions have focused on collaborative working with the West Midlands Joint Authorities for example the WMITA and Police and Fire & Rescue Authority. Following the creation of the Police & Crime Panel in 2012 (established under the Police Reform & Social Responsibility Act 2011) and the establishment of the new ITA in June 2014, the Council Leaders as the voting members of joint committee have maintained their close relationship through membership on both these bodies. The joint committee makes nominations or appointments to key partner bodies i.e. appointing to the five balancing places of both the West Midlands Police & Crime Panel and ITA Overview and Scrutiny Joint Committee.

More recently, the focus of the joint committee has been closer collaboration on social policy activities/issues affecting the conurbation. For instance, the protection of vulnerable children and adults, preventing Child Sexual Exploitation as well as health and social welfare issues. The

joint committee provides a vehicle for communicating these joint actions and their needs to Government and other influential bodies.

Other functions of the joint committee relate to the exercise of the Metropolitan councils' powers and rights as shareholders of Birmingham Airport Company Ltd as well as making nominations/appointments to other bodies.

The current joint committee has been set up as a formally constituted body with some delegated powers and can agree its level of delegated responsibilities as it sees fit with the agreement of the seven metropolitan districts. However, it is not a 'body corporate', but is an arrangement for collaborative working. These arrangements have not been set up on a permanent nor binding basis and could, in theory, be wound up by the members. As such, the Joint Committee cannot hold funding in its own right, nor can it take on devolved powers from Government. It is not an accountable body within the definitions of the LDEDC and as a result, any decisions, outside of the functions in the joint committee constitution, still need to be taken through individual, constituent local authorities.

Accordingly, the Leaders of the authorities considering changing governance arrangements do not believe that the joint committee governance provides them with the opportunity to respond to the potential freedoms and flexibilities offered through devolution.

The Local Enterprise Partnerships (LEPs)

The seven Metropolitan councils sit within three LEPs: the Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire LEP. Although three separate growth deals have been agreed, the LEPs have worked collaboratively across the region on issues such as transport, access to finance, supply chains, business growth hubs, housing, inward investment, skills, and enterprise zones.

The Chairs of the three LEPs meet with other regional LEP Chairs on a quarterly basis to drive forward shared agendas. These working relationships are key to effective collaboration across the region. The senior LEP Executives also meet on a bi-monthly basis to support cross-working. There are West Midlands' wide groups for Transport and Finance. These groups have respectively developed a joint Transport Statement, working with the East Midland LEPs in support of the broader Midlands' transport strategy, "Midland Connect" and are taking forward Joint European Resources for Micro to Medium Enterprises proposals having already collaborated on an Advanced Manufacturing Supply Chain funding initiative.

The Greater Birmingham and Solihull Supervisory Board

The nine Local Authority Leaders that form the Greater Birmingham and Solihull LEP have established a Supervisory Board to ensure there is effective decision-making and clear political accountability for the management of significant funding streams such as the Local Growth Fund and business rates retained through the Enterprise Zone.

The Supervisory Board is a Joint Committee and each local authority has delegated to it the economic development functions covered by the general power of competence contained in Section 1 of the Localism Act 2013. The GBSLEP Chair is a member of the Board (using the power to co-opt non-authority members on to a committee contained in Section 102(3) of the Local Government Act 1972) but is non-voting.

The Black Country Joint Executive Committee

The Black Country Joint Executive Committee was established by Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Metropolitan Borough Council and City of Wolverhampton Council. It acts as a strategic body in relation to the City Deal and Growth Deal – with full delegated authority from each of the four applicable Local Authority Cabinets to make decisions on setting and reviewing objectives for strategic investment across the Black Country. It provides a coherent single position on the major strategic City Deal and Growth Deal issues, agreeing the allocation of spending and major priorities. The four local authorities and Black Country Consortium Limited have entered into a Collaboration Agreement that establishes a legal framework for joint working in relation to the functions of the Joint Committee. This agreement places equal responsibility on all four Black Country Local Authorities and the Black Country Consortium for the underwriting of the Joint Committee programme.

Joint Committee for Growth and Prosperity

A formal Joint Committee for Growth and Prosperity was created in Coventry and Warwickshire as part of the City Deal process and now operates closely with the Coventry and Warwickshire Local Enterprise Partnership. This Joint Committee is made up of Coventry City Council; Warwickshire County Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Stratford-on-Avon District Council, Warwick District Council and Hinckley and Bosworth Borough Council. This reflects the geography of the Coventry and Warwickshire Local Enterprise Partnership and the Coventry and Warwickshire Growth Deal.

The Coventry and Warwickshire City Deal was signed with central government in January 2014 and covers the area of Coventry and Warwickshire and also the adjacent district of Hinckley and Bosworth (in Leicestershire) to reflect the close economic links and innovation assets across this area in advanced manufacturing and engineering, particularly in the automotive sector.

The City Deal also committed these councils to work together to form an Economic Prosperity Board with an ultimate aim of creating a Combined Authority for this geography – recognising that this was difficult because Coventry City Council was part of the West Midlands Integrated Transport Authority.

The functional economic market assessment has made the case that the wider area covered by the three LEP area would give greater economic self-containment and that working together at this scale would yield greater benefits from agglomeration.

Regardless of the final membership arrangements of the Combined Authority, a close working relationship will be maintained between the members of the Joint Committee for Growth and Prosperity.

Options analysis

Preservation of the status quo

The leaders of the seven Metropolitan authorities are committed to the pursuit of collaborative working. Under the status quo there is not strong enough governance arrangements in place for the more ambitious agenda for the region. This option would leave the region without a single strategic transport and economic development decision-making body at the West Midlands level. The region would miss out on the benefits of working collaboratively on economic regeneration/development and transport issues which are inherently closely linked.

Maintaining the status quo would leave the region behind a number of other parts of the country who have already, or are in the process of, strengthening and aligning their decision making process in relation to transport and economic development/regeneration.

The deficiencies of the current joint committee i.e. the fact that it is not a body corporate nor can it hold funding in its own right would remain. The lack of a formal link between development, regeneration and transport would also continue.

The current arrangements are insufficient to take advantage of the move towards greater devolution from central government to the regions.

Establishing an economic prosperity board

An economic prosperity board would be a statutory body and would share many of the features of a Combined Authority. It would be a basis for taking on devolved powers and funding relating to economic development and regeneration. However the integrated transport authority would remain as a separate entity and the benefits of bringing economic development/regeneration and transport together would not be realised.

This does not align with the aspiration held across the region to fully exploit the potential to unite economic development/regeneration and transport and reap the benefits of a joined up approach to transport strategy.

Establishing a Combined Authority

The existing governance arrangements in the West Midlands can be improved. The governance structures in the West Midlands have worked well to date through a series of ad-hoc and informal arrangements. However, the ambition set out in this document and those reflected in the 'launch statement' requires stronger governance to deliver the agenda. Specifically, there is not a single strategic transport and economic development decision making body at the West Midlands level. These benefits would be best realised through the creation of a Combined Authority.

A Combined Authority governance model would ensure long-term effective engagement with the business and other sectors. Engagement and integration with the three LEPs in a statutory body is likely to lead to more effective interventions and an improvement in the realisation of economic objectives. A Combined Authority would be an integral part of a 'Midlands Engine' which would build on the strong foundations which have been laid in the region over the past 20 years, and help to rebalance the UK economy.

A Combined Authority would bring together, in a single legally recognised body, the key decision making powers for strategic transport and economic development. The Combined Authority could act as the Accountable Body for funding to support economic development and regeneration. The relevant legislation allows the Combined Authority to take on devolved powers from Government. This would enable the Combined Authority to engage with Central Government to discuss the powers that will best serve the people of the West Midlands if they are held locally.

A Combined Authority would help maximise growth in output and jobs. A region-wide focus on productivity, competitiveness and raising skill levels would put the region in the best position to achieve its economic vision and economic goals. The three commissions proposed by the seven

metropolitan Leaders, (Productivity, Land, and Mental Health and Public Services) will seek to address the underlying causes of some of the most challenging societal and economic issues in the area, on a collaborative and regional basis. In addition, a strong and effective West Midlands Combined Authority would seek to address misperceptions about public sector collaboration in the West Midlands and help in engagement with national agencies. It would also create the opportunity for various types of collaborative effort. Creating a Combined Authority would enable the former ‘workshop of the world’ to be reinvigorated to become part of the wider Midlands Engine, driving economic growth in the region and developing the strongest economy outside London

Overview of the options

The following table sets out the assessment of the potential options considered.

Option	Evaluation	Rationale
Maintain status quo	✗	The current structures leave space for ambiguity and overlap between the various roles and functions of the sub-regional bodies. The opportunity to address the deficiencies highlight in this review would be missed.
Establish an economic prosperity board	✗	The downside of this option is that it misses out on the opportunity to fully achieve coordinated transport and economic benefits.
Form a Combined Authority	✓	A Combined Authority affords the area the best opportunity to address its underlying economic needs. This is as a result of the creation of a legally independent and accountable body that combines powers in respect of economic development/regeneration and transport. In addition it provides for the potential for powers to be devolved from central government.

Engagement on the draft governance review

Introduction

A process of engagement was run by the seven metropolitan authorities during August and early September 2015. The approach taken was similar for six of the seven metropolitan areas. Coventry City Council's approach was additional to the one carried out by the seven metropolitan authorities and was as a result of a greater degree of local concern over the potential establishment of the Combined Authority and calls for a referendum on the issue. The processes followed are set out below.

Metropolitan area (Excluding Coventry)

A period of engagement ran during August and early September 2015 and involved:

- Writing to a representative sample of over 465 stakeholders comprising key private sector employers, public sector bodies and third sector organisations;
- The establishment of an online survey to collate the views of parties whose views were requested, and
- A number of briefings with the business and third sector communities.

The online survey was completed by over 300 respondents and had free text fields for general comments together with 8 questions in respect of:

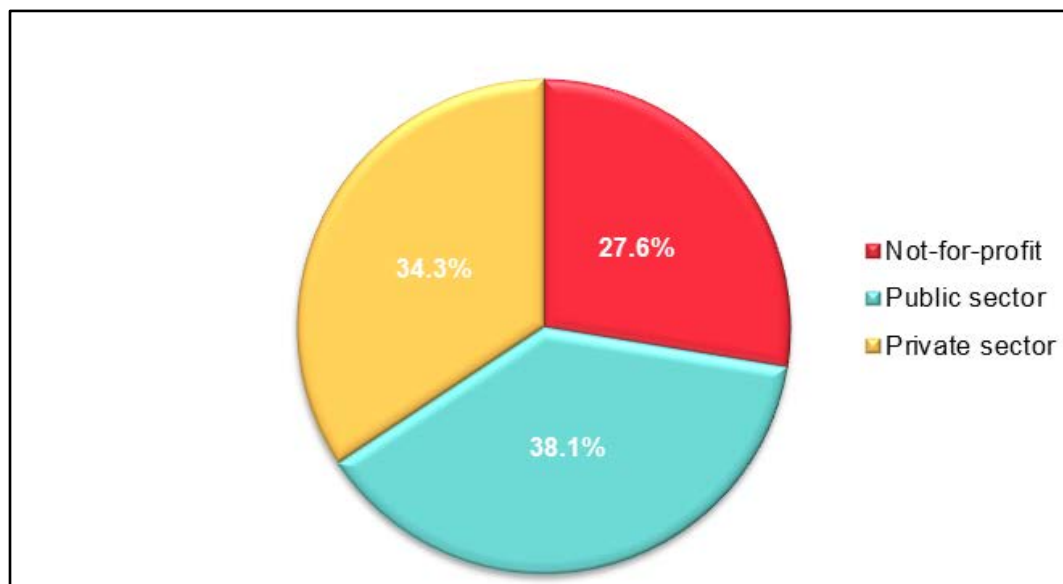
- the efficiency and effectiveness of transport and economic development/regeneration;
- the impact on local communities, and
- the prospective of more joined up working with Local Enterprise Partnerships.

A selection of the questions asked are set out on the following page. The results indicate broad support with over 60% of respondents agreeing or strongly agreeing that the statutory purposes for the Combined Authority will be achieved. There was a fairly even split between public sector, private sector and not for profit organisations within the responses, illustrated below.

Image 1 – Engagement Responses to statements posed

West Midlands Combined Authority	Agree		Disagree		Don't know	
	Responses	%	Responses	%	Responses	%
It will improve transport in the region by making it more efficient	173	62%	64	23%	40	14%
It will improve transport in the region by making it more effective	169	62%	61	22%	43	16%
It will improve economic development and regeneration in the area	185	67%	62	23%	27	10%
It will provide greater opportunity for growth and prosperity	189	68%	63	23%	24	9%
It will make the way the region works more efficient	167	60%	74	27%	33	12%
It will not have an adverse effect upon the identity of the local community in our area	130	47%	112	40%	33	12%
It will not have an adverse effect on the interests of the local community in our area	129	47%	101	36%	46	17%
It provides a platform for better, joined-up working with Local Enterprise Partnerships	190	69%	61	22%	24	9%

Image 2 – Response by sector



The survey (and the e-mail address set up for the Combined Authority) provided an opportunity for respondents to leave comments. As is expected from a large sample there were a range of comments from those who questioned the worth of the proposals and the choice of the Combined Authority's name, to those who were very positive. A detailed analysis is appended to this Governance Review, entitled 'Combined Authority engagement analysis'.

Engagement in Coventry

In the run up to and following Coventry City Council's agreement in principle to form a Combined Authority there was widespread media coverage of the issue and a lively debate locally on the implications.

Some residents feared that the move could see Coventry losing its identity and sovereignty as a major English city and become part of a larger council dominated by Birmingham, losing the city's historic links with Warwickshire. Two petitions were started calling for the issue to be put to a referendum.

In recognition of the concerns raised, Coventry City Council carried out a comprehensive engagement process that was well beyond that which is required as part of the process. The process involved:

- Supply of factual information to ensure there were less misunderstandings about the role and power of a combined authority.
- Establishing a "Citizen's Panel" – a representative group of residents from across the city provided with detailed reports and information and with the remit to call in external expert witnesses for questioning and discussions.
- Face to face engagement, including discussion and debate at July ward forums, throughout the city and open to all residents. Public debates/panel discussions to include politicians, business leaders, academics and residents and drop-in sessions for the public at a key city centre location to allow people to talk to council officers and councillors informally about Combined Authority.

Specific feedback from Ward forums:

- 18 held, 379 attendees, 168 comments.
- 66 of the total comments made at Ward Forums focused on the view that more effort to inform the public should be made and that more information regarding the benefits of joining a CA needs to be made available.

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- 58 of the comments mentioned the fact that Coventry would lose out in terms of funding and local decision making.
 - A number of comments (18) related to the fact that Coventry should consider going into a CA only if Warwickshire joined or otherwise create a Combined Authority just with Warwickshire not Birmingham.
 - 15 residents voiced concern about the prospect of an Elected Mayor being imposed, with reference to a previous referendum on an Elected Mayor in Coventry.
 - 9 residents mentioned wanting a referendum to be held.
 - 2 residents expressed the view that the council has no other choice but to enter into negotiations on a WMCA.
- Digital and social media, including a dedicated web engagement portal that contains all public information and used council social media channels (Facebook, Twitter, YouTube etc). Social media engagement included active two way conversations and debates with the public.
 - Print and broadcast media interviews with key Coventry politicians and live web forum debates.

Detailed analyses of Coventry's consultation² and Citizens Panel³ are available on their website.

² <http://democraticservices.coventry.gov.uk/documents/s25785/Devolution%20and%20Economic%20Growth%20-%20Scheme%20for%20Setting%20Up%20a%20West%20Midlands%20Combined%20Authority%20-%20Appendix.pdf>

³ <http://democraticservices.coventry.gov.uk/documents/s25785/Devolution%20and%20Economic%20Growth%20-%20Scheme%20for%20Setting%20Up%20a%20West%20Midlands%20Combined%20Authority%20-%20Appendix.pdf>

Conclusions

In conclusion, the recommendation of this review is that the functional economic area of the West Midlands will be best served by a Combined Authority model of governance, bringing together local authorities, LEPs and other partners to drive growth.

Coordination of economic development and transport is a central rationale for the statutory basis for a Combined Authority, and therefore fundamental to its creation in the area. The CA will be ideally placed to provide leadership and area-wide voice on key strategic transport issues. A Strategic Transport Plan integrated within the Combined Authority strategic economic plan, will allow strong representation from the area on topics such as High Speed Rail 2 ('HS2'), the West Coast Main Line, franchising of local rail services, aviation connectivity, the development of the rail and rapid transport network and the strategic road system, the heart of which is in the West Midlands.

Transport is recognised as key to affecting real improvements and changes at a strategic level and will be a core function of a Combined Authority in the West Midlands. The seven local authorities are in a unique position in bringing together the existing West Midlands ITA. As an aid to long term integration, key transport powers transferred to the Combined Authority could be exercised through a carefully designed integrated governance model by constituent authorities on certain key issues.

The skills of the workforce of the West Midlands will need to improve in order to benefit from the opportunities that arise. There is an opportunity to up-skill the region's workforce to take advantage of the existing job opportunities and those that will be created in the future. The West Midlands has some of the most deprived areas in the country. Nationally-led initiatives have found it difficult to allow certain areas to share in wealth creation. Unemployment rates across the region currently stand at 9.3% and only 21% of residents have qualifications level 4 and higher, significantly less than the national average. Therefore a key focus of the Combined Authority will be to address this issue at a more manageable local scale. Up-skilling the workforce in the West Midlands will be a priority in order that residents share in the growth that strengthened governance will lay the foundations for. The Combined Authority will ensure that the benefits of economic progress are distributed broadly across the West Midlands.

The Combined Authority Area

The Combined Authority Area will be the area of the seven Local Authorities of the West Midlands (Birmingham, Coventry, Dudley, Sandwell, Solihull Walsall and Wolverhampton). The broader three LEP area and economically linked authorities described earlier in this review covers an additional fifteen local authorities. These local authorities have been invited to be members of the Combined Authority and will help to develop the Combined Authority Strategic Economic Plan for delivering growth in the three LEP area. The aspiration is for collaboration across the three LEP area.

Governance model

In order to maximise the use of available resources to the benefit of the whole of the West Midlands a new governance structure is required. The challenges of the region in respect of skills, job creation, and attractiveness of inward investment are not being tackled as effectively as they could be.

The Combined Authority option would afford the West Midlands the best prospect of improving the efficiency and effectiveness of economic development, economic regeneration and transport.

Summary of benefits

The Combined Authority will:

- facilitate closer partnership working;
- increase the effectiveness and efficiency of the relevant functions and improve outcomes for local people through a co-ordinated approach to tackling the area's priorities;
- improve the exercise of statutory functions through stronger centralised evidence collection and analysis function;
- lead to an improvement in the economic conditions of the area;
- bring together the Integrated Transport Authority functions with Economic Development and Regeneration.

Scheme for the establishment of a Combined Authority for the West Midlands

Introduction - Engagement with the three Local Enterprise Partnerships (“LEPs”) and the wider business community

The establishment of a Combined Authority represents a major opportunity to have a strong, shared voice for the region and to make a step change in our collective efforts to drive the economic prosperity of the area. Effective engagement with the LEPs and the wider business community is critical to the delivery of this ambition.

The relationship between the LEPs and the Combined Authority will be seamless and will engage the wider business community, ensuring that all partners play to their strengths in contributing to a wider ambition for more and better jobs.

The Leaders of the seven constituent authorities are members of the LEPs and the Chair of the LEPs will have non-constituent status in respect of the Combined Authority.

A Combined Authority Strategic Economic Plan will be developed and agreed. This will build on the findings of the economic evidence commissioned to support the establishment of the Combined Authority which identified the 3 LEP geography as the functional economic area.

Investment decisions taken by the Combined Authority will reflect business views. These views, both in terms of shaping prioritisation and scheme design, will ensure that public investment is targeted to maximise business benefit, which is key to economic growth.

The Combined Authority and the LEPs will ensure that executive and staff resources are used in the most effective way to deliver the Combined Authority Strategic Economic Plan. The Strategic Economic Plan will be underpinned by the principle that all communities benefit, but not necessarily at the same time and in the same way. The Combined Authority would seek to achieve this by using evidence based objective means by which to assess interventions, or the design of interventions, so that these are aligned to our balanced economic outcomes for the West Midlands Combined Authority area.

Section 1 – Intention to establish a Combined Authority

Establishment of the Combined Authority

1. A Combined Authority will be established pursuant to section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“LDEDCA”). It shall come into existence on 1 April 2016.

Area of the Combined Authority

2. The Combined Authority’s area shall be the whole of the following seven constituent authority areas:

Birmingham City Council
City of Wolverhampton Council
Coventry City Council
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council and
Walsall Metropolitan Borough Council

Each of the above authorities will be the Combined Authority’s constituent members (“Constituent Authority” and “Constituent Authorities” will be construed accordingly).

Within this scheme “West Midlands” refers to the area covered by the seven local authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

Name of the Authority

3. The name of the Combined Authority will be the West Midlands Combined Authority.

Membership of the Authority

4. The Combined Authority shall consist of 15 members as set out below:-

- Seven members of the Combined Authority shall be elected members of the constituent authorities, referred to as “Constituent Members” namely

Birmingham City Council
City of Wolverhampton Council
Coventry City Council
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council and
Walsall Metropolitan Borough Council

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- Non-constituent members will be appointed, one each from the following Councils and LEPs:
 - Greater Birmingham and Solihull LEP
 - Black Country LEP,
 - Coventry and Warwickshire LEP
 - Cannock Chase District Council
 - Nuneaton and Bedworth Borough Council
 - Redditch Borough Council
 - Tamworth Borough Council
 - Telford and Wrekin Borough Council

The term “Members” will refer to both Constituent Members and Non-constituent members

5. Each Constituent Authority, non-constituent authority and LEP will also appoint two other people (“Substitute Members”) to act as members of the Combined Authority in the absence of the named member. Any Substitute Member will have the same decision-making authority and voting rights as the person whose place they are taking.

6. Each Member will act in the best interests of the Combined Authority as a whole, taking into account all relevant matters.

7. Where a Member, or Substitute Member, of the Combined Authority ceases (for whatever reason) to be a member of the constituent or non-constituent authority/LEP which appointed them, the Member will cease to be a member of the Combined Authority, and the constituent or non-constituent authority/LEP will appoint a replacement member as soon as possible.

8. Each Constituent Authority, non constituent authority and LEP may at any time terminate the appointment of a Member or a Substitute Member appointed by it to the Combined Authority.

9. The Combined Authority may co-opt additional non-voting representatives to the Combined Authority.

10. The Chair and Vice Chair are appointed from its Constituent Members by majority and appointed annually.

11. No Basic or Special Responsibility Allowance will be payable by the Combined Authority to its Members.

12. The reimbursement of travel and subsistence expenses will be the responsibility of the Member’s authority/body.

Voting

13. All Constituent Members of the Combined Authority will have one vote. The Chair and Vice Chair will not have a second or casting vote.

14. Non-constituent members in accordance with section 85(4) LTA2008, shall be non-voting members of the Combined Authority. The Constituent Members may, in accordance with section 85(5) LTA2008, resolve to extend voting rights to all or any non-constituent members.

15. Subject to the provisions of any enactment, the Combined Authority will aim to reach decisions by consensus. If, exceptionally, it is not possible to reach consensus on any matter on which it is necessary to reach a decision, the matter will be put to a vote which will be decided in accordance with paragraph 16 below.

16. It is intended that decisions will be made by consensus. When this is not possible, matters will be put to a vote and will require a 2/3 majority vote of Constituent Members of the Combined Authority present and voting, apart from the following matters which require unanimity of Constituent Members present and voting:

- Approval of land use plans
- Such other plans and strategies as determined by the Combined Authority
- Financial matters which may have significant implications on Constituent Authorities' budgets
- Approval of borrowing limits, treasury management strategy including reserves, investment strategy and capital budget of the Combined Authority
- Agreement of functions transferred to the Combined Authority
- Extension of voting rights to all or any non-constituent member
- Approval of specific proposals for individual co-optees to the Combined Authority
- Use of general power of competence beyond the powers provided within the Local Democracy Economic Development and Construction Act 2009, including in relation to spatial strategy, housing numbers and compulsory purchase powers
- Establishment of arms-length companies
- Approval to seek such other powers as may be appropriate and any new powers granted by government.
- Amendments to the Constitution
- Changes to transport matters currently undertaken by the ITA

17. It is a requirement of the Local Transport 2008 85(1)(a) that the majority of members of the Combined Authority are appointed by the Combined Authority's Constituent Authorities. Therefore, one additional representative will be appointed from each Constituent Authority.

Executive Arrangements

18. Executive arrangements (within the meaning of the Local Government Act 2000) shall apply to the Combined Authority. The discharge of the functions of the Combined Authority will be subject to scrutiny arrangements set out in paragraph 22 and 23 below.

Dissolution of West Midlands Integrated Transport Authority

19. The West Midlands Integrated Transport Authority (WMITA) will be dissolved pursuant to section 91 of the Local Transport Act 2008 (LTA). Upon the abolition of the WMITA the functions, powers and duties and the properties, rights and liabilities of the WMITA shall be transferred to the Combined Authority.

Passenger Transport Executive and ancillary functions

20. The West Midlands Passenger Transport Executive ("Centro") shall be dissolved and the functions, powers and duties and the properties, rights and liabilities of Centro shall be transferred to the Combined Authority.

21. The Combined Authority will fulfil the role of a Transport Authority for each of the seven Constituent Authorities, replacing the existing West Midlands Integrated Transport Authority (WMITA). Individual Constituent Authorities will also continue to exercise some delivery functions, for example in respect of highways management, but will operate within an agreed framework and plan established through the Combined Authority.

Scrutiny Arrangements

22. The Constituent Authorities of the Combined Authority will establish joint overview and scrutiny arrangements which reflect the political balance of the Combined Authority, to exercise scrutiny functions over the Combined Authority and any sub-boards and structures.

23. The Combined Authority may co-opt additional non-voting representatives to the joint overview and scrutiny arrangements as necessary.

Section 2 - Functions, Powers and Duties of the CA

24. The Combined Authority's ambition will be to help to increase competitiveness and productivity, create more skilled and better paid jobs, bring more investment into the area, reform public services and reduce the region's welfare bill.

25. The Combined Authority will drive these ambitions through its primary focus to improve the effectiveness and efficiency of transport in the area, the exercise of statutory functions relating to economic development and regeneration in the area, and economic conditions in the area.

26. The Combined Authority will manage a significant programme of investment in transport and economic infrastructure, and influence and align with government investment, in order to boost economic development and regeneration.

27. The related interventions will have differential impacts across the Combined Authority area - underpinned by the principle that all communities benefit, but not at the same time and not in the same way. The Combined Authority would seek to achieve this by using evidence based objective means by which to assess interventions, or the design of interventions, so that these are aligned to our balanced economic outcomes for the West Midlands Combined Authority area.

Functions – Economic Growth

28. By virtue of sections 99 and 102A of the Local Transport Act 2008 (LTA) the Combined Authority will have broad well-being powers to promote economic growth which can be exercised in conjunction with the general powers granted to it by section 113A of the LDEDCA (as amended by the Localism Act 2011).

29. It is proposed that the Combined Authority will be focused, through the Combined Authority Strategic Economic Plan, economic growth issues that could include, but are not restricted to, functions such as:

- Setting the Combined Authority Strategic Economic Plan and investment strategy, in consultation with the LEPs and non-constituent Members of the Combined Authority
- Ensuring effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration.
- Using Combined Authority wide economic intelligence and analysis as a basis for strategic planning and coordination.
- Acting as an accountable body for a range of devolved funding.

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- Strategic decision-making on the skills agenda across the West Midlands.
- Enabling the Combined Authority to act as the forum for local authorities to exercise the Duty to Cooperate, in respect of strategic planning matters.
- Coordinating inward investment activity through the development of a range of investment mechanisms.

30. The General Power of Competence under Section 1 of the Localism Act 2011 will enable maximum flexibility in dealing with economic development and regeneration powers provided in the Local Democracy, Economic Development and Construction Act 2009. Accordingly the Combined Authority requests that the Secretary of State exercises his power and to provide that the Combined Authority has been delegated General Power of Competence under section 1 of the Localism Act 2011.

31. In addition to the above, the Combined Authority will have the following specific powers. These are viewed as complementary to the broader powers to address economic development and regeneration identified above:

- The duties under section 15ZA, 15ZB, 15ZC, 17A, 18A (1)(b), of the Education Act 1996 and the power under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age).
- The Power under section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities).
- The duty under section 69 of the Local Democracy, Economic Development and Construction Act 2009 (duty to prepare an assessment of the economic conditions of the local authority's area).
- Such other powers as may be appropriate and any new powers granted by government.

32. Unless otherwise stated, these powers will be exercised by the Combined Authority on a concurrent basis i.e. no powers have been ceded to the Combined Authority from the Constituent Authorities

Functions - Transport

33. All functions powers and duties of the WMITA and the WMPTE (Centro) shall be transferred to the Combined Authority and shall be functions exercisable by the Combined Authority. Specific powers required for bus franchising or similar and the prioritisation, assessment, allocation of funding, and the monitoring and evaluation of major schemes (currently a LEP function) within the Combined Authority area are exercisable by the Combined Authority.

34. In the application of s101 of the Local Government Act 1972 and regulations under s9EA of the Local Government Act 2000 any transport functions delegated to the Combined Authority from time to time by the Constituent Authority (or any of them) shall be functions of the Combined Authority. The intention being that in application of these sections by the Constituent Authorities subsequently choosing to delegate as considered appropriate to enable the Combined Authority to have concurrent street, highways and transport powers with the Constituent Authorities.

35. The Power of Wellbeing under chapter 3 of the LTA 2008 will apply to the Combined Authority by virtue of that Act.

36. The Combined Authority will have ancillary general powers pursuant to section 113A of the LDEDC 2009.

37. The Combined Authority will exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State pursuant to section 86 of the Local Transport Act 2008 (LTA) and section 104(1)(b) LDEDC. Such functions will be exercised subject to any condition imposed by the order.

Incidental Provisions

38. The Combined Authority shall exercise any function of the Secretary of State delegated to the Combined Authority by order of the Secretary of State pursuant to Section 86 of the LTA 2008 AND Section 104(1) (b) of the LDEDC 2009. Such functions shall be exercised subject to any condition imposed by the order.

Section 3 - Funding, Transfer of Property, rights and liabilities.

39. The Combined Authority as a levying body under section 74 of the Local Government Finance Act 1988 shall have the power to issue a levy to its Constituent Authorities in respect of the expenses and liabilities of the Combined Authority which are reasonably attributable to the exercise of its functions relating to transport.

40. The costs of the Combined Authority that are reasonably attributable to the exercise of its functions will be met by its Constituent Authorities Such costs shall be apportioned between the Constituent Authorities in proportion to the total resident population. The Combined Authority will agree an annual budget for the purpose of expenditure.

41. On the abolition of the WMITA and the WMPTE (Centro) their property, rights, assets and liabilities will be transferred to the Combined Authority, including any rights and liabilities (if any) in relation to contracts of employment.

Section 4 – Substructures and Internal Scheme of Delegation

42. The Combined Authority will take over responsibility for the local transport authority and local transport executive for the Combined Authority area and act as the strategic decision making body. Therefore, in order to fulfil the significant range

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of operational duties, powers and functions transferred, which are currently delivered by the local transport authority and executive, the Combined Authority and the Constituent Authorities will establish a committee under section 101(5) of the Local Government Act 1972 to be called the Transport Delivery Committee. The Transport Delivery Committee will be a sub-committee of the Combined Authority providing oversight of operational delivery and as requested advice on transport policy matters and will be responsible for the discharge of specified transport functions delegated by the Combined Authority.

43. The Combined Authority may establish further joint committees or sub-committees and delegate powers and functions as considered by it to be appropriate.

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West Midlands Functional Economic Market Area Study

Headline Findings

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FEMA Terms of Reference

The geographies examined in the study are those of the Black Country, Coventry & Warwickshire and Greater Birmingham & Solihull LEPs. These areas encompass 19 local authorities in total (7 unitaries and 12 districts).

For each of the three study topics (travel to work, migration and industrial specialisation) the study examined the relationships and similarity between all of the 19 authorities and between the 7 unitaries.

Travel to Work Areas

The ONS defines a Travel to Work Area (TTWA) as an area where at least 75% of the resident working population also work. This is known as the **self-containment percentage**.

Analysis was undertaken of the 19 authorities within the 3 LEP areas to establish where the strongest travel to work relationships existed and the size of the self-containment percentage of a number of functional market areas.

For the purposes of analysis those working at home and those with work without a fixed location were excluded as these do not constitute a 'travel to work' relationship.

Travel to work relationships and self-containment percentages are explored overleaf.

Travel to Work Areas

The self-containment percentage for the three LEP areas are:

Black Country LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 71%
298,000		419,000	

Coventry and Warwickshire LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 77%
263,000		341,000	

Greater Birmingham and Solihull LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 77%
514,000		677,000	

Travel to Work Areas

The self-containment percentage for the three LEP areas combined is:

Black Country, C&W and GBS LEPs

Resident in-work population working within LEP areas	of	Total resident in-work population	Self containment
1.29 million		1.44 million	90%

Page 79 The self-containment percentage for the 7 West Midlands unitary authorities is:

7 WM Unitary Authorities

Resident in-work population working within area	of	Total resident in-work population	Self containment
837,000		976,000	85%

Travel to Work Areas

The self-containment percentage for combinations of the LEPs are:

Black Country & GBS LEPs

Resident in-work population working within LEP area	of	Total resident in-work population	Self containment
944,000		1.1 million	87%

Black Country & Coventry and Warwickshire LEPs

Resident in-work population working within LEP area	of	Total resident in-work population	Self containment
569,000		760,000	75%

GBS & Coventry and Warwickshire LEPs

Resident in-work population working within LEP area	of	Total resident in-work population	Self containment
882,000		1.05 million	84%

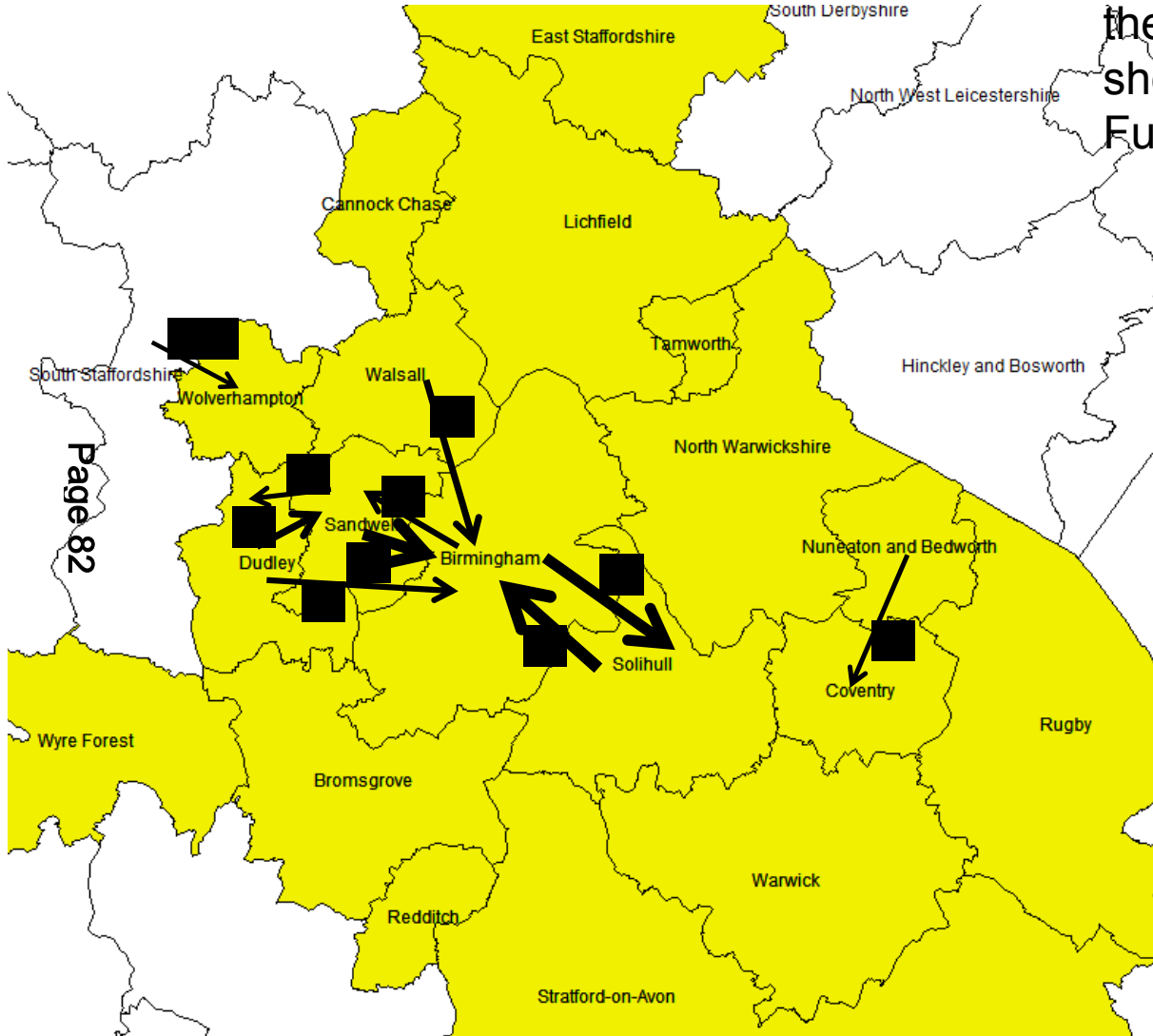
Travel to Work Areas – Other CAs

The self-containment percentages for England's other combined authority areas are:

Combined authority	Self Containment Percentage
North East	93%
West Yorkshire	91%
Greater Manchester	89%
Sheffield	85%
Liverpool	83%

Travel to Work Flows

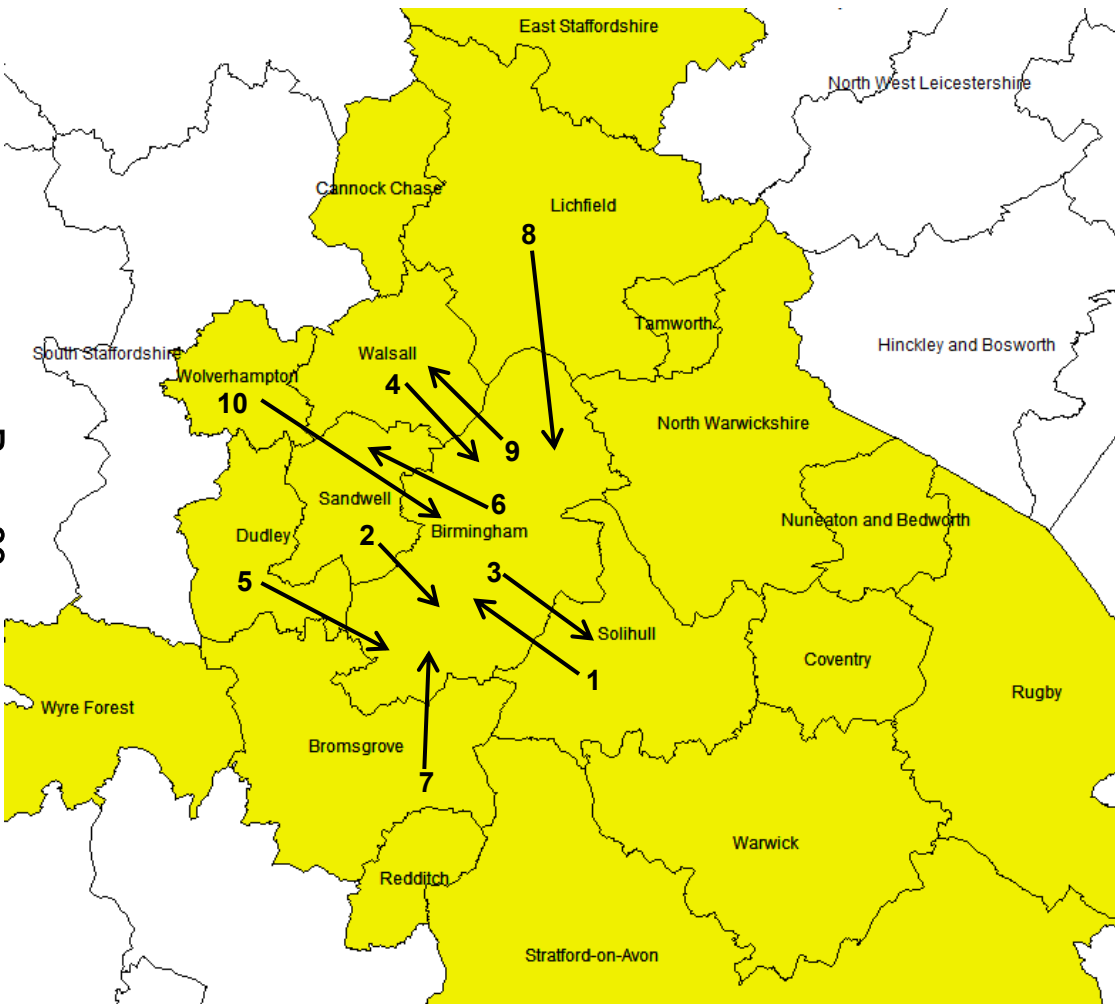
We examined the 10 largest travel to work flows between the 19 authorities which are shown on the map opposite. Full details are in Appendix 1



No	Volume of Commuters
1	29,458
2	28,088
3	26,479
4	16,877
5	16,037
6	14,057
7	13,661
8	11,739
9	11,392
10	10,381

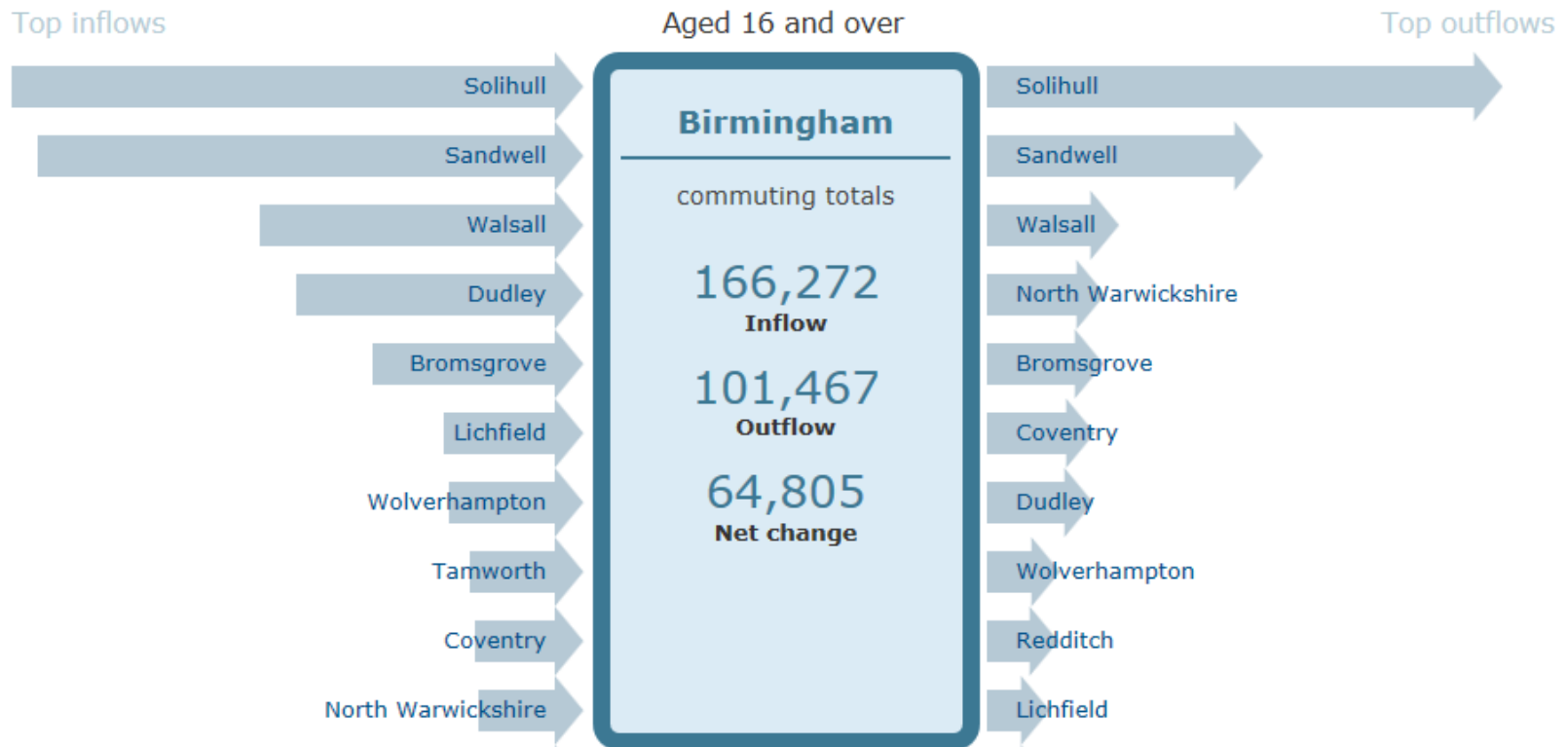
Travel to Work Flows - Birmingham

We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	29,458
2	28,088
3	26,479
4	16,037
5	14,057
6	13,661
7	9,996
8	6,076
9	5,872
10	5,842

Travel to Work Flows - Birmingham

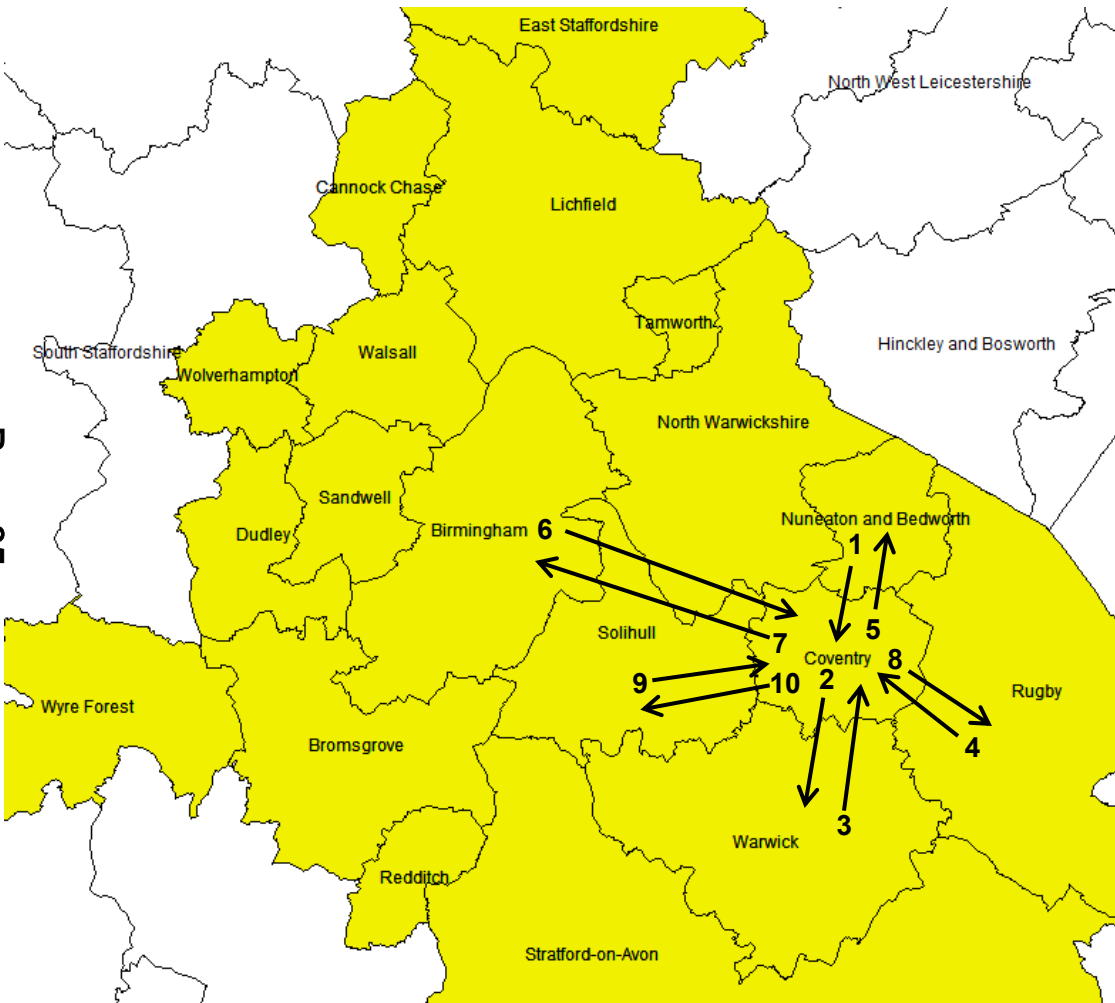


Commuting totals for Birmingham:

- Inflow: **166,272** aged 16 and over commute into Birmingham from other local authorities in the UK.
- Outflow: **101,467** aged 16 and over commute out of Birmingham to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **64,805** aged 16 and over in Birmingham.

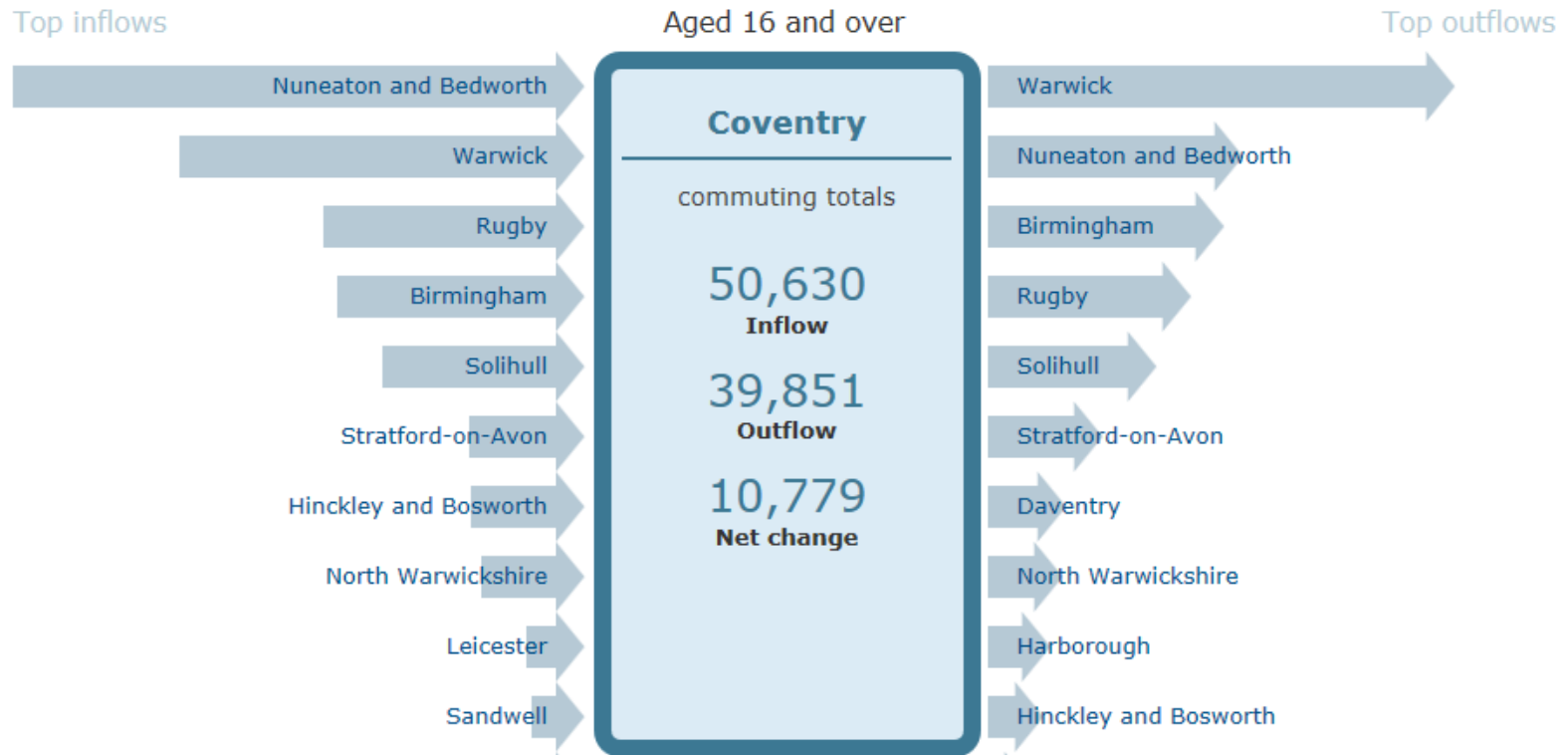
Travel to Work Flows - Coventry

We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	11,392
2	9,249
3	7,903
4	4,909
5	4,878
6	4,596
7	4,472
8	3,805
9	3,654
10	3,072

Travel to Work Flows - Coventry



Commuting totals for Coventry:

- Inflow: **50,630** aged 16 and over commute into Coventry from other local authorities in the UK.
- Outflow: **39,851** aged 16 and over commute out of Coventry to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **10,779** aged 16 and over in Coventry.

Migration

Similar analysis to that undertaken for Travel to Work was mirrored for patterns of internal migration between areas. This examined the volume of individuals that moved home between areas in the year preceding the 2011 Census. The analysis presents the 10 strongest relationships across the area.

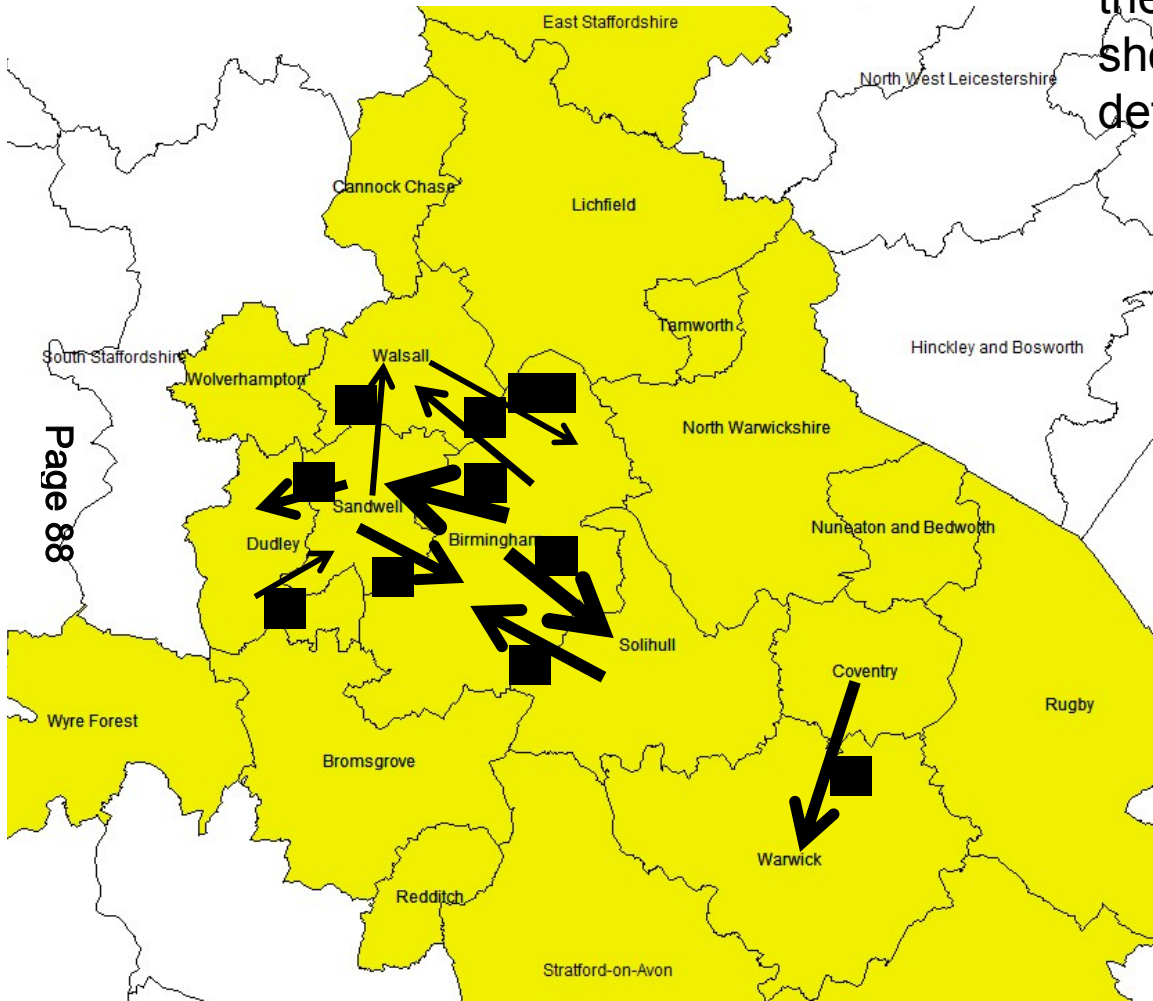
As shown overleaf, this presents a similar picture to the Travel to Work analysis with two important distinctions:

- Page 87
- All of the 10 strongest relationships are between districts that form part of one of the three LEP areas
 - There is a very strong relationship between Coventry and Warwick

Since the analysis was primarily designed to examine the strength of relationships between areas, immigration from outside of the UK was excluded from the analysis. The extent of this can be viewed in the migration charts provided in Appendix 2.

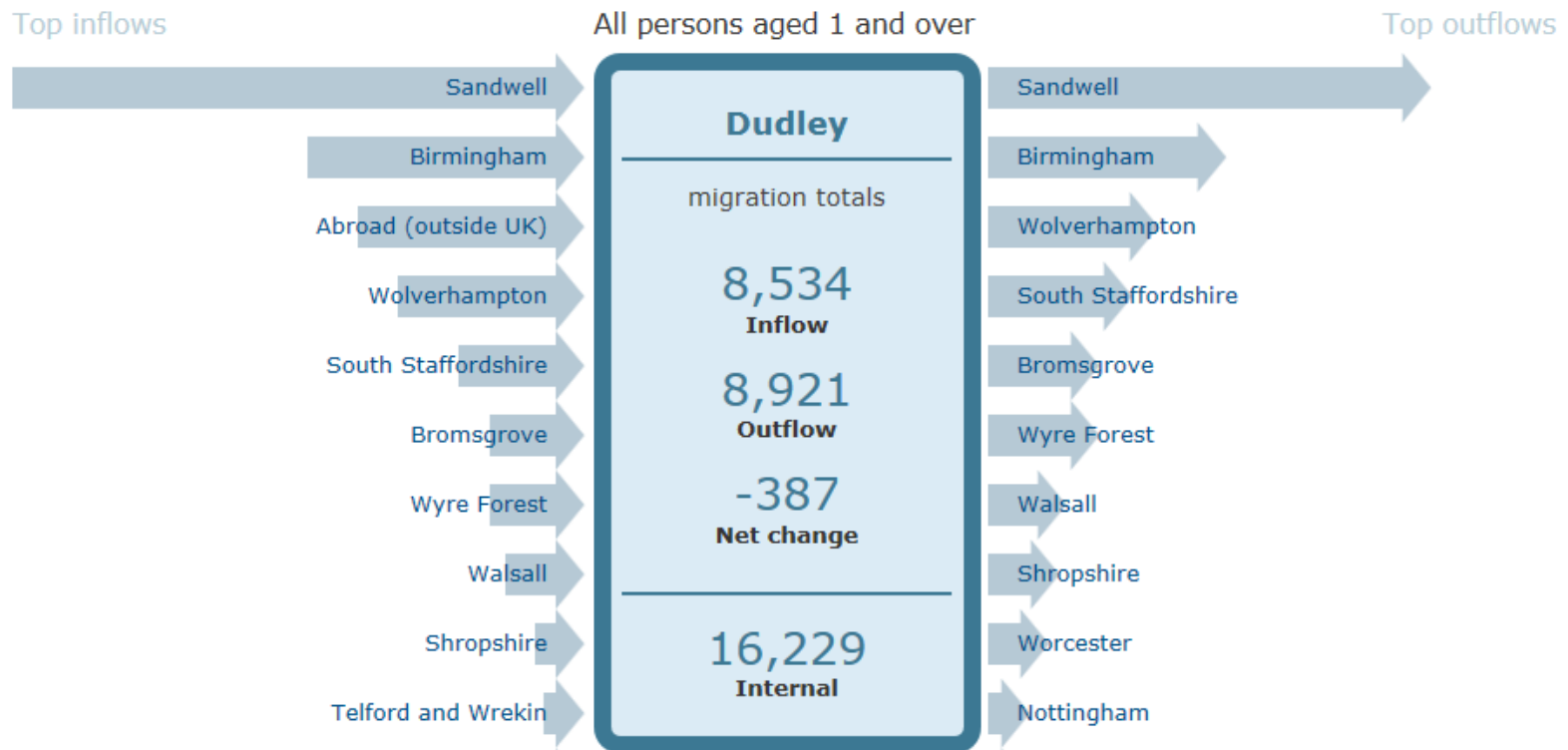
Migration

We examined the 10 largest migration work flows between the 19 authorities which are shown on the map opposite. Full details are shown in Appendix 2.



No	Volume of Commuters
1	4,016
2	3,816
3	2,929
4	2,887
5	2,721
6	2,371
7	1,823
8	1,821
9	1,488
10	1,389

Migration - Dudley



Migrations for Dudley with all areas:

- Inflow: **8,534** persons aged 1 and over moved into Dudley from other areas.
- Outflow: **8,921** persons aged 1 and over moved out of Dudley.
- Net change: Overall, migration resulted in **387** fewer persons aged 1 and over in Dudley.
- Internal: In addition, **16,229** persons aged 1 and over moved within Dudley.

Industrial Specialisation

Industrial specialisation was examined using Location Quotients which provide a local measure of geographical concentration of industries. A location quotient of >1 shows a degree of specialisation. A location quotient of 2 suggests there is twice the amount of employees in a sector than we would expect from a GB average.

This showed:

Page 90 There is greater degree of specialisation in the C&W and Black Country LEP areas than in the GBS LEP area

- Specialisation across all three LEP areas is focused on manufacturing, wholesale and the motor trades
- There are specialisations in Transport and Storage in the C&W LEP area and mining, quarrying and utilities in the Black Country LEP area that are not shared in the other LEP areas

Specialisation - Broad Industries

Broad industrial sectors where the three LEP areas showed specialisation were:

Sector	Location Quotient (>1 shows representation above national average)		
	Black Country	C&W	GBS
Mining, quarrying & utilities	1.52	1.15	0.72
Manufacturing	1.87	1.28	1.26
Construction	1.14	1.13	0.95
Motor trades	1.30	1.46	1.13
Wholesale	1.70	1.23	1.21
Transport & storage	1.08	1.29	0.96
Public administration & defence	0.86	0.83	1.17
Health	1.12	0.87	1.03

Sectors where specialisation was identified were examined in more detail overleaf.

Specialisation - Manufacturing

The greatest degree of specialisation across the LEP areas is in manufacturing. There are 60,000 more people employed in the sector than we would expect from a national average concentration. The three LEP areas account for 9% of Great Britain's manufacturing employment.

Page 92 Closer analysis (as shown overleaf shows):

There is a common specialisation across manufacture of fabricated metal products, machinery and equipment, plastic and rubber products and automotive manufacturing.

- The areas employs 25% of Great Britain's automotive manufacturing workforce
- The Black Country specialises in the manufacture of a number of products not shared by the C&W and GBS LEPs particularly basic metals, leather products, furniture and the repair of machinery and equipment

Specialisation - Manufacturing

Sector	Black Country	C&W	GBS
Manufacture of beverages	1.02	0.65	1.70
Manufacture of textiles	0.86	0.72	1.10
Manufacture of wearing apparel	1.61	0.52	0.55
Manufacture of leather and related products	4.27	0.17	0.41
Manufacture of wood and of products of wood and cork, except furniture;	1.34	0.76	0.82
Printing and reproduction of recorded media	0.85	0.61	1.11
Manufacture of chemicals and chemical products	1.30	0.37	0.49
Manufacture of rubber and plastic products	1.70	1.35	1.21
Manufacture of other non-metallic mineral products	0.98	1.87	1.11
Manufacture of basic metals	6.01	1.02	1.42
Manufacture of fabricated metal products, except machinery and equipment	4.58	1.65	1.93
Manufacture of electrical equipment	1.02	1.53	0.93
Manufacture of machinery and equipment n.e.c.	1.89	1.64	1.31
Manufacture of motor vehicles, trailers and semi-trailers	1.79	6.08	4.53
Manufacture of furniture	3.03	0.50	0.95
Other manufacturing	1.40	0.78	1.76
Repair and installation of machinery and equipment	2.14	0.65	0.86

Specialisation - Wholesale

Although not as pronounced as the specialisation in Manufacturing, Wholesale industries account for 23,000 more employees than would be expected from national average concentration

Closer analysis (as shown overleaf shows):

- Coventry and Warwickshire and GBS specialise across a broader range of wholesale sectors than the Black Country
- There is clear concentrations (sometimes shared between LEPs, sometimes not) of the wholesale of products likely to be used in the manufacturing industries. These include machine tools, metals, hardware supplies, wood and construction materials.

Specialisation - Wholesale

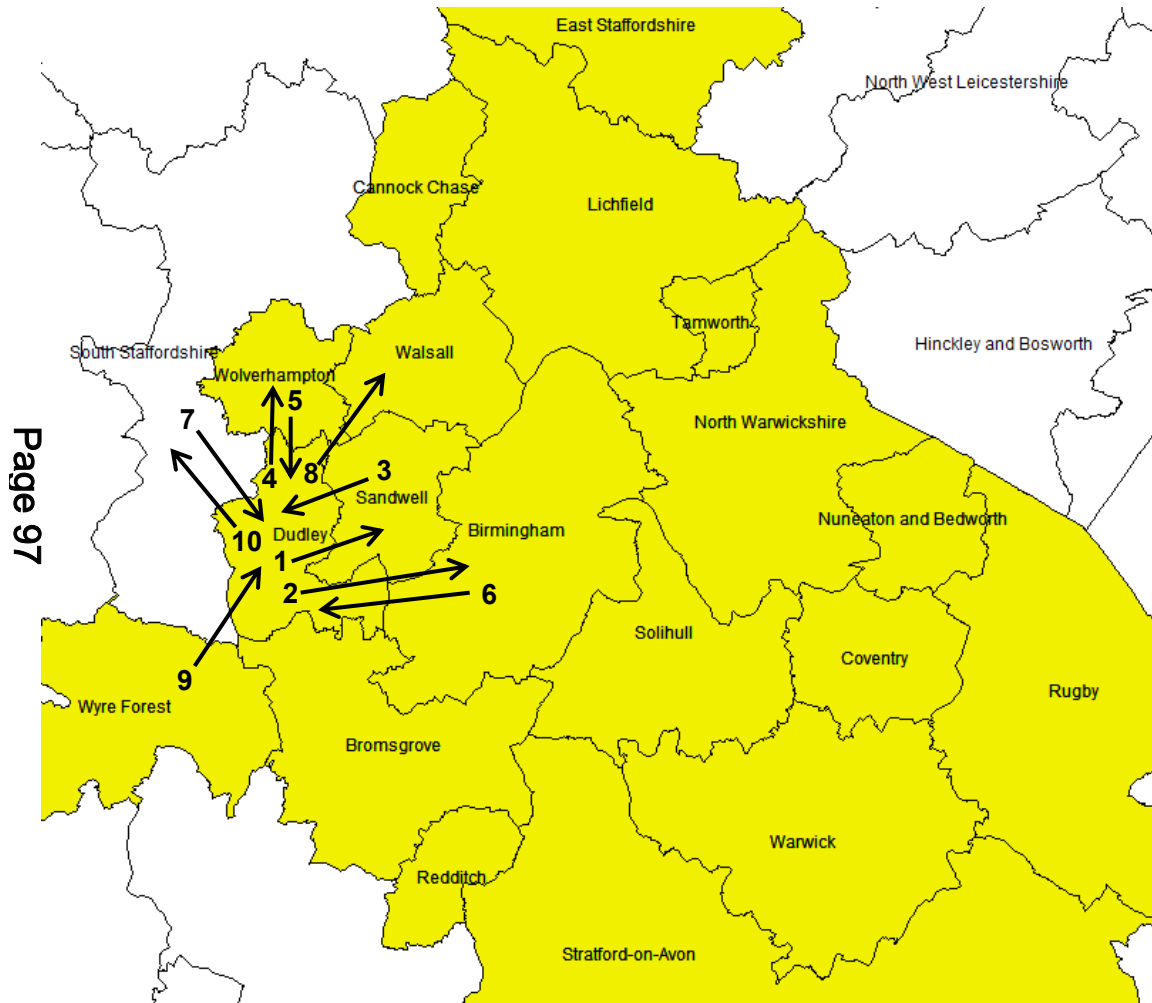
Industry	Black Country	C&W	GBS
4623 : Wholesale of live animals	0.21	1.77	0.24
4631 : Wholesale of fruit and vegetables	0.13	1.50	0.42
4633 : Wholesale of dairy products, eggs and edible oils and fats	1.71	0.28	0.19
4636 : Wholesale of sugar and chocolate and sugar confectionery	0.58	0.14	6.13
4639 : Non-specialised wholesale of food, beverages and tobacco	1.16	1.29	0.71
4643 : Wholesale of electrical household appliances	0.43	0.44	1.41
4644 : Wholesale of china and glassware and cleaning materials	0.17	2.13	0.40
4647 : Wholesale of furniture, carpets and lighting equipment	1.23	2.28	1.00
4648 : Wholesale of watches and jewellery	0.16	0.08	1.47
4651 : Wholesale of computers, computer peripheral equipment and software	0.05	0.16	1.62
4652 : Wholesale of electronic and telecommunications equipment and parts	0.33	1.67	0.61
4661 : Wholesale of agricultural machinery, equipment and supplies	0.28	2.18	0.26
4662 : Wholesale of machine tools	2.36	4.58	1.00
4663 : Wholesale of mining, construction and civil engineering machinery	1.09	1.26	4.00
4666 : Wholesale of other office machinery and equipment	0.62	0.43	1.00
4671 : Wholesale of solid, liquid and gaseous fuels and related products	0.53	2.29	0.00
4672 : Wholesale of metals and metal ores	7.33	1.14	2.00
4673 : Wholesale of wood, construction materials and sanitary equipment	1.41	1.43	1.00
4674 : Wholesale of hardware, plumbing and heating equipment and supplies	2.43	2.51	1.00
4676 : Wholesale of other intermediate products	1.52	1.44	1.20
4677 : Wholesale of waste and scrap	4.72	1.03	1.09
4690 : Non-specialised wholesale trade	0.99	0.99	1.25

Agenda Item 7

Appendix 1: Travel to Work flows

Travel to Work Flows - Dudley

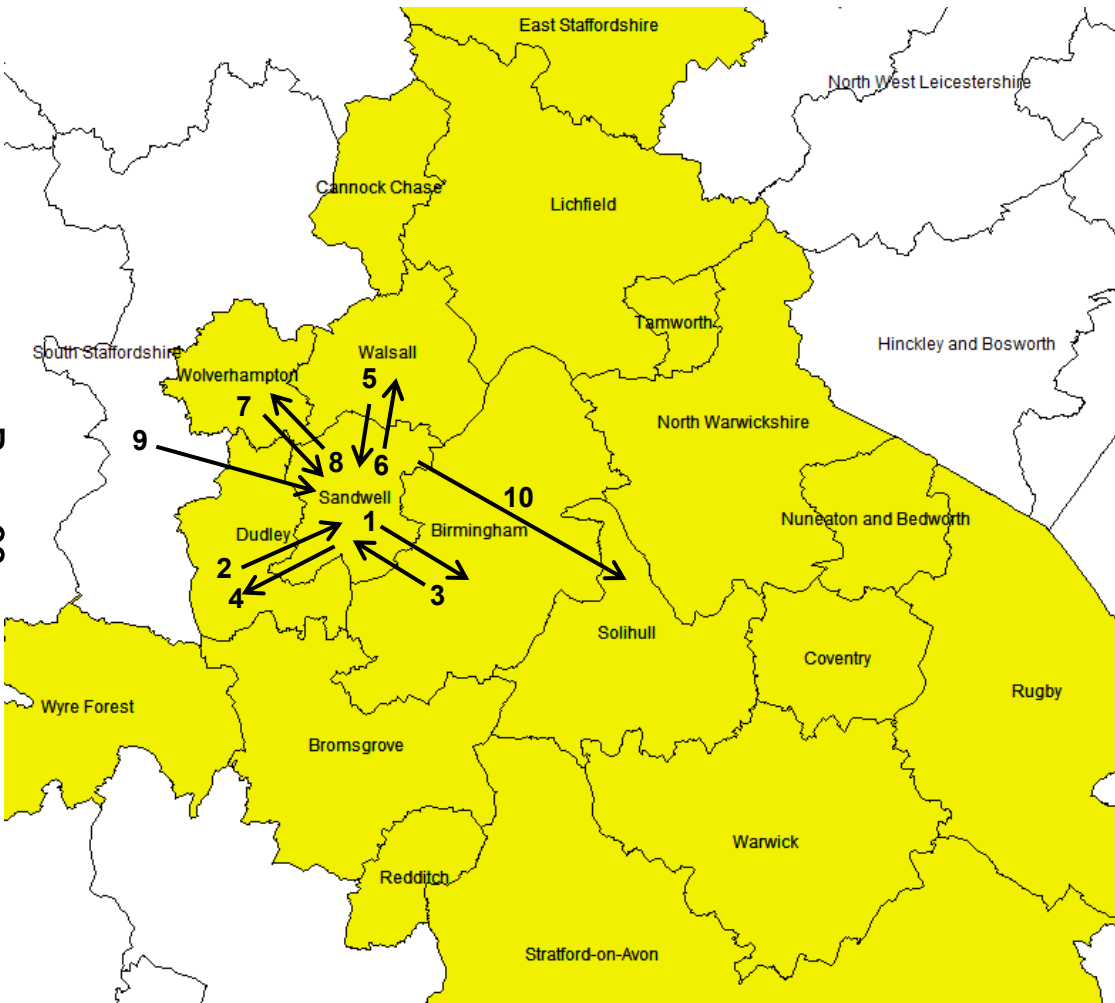
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	16,877
2	14,057
3	11,739
4	7,757
5	5,249
6	4,547
7	3,736
8	2,638
9	2,473
10	2,333

Travel to Work Flows - Sandwell

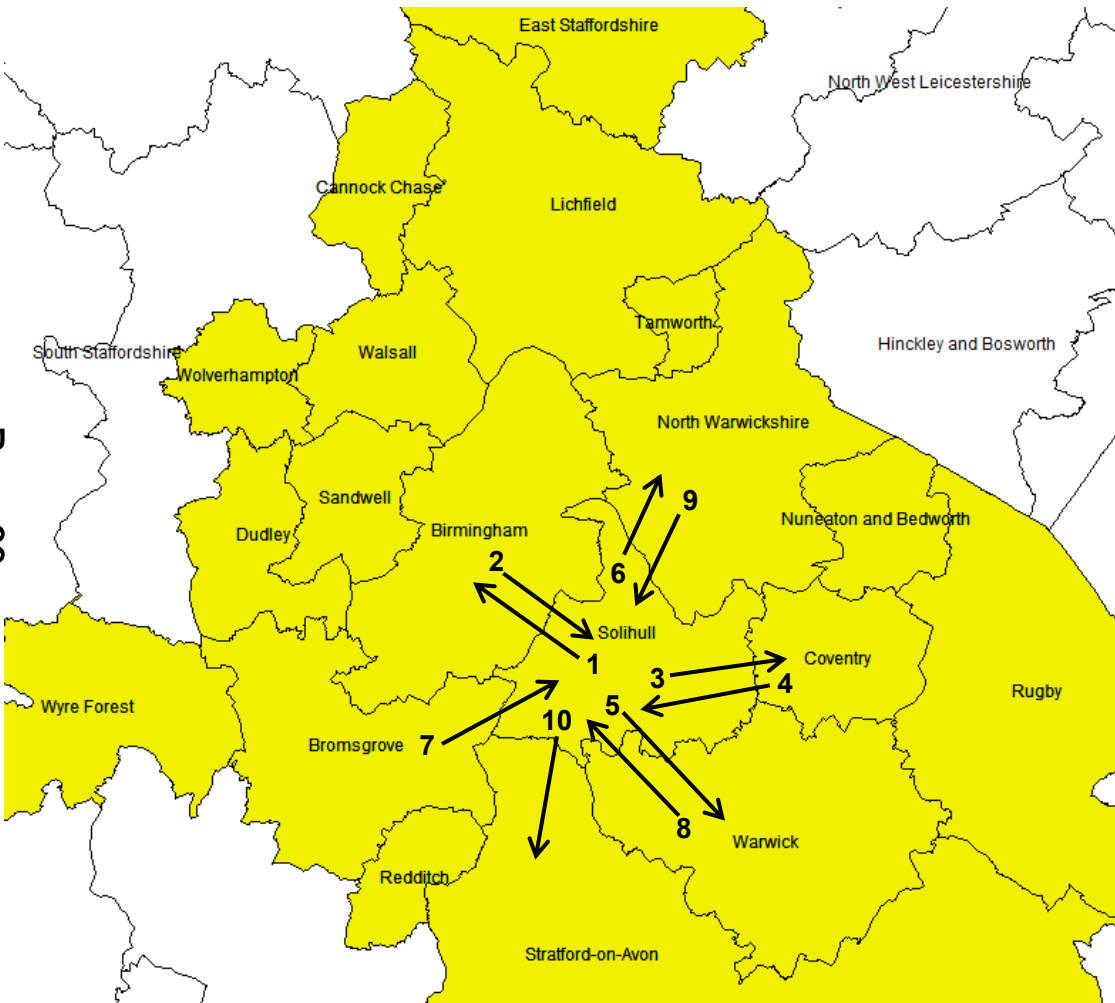
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	28,088
2	16,877
3	13,661
4	11,739
5	8,679
6	6,843
7	6,133
8	3,780
9	1,894
10	1,511

Travel to Work Flows - Solihull

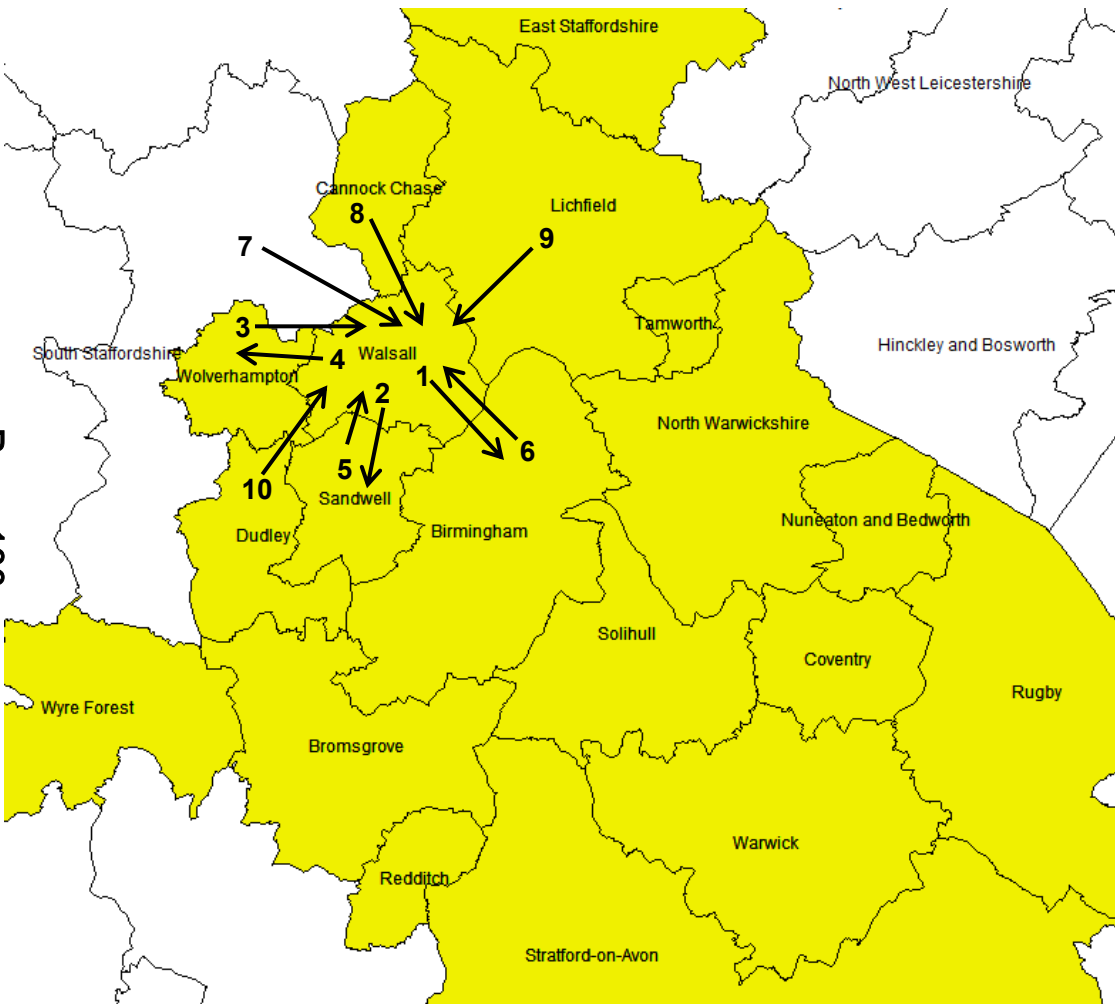
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	29,458
2	26,479
3	3,654
4	3,072
5	2,327
6	2,301
7	1,896
8	1,800
9	1,697
10	1,612

Travel to Work Flows - Walsall

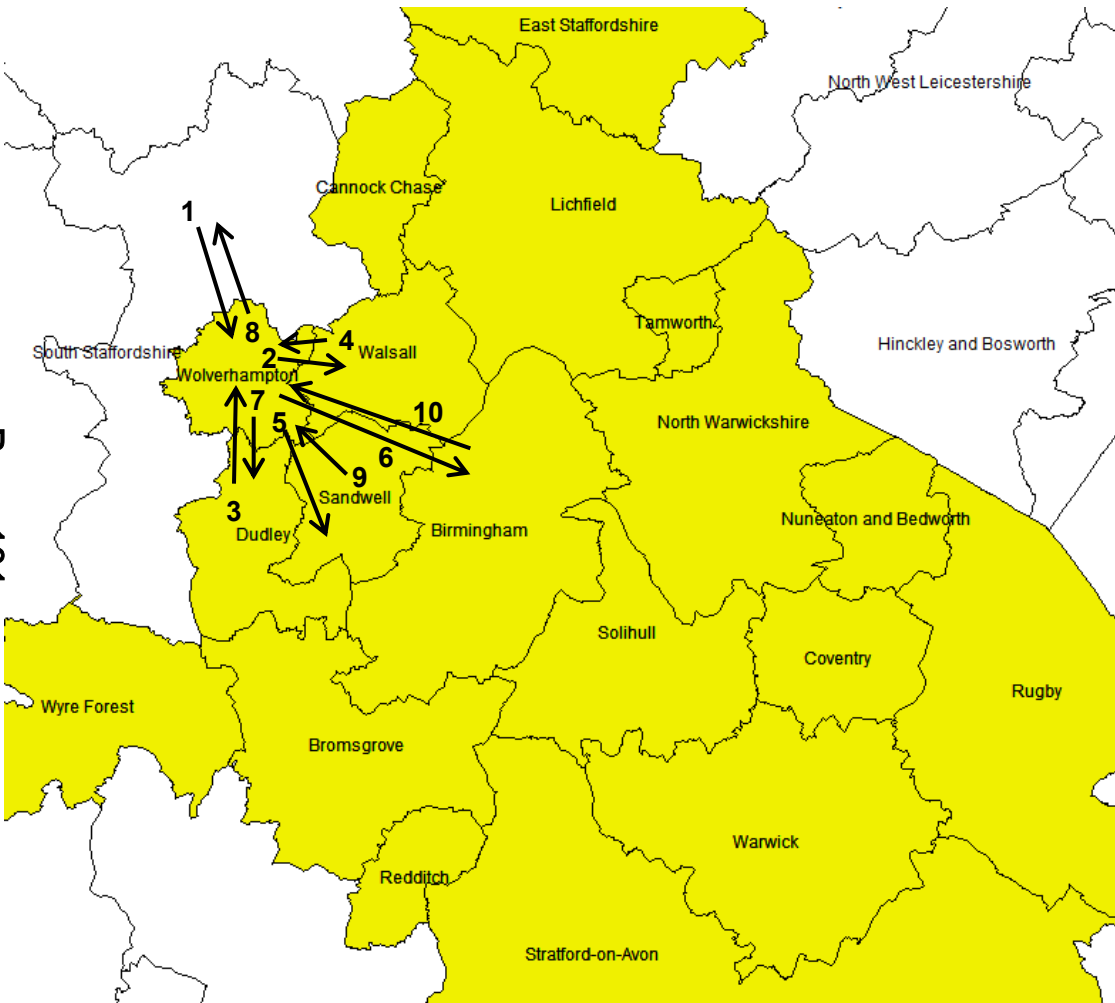
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	16,037
2	8,679
3	8,052
4	7,700
5	6,843
6	5,872
7	3,876
8	3,855
9	3,197
10	2,638

Travel to Work Flows - Wolverhampton

We examined the 10 largest travel to work flows between the authority which are shown on the map opposite:



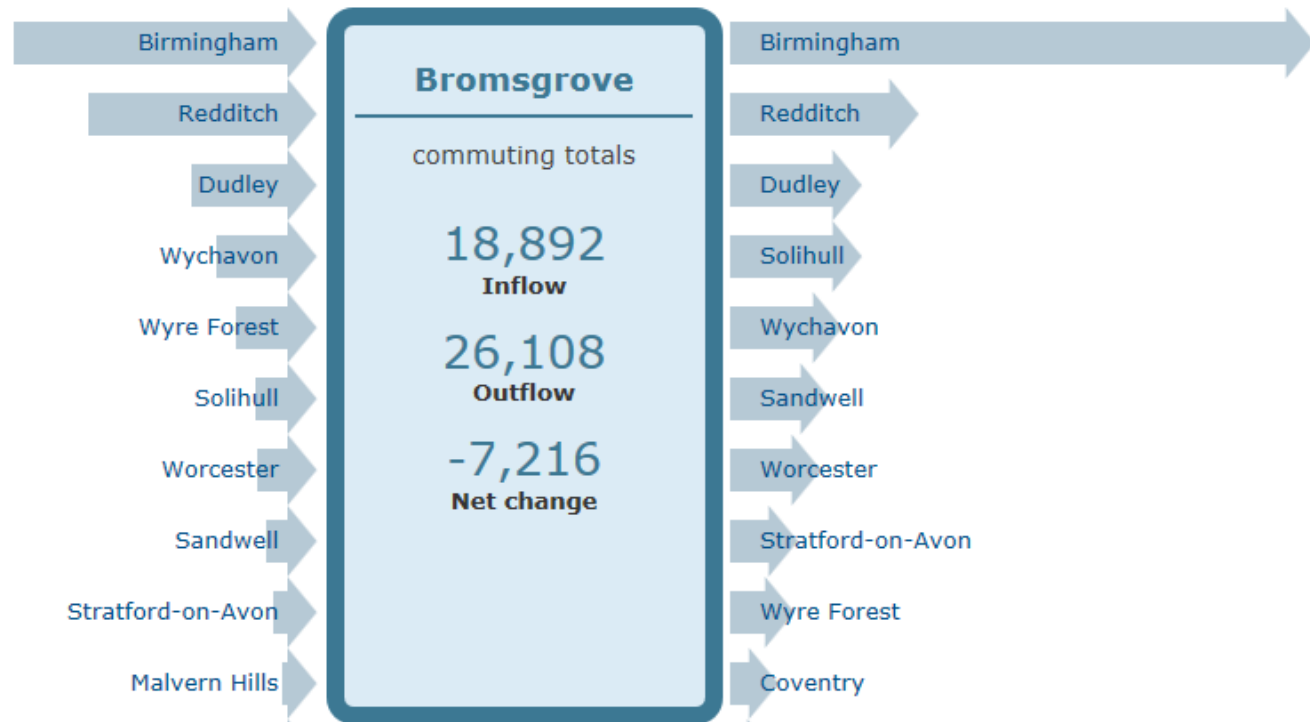
No	Volume of Commuters
1	10,381
2	8,052
3	7,757
4	7,700
5	6,133
6	5,842
7	5,249
8	4,448
9	3,780
10	2,760

Travel to Work Flows - Bromsgrove

Top inflows

Aged 16 and over

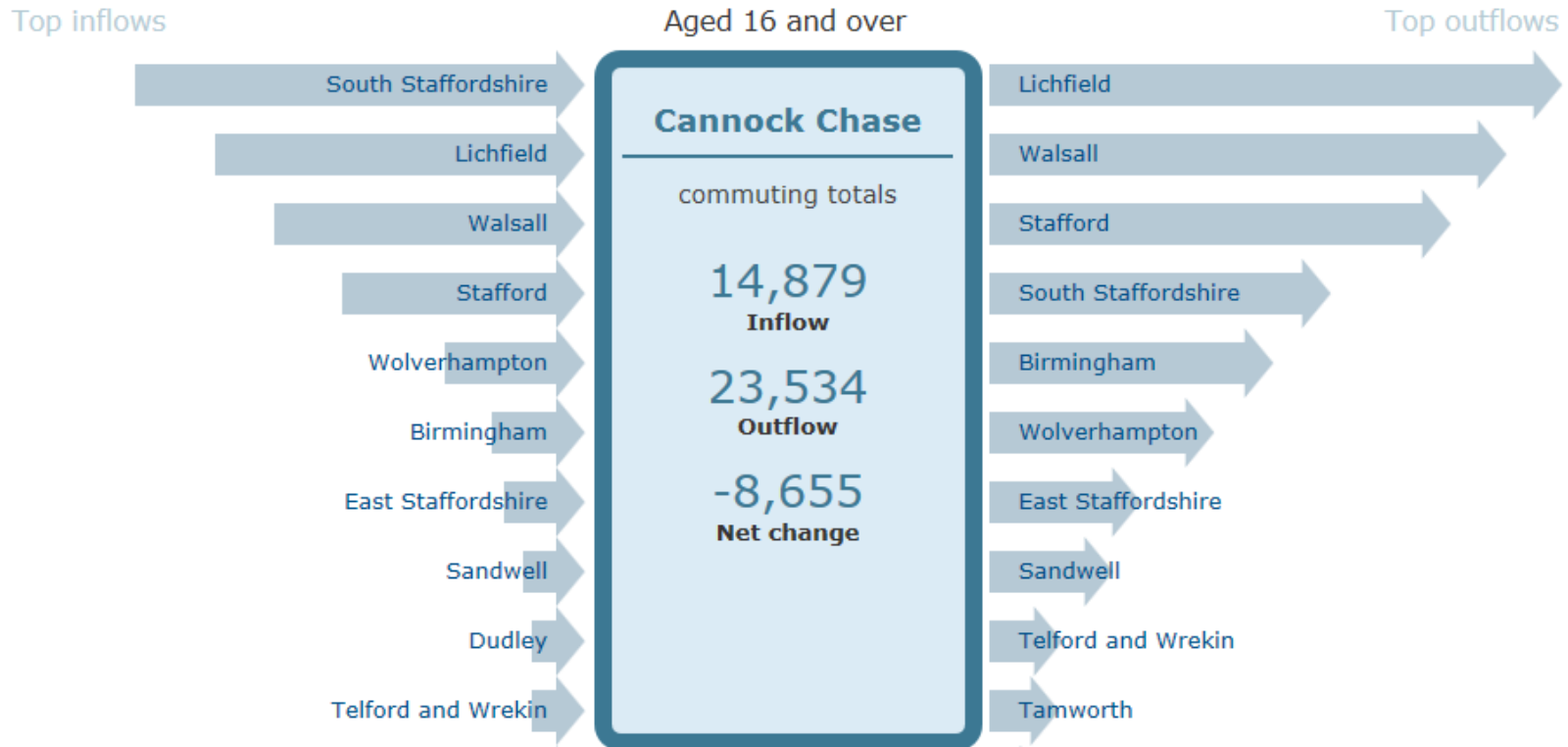
Top outflows



Commuting totals for Bromsgrove:

- Inflow: **18,892** aged 16 and over commute into Bromsgrove from other local authorities in the UK.
- Outflow: **26,108** aged 16 and over commute out of Bromsgrove to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **7,216** aged 16 and over in Bromsgrove.

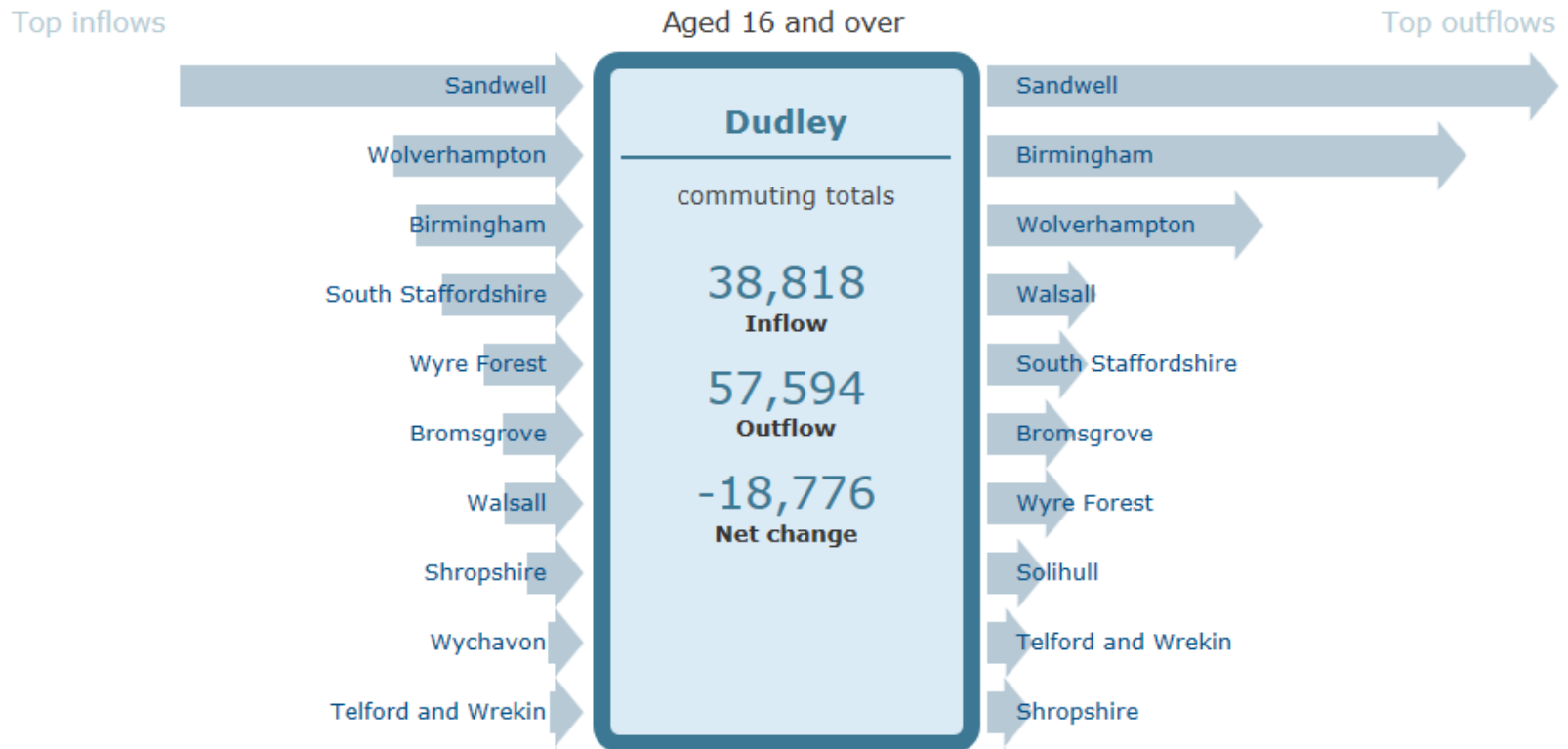
Travel to Work Flows – Cannock Chase



Commuting totals for Cannock Chase:

- Inflow: **14,879** aged 16 and over commute into Cannock Chase from other local authorities in the UK.
- Outflow: **23,534** aged 16 and over commute out of Cannock Chase to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **8,655** aged 16 and over in Cannock Chase.

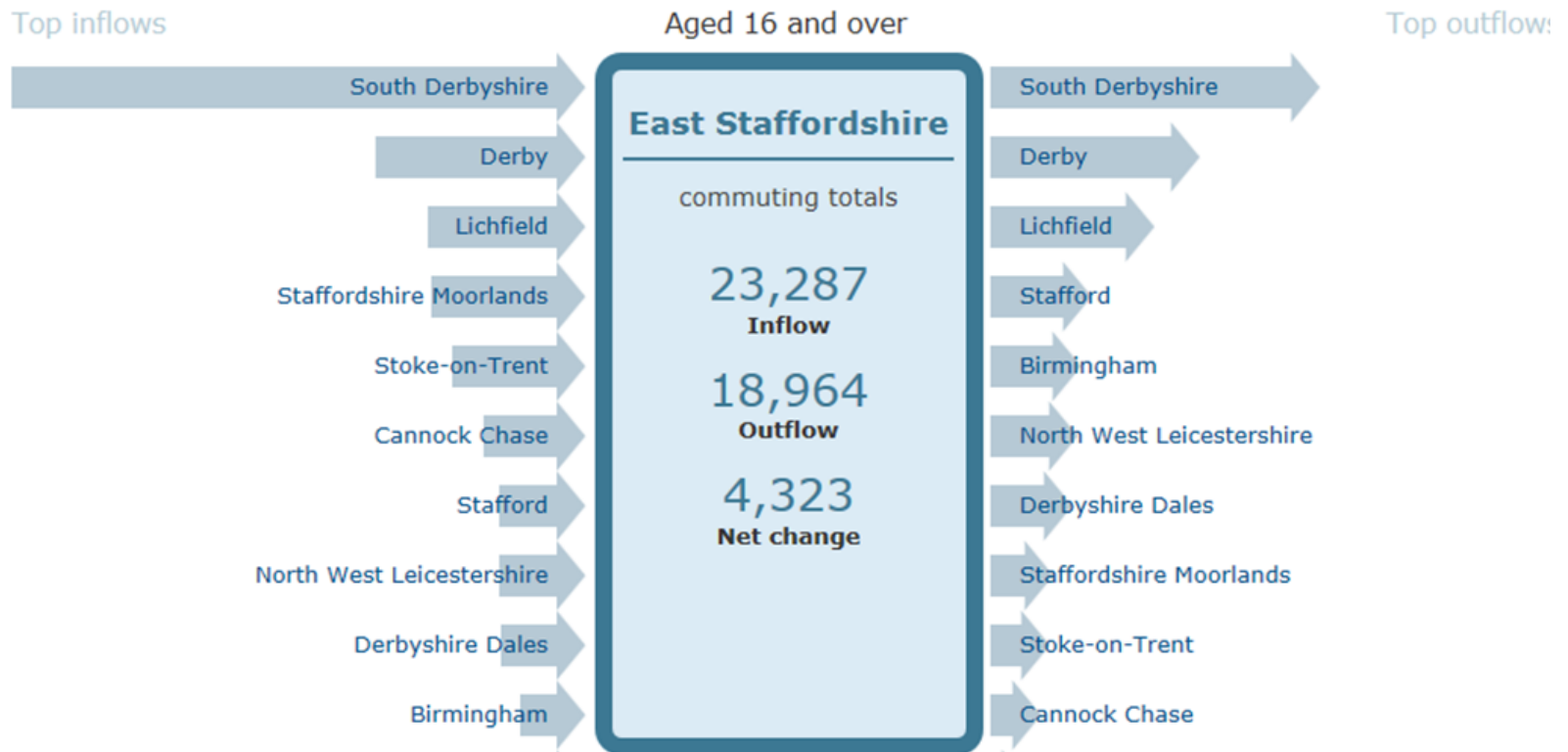
Travel to Work Flows - Dudley



Commuting totals for Dudley:

- Inflow: **38,818** aged 16 and over commute into Dudley from other local authorities in the UK.
- Outflow: **57,594** aged 16 and over commute out of Dudley to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **18,776** aged 16 and over in Dudley.

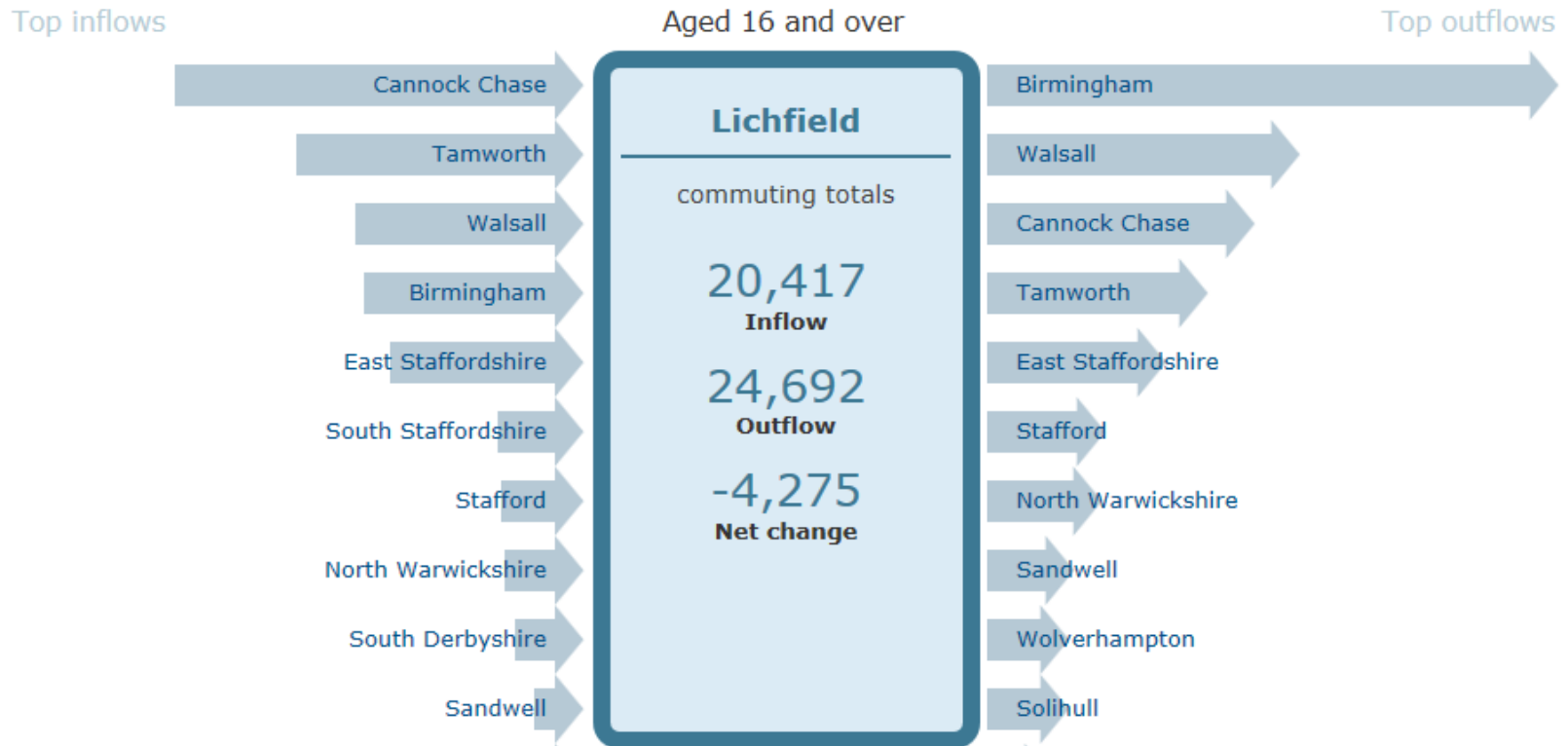
Travel to Work Flows – East Staffordshire



Commuting totals for East Staffordshire:

- Inflow: **23,287** aged 16 and over commute into East Staffordshire from other local authorities in the UK.
- Outflow: **18,964** aged 16 and over commute out of East Staffordshire to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **4,323** aged 16 and over in East Staffordshire.

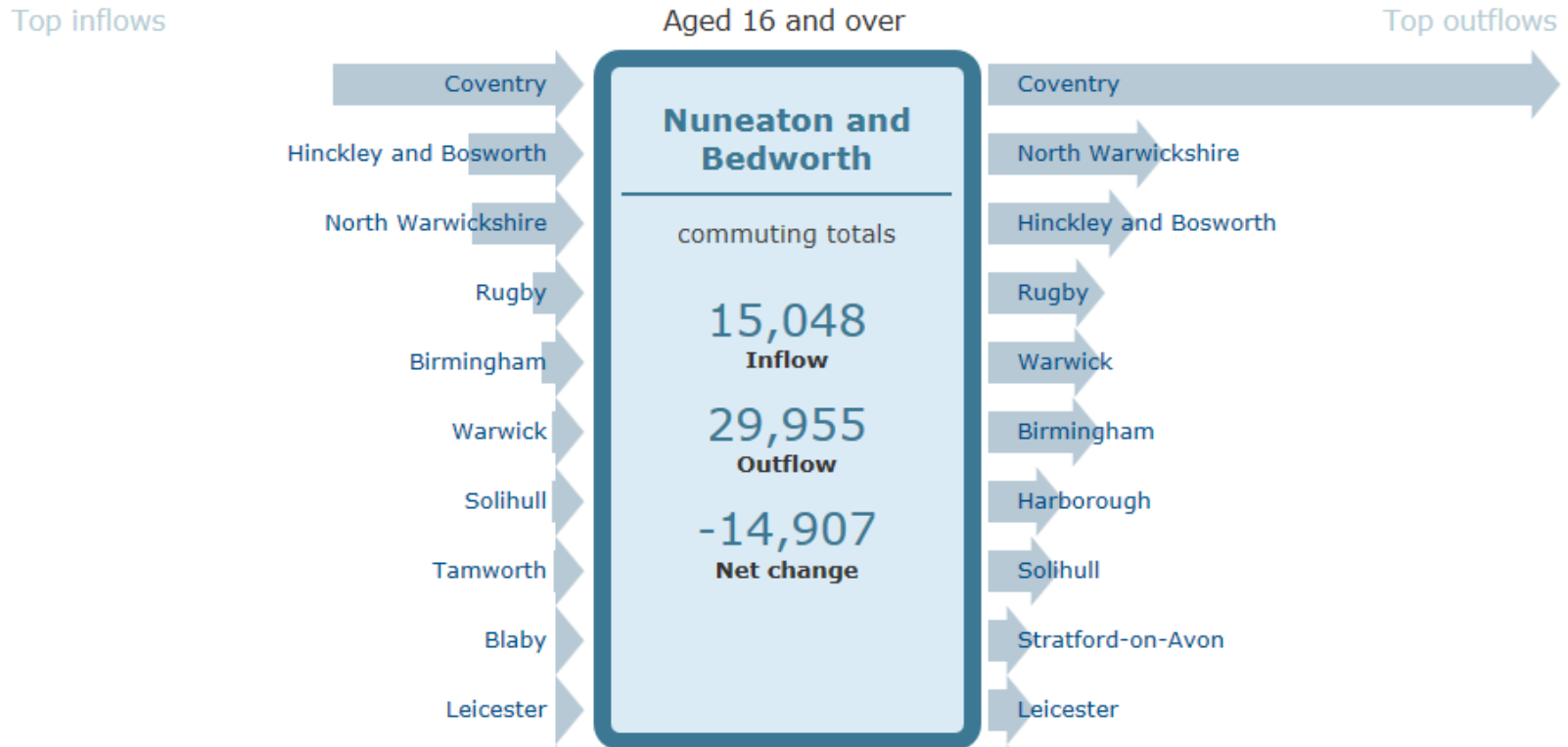
Travel to Work Flows - Lichfield



Commuting totals for Lichfield:

- Inflow: 20,417 aged 16 and over commute into Lichfield from other local authorities in the UK.
- Outflow: 24,692 aged 16 and over commute out of Lichfield to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of 4,275 aged 16 and over in Lichfield.

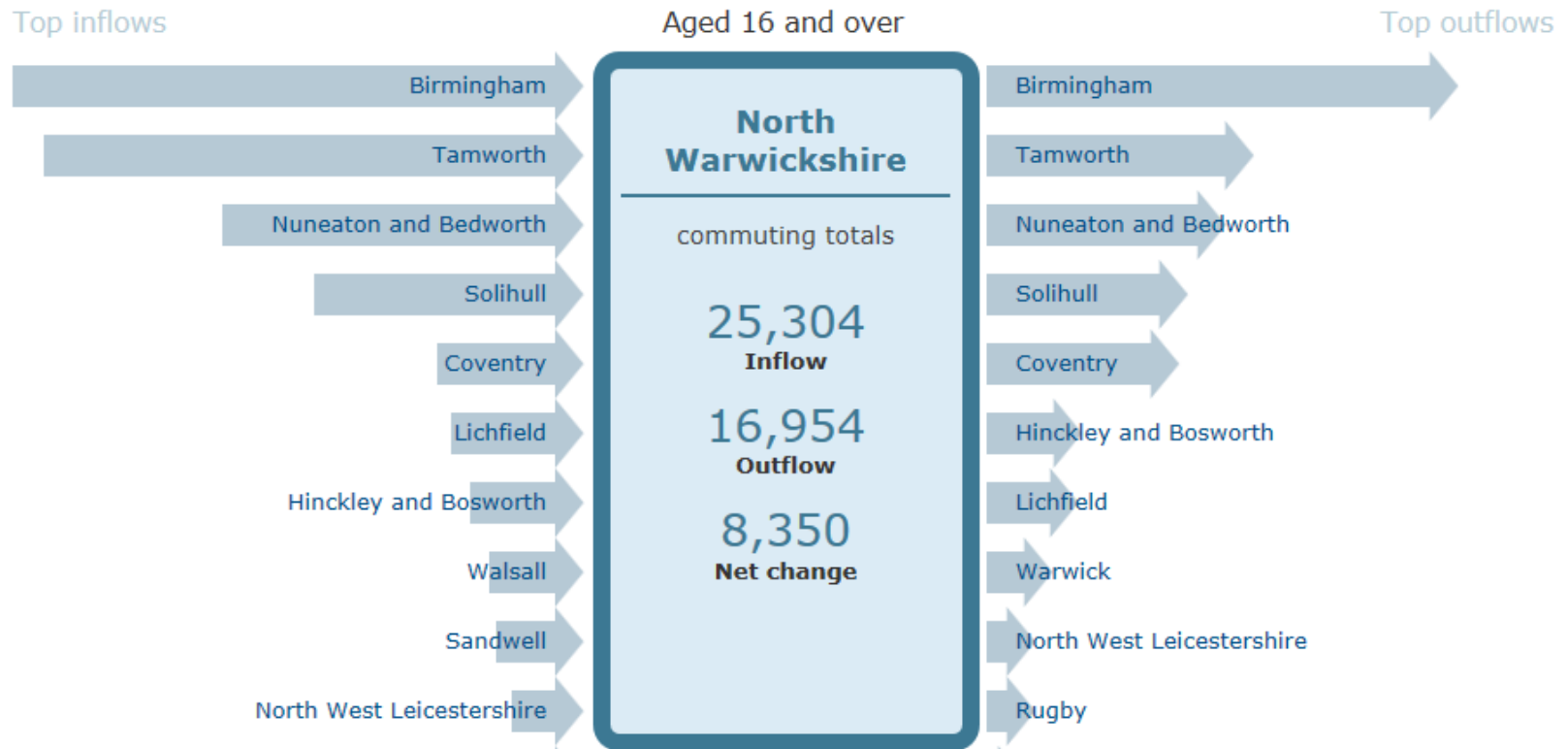
Travel to Work Flows – Nuneaton & Bedworth



Commuting totals for Nuneaton and Bedworth:

- Inflow: **15,048** aged 16 and over commute into Nuneaton and Bedworth from other local authorities in the UK.
- Outflow: **29,955** aged 16 and over commute out of Nuneaton and Bedworth to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **14,907** aged 16 and over in Nuneaton and Bedworth.

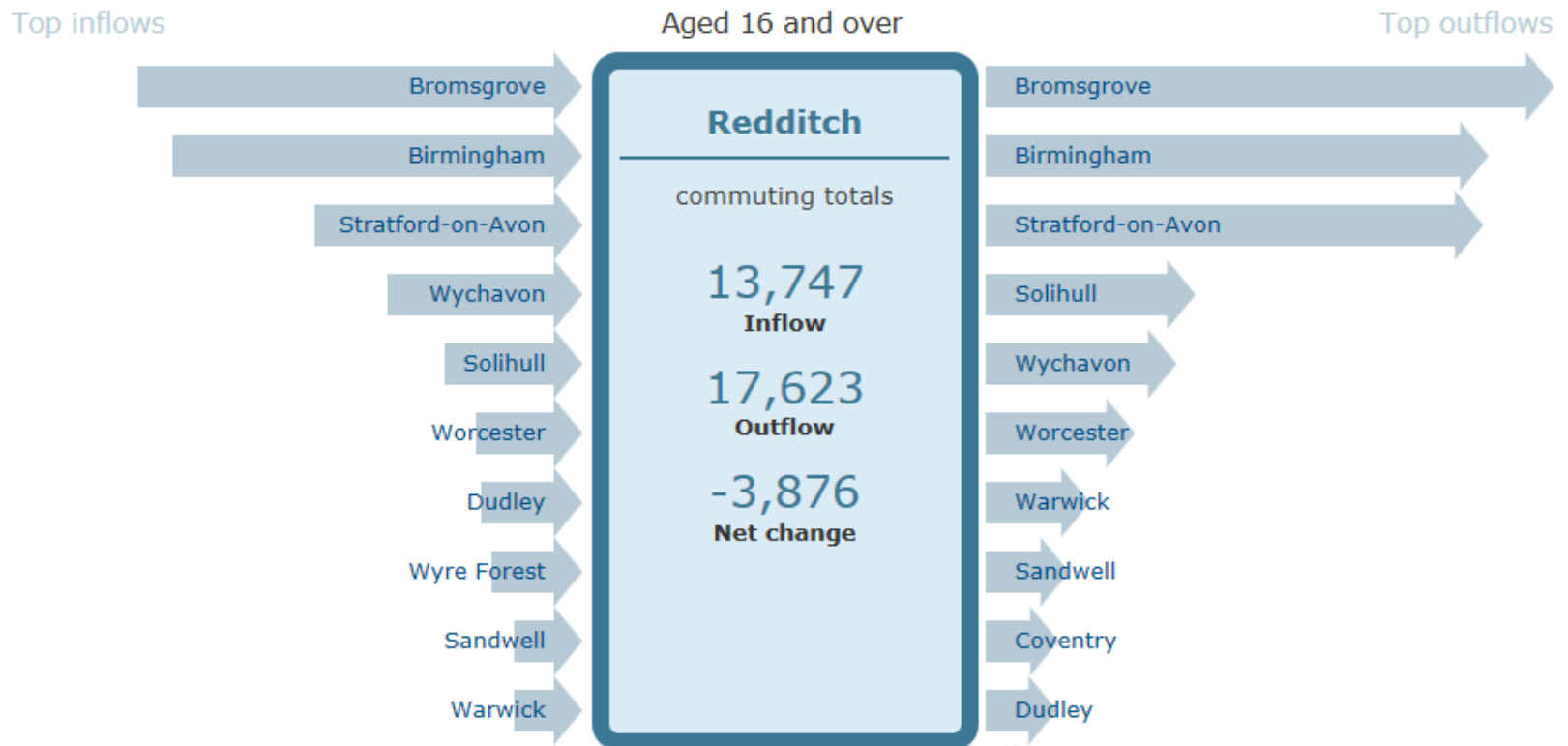
Travel to Work Flows – North Warwickshire



Commuting totals for North Warwickshire:

- Inflow: **25,304** aged 16 and over commute into North Warwickshire from other local authorities in the UK.
- Outflow: **16,954** aged 16 and over commute out of North Warwickshire to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **8,350** aged 16 and over in North Warwickshire.

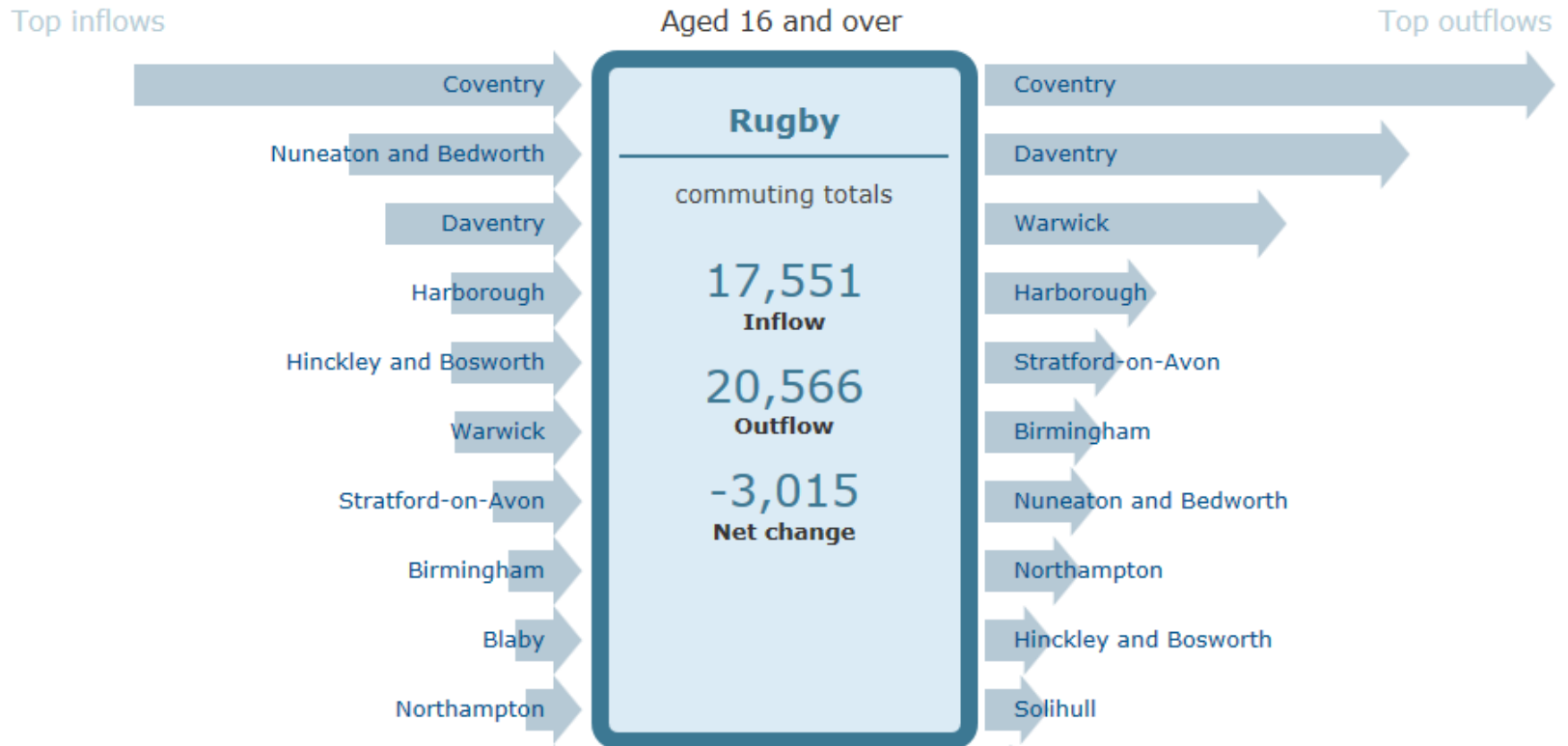
Travel to Work Flows - Redditch



Commuting totals for Redditch:

- Inflow: **13,747** aged 16 and over commute into Redditch from other local authorities in the UK.
- Outflow: **17,623** aged 16 and over commute out of Redditch to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,876** aged 16 and over in Redditch.

Travel to Work Flows - Rugby



Commuting totals for Rugby:

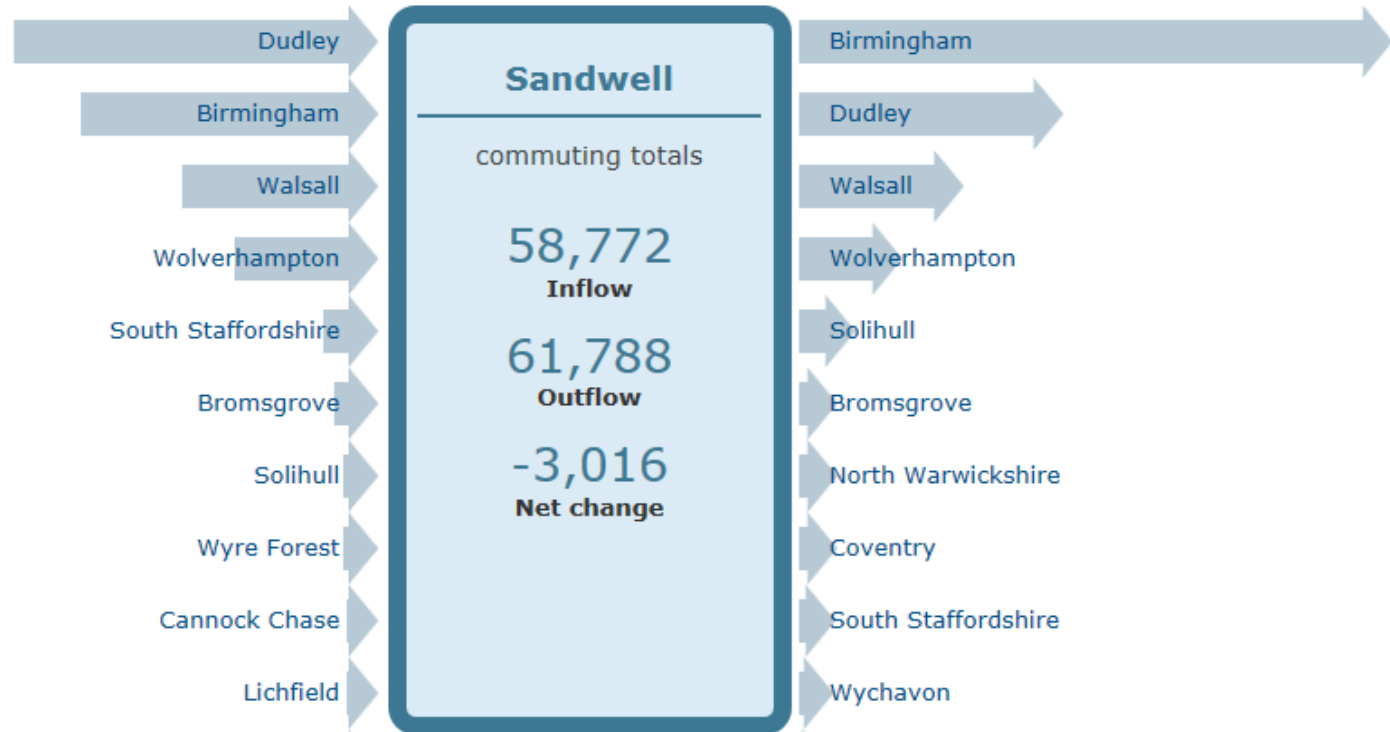
- Inflow: **17,551** aged 16 and over commute into Rugby from other local authorities in the UK.
- Outflow: **20,566** aged 16 and over commute out of Rugby to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,015** aged 16 and over in Rugby.

Travel to Work Flows - Sandwell

Top inflows

Aged 16 and over

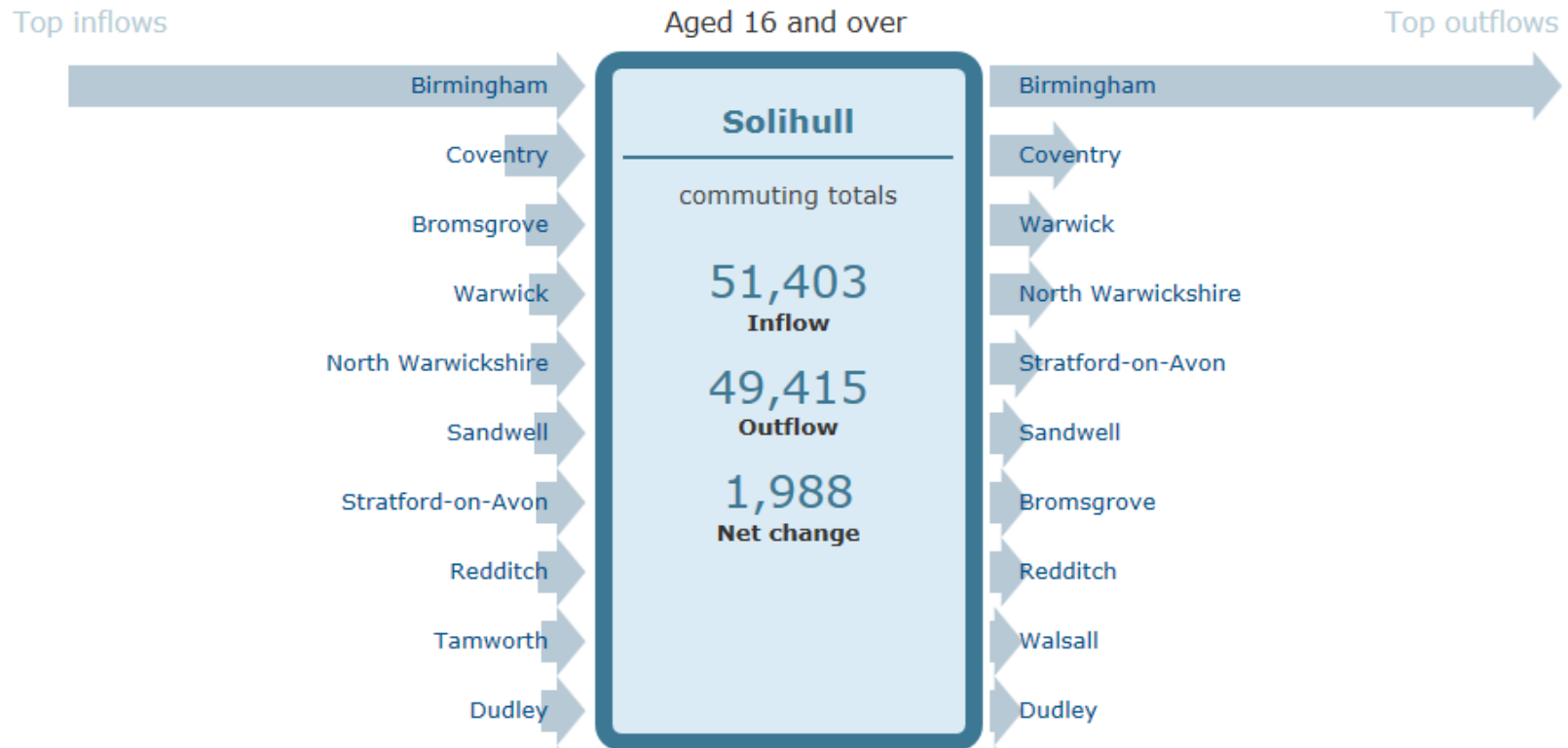
Top outflows



Commuting totals for Sandwell:

- Inflow: **58,772** aged 16 and over commute into Sandwell from other local authorities in the UK.
- Outflow: **61,788** aged 16 and over commute out of Sandwell to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,016** aged 16 and over in Sandwell.

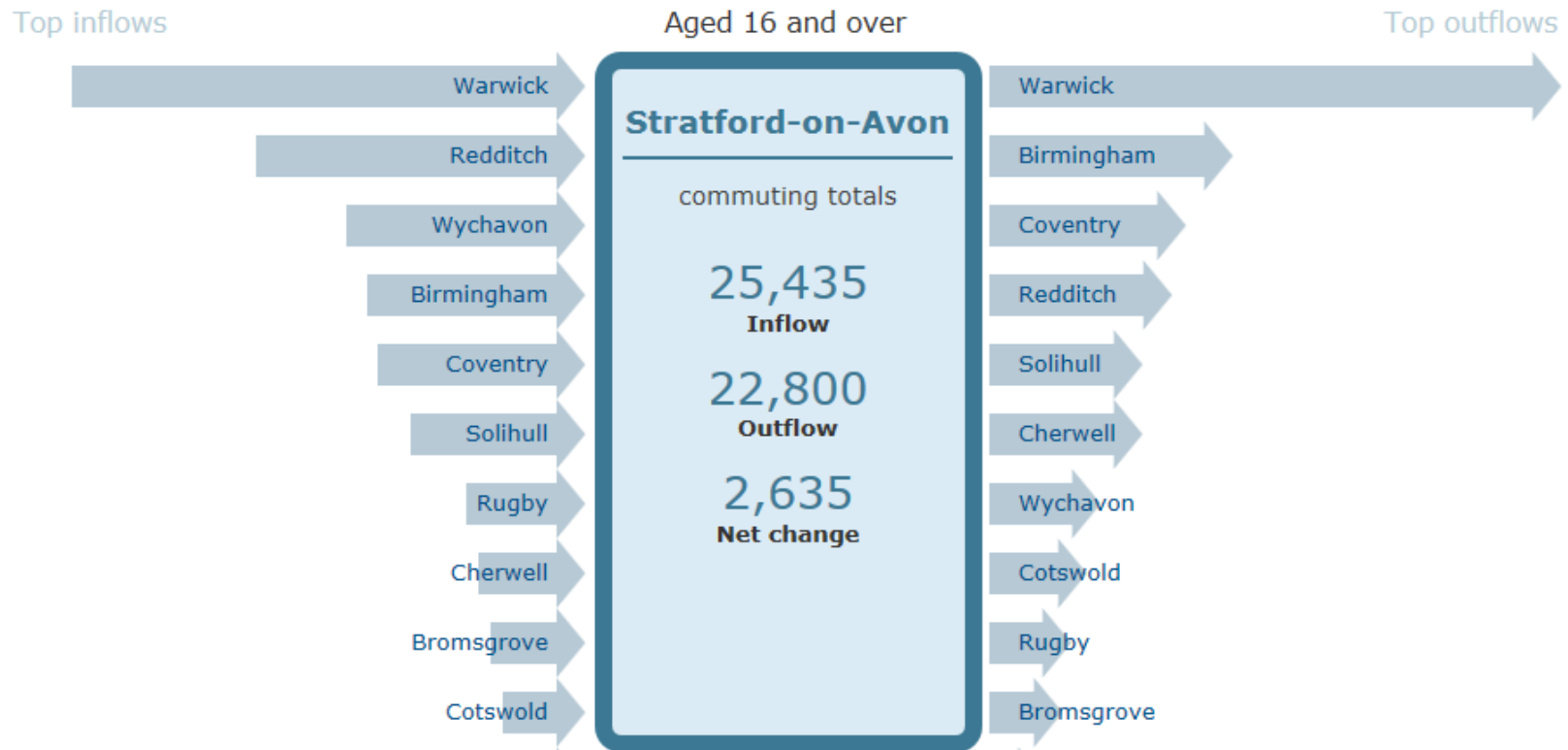
Travel to Work Flows - Solihull



Commuting totals for Solihull:

- Inflow: **51,403** aged 16 and over commute into Solihull from other local authorities in the UK.
- Outflow: **49,415** aged 16 and over commute out of Solihull to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **1,988** aged 16 and over in Solihull.

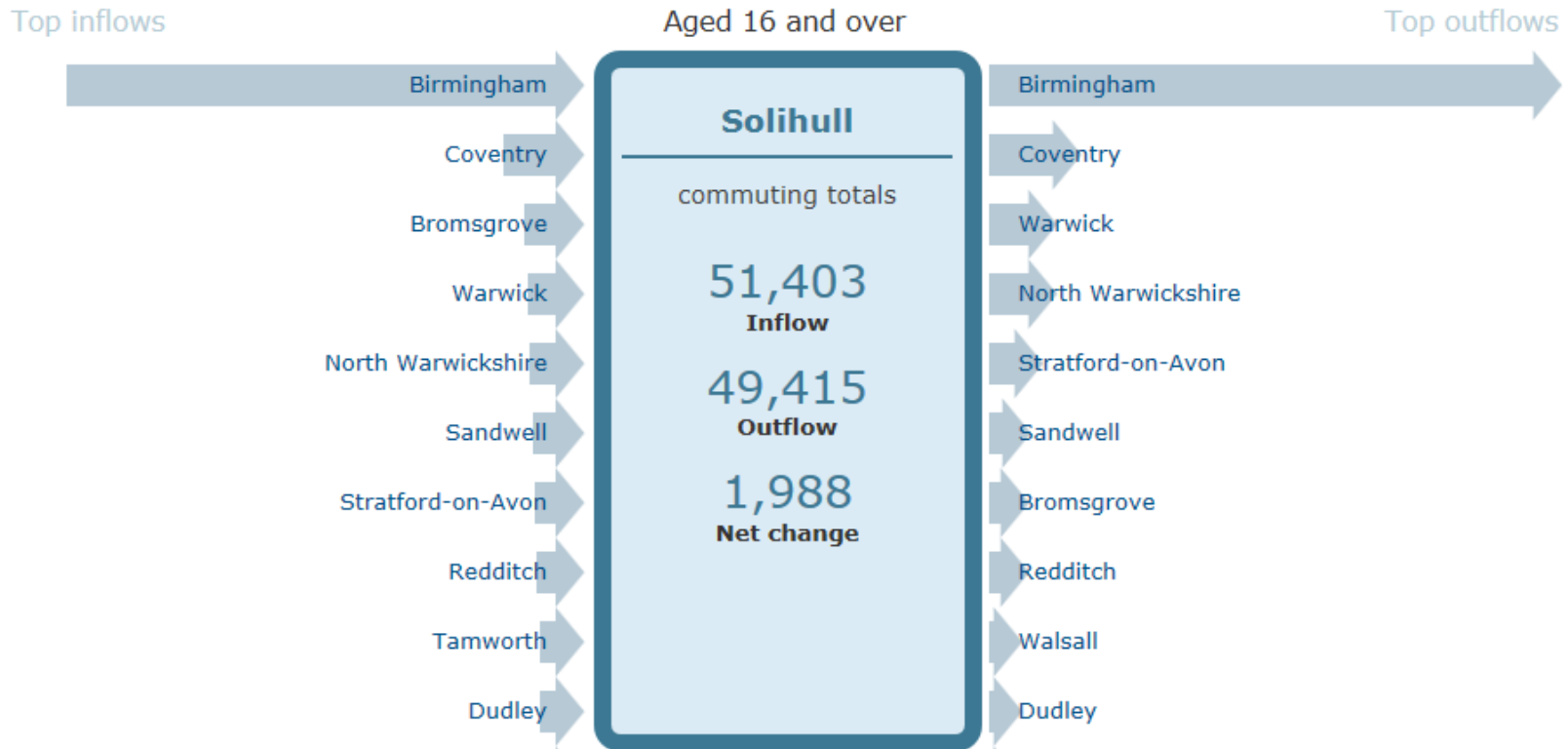
Travel to Work Flows – Stratford-on-Avon



Commuting totals for Stratford-on-Avon:

- Inflow: **25,435** aged 16 and over commute into Stratford-on-Avon from other local authorities in the UK.
- Outflow: **22,800** aged 16 and over commute out of Stratford-on-Avon to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **2,635** aged 16 and over in Stratford-on-Avon.

Travel to Work Flows - Tamworth



Commuting totals for Solihull:

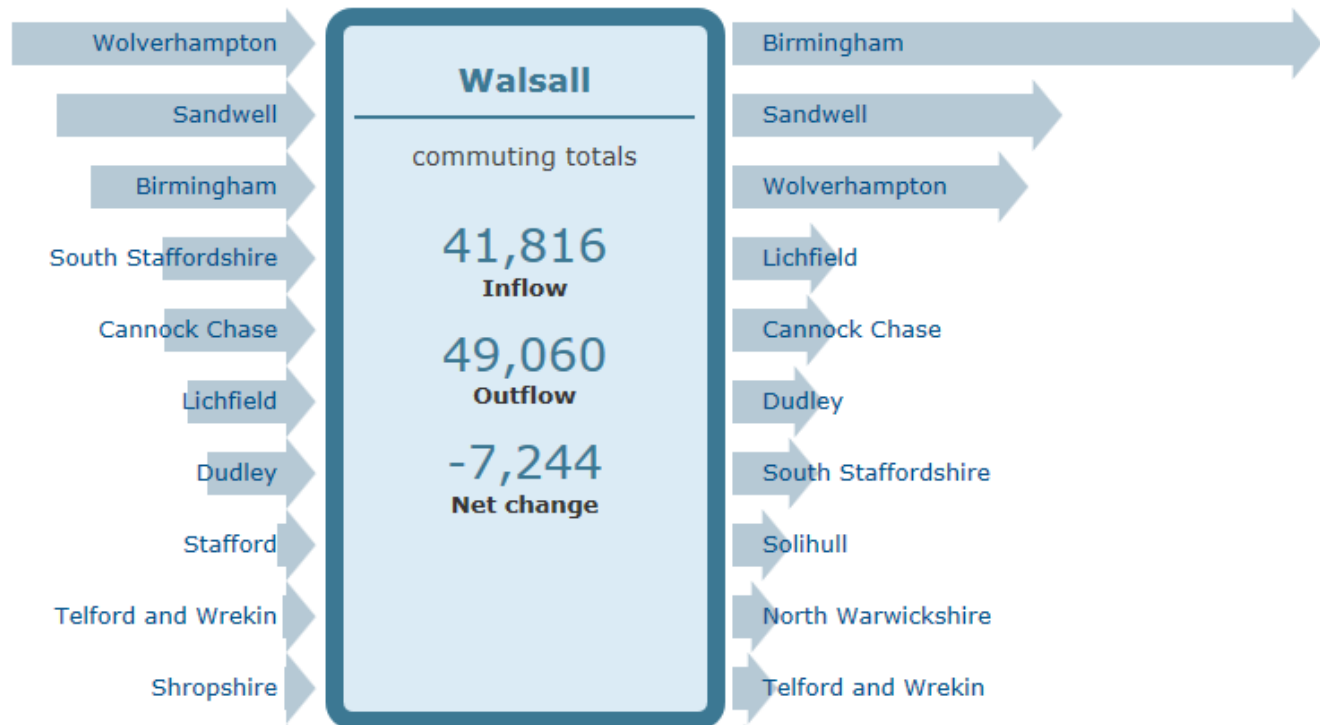
- Inflow: **51,403** aged 16 and over commute into Solihull from other local authorities in the UK.
- Outflow: **49,415** aged 16 and over commute out of Solihull to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **1,988** aged 16 and over in Solihull.

Travel to Work Flows - Walsall

Top inflows

Aged 16 and over

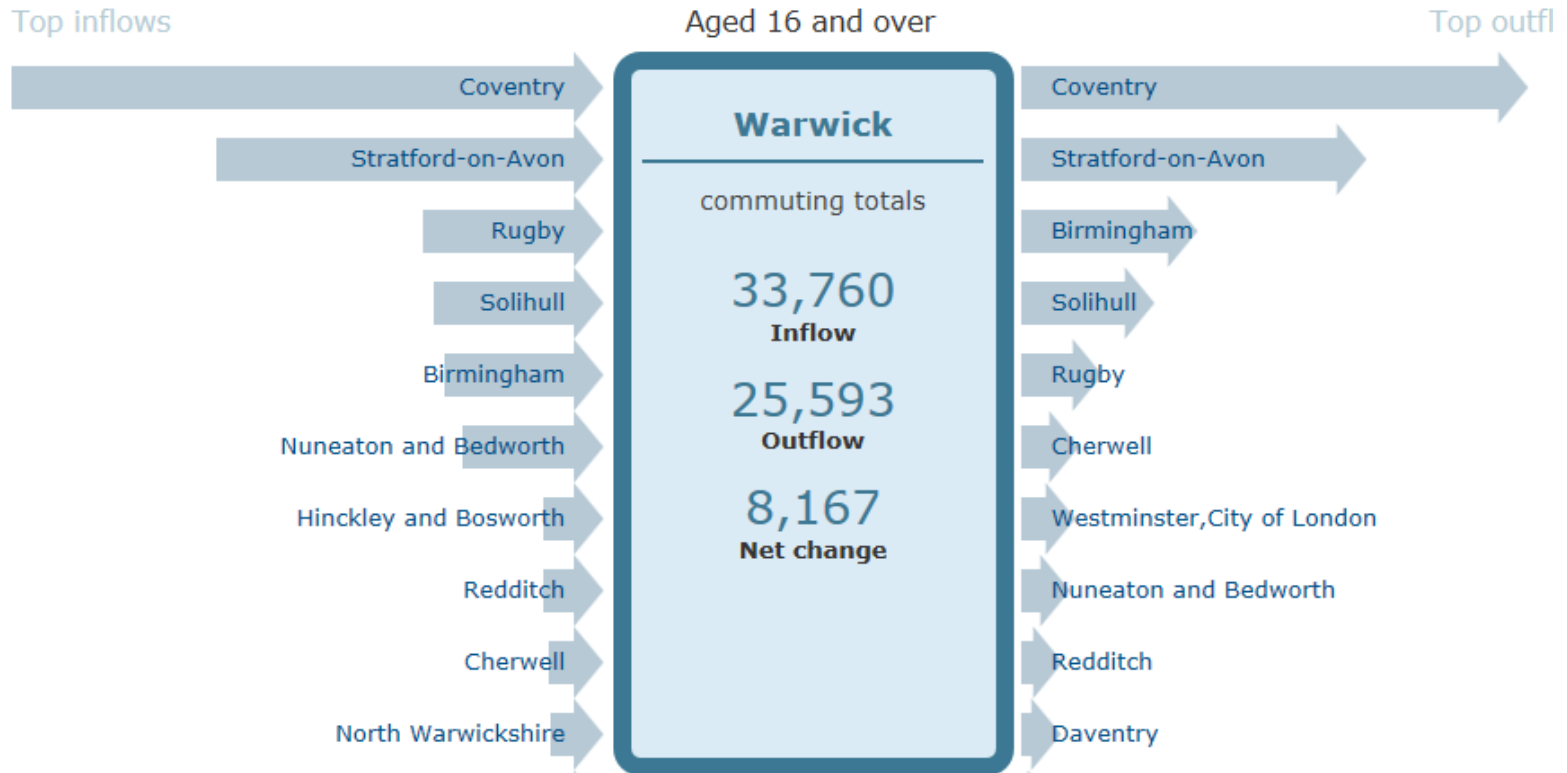
Top outflows



Commuting totals for Walsall:

- Inflow: **41,816** aged 16 and over commute into Walsall from other local authorities in the UK.
- Outflow: **49,060** aged 16 and over commute out of Walsall to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **7,244** aged 16 and over in Walsall.

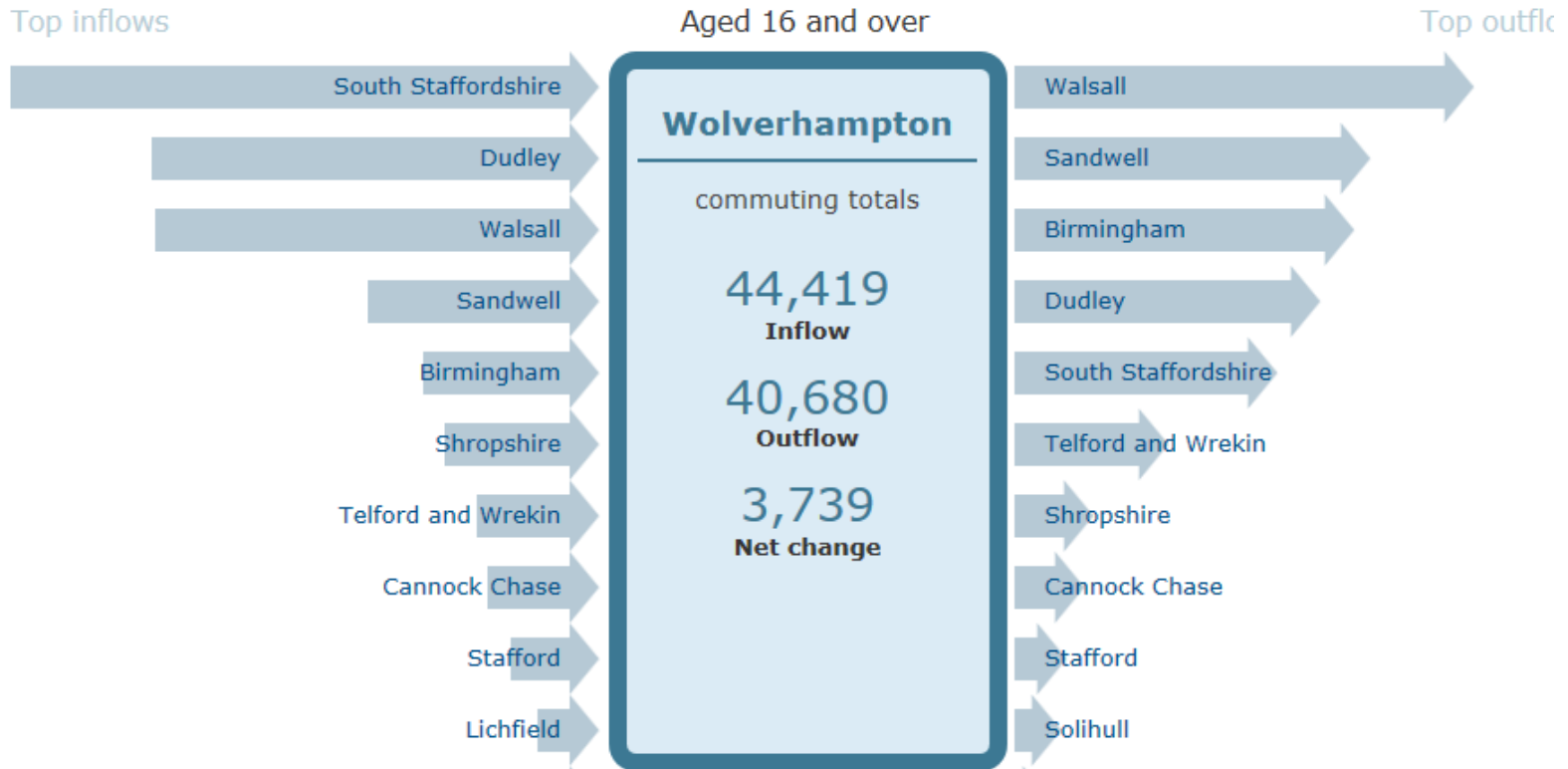
Travel to Work Flows - Warwick



Commuting totals for Warwick:

- Inflow: **33,760** aged 16 and over commute into Warwick from other local authorities in the UK.
- Outflow: **25,593** aged 16 and over commute out of Warwick to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **8,167** aged 16 and over in Warwick.

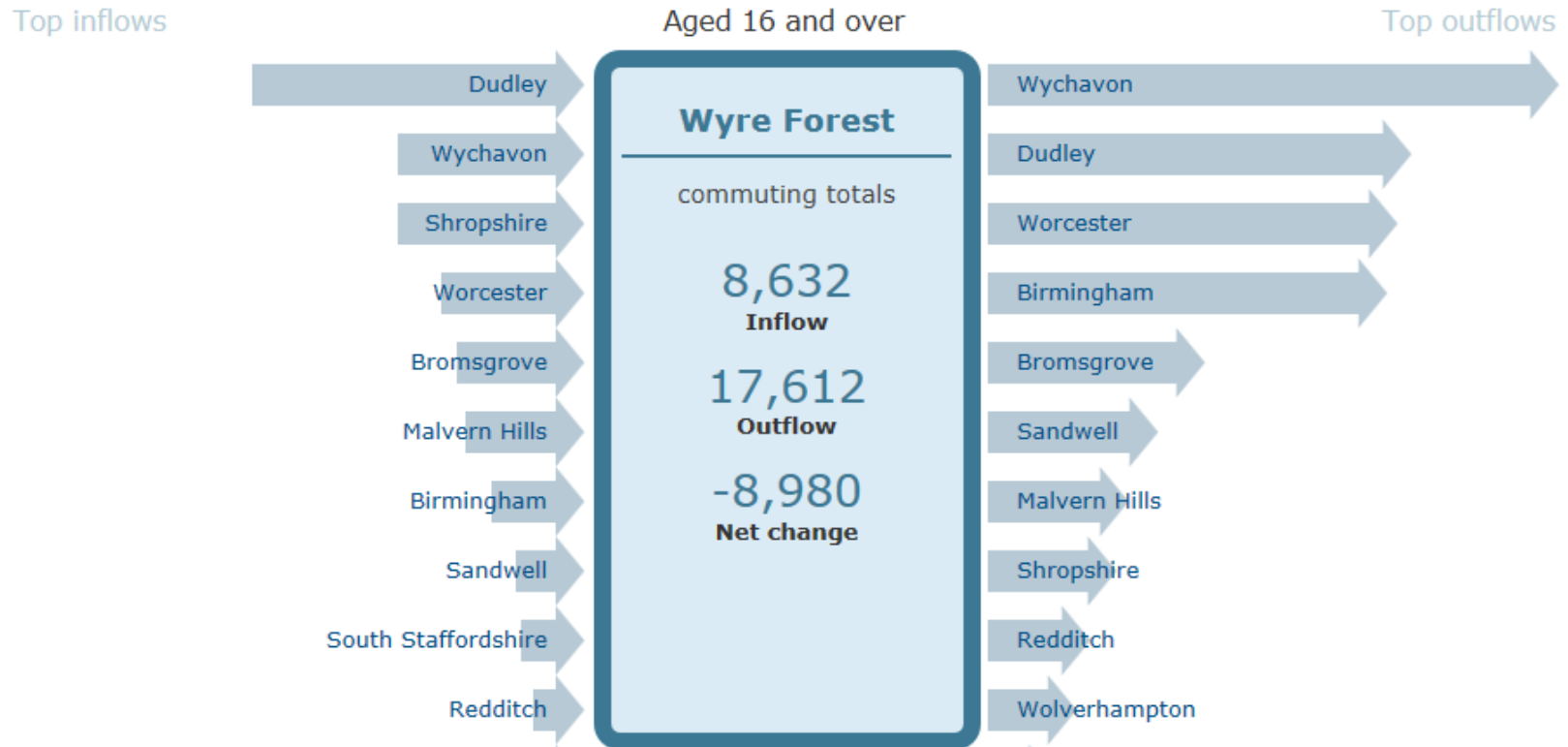
Travel to Work Flows - Wolverhampton



Commuting totals for Wolverhampton:

- Inflow: **44,419** aged 16 and over commute into Wolverhampton from other local authorities in the UK.
- Outflow: **40,680** aged 16 and over commute out of Wolverhampton to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **3,739** aged 16 and over in Wolverhampton.

Travel to Work Flows – Wyre Forest

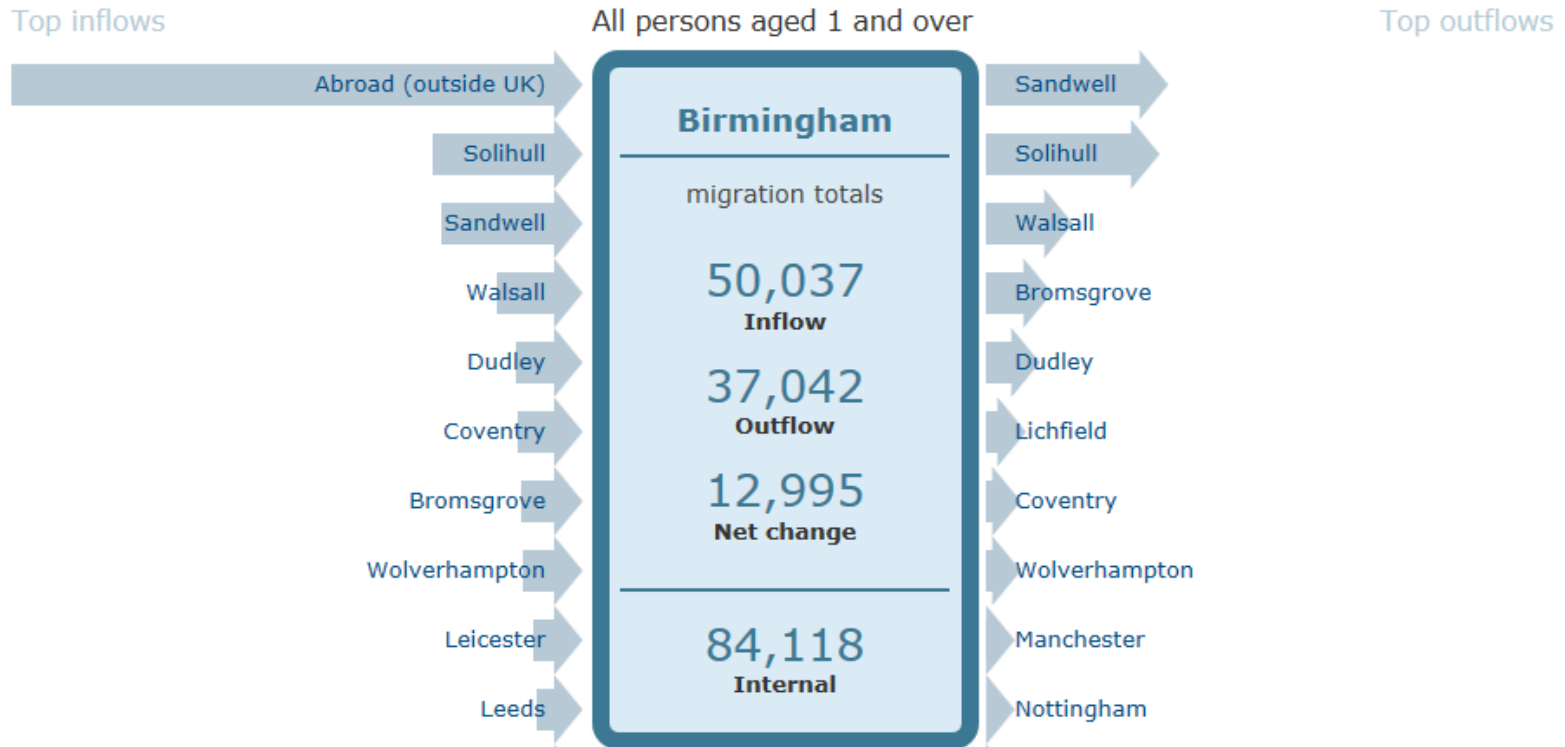


Commuting totals for Wyre Forest:

- Inflow: **8,632** aged 16 and over commute into Wyre Forest from other local authorities in the UK.
- Outflow: **17,612** aged 16 and over commute out of Wyre Forest to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **8,980** aged 16 and over in Wyre Forest.

Appendix 2: Migration flows

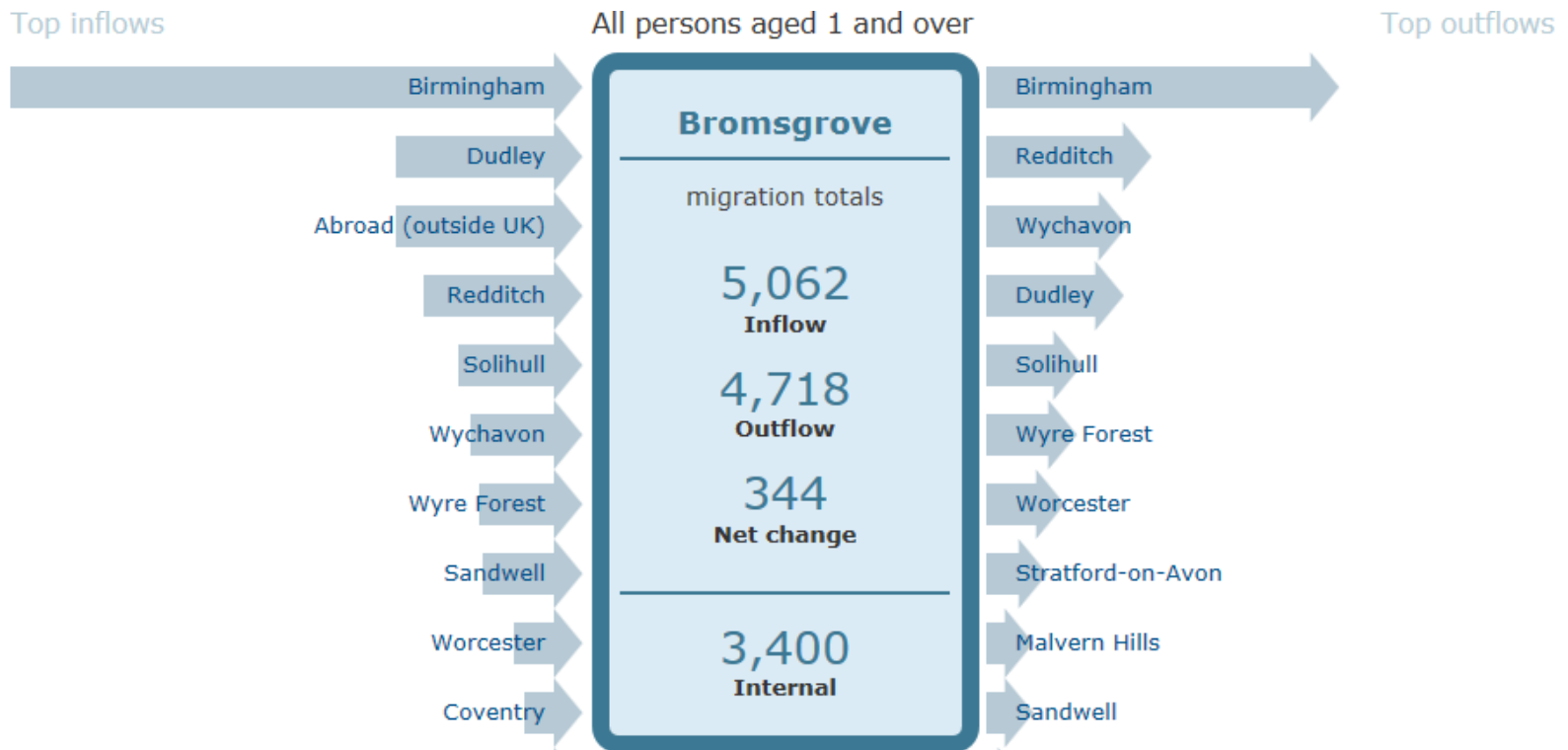
Migration - Birmingham



Migrations for Birmingham with all areas:

- Inflow: **50,037** persons aged 1 and over moved into Birmingham from other areas.
- Outflow: **37,042** persons aged 1 and over moved out of Birmingham.
- Net change: Overall, migration resulted in **12,995** more persons aged 1 and over in Birmingham.
- Internal: In addition, **84,118** persons aged 1 and over moved within Birmingham.

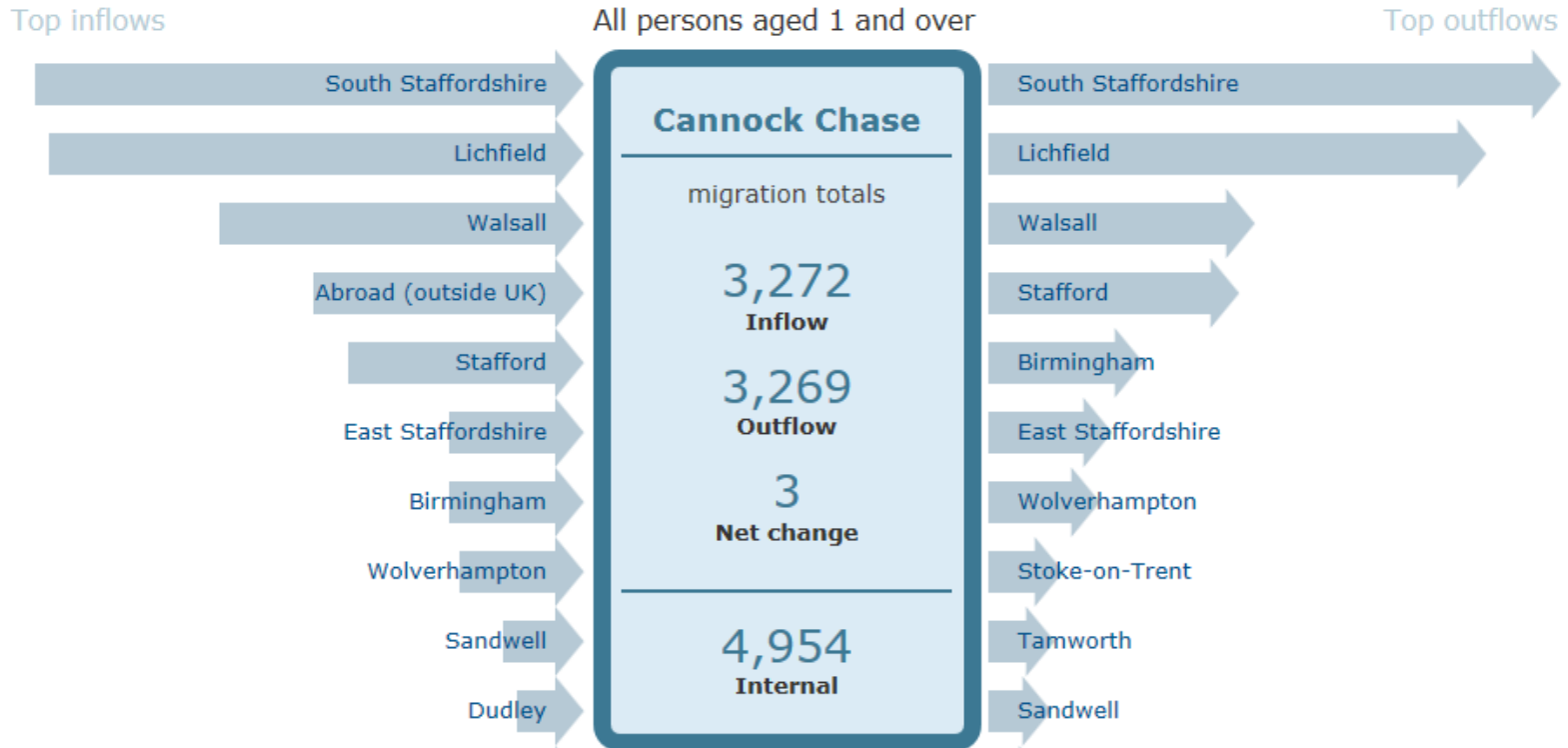
Migration - Bromsgrove



Migrations for Bromsgrove with all areas:

- Inflow: **5,062** persons aged 1 and over moved into Bromsgrove from other areas.
- Outflow: **4,718** persons aged 1 and over moved out of Bromsgrove.
- Net change: Overall, migration resulted in **344** more persons aged 1 and over in Bromsgrove.
- Internal: In addition, **3,400** persons aged 1 and over moved within Bromsgrove.

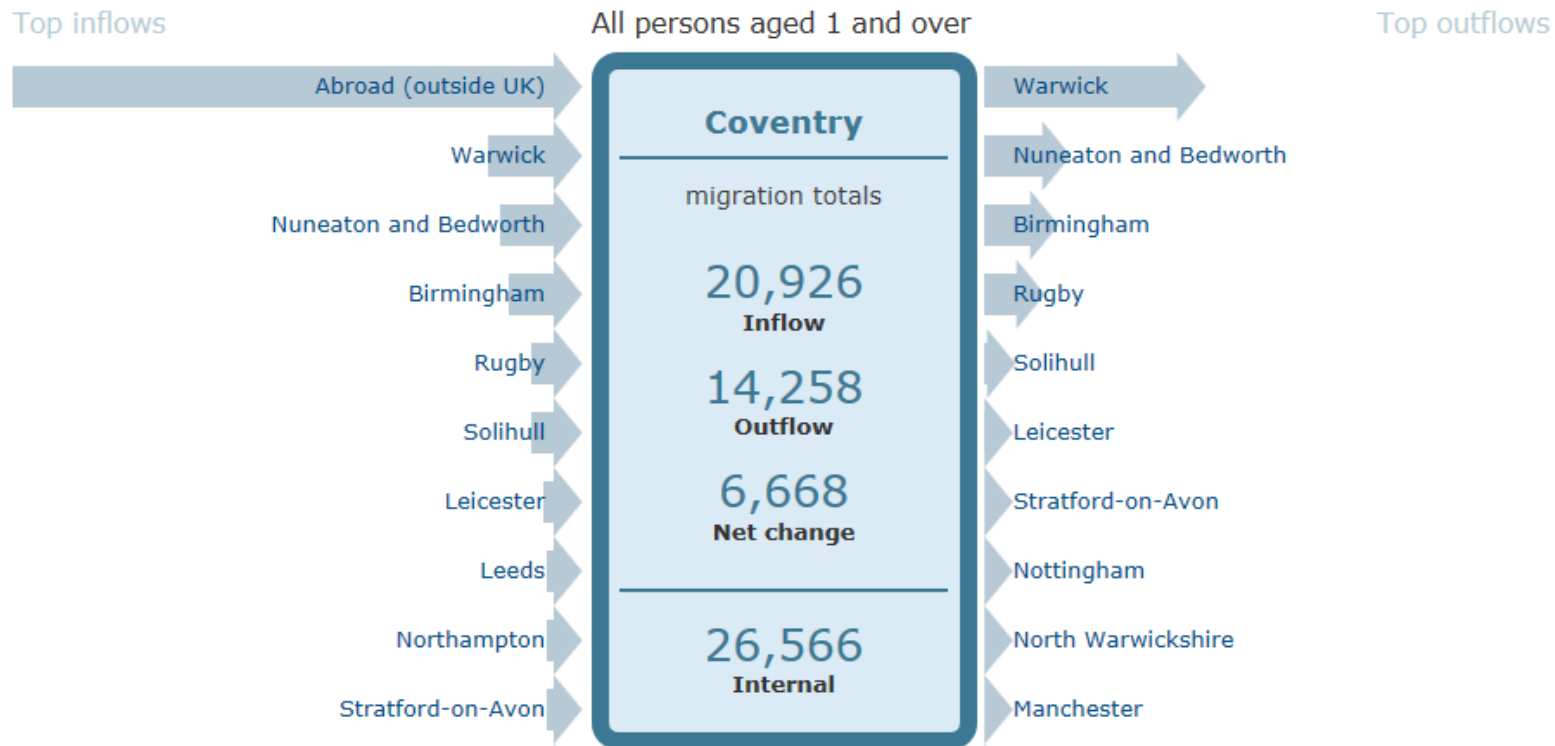
Migration– Cannock Chase



Migrations for Cannock Chase with all areas:

- Inflow: **3,272** persons aged 1 and over moved into Cannock Chase from other areas.
- Outflow: **3,269** persons aged 1 and over moved out of Cannock Chase.
- Net change: Overall, migration resulted in **3** more persons aged 1 and over in Cannock Chase.
- Internal: In addition, **4,954** persons aged 1 and over moved within Cannock Chase.

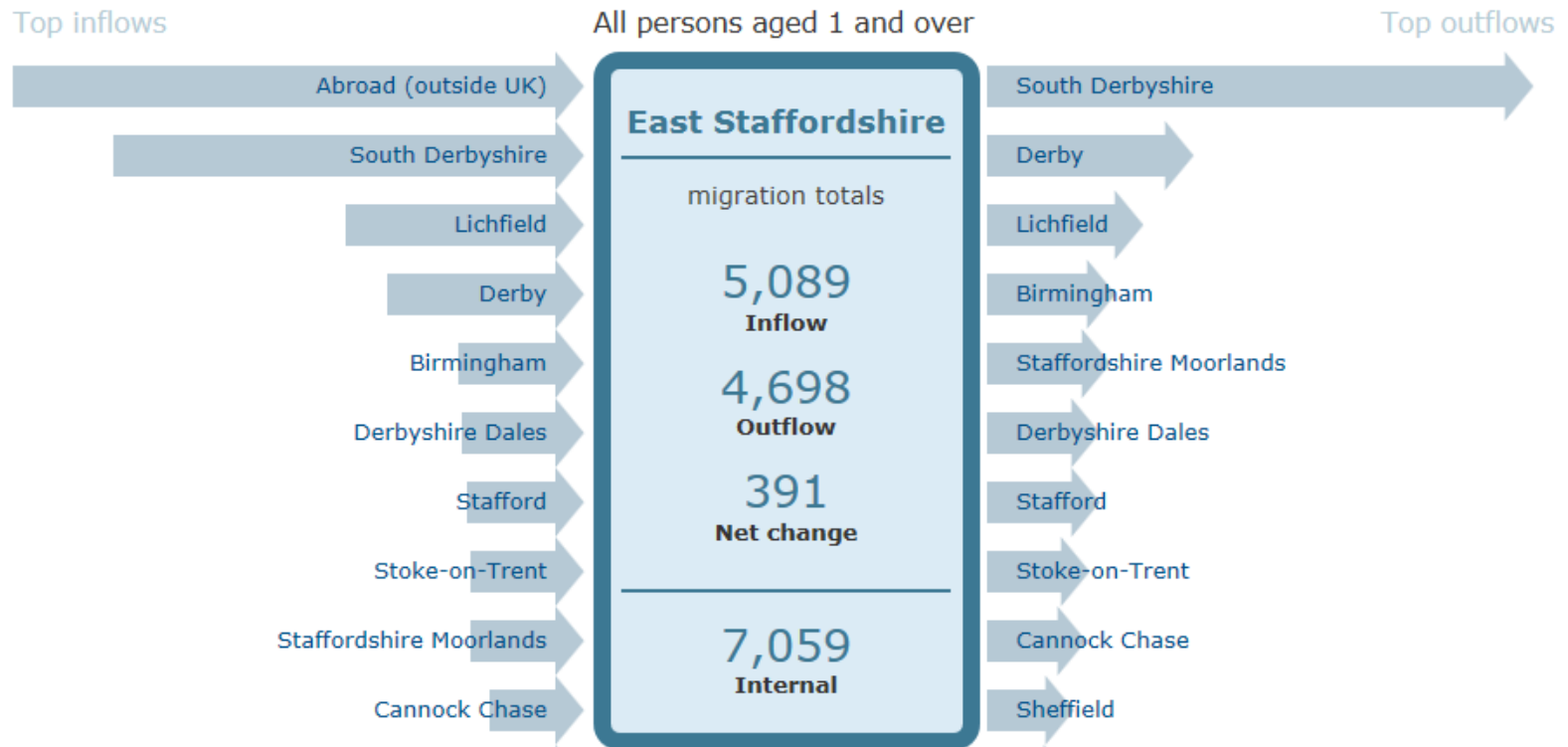
Migration - Coventry



Migrations for Coventry with all areas:

- Inflow: **20,926** persons aged 1 and over moved into Coventry from other areas.
- Outflow: **14,258** persons aged 1 and over moved out of Coventry.
- Net change: Overall, migration resulted in **6,668** more persons aged 1 and over in Coventry.
- Internal: In addition, **26,566** persons aged 1 and over moved within Coventry.

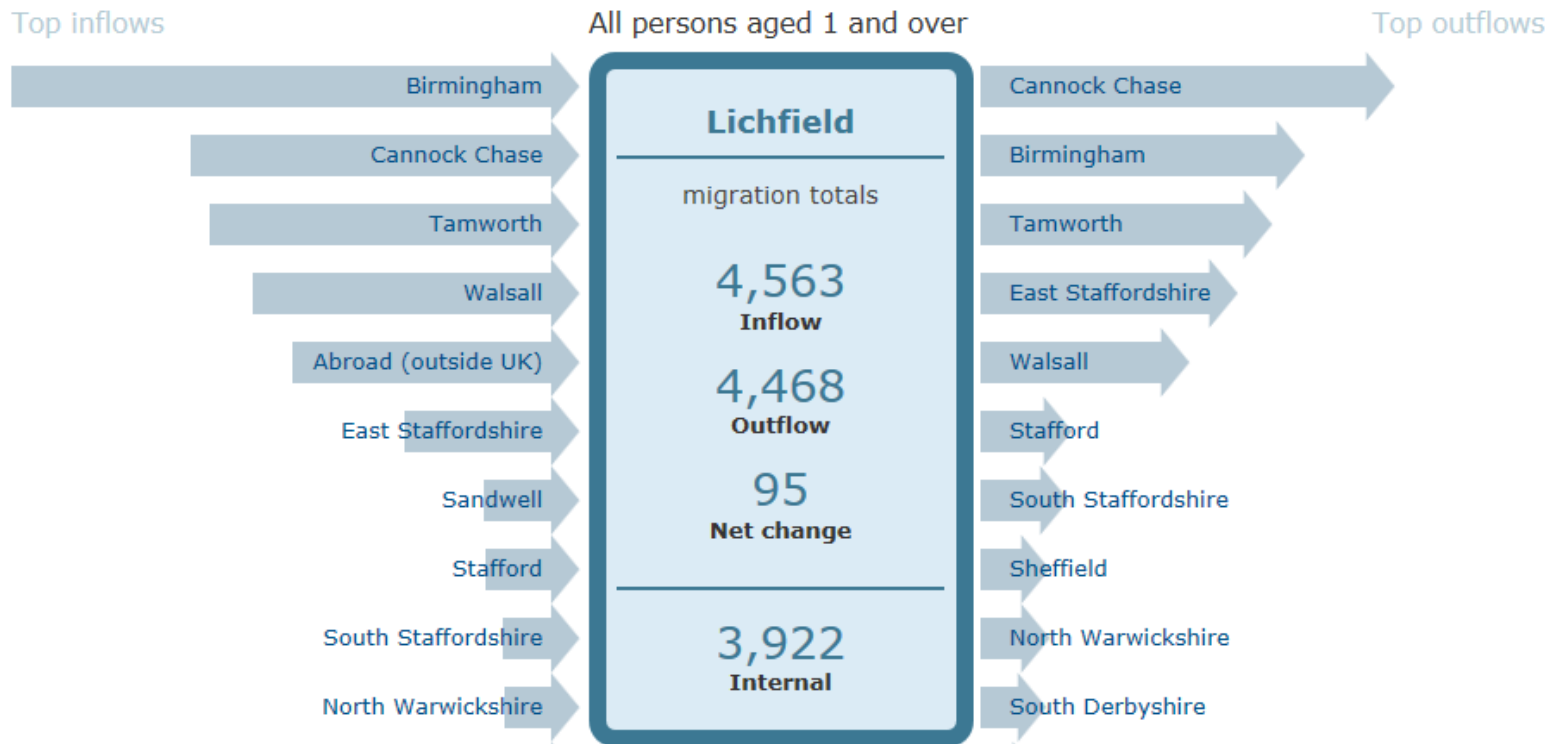
Migration– East Staffordshire



Migrations for East Staffordshire with all areas:

- Inflow: **5,089** persons aged 1 and over moved into East Staffordshire from other areas.
- Outflow: **4,698** persons aged 1 and over moved out of East Staffordshire.
- Net change: Overall, migration resulted in **391** more persons aged 1 and over in East Staffordshire.
- Internal: In addition, **7,059** persons aged 1 and over moved within East Staffordshire.

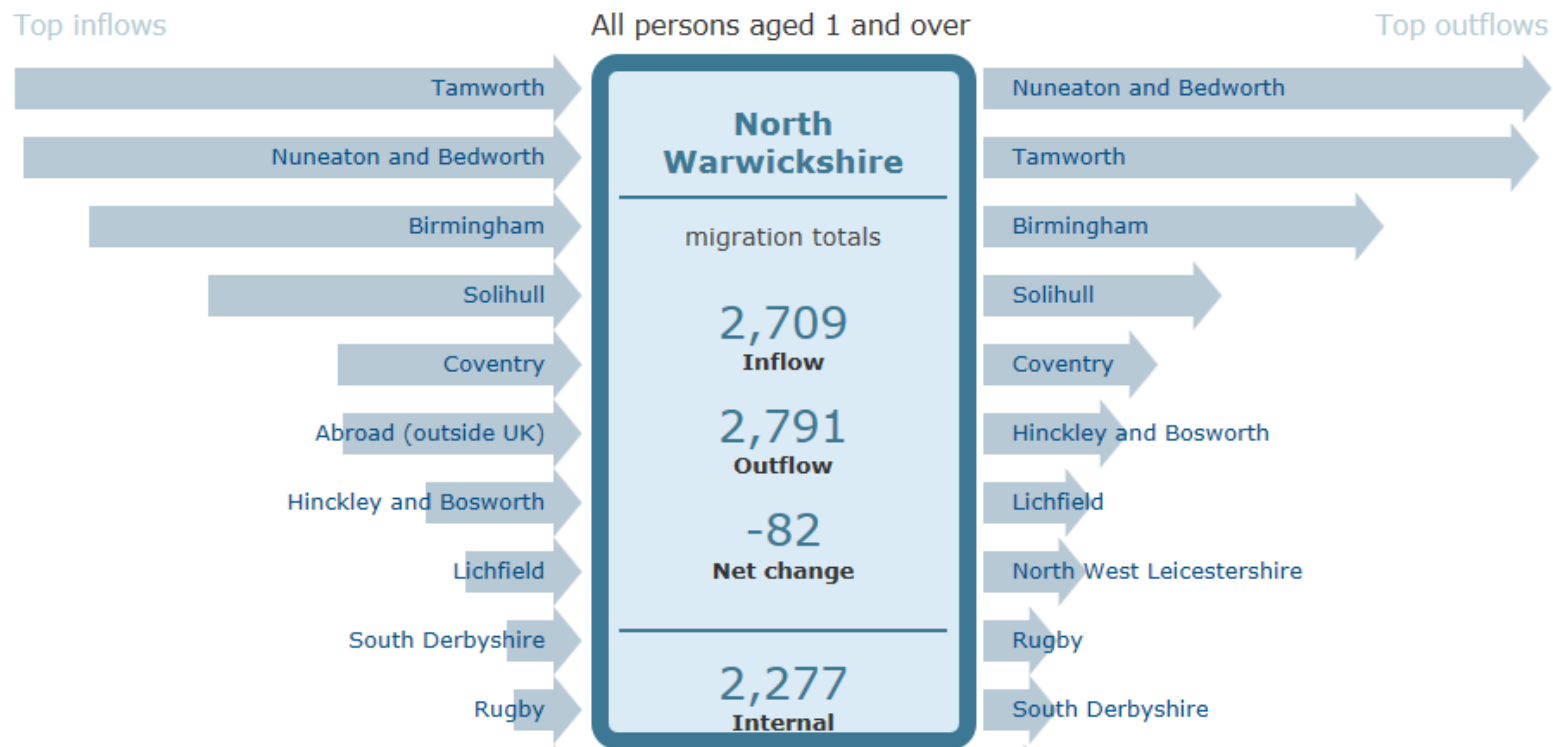
Migration - Lichfield



Migrations for Lichfield with all areas:

- Inflow: **4,563** persons aged 1 and over moved into Lichfield from other areas.
- Outflow: **4,468** persons aged 1 and over moved out of Lichfield.
- Net change: Overall, migration resulted in **95** more persons aged 1 and over in Lichfield.
- Internal: In addition, **3,922** persons aged 1 and over moved within Lichfield.

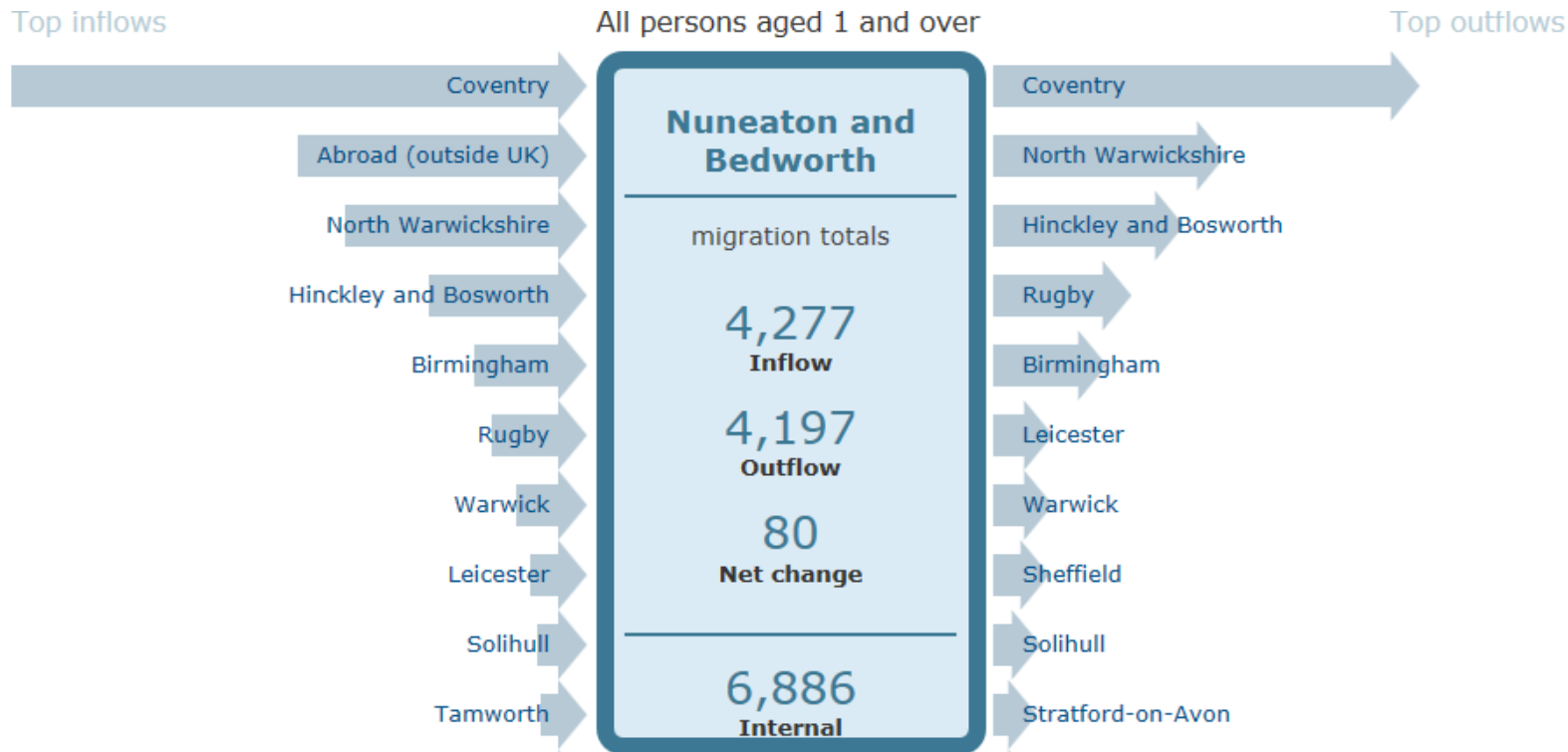
Migration – North Warwickshire



Migrations for North Warwickshire with all areas:

- Inflow: **2,709** persons aged 1 and over moved into North Warwickshire from other areas.
- Outflow: **2,791** persons aged 1 and over moved out of North Warwickshire.
- Net change: Overall, migration resulted in **82** fewer persons aged 1 and over in North Warwickshire.
- Internal: In addition, **2,277** persons aged 1 and over moved within North Warwickshire.

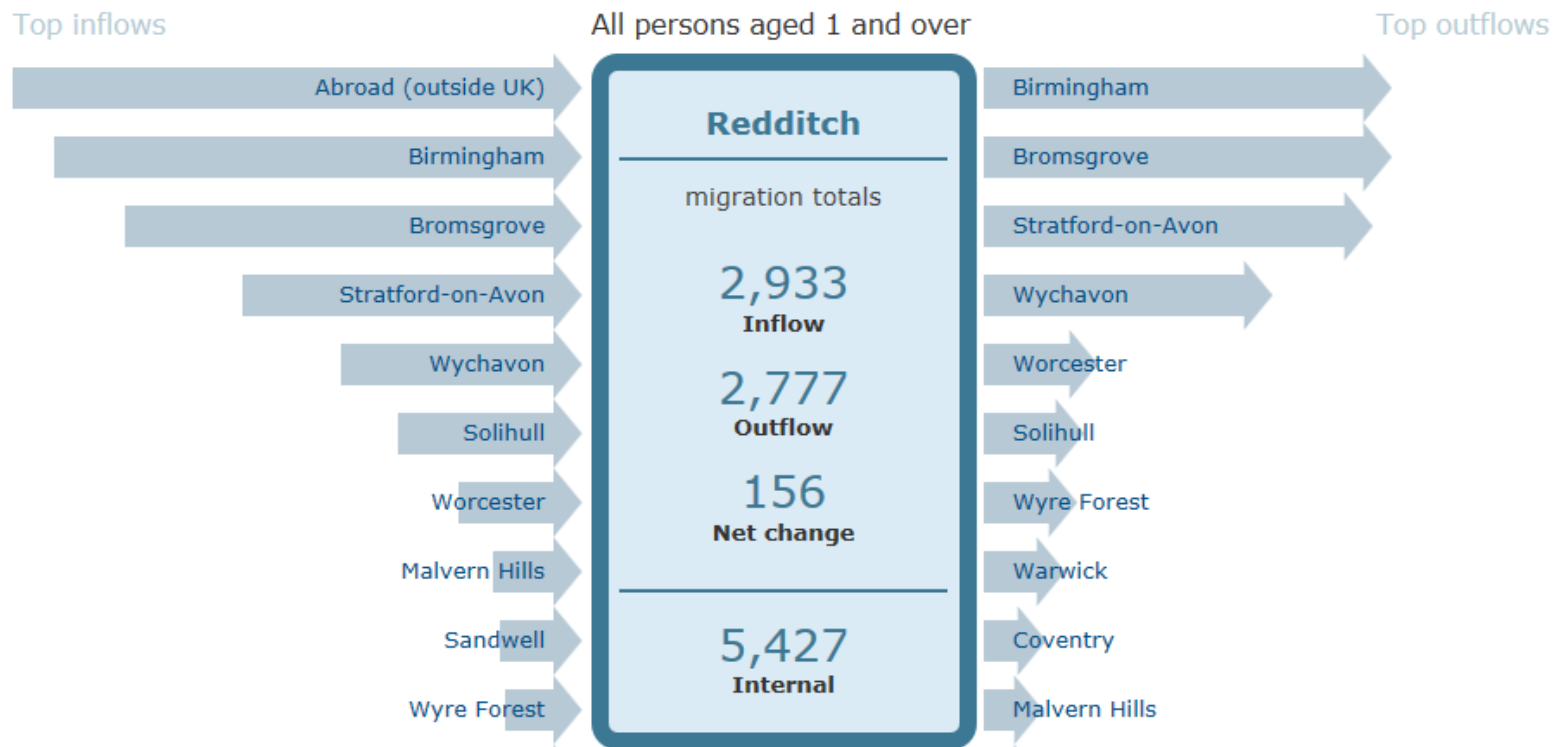
Migration – Nuneaton & Bedworth



Migrations for Nuneaton and Bedworth with all areas:

- Inflow: **4,277** persons aged 1 and over moved into Nuneaton and Bedworth from other areas.
- Outflow: **4,197** persons aged 1 and over moved out of Nuneaton and Bedworth.
- Net change: Overall, migration resulted in **80** more persons aged 1 and over in Nuneaton and Bedworth.
- Internal: In addition, **6,886** persons aged 1 and over moved within Nuneaton and Bedworth.

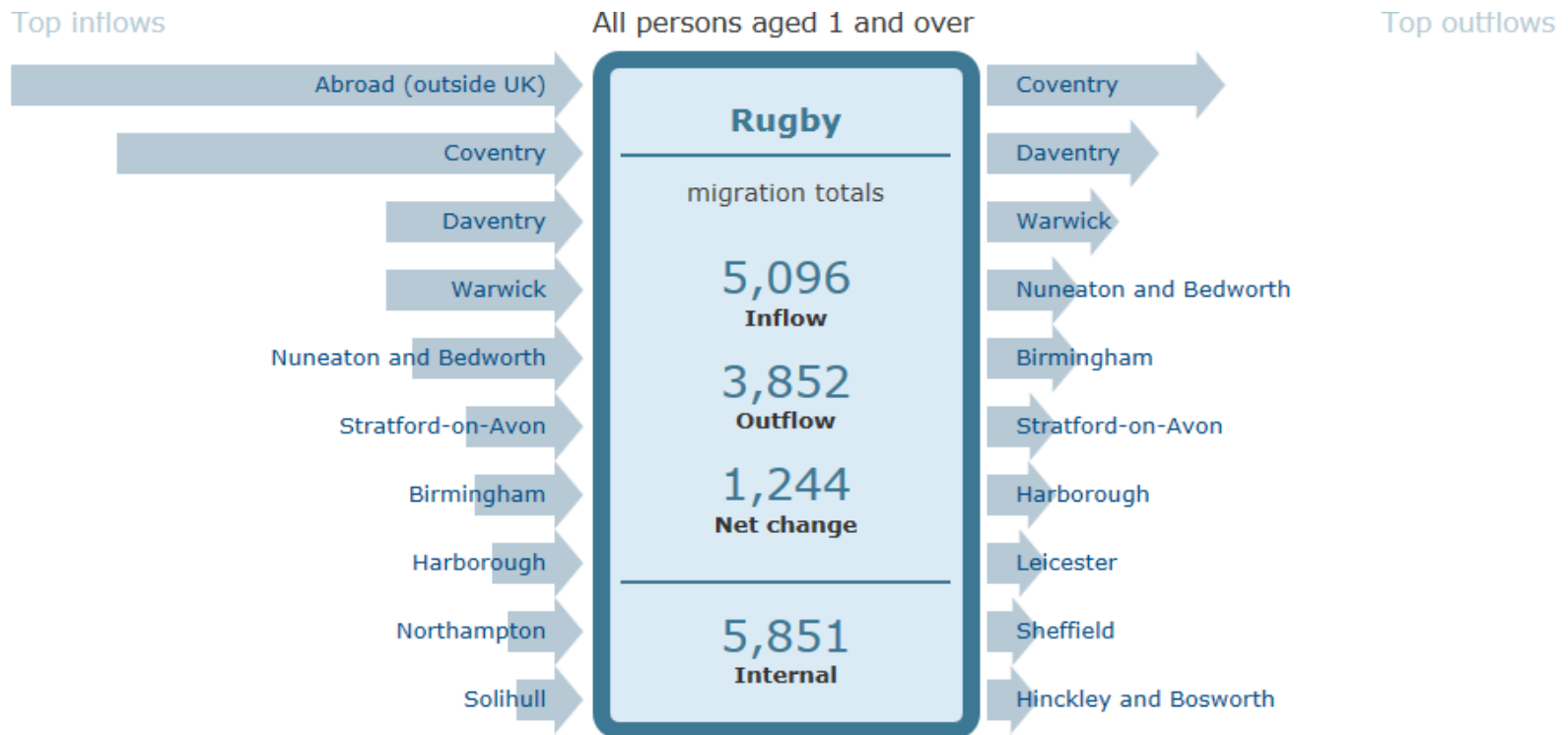
Migration - Redditch



Migrations for Redditch with all areas:

- Inflow: **2,933** persons aged 1 and over moved into Redditch from other areas.
- Outflow: **2,777** persons aged 1 and over moved out of Redditch.
- Net change: Overall, migration resulted in **156** more persons aged 1 and over in Redditch.
- Internal: In addition, **5,427** persons aged 1 and over moved within Redditch.

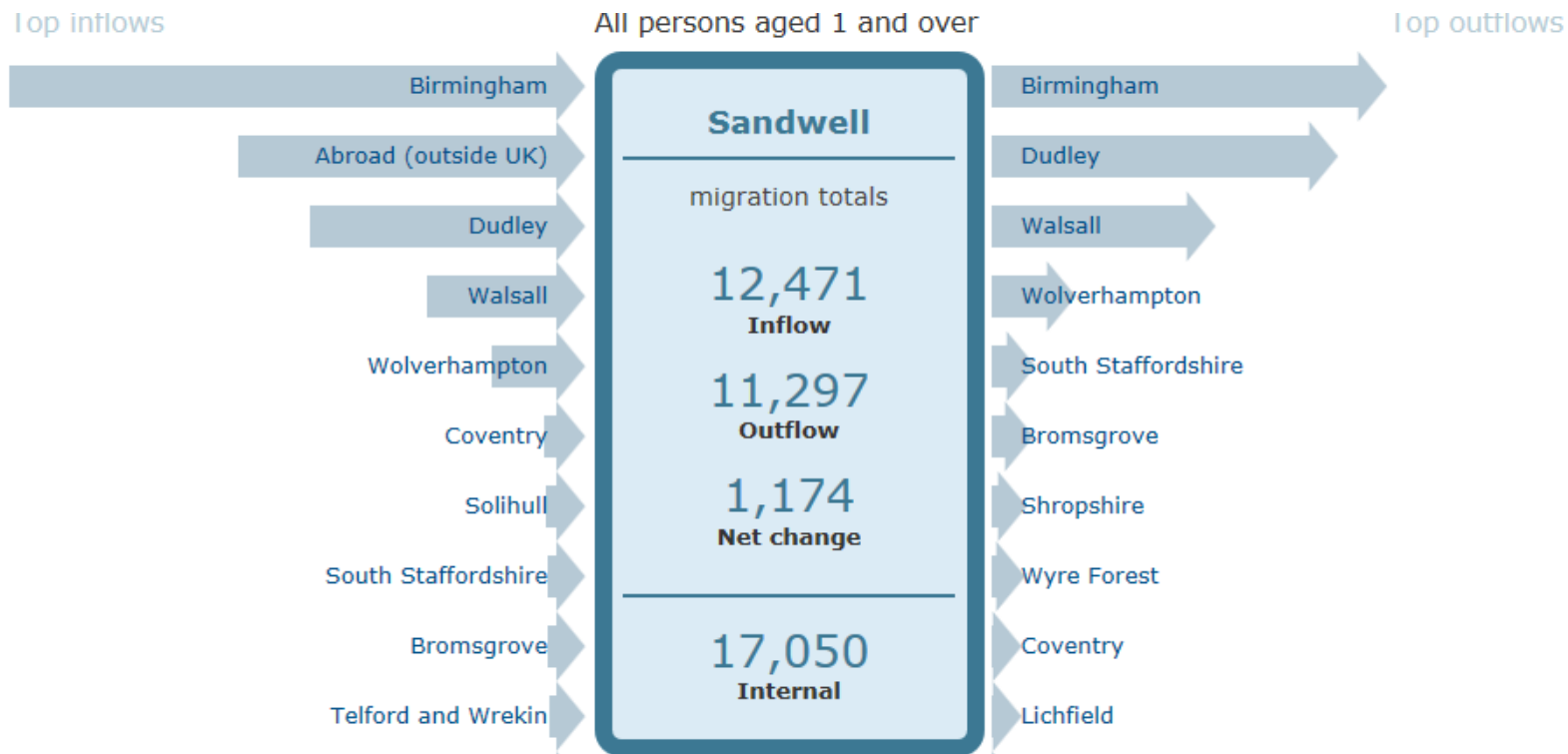
Migration - Rugby



Migrations for Rugby with all areas:

- Inflow: **5,096** persons aged 1 and over moved into Rugby from other areas.
- Outflow: **3,852** persons aged 1 and over moved out of Rugby.
- Net change: Overall, migration resulted in **1,244** more persons aged 1 and over in Rugby.
- Internal: In addition, **5,851** persons aged 1 and over moved within Rugby.

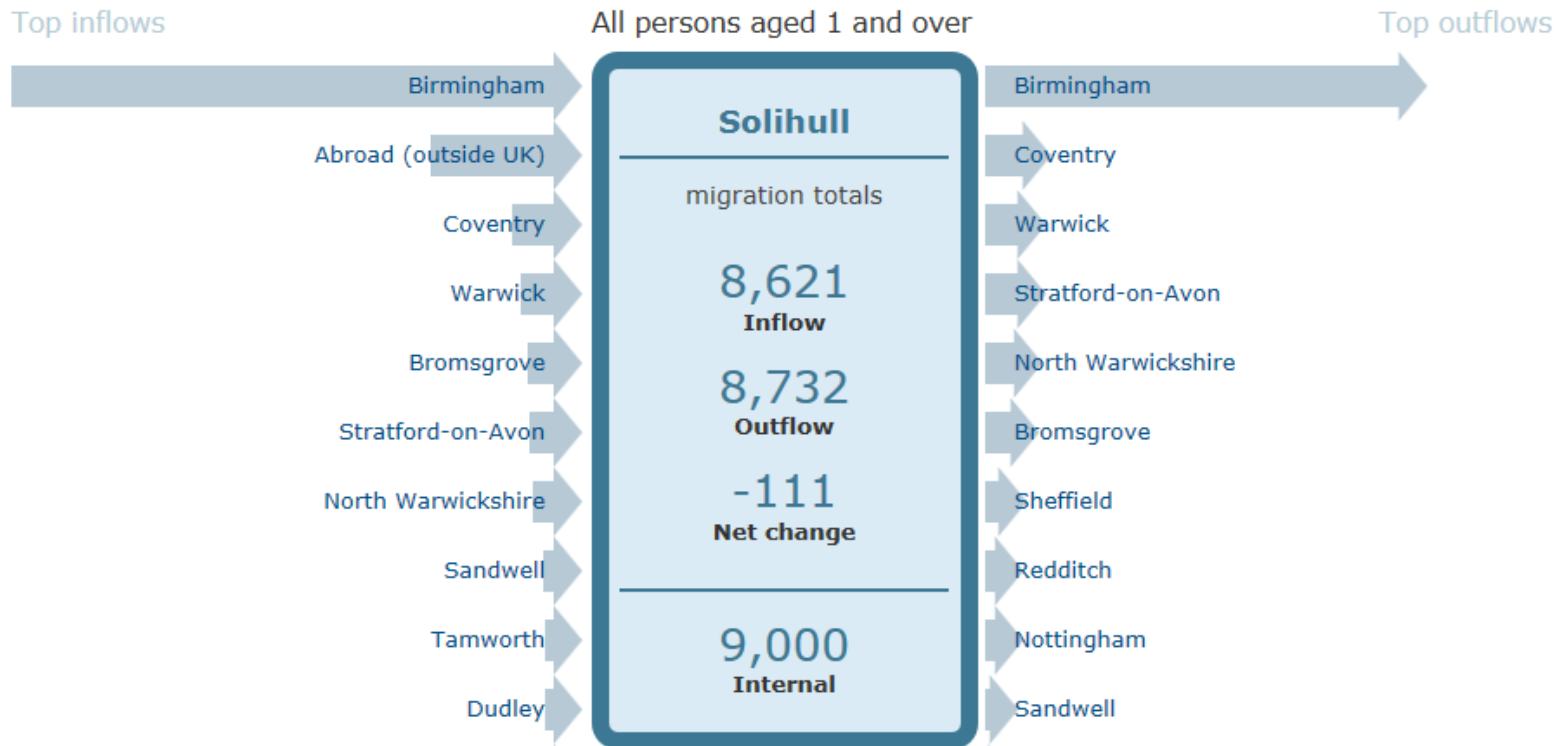
Migration - Sandwell



Migrations for Sandwell with all areas:

- Inflow: **12,471** persons aged 1 and over moved into Sandwell from other areas.
- Outflow: **11,297** persons aged 1 and over moved out of Sandwell.
- Net change: Overall, migration resulted in **1,174** more persons aged 1 and over in Sandwell.
- Internal: In addition, **17,050** persons aged 1 and over moved within Sandwell.

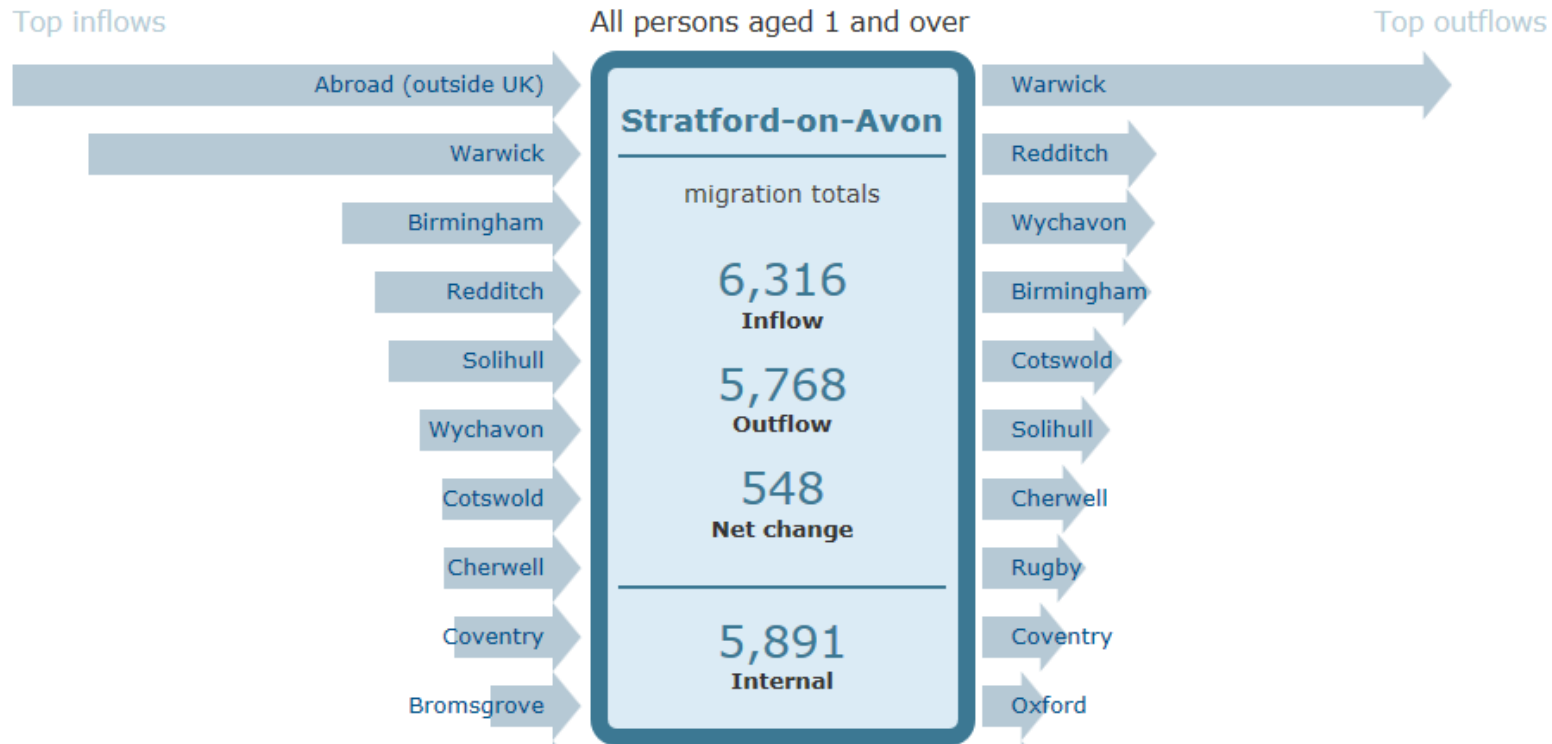
Migration - Solihull



Migrations for Solihull with all areas:

- Inflow: **8,621** persons aged 1 and over moved into Solihull from other areas.
- Outflow: **8,732** persons aged 1 and over moved out of Solihull.
- Net change: Overall, migration resulted in **111** fewer persons aged 1 and over in Solihull.
- Internal: In addition, **9,000** persons aged 1 and over moved within Solihull.

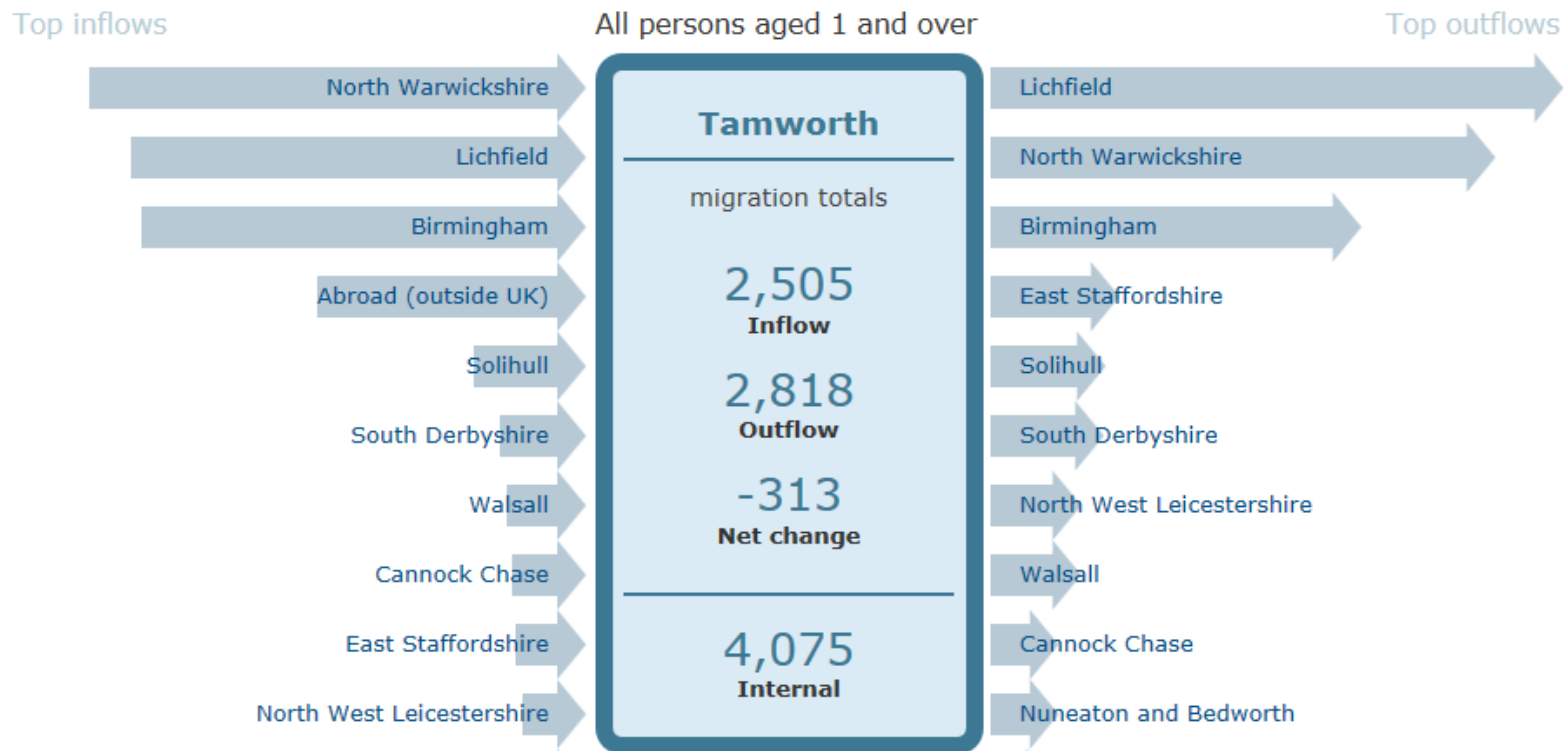
Migration – Stratford-on-Avon



Migrations for Stratford-on-Avon with all areas:

- Inflow: **6,316** persons aged 1 and over moved into Stratford-on-Avon from other areas.
- Outflow: **5,768** persons aged 1 and over moved out of Stratford-on-Avon.
- Net change: Overall, migration resulted in **548** more persons aged 1 and over in Stratford-on-Avon.
- Internal: In addition, **5,891** persons aged 1 and over moved within Stratford-on-Avon.

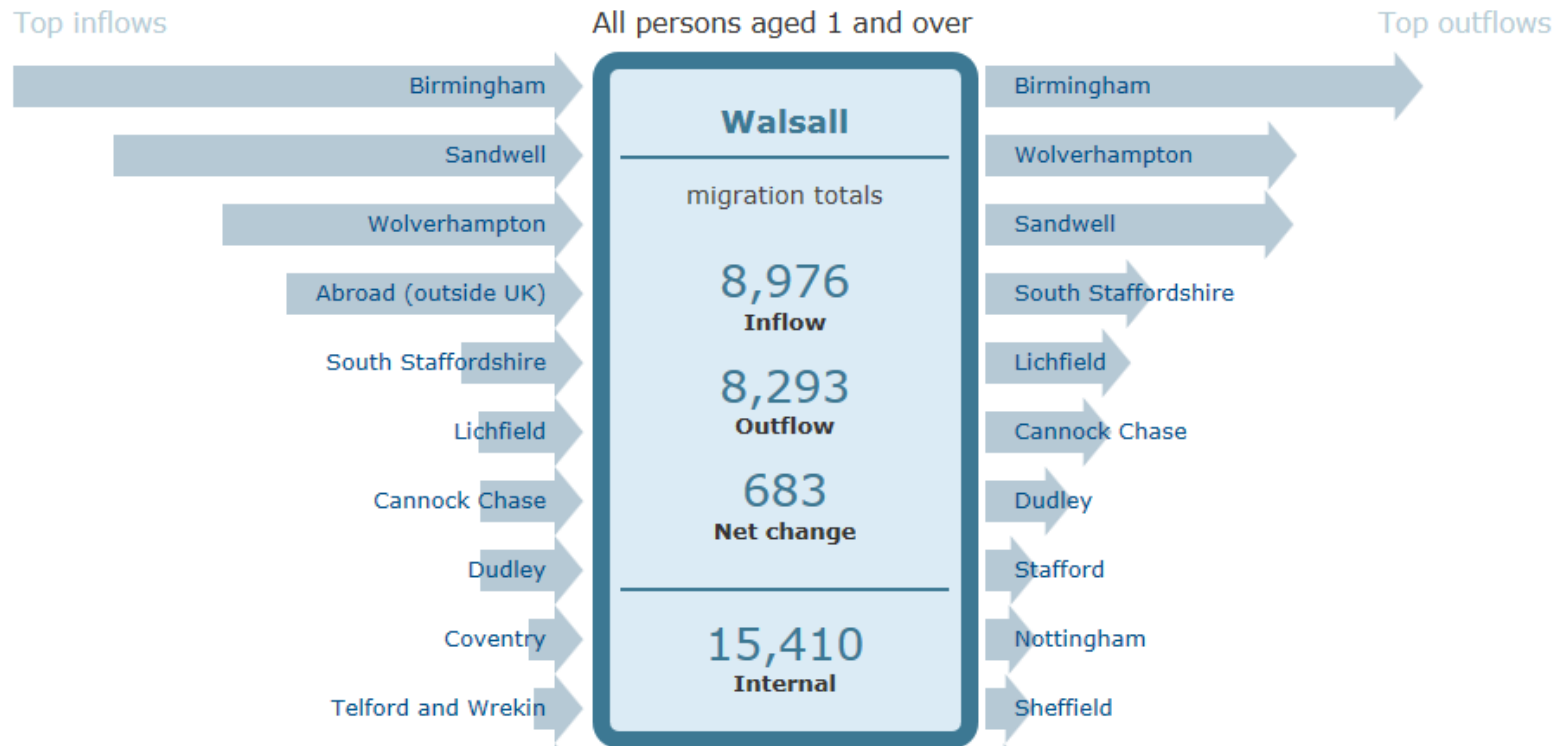
Migration - Tamworth



Migrations for Tamworth with all areas:

- Inflow: **2,505** persons aged 1 and over moved into Tamworth from other areas.
- Outflow: **2,818** persons aged 1 and over moved out of Tamworth.
- Net change: Overall, migration resulted in **313** fewer persons aged 1 and over in Tamworth.
- Internal: In addition, **4,075** persons aged 1 and over moved within Tamworth.

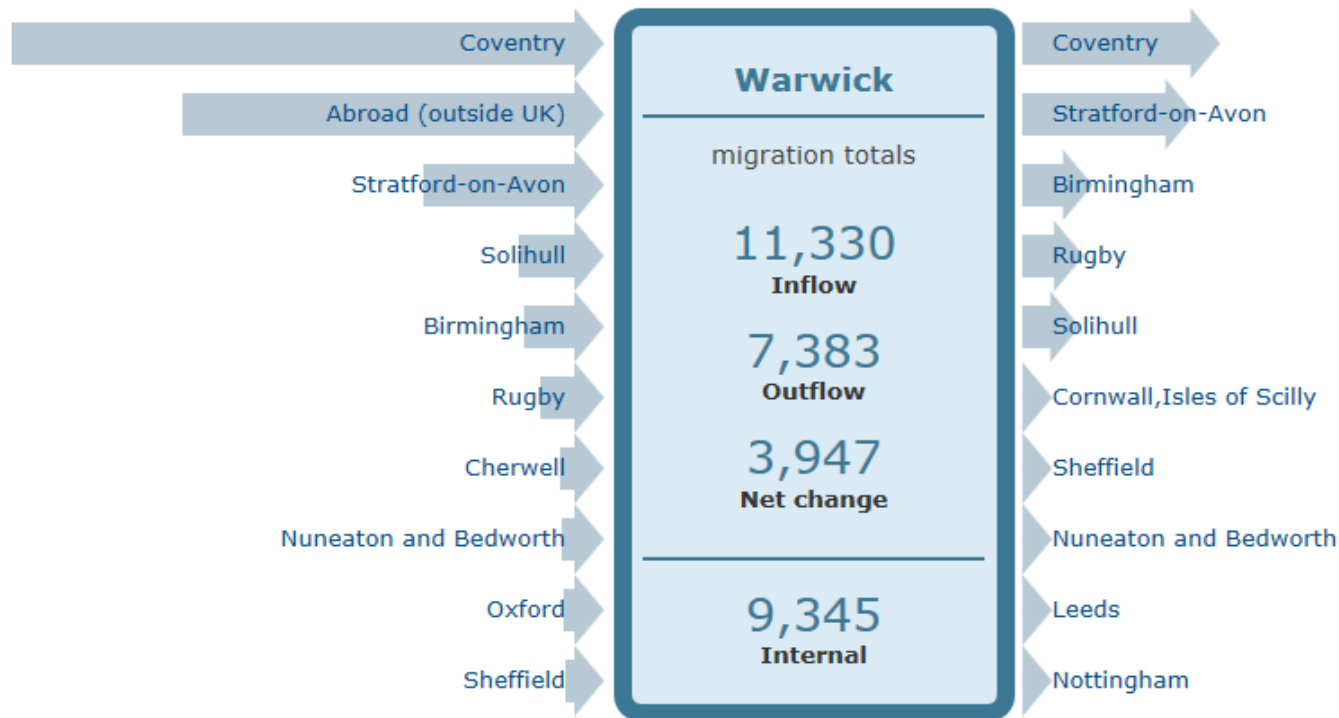
Migration - Walsall



Migrations for Walsall with all areas:

- Inflow: **8,976** persons aged 1 and over moved into Walsall from other areas.
- Outflow: **8,293** persons aged 1 and over moved out of Walsall.
- Net change: Overall, migration resulted in **683** more persons aged 1 and over in Walsall.
- Internal: In addition, **15,410** persons aged 1 and over moved within Walsall.

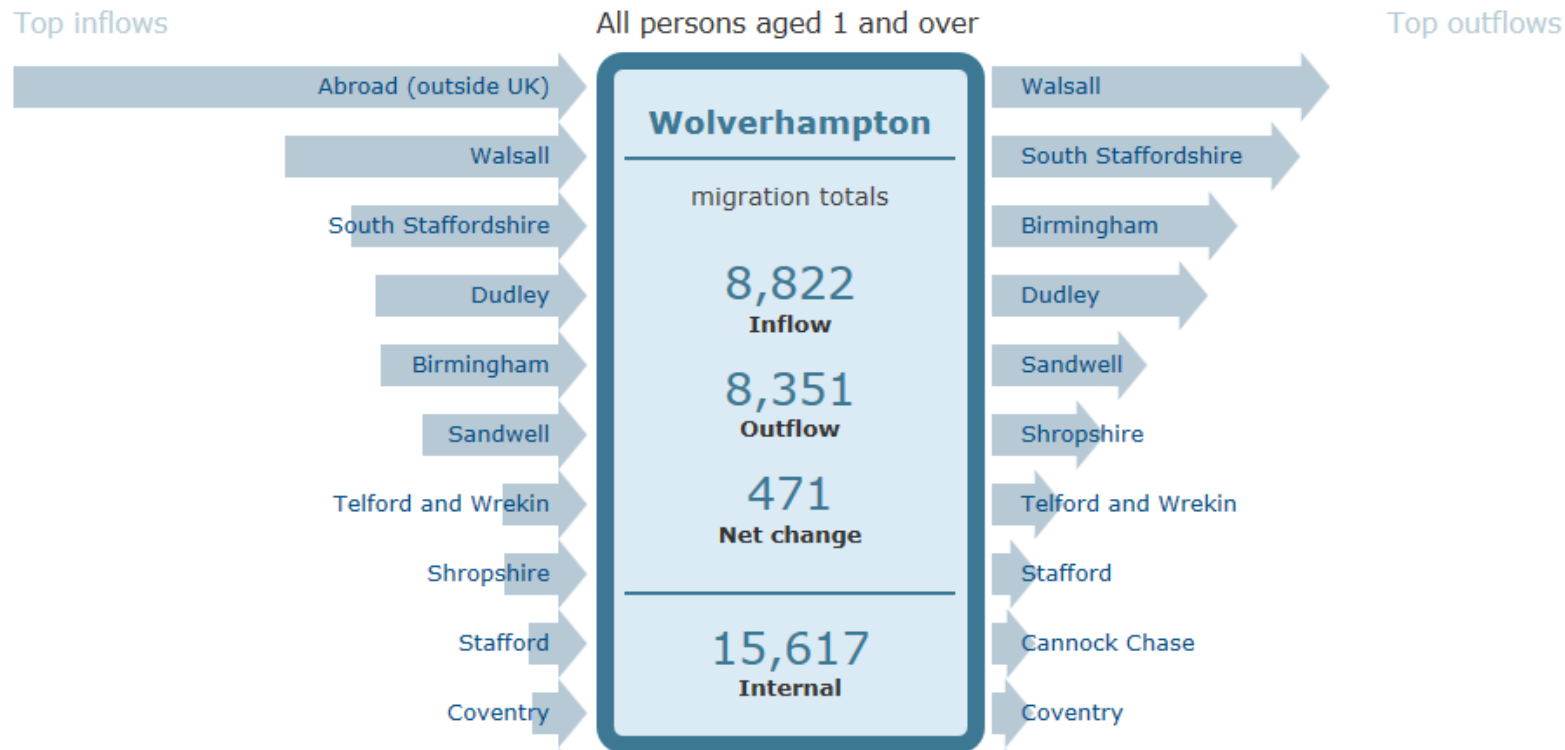
Migration - Warwick



Migrations for Warwick with all areas:

- Inflow: **11,330** persons aged 1 and over moved into Warwick from other areas.
- Outflow: **7,383** persons aged 1 and over moved out of Warwick.
- Net change: Overall, migration resulted in **3,947** more persons aged 1 and over in Warwick.
- Internal: In addition, **9,345** persons aged 1 and over moved within Warwick.

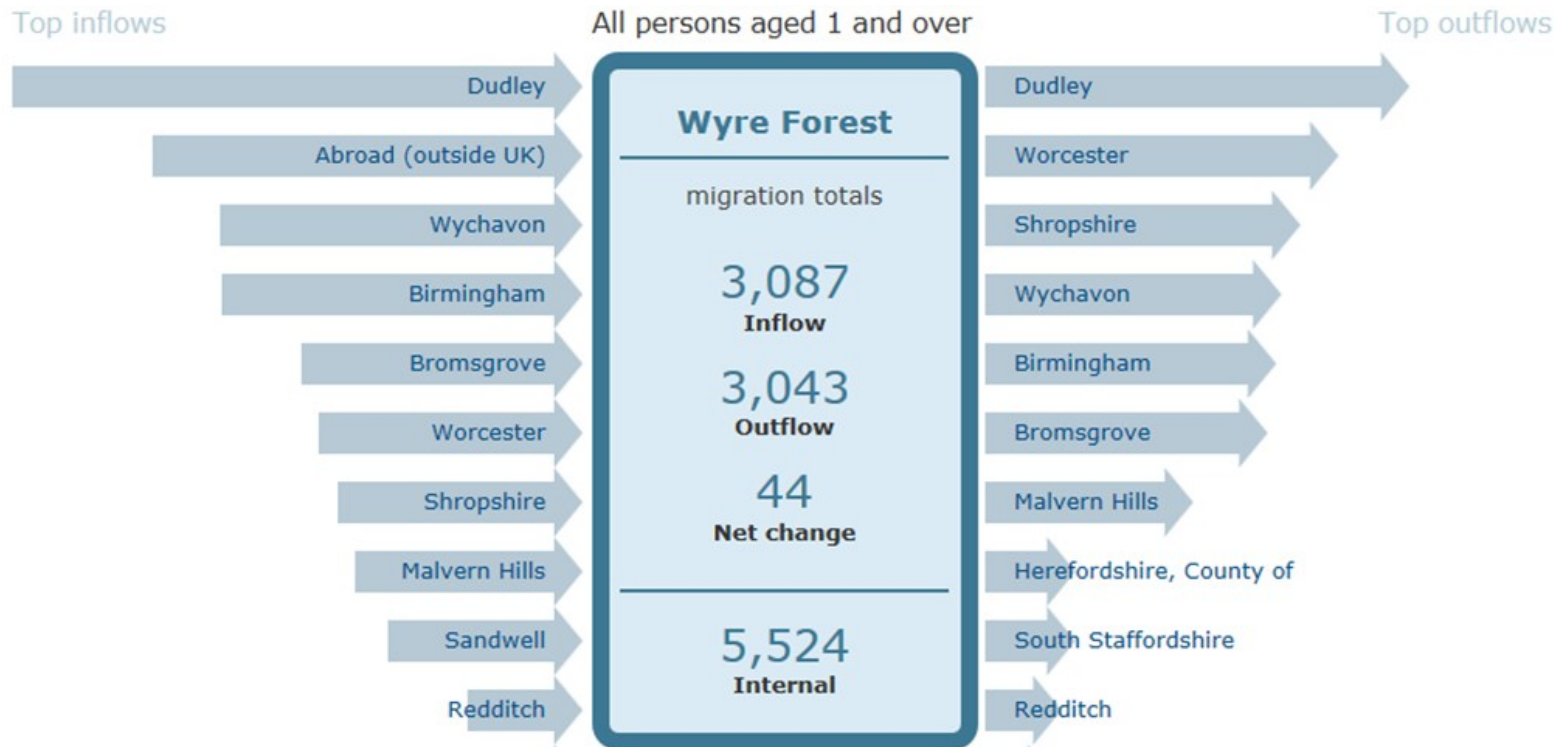
Migration - Wolverhampton



Migrations for Wolverhampton with all areas:

- Inflow: **8,822** persons aged 1 and over moved into Wolverhampton from other areas.
- Outflow: **8,351** persons aged 1 and over moved out of Wolverhampton.
- Net change: Overall, migration resulted in **471** more persons aged 1 and over in Wolverhampton.
- Internal: In addition, **15,617** persons aged 1 and over moved within Wolverhampton.

Migration – Wyre Forest



Migrations for Wyre Forest with all areas:

- Inflow: **3,087** persons aged 1 and over moved into Wyre Forest from other areas.
- Outflow: **3,043** persons aged 1 and over moved out of Wyre Forest.
- Net change: Overall, migration resulted in **44** more persons aged 1 and over in Wyre Forest.
- Internal: In addition, **5,524** persons aged 1 and over moved within Wyre Forest.

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**DECISIONS REQUIRING UNANIMOUS CONSENT OF THE CONSTITUENT
AUTHORITY MEMBERS PRESENT AND VOTING**

- (i) approval of land use plans;
- (ii) such other plans and strategies as determined by the Combined Authority;
- (iii) financial matters which may have significant implications on Constituent Authorities' budgets;
- (iv) approval of borrowing limits, treasury management strategy including reserves, investment strategy and capital budget of the Combined Authority;
- (v) agreement of functions transferred by the Constituent Authorities to the Combined Authority;
- (vi) any change of voting rights to all or any Member appointed by a Non-Constituent Authority;
- (vii) approval of specific proposals for individual co-optees to the Combined Authority;
- (viii) use of general power of competence within the Local Democracy Economic Development and Construction Act 2009, including in relation to spatial strategy, housing numbers and the exercise of any compulsory purchase powers;
- (ix) establishment of arms-length companies;
- (x) approval to seek such other powers as may be appropriate and any new powers granted by central government and imposed on the Combined Authority;
- (xi) material amendments to the Constitution;
- (xii) changes to transport matters undertaken by the Combined Authority.

For the avoidance of doubt unanimous will be construed to mean that all Members appointed by Constituent Authorities present and voting, vote in favour of the relevant decision.

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MATTERS ON WHICH NON-CONSTITUENT AUTHORITIES MAY VOTE

Subject to standing order 19.41, Members appointed by Non-Constituent Authorities may vote on the following matters:-

- (i) adoption of growth plan and investment strategy and allocation of funding by the Combined Authority;
- (ii) the super Strategic Economic Plan strategy along with its implementation plans and associated investment activity being undertaken using funding provided to the Combined Authority;
- (iii) the grant of further powers from central government and/or local public bodies that impacts on the area of Non-Constituent Authority;
- (iv) land and/or spatial activity undertaken by the Combined Authority within the area of a Non-Constituent Authority;
- (v) public service reform which affects the areas of Non-Constituent Authorities;
- (vi) areas of LEP activity relevant to the Non-Constituent Authorities through geographical location or as part of a joint committee;
- (vii) all Combined Authority matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;
- (viii) future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;
- (ix) specific decisions to bid for and allocate revenue and capital funding provided to the Combined Authority for use in economic development activities;
- (x) investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks;

1 Standing Order 19.4 requires a 2/3rds majority of the Constituent members present and voting for a decision to be made.

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APPENDIX 7 - SUMMARY OF WMCA DEAL



WEST MIDLANDS
COMBINED AUTHORITY

WMCA Devolution Agreement:

Key Points

The proposed agreement takes forward the founding principles set out in the [WMCA launch document](#) published in July 2015:

- It confirms and endorses our commitment to work together across a three-LEP geography to secure our objectives
- It focuses on the issues that really matter to the people and businesses of the West Midlands: growth, jobs, skills, transport and homes
- It recognises that economic growth for the West Midlands is part of the wider Midlands Engine
- It gives us the ability to create a substantial investment programme and to make the investments that we decide will have the biggest benefit for the West Midlands
- It enables us to start work with government on our public service reform agenda
- It supports and strengthens our commitment to partnership with the private sector.

The agreement is the first step towards:

- Local control of investment plans and funds for West Midlands priorities (transport and land reclamation for housing and employment)
- Local control of adult skills provision
- A local employment service
- The development of new devolved approaches to mental health, troubled individuals and youth justice services
- Control over a more integrated local public transport system and influence over strategic road network planning
- A devolved business support and inward investment system
- An integrated locally led approach to public sector land and property – One Public Estate.

It will support an £8bn ten year investment plan to get the West Midlands moving and drive local growth.

The £8bn investment plan will be funded from a 30 year revenue stream from government, specific devolved funding streams such as local transport, private sector investment and locally generated funds, for example from business rate retention, our enterprise zones, borrowing and private sector investment. This is in addition to any future Local Growth Fund allocation to the three LEPs, which will not be affected by this agreement.

The agreement provides for a contribution to our investment fund of £36.5m per year over a 30 year period from government and grant support for the £97m Adderley Park Metro extension (which is equivalent to an additional £4.3m per year over the period – making an overall contribution worth over £40m per year). In addition the agreement includes other devolved funding streams. The financial package is broken down in detail in the attached financial briefing.

Expansion of our enterprise zones and creation of new zones will provide further investment funding across the region. Government will finalise decisions at the Spending Review but the agreement contains a commitment to expand the Birmingham City Centre Enterprise Zone to take in the Curzon regeneration area.

Benefits for every part of the area

Our local investment priorities - devolution means we will get the power to make our own decisions about investment in the West Midlands. This will ensure balance and region-wide benefits for communities and businesses alongside effective targeting of resources on strategic priorities. All areas will benefit, be they areas for new employment, those that will benefit from new jobs or skills training, areas for new homes or places that will be better connected.

- **The £4.4bn HS2 Growth Strategy to ensure maximum economic benefit from the HS2 investment.** This will include the Curzon Masterplan, our priority for expansion of the metro network east and west, from Brierley Hill to the HS2 Interchange station, the UK Central infrastructure package, including new transport links to Coventry and enhancing the HS2 supply chain. The 20 HS2 Connectivity schemes will ensure that nowhere in the WM is more than 40 mins from an HS2 station
- **The UK Central-Coventry scheme** will provide a road and public transport link from the HS2 Interchange station to Coventry as well as further specific investment of £150m in the regeneration of Coventry city centre
- **A £200m land remediation fund.** This will enable brownfield land to be brought back into use for housing and employment, and will particularly benefit the Black Country through the redevelopment of brownfield sites
- **A £500m housing investment fund** (mainly locally funded). This will be brought forward to support the development of new homes
- **A £1bn Collective Investment Vehicle** (locally funded) to help companies invest and grow

- **A £30m employment, education and skills programme for the three LEP area.**

Half a million new jobs

- The deal will enable the delivery of the Super SEP across all three LEPs, which has the potential to help support the creation of up to 500,000 new jobs.
- The power to make HS2 benefit the people of the West Midlands. The HS2 Growth Strategy alone will create an additional 100,000 new jobs.

Better training and improved skills – enabling local people to get the jobs on offer

- Better skills planning and a local strategy – identifying the skills that local people need for the jobs that local businesses need to fill
- Local control of public funding for adult skills training by 2018/19 – meaning local decisions about what training to invest in
- Better employment support – working with a range of government departments, including DWP to co-commission the Work Programme, building on the expertise of local councils. The deal is also the first stage in the development of a better, locally run system of support for people who find it the hardest to get back into work.

Better public services – helping people into the labour market and reducing the public finance gap

- Pioneering a new approach to mental health for the whole country – A new Mental Health Commission, chaired by Norman Lamb MP and supported by NHS England and Public Health England
- A new approach to troubled individuals – working with DWP to design a new system for people with complex dependencies and then piloting new ideas in 2016
- Reforming the youth justice system – building on the nationally recognised work of West Midlands Police, designating the West Midlands as an accelerator site for testing and developing youth justice reform.

Better business support services to accelerate innovation and growth

- Government will work with the 3 LEPs to develop an integrated business support system linked to the Growth Hubs that joins national and locally funded activity in a seamless manner, making it simpler for business to access and benefit from services
- A devolved approach to delivering national business support schemes will be in place by 2017, linked to support for start-ups, growth companies, and those needing access to finance
- Developing an integrated national and local support structure for businesses wanting to invest in the WMCA area, focused on sectors of national strength

such as advanced engineering linked to auto, rail and aerospace. This will be supported by the joint planning and promotion of a portfolio of regeneration sites for future investment

- A jointly agreed West Midlands Export support plan. A devolved approach to business support from 2017, including start-ups and business finance.

More and better homes

- Devolved compulsory purchase powers, to help drive housing delivery
- A Land Commission to develop ways to make more land available for employment and housing use
- A locally managed housing investment fund.

Faster, more convenient and affordable transport

- A bigger and more certain budget – over £5bn of investment over ten years, integrated and locally controlled
- Getting back control over buses - controlling fares and ensuring they run when and where people need them
- One smart ticket, allowing passengers to use any combination of bus and rail across the region and an integrated travel information service
- Better integration between local and national transport networks through joint working with Highways England and Network Rail. This includes working with the government to examine ways to reduce congestion on the strategic road network
- Powers to regulate freight vehicles to improve safety and to create Clean Air
- Zones to achieve Air Quality Plan objectives.

Update on West Midlands Combined Authority



Outline

1. A Combined Authority: what it is and isn't
2. Strategic context for the WMCA
3. WMCA Commissions
4. West Midlands Devolution Deal
5. Creation of the CA
6. Governance next steps
7. Summary

A Combined Authority: What it is

- A joint governance arrangement for economic development, regeneration and transport
- A means of achieving better collaboration
- A vehicle through which to secure devolution from Whitehall
- A body to drive public service reform

- LAs continue to exist in own right – sovereignty retained



A Combined Authority: what it isn't

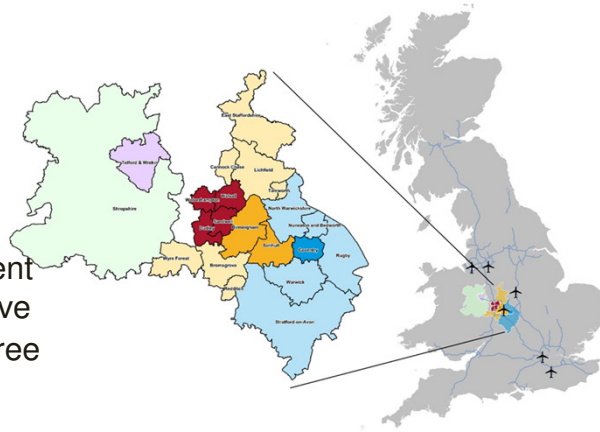
- Not a body that replaces LAs i.e. a 'super council'
- Powers not devolved from LAs to the CA...unless agreed by each LA
- Not a means through which
 - 'Birmingham' services operate in other LAs
 - planning decisions are imposed



Strategic Context for the WMCA

3 LEPs

- 4 million people
- £80bn GVA
- 20 local authorities
- 90% self-containment
(% of people that live and work in the three LEP area)



Commissions

- Mental Health
- Land
- Productivity and Skills



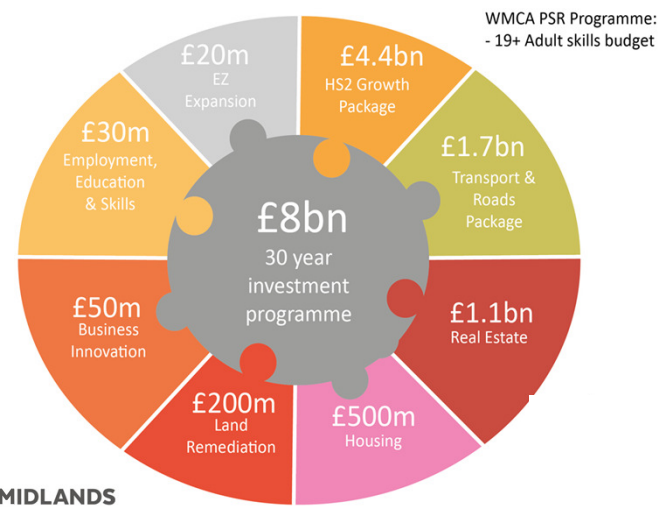
WM Devolution Deal

- Largest financial deal to date
- Annual contribution of £40m for 30 years
- Addresses 2 sides of the coin
- Covers the three LEP geography
- Underpinned by strong public/private sector partnership
- Elected mayor required



Find out more at www.westmidlandscombinedauthority.org.uk

£8bn Investment Package



Skills and Employment

- Proposal across the 3 LEP geography
- Underpinned by an Employment and Skills Strategy
- CA to chair a CA-wide Area Based Review
- Devolved 19+ adult skills funding from 2018/19 (governance tbd)
- Co-design employment support for hardest-to-help claimants



Find out more at www.westmidlandscombinedauthority.org.uk

Supporting Business & Innovation

- Proposal covers the 3 LEP geography
- Integrated national and local support structure for businesses wanting to invest
- Joint planning and promotion of regeneration sites
- Ring-fenced trade services resources based on agreed export plan
- Design joint approach to enterprise start-ups
- Expert advice offered to develop Innovation Audit EoI



Find out more at www.westmidlandscombinedauthority.org.uk

More and Better Homes

- Devolved CPO powers to the mayor
- Support for the West Midlands Land Commission (covers 3 LEP geography)
- £200m Land Remediation Fund (from annual revenue sum – geography tbd)
- Commitment to consider a Housing Investment Fund



Find out more at www.westmidlandscombinedauthority.org.uk

Transport

- Devolved multi-year transport settlement for CA “area”
- Mayor to have:
 - Responsibility for franchised bus services – to support smart ticketing
 - Responsibility for a new Key Route Network
- Commitment to look at reducing congestion on the strategic road network
- MoU with Highways England and Network Rail



Find out more at www.westmidlandscombinedauthority.org.uk

HS2 Growth Strategy

- Support for the HS2 Growth Strategy
- Agreement to the city centre EZ extension
- £97m for Eastside Metro Extension to Digbeth
- Commitment to consider business cases for Metro Extensions to Brierley Hill and Interchange



WEST MIDLANDS
COMBINED AUTHORITY

Find out more at www.westmidlandscombinedauthority.org.uk

Public Sector Reform

Government commitment to:

- Engage with outcomes of the Mental Health Commission (covers 3 LEP geography)
- Co-design new approach for Troubled Individuals
- Discuss how to improve use of national data sets
- Consider further devolution of youth justice services
- Support public sector re-locations



WEST MIDLANDS
COMBINED AUTHORITY

Find out more at www.westmidlandscombinedauthority.org.uk

WM Elected Mayor

- Devo Deal requires a directly elected mayor.
- Elections to take place in May 2017
- Electorate drawn from the constituent member geography
- Mayor will operate within a partnership model
- A Cabinet made up of the constituent members, each with lead responsibility for a different policy area will be formed



The first of many Deals...

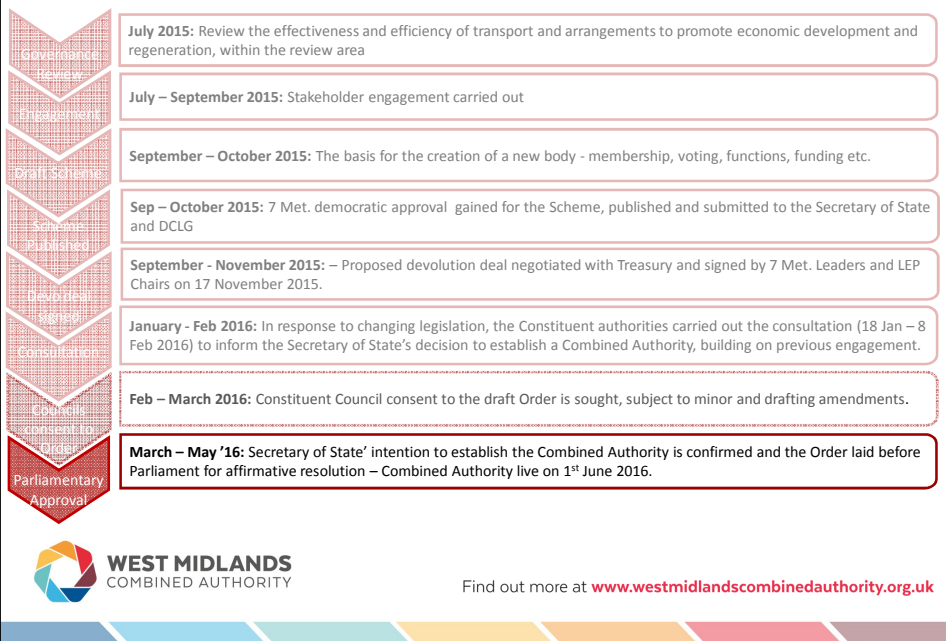


Current Membership

- Constituent members:
 - 7 Metropolitan Councils
- Non-constituent members:
 - 3 LEPs
 - 5 non-constituent councils: Cannock Chase, Nuneaton and Bedworth, Redditch, Tamworth, Telford and Wrekin
 - Stratford upon Avon and Shropshire CC have notified the CA of their formal decision to apply



Creation of the CA



Find out more at www.westmidlandscombinedauthority.org.uk

Voting rights for NCM

- adoption of growth plan and investment strategy and allocation of funding by the CA;
- the Super SEP along with implementation plans being undertaken using funding provided to the CA;
- the grant of further powers from Govt and/or local public bodies that impacts on the area of a NCM;
- land and/or spatial activity undertaken by the CA within the area of a NCM;
- Public Service reform which affects the areas of NCM
- areas of LEP activity relevant to the NCM through geographical location or as part of a joint committee;
- all CA matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;
- future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;
- specific decisions to bid for and allocate revenue and capital funding provided to the CA for use in economic development activities;
- investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks;

Any vote including Members appointed by NCM will be carried on a simple majority subject to the requirement that there is a majority of two-thirds of Constituent Members



Mayoral Order

- Mayoral Order (provision for a Mayor *only*) drafted by DCLG and presented to Constituent Councils for approval in May
- Constituent LAs to approve by 31st May 2016
- Mayoral Powers Scheme drafted by CA and presented to Councils alongside the Mayoral Order, for approval to consult
- Powers Order approved by LAs – October 2016
- Powers Order laid in Parliament – November 2016
- Powers incorporated into CA Constitution – Dec/Jan 16-17



Find out more at www.westmidlandscombinedauthority.org.uk

Opportunity for Membership

- Mayoral Powers Scheme consulted on June – Aug
- Additional members *must* be included in Scheme
- 10 June 2016 final date for consideration of membership by constituent members
- No consultation required – just the LA's decision
- Window of opportunity not open again until May '17



Find out more at www.westmidlandscombinedauthority.org.uk

Summary

- WMCA has momentum, is developing an ambitious SEP and has secured a large Deal
- Significant benefits from joining the CA:
 - Ability to influence plans and investments
 - Access to new funding streams
 - Opportunity to inform future Devo Deals
- Sovereignty of Bromsgrove not challenged
 - Powers devolved *down* from Whitehall not *up* from



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West Midlands Combined Authority

Bromsgrove District Council will consider whether to join the West Midlands Combined Authority (WMCA).

Last year, after public consultation with our residents, we decided not to formally consider it as a Council as we felt there wasn't enough information about the Combined Authority and we wanted to look elsewhere, locally, to see if there was another deal on the table, which it doesn't seem in the short term there will be. It is clear that Government are now working on larger geographic footprints than single counties without a mayoral model. The Worcestershire Leaders have recently met to consider next steps and we agreed that many of the things contained in the Worcestershire devolution document we can and will continue to pursue.

We will continue to work together to see what can be done without a devolution deal and assess whether a different configuration or arrangement could achieve our desired outcomes whilst continuing to monitor the progress of those deals already agreed and the evolving position of the Government on deals outside of the City Mayor model.

We have been approached by the Chairman of the Shadow West Midlands Combined Authority as to whether the Council wants to consider becoming a Non Constituent Member of the WMCA. The WMCA has progressed significantly and is the biggest Combined Authority in the country and is growing. It includes the seven constituent councils of Birmingham, Coventry, Dudley, Sandwell, Solihull Walsall and Wolverhampton plus the three Local Enterprise partnerships (LEPs).

The WMCA launched its Statement of Intent in July 2015 and since then has been joined by Cannock, Nuneaton & Bedworth, Redditch, Tamworth and Telford and Wrekin Councils.

Non-constituent membership provides the opportunity for collaboration across the region, a seat at the table to engage with and influence the direction and priorities of the Combined Authority. Non-constituents play a full role in the business of Combined Authority Shadow Board.

Stratford and Shropshire County have also now voted to be part of the WMCA and will join officially later in the year. Warwickshire are voting later this month (May) with a recommendation to approve. Other non constituents are the Police Crime Commission and West Midlands Fire Service.

Together the partnership works together to move powers from Whitehall to the West Midlands and our locally elected politicians who know this region best. Individually councils will deliver local services and retain their identity and sovereignty but on the big decisions will have the resources to work together.

WMCA's first devolution deal (DD) was signed in November and was the largest one nationally to date and will unlock over £8bn of investment over a ten year period and see, in essence, 500,000 new jobs, developed skills, better transport, improved housing and crucially public sector reform for the region.

DD highlights include:

- The £4.4bn HS2 Growth Strategy to ensure maximum economic benefit from the HS2 investment. This will include the HS2/UK Central interchange, Curzon Master plan, expansion of the metro network to the Black Country and HS2 stations, UK Central infrastructure package, including new transport links to Coventry and enhancing the HS2 supply chain.
- Additional transport investment of £1,670m to support the UK Central Coventry scheme, other transport investment and highways maintenance of the key route network.
- A £500m housing investment fund (mainly locally funded). This will support the development of new homes
- A £200m land remediation fund. This will enable brownfield land to be brought back into use for housing and employment
- A £1bn Collective Investment Vehicle (locally funded) to help companies invest and grow.
- A £50m Innovation Centre
- A £30m employment, education and skills programme

The WMCA is also a key partner of the Government's Midlands Engine ambition which will bring together partners to work more closely to achieve greater regional economic growth and productivity improvement. The Engine will cover 86 local authorities and 11 LEPs and covers 17.9% of the UK population, with an economy worth £222bn. It also contains two core cities, 11.5 million citizens, 27 universities and three international airports.

This is why we think it is worth considering again.

APPOINTMENTS TO OUTSIDE BODIES

Relevant Portfolio Holder	Cllr Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Head of Legal, Equalities and Democratic Services
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Non-key

1. SUMMARY OF PROPOSALS

- 1.1 The Council makes appointments and nominations to a number of Outside Bodies each year. This report sets out the details of the appointments which are made by the Council.
- 1.2 This report was included on the agenda for the Annual meeting of the Council but was deferred for consideration as a review of appointments had been undertaken and members asked for additional time to consider changes.

2. RECOMMENDATIONS

It is recommended that that the Council considers nominating to the bodies listed in the appendix to the report as appropriate.

3. KEY ISSUES

Financial Implications

- 3.1 There are no financial implications arising directly from this report.

Legal Implications

- 3.2 No specific legislation governs the appointment or nomination of members to outside bodies by the Council. Depending on the nature of the relationship the Council has with the organisation, the legal status of the organisation, its corporate, charity or other status and its constitution, there are differing legal implications for the members sitting on these bodies.
- 3.3 The Local Authorities (Indemnities for Members and Officers) Order 2004 governs the Council's ability to indemnify members sitting on outside bodies.

Service / Operational Implications

- 3.4 A number of bodies ask the Council to make appointments to them for terms of office which vary from one year upwards.

- 3.5 The Council has previously agreed that a number of such appointments, usually to national or regional bodies, should be made by office. Where there are specific requirements for appointments these are shown against the organisations in the appendix.
- 3.6 At the Annual meeting of the Council it was agreed to defer making appointments to the bodies listed in the appendix, as a review of the requirement to make appointments had not quite been completed. The appendix includes notes where potential changes to previous arrangements can be considered.

Customer / Equalities and Diversity Implications

- 3.8 There are no specific customer or equalities implications arising from this report.

4. RISK MANAGEMENT

- 4.1 There would be risks arising if the Council failed to make appointments to the Outside Bodies listed in this report; the nature of the risk would vary depending on the type of body in question. The Council needs to participate in certain Outside Bodies to ensure that existing governance arrangements can be complied with. On other bodies the risk would be less severe but non-participation would detract from the Councils ability to shape and influence policies and activities which affect the residents of Bromsgrove.

5. APPENDICES

Appendix 1 - list of appointments to outside bodies

6. BACKGROUND PAPERS

Terms of reference and governing documents of organisations are held by Democratic services

7. KEY

AUTHOR OF REPORT

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Agenda Item 10

Brosmgrove District Council, 9th June 2016

Appointments to Outside Bodies – Appendix 1 - appointments

Organisation	No. of Appts & Length of Office	Current appointments Councillors	Recommendations resulting from review
Amphlett Hall Management Committee	4 1 year	M. Buxton H. Jones J. Griffiths S. Webb	Continue to appoint 4 representatives for the time being but review to see if the number of representatives can be reduced.
Brosmgrove Citizens' Advice Bureau	2 1 year	B. Cooper S. Webb	-
Brosmgrove Sporting Board (observers only)	2 1 year	P. Lammas P. Whittaker	Currently an informal arrangement. Suggest that in future the head of Leisure and Cultural Services notifies all members of opportunities to visit the Club.
Greater Birmingham and Solihull Local Enterprise Partnership (LEP) – Joint Overview and Scrutiny Committee for the Supervisory Board	1 and a substitute 1 year	R. Smith Substitute:	-
Shared Services Members Board (2 representatives also by office)	2 and a substitute 1 year	(M. Sherrey & K. Taylor by office) R. Smith R. Laight Substitute:	-
Midlands Joint Council for Environmental Protection	2 1 year	K. May M. Glass	Although up to 2 representatives from the Council can attend formal meetings of the

Dem servs Council 09.06.16 app 1

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Organisation	No. of Appts & Length of Office	Current appointments Councillors	Recommendations resulting from review
			Joint Council, all interested members are able to attend other meetings. It is suggested that 2 representatives continue to be appointed and Democratic Services advise all councillors of meeting dates so others that wish to attend may do so.
West Mercia Police and Crime Panel	<p>1 rep and 1 substitute</p> <p><i>Rep and sub must be from majority political group on the Council</i></p>	M. Sherrey K. Taylor	-
Worcestershire County Council Corporate Parenting Board	<p>1</p> <p>1 year</p>	M. Sherrey	-
<p>Worcestershire County Council Health Overview and Scrutiny Committee</p> <p>Representative must be a member of the Overview and Scrutiny Board</p>	<p>1</p> <p>1 year</p>	B. Cooper	-
Worcestershire County Council Highways (Bromsgrove) Partnership Forum	<p>2</p> <p>1 year</p>	S. Baxter P. Whittaker	This has not met for 18 months. However, it is suggested that 2 Councillors are appointed so that the Council may respond if/when strategic highways issues are discussed.

Agenda Item 10

Organisation	No. of Appts & Length of Office	Current appointments Councillors	Recommendations resulting from review
Worcestershire Shared Services Joint Committee	2 1 year To include relevant Portfolio holder and one other member of the controlling group and one substitute	R. Laight P. Whittaker R. Dent (sub)	-

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Cabinet**1st June 2016****Dolphin Centre Replacement – Financial Update**

Relevant Portfolio Holder	Cllr Peter Whitaker Cllr Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	John Godwin
Wards Affected	All
Ward Councillor Consulted	No

1. SUMMARY OF PROPOSALS

The report outlines the final contract sum proposed by the preferred building contractor for the replacement of the Dolphin Centre and the request for additional funding to support the increase in associated costs

2. RECOMMENDATIONS**2.1 The Cabinet is asked to RECOMMEND to the Council that:**

2.1.1 That the Capital Programme for 2016/17-2017/18 be increased by £700k to £13.7m to progress the scheme.

And:

2.1.2 (a) That the funding of £700k is released from balances in 2016/17.

Or

2.1.2 (b) That the funding is secured through borrowing

3. KEY ISSUES**Background**

3.1 As members will be aware in July 2014 the Council agreed to replace the ageing facilities at the Dolphin Centre with a new site to be built on School Drive.

In Jan 2016 following a successful funding application to Sport England members approved an increase of £1.5m in the overall capital budget available to provide additional facilities for local residents. The current Capital Programme is £13m for the entire replacement centre.

3.2 Over the past 5 months officers have been working with the preferred contractor as part of a 2 Stage tender process to get to a point where an agreed contract sum has been reached and the Council receives the contractors offer for the works.

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- 3.3 As reported to members in Jan 2016 initially work in this area progressed well no concerns had been expressed by the contractor in relation to the delivery of the project within the funding level approved.
- 3.4 Unfortunately in the later part of the 12 week 2 Stage process (around weeks 10 & 11) concerns began to emerge that the cost plan was becoming under pressure as a result of unforeseen additional costs emerging above those included within the key assumptions contained the 2014 report. In addition there has been a rapid increase in building costs as the market has now picked up over the past 6 months and there has been a change in initial approach taken by the main contractor to their internal costs and approach to risk.
- 3.5 Following the contractors assessment of these cost pressures an initial proposal was submitted at approximately £2.5m over the currently approved budget. These were immediately rejected as being unrealistic and not reflective of the costs associated with the scale or scope of the works or the market at that point.

The project management team has undertaken an in-depth review of the contractor's proposals including a full detailed investigation of over 50 work package prices submitted by the main contractors supply chain. This review highlighted several areas of concerns that required further discussion both around the packages and the approaches that were being taken by the proposed contractor.

- 3.6 Following the initial overview, officers, the Design/Project Management team and Commercial Teams have undertaken a number of meetings and cost review exercises with the contractor, which although very challenging at times have been positive and resulted in a contract sum offer on the 4th May 2016 of £10.3m. This is a £619k additional cost to the initial estimate. When added to other costs relating to the development (e.g. purchase of land, contingency) the revised total cost to the Council of the replacement centre would be £13.6.
- 3.7 In addition this would result in the available contingency held by BDC for the project being reduced to 1.5% or £154k. This amount is considered to be insufficient and officers would propose that this is increased to £235k (2.27%) to enable a more realistic contingency to support the project.

Taking into account the impact of the negotiated additional costs the revised capital project funding required to enable the replacement centre to be developed is £13.7m.

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- 3.8 As noted at 3.4 there have been a number of additional cost pressures that were not anticipated in July 2014 and were shown as key assumptions and/or project risk. These are detailed below:

Unusual Ground Conditions: The project and cost plans had assumed throughout the feasibility study period that the ground conditions would be suitable to develop a new build leisure centre with limited remedial costs. However, following the removal of trees, demolition of Blackmore House, detailed site surveys and inspections, the groundwork packages have highlighted additional costs associated with the remediation/preparation of the site for construction works.

The overall site levels have proved to be challenging to work with due to the gradient and makeup of the materials on site. This has resulted in the design of the car park being split across two levels as opposed to a single level flat car park to provide a safe, DDA and building regulation compliant layout. This has unfortunately increased the amount and scope of the foundation solution and retaining walls required and a revised cut and fill model is needed to make up the land once the construction phases are progressed.

An option was considered for utilising the future development land to reduce the overall impact of the levels by changing the car park layout and design. However, it was discovered that the loss of future development land would heavily impact the business model as it would reduce the land value that would be received by the Council.

Retaining Wall Costs £'000	Cut & Fill Costs £'000
251	195

Utility Supplies: Within the original cost plan prepared in July 2014 it was assumed that existing utility supplies and services were sufficient and there would be no large scale costs associated with the site connections.

As the design progressed and the power requirements became clearer we were notified by Western Power that there would be a need for a new substation for the centre as the current substation installed approximately 15 years ago did not have sufficient capacity left within it following recent developments in the area. Furthermore we were informed that this substation would need to be placed a minimum of 9.5meters away from building based on recently revised guidelines which again increases costs.

Severn Trent water have advised that the existing mains supply will require upgrading to meet the needs of the centre. This is due to the original building supply being fed from Well Lane at the rear of the site

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which would no longer be practical given the site of the new car park. Members should be aware that the main supply upgrade in the highway is to be paid for by Severn Trent, with BDC's additional cost being incurred to connect to the new main.

Western Power Cost £'000	Severn Trent Costs £'000
75	3

Inflation - During the inception of the project an inflation allowance was allocated of 7.1% for the period up to midpoint of construction. The actual impact of inflation is now circa 9.8% based on the upturn in the construction sector in general. This is as a result of the increased cost of materials together with the large number of Swimming Pools and Leisure Centres that are being replaced across the Country. Many of this were initially built in the 1960's and 1970's using concrete construction method, this has led to the supply chain being able to be much more assertive in the market place and charging premium rates for specialist services.

Description	Budget £'000	Actual £'000	Difference £'000
Inflation Allowance	511 (7.1%)	794(9.8%)	283

Total Excluded Costs

Area	Cost £'000
Retaining Wall	251
Revised Cut/Fill	195
New Substation	75
Water Supply	3
Inflation Impact	283
Total	807
Overhead and Profit @ 3.5%	28
Design & Build Contingency @ 2.5%	20
Total	855

Members will note that the above costs are higher than the additional funding request at £700K, this is due to the additional saving that have been generated on other works package and thus the full amount of £855,000 is not required to progress the scheme.

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1st June 2016

3.9 As members will be aware this project is part funded through a Sport England Strategic Facilities grant, as such the team working with us have been part of this process and have played a full role in the work that has been undertaken. We can confirm to elected members that the costs involved in this project are accepted by Sport England and the Project Team in that they reflect the current market position with regard to the construction of sports and leisure facilities.

The square meter rates we have received reflect the recent changes in the market place and the large number of Sports & Leisure Centre currently under construction or about to commence.

It is understood that Sport England is currently involved in 50 such projects across the country. MACE, our project managers, are working on over 5 such schemes at present and we have been informed that between the middle of May and June 16 at least 4 new sites will be opening.

All of these factors contribute to the increased inflation costs in this sector and the need for additional funding.

The following table shows the changes in square meter rates over the period of this project:

Date	Square Meter Rate for Wet & Dry Facility – £	Difference – £
July 2014 – Project go ahead & assumed rate	2,420	150
April 2016 – Contract Submission	2,570	230
May 16 – Current assumed rate for new projects	2,800	N/a

3.10 In order to secure the current offer from the contractors and avoid any additional inflation costs that are predicted with a particular focus on steel prices, the Council need to be a position to sign the construction contracts as a matter of urgency, as package costs will only be held for a limited period.

Therefore, this report has been brought back to members for their urgent attention as soon as possible in order to confirm the contractors offer before it is subject to further inflationary pressure.

Although the increased cost of the replacement centre is frustrating, these issues have been very robustly challenged by the project team and responded to by the main contractor in a positive manner.

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1st June 2016

In addition following the in depth review of the proposed costs and an exercise to review the potential cost that the contractor who came second at stage 1 of the procurement exercise could offer, we are comfortable that the offer provided is robust and offers good value for money to BDC and Sport England and that they should remain as the preferred contractor.

- 3.11 With regard to the overall programme the project was scheduled completion in August 2017 with an indicative opening in September 2017. Given we have suffered from a delay currently of 8 weeks due to the contract fee reviews and then need to update members on this matter, the programme will be reviewed again subject to member agreement to progress with an indicative opening of the new site being Autumn 2017.

Financial Implications

- 3.12 As noted previously in this report and as members will be aware the budget set for the replacement of the Dolphin Centre was £11.5million from BDC and £1.5million form a Sport England grant to give a total project cost of £13 million.
- 3.13 The Council's £11.5 million funding was made up as follows:

Area	£'000
Prudential Borrowing	9,600
Land Receipt	1,800
Balances	100
Total	11,500

- 3.14 As covered in Section 3.7 the contractor's price submission and the need to increase the projects contingency fund means that there is a need for an additional £700,000 to be made available for this project to progress.
- 3.15 Following a review of the facility mix agreed within the January 2016 Cabinet Report and the submission of the contractors financial proposal, officers requested that the prudential borrowing position be revisited as part of a final review of the business case. The resulting income levels now anticipated from the larger site to be provided have increased the level of prudential borrowing based on costs of approximately £436k for the provision of the Dolphin Centre.

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Final Business Case – May 2016	£'000
10 year forecast (Average net revenue)	92
Improvement compared to current revenue position	528
Prudential borrowing potential at May 2016 (based increased facility mix)	10,565
Original borrowing approved at July 2014 (based reduced facility mix)	9,536
Difference to original assumed borrowing	1,029

- 3.16 Based on this revised level of prudential borrowing there would be no detrimental impact on the Medium Term Financial Plan should the income levels be achieved as expected.
- 3.17 The other opportunity to fund the level of addition cost would be through releasing general fund balances. The balances position is currently £4m and, taking into account the approved draw down as part of the current 3 year financial plan, further reduction of £700k would leave approximately £2m. This would be subject to any additional draw down or increase as a result of the 2015/16 financial outturn.
- 3.18 Members should also be aware that officers will also continue to work with the design team and main contractors prior to signing a contract (should the budget increase be agreed by members) with a view to transferring any additional saving that can be achieved into the contingency fund in order to ensure no further changes will be required to the overall cost plan.

At the end of the project any contingency that was not required for the project will be returned to balances.

- 3.19 Current costs associated with bringing this forward to this stage excluding land purchase costs stand at £1,509 million. As covered in the risk section of the July 14 Committee Report, should the Council not progress with the project past this point, these costs would need to be funded from balances and therefore there would be additional challenges to the Council to ensure the financial plan of the Council is balanced in the longer term.

Legal Implications

- 3.20 There are no direct legal implications contained within this report over and above those already covered in the Committee Reports of July 2014 and January 2016.

Service / Operational Implications

- 3.21 There are no direct service/operational implications contained within this report. The contractors offer is based up an element of Value Management being undertaken to deliver the contract sum. However this will not change the scope of the project and/or have a negative impact on the quality of services to be provided.
- 3.22 Members should be aware that should they not wish to agree to the additional funding associated with this project that the procurement of the Project and Design Team allows for BDC to terminate the agreements at this stage in such circumstances on a cost incurred up to this point basis.

Customer / Equalities and Diversity Implications

- 3.23 There are no direct Customer, Equality or Diversity Implications contained within this report. However the examples provided in the initial report have all been designed into the final layouts to ensure the services on site are as diverse and user friendly as possible.

4. RISK MANAGEMENT

There are no direct risks associated with this report over and above those contained within the initial information provided to members. Should the construction phase progress a construction risk register will be created to supersede the design risk register that is currently in use.

5. APPENDICES

None

6. BACKGROUND PAPERS

Dolphin Centre Replacement Report – 2nd July 2014
Dolphin Centre Replacement Report – 6th Jan 2016

AUTHOR OF REPORT

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CABINET

1st June 2016NEW HOMES BONUS COMMUNITY GRANTS SCHEME

Relevant Portfolio Holder	Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering (Exec Director)
Wards Affected	All
Ward Councillor Consulted	None specific

1. SUMMARY OF PROPOSALS

- 1.1 To enable Members to consider a revised New Homes Bonus (NHB) Community Grants Scheme to enable community groups to apply for funding from the New Homes Bonus grant received by the Council.

2. RECOMMENDATIONS**2.1 Cabinet are to recommend;**

- 2.1.1 The approval of the revised New Homes Bonus Community Grants Scheme as attached at Appendix 1;**
- 2.1.2 The approval of 25% of the additional New Homes Bonus grant received in 2016/17 to be used to calculate the amount of £101k to be allocated to the scheme; and**
- 2.1.3 An additional amount of £23,840 to be added to the total allocation in respect of funds carried forward from the previous year's scheme.**

3. KEY ISSUES**Financial Implications**

- 3.1 As Members are aware the decision on the scheme supporting the New Homes Bonus allocation for 2016/17 was deferred to enable a review of the funding position for the Council within the Medium Term Financial Plan. The allocation of £101k was agreed at Council in February 2016 and the 2016/17 budget was approved to include this level of funding. There was no requirement to draw down from balances to support the balanced budget for 2016/17.
- 3.2 Officers have reviewed the financial position for 2017/18 and the deficit of £626k as reported to the Council meeting in February 2016 as projected within the Medium Term Financial Plan. This shortfall is currently being addressed by the management team with the aim to identify savings to bridge the gap through costing the demands on the

organisation and reducing waste to improve efficiency and drive down costs. As part of the redeveloped Leisure Centre the net cost to the Council is estimated to reduce by approximately £200k. This will reduce the projected deficit to £426k. Should no further savings be identified, the current level of balances could be released to meet any remaining shortfall. This would lead to the Council having a balanced budget for both 2016/17 and 2017/18, including £101k for New Homes Bonus schemes in 2016/17 and £79k in 2017/18. The current projected balances figure as projected to 2001819 is £2.7m which is £1m more than the recommended balance and therefore funds are available without impacting on the viability of the balances funds. It is uncertain as to the impact of the localisation of Business Rates and the potential impact on the medium term plan until the guidance and legislation are released later this year. Therefore officers will continue to work to address the current shortfall projected for 2018/19.

- 3.3 The New Homes Bonus Scheme was introduced by Government April 2011. The bonus was designed to ensure that the economic benefits of housing growth are returned to the councils where that growth takes place. The NHB is a grant paid by central government to local councils for increasing the number of homes in their area and their use. In two tier areas, like Worcestershire, the bonus is shared between the district council and county council (80% District: 20% County). At present NHB is not ring-fenced and councils can decide how they use the New Homes Bonus, however, there is an expectation that Councils will consult communities about how we will spend the money. The scheme is intended to be permanent however as with all financial funding this can change in the future.
- 3.3 As part of the Financial Settlement Announcement in December 2016 the Government proposed a number of changes to the NHB Scheme which would reduce the allocation granted to Councils. The proposals are included in a consultation document that closes in mid-March and the Council will be formulating a comprehensive response in relation to the significant reductions in funding that are proposed and the impact these will have on the Council over the next few years.
- 3.4 The proposals to change the NHB Scheme include changing the payments from 6 to 4 years, reduce NHB where there is no local plan, where homes have been allowed on appeal or where the growth would have occurred anyway. It is worth noting that the payment of £1.7m may reduce by the following over the next 4 years:

£000's	2017/18	2018/19	2019/20	2020/21	Total
Bromsgrove	542	531	523	663	2,259

- 3.5 Following the petition to Council in April 2014 in relation to the use of NHB, Members agreed that a scheme for allocating funds to communities affected by growth would be available for 2015/16. A fund of £87k was allocated based on 25% of new grant received during the year and a number of groups secured £63k of funding through this framework. Details of those grants received are set out below:

Installation of 5 Painted Steel Benches	Cofton Hackett Parish Council	£2,000
New chairs	Cofton Village Hall	£2,000
4 New Planters	Cofton Hackett Parish Council	£1,100
New Junior Cricket Ground	Bromsgrove Cricket Club	£1,500
Replacement Bus Shelter	Catshill & North Marlbrook Parish Council	£3,500
Improvements/Replacement/Repairs to Scout Hut	6 th Bromsgrove Scouts	£3,000
Catshill Village Meadow Multi Use Facility	North West Ward Association	£2,560
Improvements to Toilet Facilities	Belbroughton Recreation Centre	£2,500
Artificial Wicket	Belbroughton Cricket Club	£2,500

Club House Enhancement	Hagley Cricket Club	£10,000
Improvements to Club Facilities (Phase 1)	Hagley Lawn Tennis Club	£15,000
Alterations to new venue for youth activities.	Alvechurch Communities Together	£12,500
Refurbishment of Two Rooms to Provide Further Patient Access	Hollyoaks Medical Centre	£5,000

- 3.6 It was agreed that the underspend of £24k would be carried forward to increase the available funding for 2016/17. Using the NHB for 2016/17

of £101k this would result in a total available funding of £124k for bids to be considered by the NHB Panel.

- 3.7 As part of the review of the scheme officers have assessed how other Councils allocate funding and it is proposed that funding is allocated on the basis of the homes that have been completed in a particular area during 2014/15, as this is the most recent complete year of data being available. It is appreciated that this would not take into account homes that have been brought back into use nor would it reduce allocations for empty/ void properties. It is considered that this allocation basis, as used by other Councils, would be the fairest way to ensure a consistent framework for all communities who have been affected by growth.
- 3.8 Appendix 2 details the breakdown from the planning system of properties and it is proposed that this is used for the allocations of the £124k during 2016/17. The bidding process remains similar to 2015/16 in that there are different levels of form required to be completed by the groups for consideration.
- 3.9 Appendix 1 reflects the revised policy to include allocation of funds on the basis of growth in an area for Members' consideration.
- 3.10 Should the new allocation policy be approved the bidding process will commence in the new financial year.
- 3.11 Members will be kept updated as to any changes in funding for NHB following the consultation feedback.

Service / Operational Implications

- 3.12 The allocation of funding will support the provision of projects within local communities and do not impact on the operational services provided by the Council.

Customer / Equalities and Diversity Implications

- 3.13 The scheme will support all communities that are affected by growth.

4. RISK MANAGEMENT

- 4.1 An annual scheme based on the additional funding received from NHB for each financial year will mitigate the impact on the Medium Term Financial Plan and ensure that should NHB be revised in the future there is no future commitment from the Council.

5. APPENDICES

Appendix 1 – Revised Draft NHB Community Grants Scheme
Appendix 2 – Allocation table of funds by Wards.

CABINET

1st June 2016

AUTHOR OF REPORT

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BROMSGROVE DISTRICT COUNCIL

New Homes Bonus Community Grants Scheme 2016/17 Explanatory Notes



Bromsgrove
District Council
www.bromsgrove.gov.uk

CONTENTS

1. Introduction – where does the NHB fund come from?
2. Who can apply for a grant?
3. What are the criteria for awarding a grant?
4. The Council's Strategic Purposes.
5. Who determines grant applications?
6. How grants are paid and any conditions attached to them.
7. What happens if a bid isn't successful?
8. The Grant Application Process Timetable.
9. Contacts and where to find more information.
10. Supporting Documentation

DRAFT

1. Introduction - Where does the New Home Bonus come from?

The New Homes Bonus is paid annually by the government as an incentive to communities and councils to welcome new housing. At present, for a period of six years following the year the house was built, the council receives a grant that is payable on those new homes plus any homes that were empty and have been brought into use. As part of the announcement on the Financial Settlement 2016/17-2019/20, the Government has confirmed that there will be changes to the New Homes Bonus Scheme which will reduce the available funding for future years. There is a commitment to retain the funding for 2016/17 as originally anticipated but a number of changes are included in a consultation document that is to be responded to by mid-March 2016. This includes reducing the scheme payments from 6 to 4 years, withdrawing homes that are built following an appeal and setting a baseline for growth that Councils will have to exceed before funding is granted. All of the changes will have a significant impact on Bromsgrove Council and therefore any scheme for allocation will have to be closely monitored to address the impact of change in funding streams.

At present, the New Homes Bonus is announced alongside our annual financial settlement. In two tier areas, like Worcestershire, the bonus is shared between the District Council and the county council (80% / 20%). The District Council therefore receives 80% of the total New Homes Bonus. This may also change as part of the final scheme following consultation.

At present, the grant is not ring fenced and therefore the Council is free to decide how to use the grant. There has been encouragement from Central Government for the funding to be utilised within communities however this does not form any legislative requirement.

For the financial year 2016/17 the Council has once again decided to make part of the New Homes Bonus available for a New Homes Bonus Community Grants Scheme.

Bromsgrove District Council has agreed that the allocation available for the scheme is to be £101,000 (25% to be based on the District Council grant which will be received in 2016/17 which is attributed solely to the increase in funding from that received in 2015/16). No allocation will be made from the New Homes Bonus that is being paid for previous years. However, £23,840 remains unallocated from the 2015/16 scheme and as agreed, will be added to the 2016/17 allocation, giving a total of £124,840.

Funding this year has been allocated to each Ward (see appendix A) and that allocation has been calculated as follows:

£124,840 divided by the total number of new houses completed in 2014/15, 228 giving a figure of £547.54 (rounded up to £548) per house. The number of new

houses completed in each Ward was then multiplied by that figure to give an allocation per Ward. The 2014/15 completed houses has been used as the basis due to the fact that this is the most recent full year of information. It is appreciated that this does not take into account properties that were empty and have been brought back into use or show a reduction for properties that are now empty.

This Scheme will run for 12 months and be reviewed as part of the budget process for the financial year 2017/18.

2. Who Can Apply for a Grant?

The funding is available for communities that have been affected by growth. These are detailed in Appendix 1 to these guidance notes together with the amount allocated to each Ward.

The New Homes Bonus Community Grants Scheme is intended for not-for-profit groups, such as voluntary organisations, residents' groups, community groups and associations including Parish Councils within those areas affected. Organisations outside the District may also apply where they are delivering projects/activities that benefit the District.

Grants will not be paid to individuals.

You will need to provide full details of your organisation when completing the application form. This form will also need to be signed by your local Ward Councillor to show that you have his/her support for your project.

3. What are the Criteria for Awarding a Grant?

Projects should be substantial and sustainable and provide a legacy for the areas in which they are located whilst also being in line with the Council's strategic purposes (detailed at section 4 of these explanatory notes). The key element of these criteria is ensuring that funded projects complement the Council's long term strategic priorities.

Each organisation may bid for the maximum allocation for its particular Ward (as per Appendix A). Applications in excess of £3.5k will need to provide a more detailed application and will need to provide supporting documentation including a business plan. Councillors will not usually consider more than one application from the same organisation within the 12 month period unless they are clearly for separate projects.

Priority will be given to applications according to the following criteria:

- Meet at least one of the Council's strategic purposes (see section 4 for full details.)
- The impact of growth on the relevant area
- Proposals demonstrate the basis of need or demand as well as the benefits
- Projects must be sustainable.
- All applicants agree to acknowledge the Council as a funder of the project.
- All funded projects keep full records of their activities and how the grant has been spent
- Proposals should outline how they will address the impact (actual and anticipated) of growth.
- The names of other organisations that have been approached for funding.
- The total cost and timescales of the project.
- The communities that will be served by the project.
- Support from the Ward Councillor

4. Bromsgrove District Council's Strategic Purposes

Our Strategic Purposes for Bromsgrove

Help me to live my life independently

Help me to be financially independent

Keep my place safe & looking good

Help me find somewhere to live in my locality

Help me run a successful business

Provide good things for me to see, do & visit

Support services enable us to deliver our purposes

Bromsgrove District Council
www.bromsgrove.gov.uk

For more information view the Council Plan at:
<http://www.bromsgrove.gov.uk/cms/council-and-democracy/council-plan.aspx>

The infographic features a central photograph of a family (a man, a woman, and three children) surrounded by seven speech bubbles, each containing a strategic purpose. The background is a light green gradient. At the bottom, there is a dark green banner with white text and the council's logo.

5. Who Determines Grant Applications?

Officers of the Council will assess applications to ensure they satisfy the criteria for eligibility, whether any further information is required and whether costs are realistic relative to the proposals and the funds available.

Applications which are clearly ineligible or inappropriate may be rejected with the agreement of the Chairman of the New Homes Bonus Community Grants Panel. Otherwise officers will prepare a report for the Panel, summarising each bid and making a recommendation.

The New Homes Bonus Community Grants Panel, comprising of Councillors (the Portfolio Holder for Finance and Resources together with a representative from each political group) will meet in July. They are supported by officers and the meeting will be held in public.

Applicants will be invited to attend the meeting and be given the opportunity to make a short presentation to the Members.

The New Homes Bonus Community Grants Panel will then make a recommendation to the Council's Cabinet. Any interested party can make representations in writing, which will be reported to Cabinet. The Cabinet meetings are also open to the general public.

A full timetable is detailed at section 7 of these explanatory notes and sets out the exact dates of when the invitation for applicants will be opened and the closing date for applications, together with details of when the New Homes Bonus Community Grants Panel recommendations will be considered by Cabinet. Following approval of those recommendations the successful applicants will be contacted and provided with details of when the monies from successful bids will be paid.

6. How Grants are Paid and any Conditions attached to them.

A funding agreement will be signed and will include standard conditions, for example:

- Timescales for the project and a schedule of funding payments
- That the contribution made by the NHB Grants Scheme must be clearly identified to the local community.

Other conditions of funding may be included, depending on the nature of each project. All projects must be completed by the end of the financial year 2016/17 unless otherwise agreed by the New Homes Bonus Community Grants Panel.

If part-funding is agreed proof must be given as to where the other money is coming from.

A payment schedule will be agreed as part of the Funding Agreement for each successful application. Dependent upon the amount of the grant this could be phased to meet the forecast spend of the project or a one off payment for a small project.

Monitoring requirements will be dependent on the size and scale of the project and will be agreed for each individual project as part of the conditions of the funding. Any phased payments would be released subject to satisfactory monitoring/progress.

If the proposed project fails any funding already paid and not utilised must be returned, it cannot be transferred to another project.

7. What Happens if a Bid is not successful?

If a bid is not successful you will be advised and given the reasons. In exceptional circumstances the Panel may request some more information and offer to reconsider the bid at a future meeting.

There is no appeals process, however if you are refused a grant you can still apply for future/alternative projects providing they meet the Council's criteria.

8. The Grant Application Process Timetable

Date Applications Open	Date Applications Close
9.00 a.m. Monday 20th June 2016	5.00 p.m. Friday 29th July 2016

Date of New Homes Bonus Grants Panel Meeting	Date of Cabinet Meeting
4.00 p.m. on Tuesday 16th August and (if required) 4.00 p.m. on Wednesday 17th August 2016	6.00 p.m. Wednesday 7th September 2016.

9. Contacts and Where to find more information

New Homes Bonus Community Grants Panel Members

Councillor Representative from each political group
Portfolio Holder for Finance and Resources

Supporting Officers

Jayne Pickering – Executive Director, Finance and Resources
Amanda Scarce – Democratic Services Officer

10. Documentation

Application Form - Small grants up to £3.5k
Application Form - Large grants over £3.5k and no more than £35k
FAQs
Timeline

Ward Name	Dwelling Capacity of site	Total Completions up to 31st March 2015	Completed during 2014/15	Amount of NHB Grant per Ward (£548 x Completed during 2014/15)	Under Construction during 2014/15
Alvechurch South Ward	8	3	3	1,644.00	4
Alvechurch Village Ward	1	1	1	548.00	0
Aston Fields Ward	6	0	0	0.00	6
Avoncroft Ward	37	13	13	7,124.00	24
Barnt Green and Hopwood Ward	2	2	2	1,096.00	0
Belbroughton and Romsley Ward	39	20	10	5,480.00	18
Bromsgrove Central Ward	2	2	2	1,096.00	0
Catshill North Ward	2	2	2	1,096.00	0
Catshill South Ward	84	40	27	14,796.00	43
Cofton Ward	3	2	2	1,096.00	1
Drakes Cross Ward	2	0	0	0.00	1
Hagley East Ward	248	26	26	14,248.00	73
Hagley West Ward	14	10	10	5,480.00	4
Hollywood Ward	1	1	1	548.00	0
Lickey Hills Ward	9	5	5	2,740.00	3
Marlbrook Ward	1	0	0	0.00	1
Norton Ward	6	6	6	3,288.00	0
Perryfields Ward	30	0	0	0.00	30
Rock Hill Ward	4	4	4	2,192.00	0
Rubery North Ward	4	4	4	2,192.00	0
Rubery South Ward	20	4	4	2,192.00	16
Sanders Park Ward	23	17	17	9,316.00	6
Sidemoor Ward	21	7	7	3,836.00	14
Slideslow Ward	25	18	18	9,864.00	7
Tardebigge Ward	187	72	64	35,072.00	91
TOTAL:	779	259	228	124,944.00	342

$\text{£}101,000 + \text{b/f } \text{£}23,840 = \text{£}124,840 \text{ divided by } 228 = \text{£}547.54 \text{ (}\text{£}548\text{)}$

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