

CABINET

10th SEPTEMBER 2015

Report of the Chief Executive

Devolution, Decentralisation & Collaboration “Proposals for a West Midlands Combined Authority”

EXEMPT INFORMATION

Not applicable

PURPOSE

1. To set out the key issues relating to the Government’s devolution agenda.
2. To update Cabinet on the proposals to establish a West Midlands Combined Authority (WMCA) by 1st April, 2016 and the development of a devolution deal.
3. To update Cabinet on discussions with Staffordshire local authorities on their ambitions, intentions and proposals relating to the devolution agenda.
4. Subject to the outcomes from discussions on 1 and 2 above, to approve the WMCA Governance Review and Scheme and to receive any further information from both the WMCA and Staffordshire proposals relating to devolution.

RECOMMENDATIONS

1. Cabinet are requested to:
 - a) Consider its response to the invitation to become a non-constituent member of the proposed West Midlands Combined Authority (WMCA);
 - b) Recommend to Council whether to accept or decline the invitation as referred to in a) above;
 - c) Approve the Governance Review and Scheme* (**attached as Appendix 2 & 3**) subject to the outcome of b) above;
 - d) Authorise the allocation of £10,000 from existing revenue budgets as this Council’s contribution to the WMCA set up costs in 2015/2016 subject to the outcome of b) above;

- e) Continue to receive information and details relating to proposals arising from Staffordshire associated with the government's devolution agenda; and
- f) Authorise the Leader of the Council and the Chief Executive (or their nominated deputies) to represent the Council on relevant and appropriate bodies associated with the WMCA.

* In the event that the Scheme remains in 'draft' form, Members are asked to approve in principle and to authorise the Chief Executive and the Leader of the Council to amend the draft as necessary. Any material amendments to be reported to Members.

EXECUTIVE SUMMARY

Introduction

The complexity of the subject matter in this report is matched only by the significance of the outcomes. The author and Leader of the Council have sought to incorporate all relevant information even that still under development. It is structured as follows:

Appendix 1 – sets out the details relating to the entity – a Combined Authority; the rationale behind its establishment and the purpose and principles that have unified the Constituent Members, the three Local Enterprise Partnerships and the districts and boroughs within the Functioning Economic Market Area (FEMA).

Appendix 2 – sets out the outcomes 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. This is a statutory process and a pre-requisite to enabling the creation of either a Combined Authority or Economic Prosperity Board. **The review recommends the establishment of a West Midlands Combined Authority.**

Appendix 3 – sets out in broad terms the scheme for the establishment of a Combined Authority for the West Midlands. In essence, the Terms of Reference for the entity. **N.B: At the time of lodging the report on Mod.Gov, this document was a 'work in progress'. In the event that this remains the case when considered by Cabinet/Council, Members will be recommended to "approve in principle" subject to final amendments.**

Appendix 4 – provides details of the scope of the proposed Combined Authority.

Appendix 5 – provides details of the key economic linkages with Tamworth Borough Council.

A Combined Authority (CA) is a local government structure. It is 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 & Construction Act 2009** together with Economic Prosperity Boards. The power to establish a CA currently extends to England only.

Local Authorities must trigger a Governance review process in advance of seeking to establish a CA however, in any event, the power to authorise the creation of a CA rests with the Secretary of State via the application of a statutory instrument. The functions and membership details relating to a CA must be specified in the order setting it up. The main body of the report attached as **Appendix 1** sets out the details that clarify this Council's position.

In the case of the proposed WMCA, the seven Metropolitan Boroughs of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have made a formal commitment based upon a set of agreed principles to develop a proposal to establish a Combined Authority by 1st April, 2016. A "Statement of Intent" setting out the shared ambitions, intentions and approach was published on 5th July, 2015. Whilst the boundary of a Combined Authority is that of its constituent membership the ambition of the West Midlands proposal is that the approach and collaboration extend across the functioning economic market area which spans the geographies of the three existing Local Enterprise Partnerships:- **Greater Birmingham & Solihull; the Black Country and Coventry & Warwickshire**. The scope is set out in **Appendix 4**.

The summary purpose of the CA is to:

- Deliver conditions for businesses to flourish;
- Create more skilled and better paid jobs;
- Attract sustainable investment into the area;
- Substantially improve health and wellbeing outcomes; and
- Reform public services.

The statement of intent also sets out key objectives to increase competitiveness and productivity and for the West Midlands to be a driver for growth nationally.

Tamworth Borough Council has been invited to join the WMCA along with all other District and Borough Councils in the Greater Birmingham & Solihull and Coventry & Warwickshire Local Enterprise Partnerships. This report and appendices sets out the key issues for Members to consider when deciding upon their response to the invitation.

Members are also asked to consider any outcomes from the discussions across Staffordshire that may also be of interest to Tamworth – the place and the people.

OPTIONS CONSIDERED

As previously reported, there are no other options likely to impact upon the borough to the same degree. The ongoing discussions across the County on devolution are not viewed as an 'alternative' but as an additional opportunity potentially.

RESOURCE IMPLICATIONS

The high level, intense work load associated with ensuring that the Council is fully engaged in the development of the Devolution Deal and the other key work streams is proving difficult to sustain. This situation is exacerbated by the vacant post on CMT. This is despite the excellent support and contributions from Andrew Barratt, Rob Barnes and Matt Bowers.

From a financial perspective and subject to the Council's decision on the invitation, each District or Borough wishing to take up non-constituent membership have been asked to contribute £10k towards the set up costs. The funding will be identified from within existing revenue budgets for 2015/2016. Any further funding required will be considered as part of the formal Budget process.

LEGAL/RISK IMPLICATIONS

Details of the legal provisions relating to CAs are set out in the report. The basis of current work is the Local Democracy, Economic Development and Construction Act 2009. Reference is also made in the main report to the **Cities and Local Government Devolution Bill** which was introduced in May 2015. It will shortly pass before the House of Commons having had its third reading last month.

SUSTAINABILITY IMPLICATIONS

The organisation is moving into its final stage of its transformation programme as set out in the **Sustainability Strategy**. The primary objectives set out in the WMCA Statement of Intent directly align with the Council's corporate plan and Sustainability Strategy. These will combine to support the overall achievement of this Council's vision and shared priorities.

BACKGROUND INFORMATION

- Queen's Speech
- Cities and Local Government Devolution Bill
- DCLG Briefings
- Greater Manchester Combined Authority
- WMCA Statement of Intent

BACKGROUND PAPERS

- Relevant legislation

- Cabinet Reports/Minutes 9th July 2015
- Cross Party Briefing Papers
- WMCA Work Stream Files
- WMCA Programme Board Files
- GBSLEP Economic Plan
- Letters of support – 3 LEP Chairs

REPORT AUTHOR

Anthony E. Goodwin
Chief Executive &
Executive Director
Community Services

This page is intentionally left blank