

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	COUNCIL	
Report of:	LEADER	
Date of Decision:	15 SEPTEMBER 2015	
SUBJECT:	TOWARDS A COMBINED AUTHORITY	
Wards affected:	ALL	

1. Purpose of report:
<p>1.1 This report outlines progress on developing a Combined Authority (CA) and presents the current draft of the proposed “scheme” for the CA, following the governance review, public engagement and ahead of submission to Government. It also seeks approval for the Leader of the Council to agree the final scheme to submitted to Government for its consideration in October.</p>

2. Decision(s) recommended:
<p>That Council:-</p> <p>2.1 Notes the draft report of the Governance Review which has reviewed the proposed area and assessed the functional economy (Appendix 1).</p> <p>2.2 Approve the current draft scheme which is being considered by Councils who will form the Combined Authority (Appendix 2).</p> <p>2.3 Authorise the Council Leader and the Chief Executive to agree the version of the scheme for the establishment of a CA which will be submitted to Government for consideration in October.</p> <p>2.4 To note that the final proposal to establish a West Midlands Combined Authority will be presented to Full Council in April 2016.</p>

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3. The Governance Review and Scheme

- 3.1 A draft of the governance review was used as the basis of an engagement process which took place during August 2015. This involved writing to a representative sample of 465 stakeholders comprising key private sector employers, public sector bodies and third sector organisations; the establishment of an on-line survey to collate the views of parties whose views were requested, and a number of briefings with the business and third sector communities. (It should be noted that a wider engagement process, in which the public can express its views, will take place when the Department of Communities and Local Government formally consults later in the autumn on the draft scheme for the Combined Authority.)
- 3.2 The on-line survey was completed by over 300 respondents and had free text fields for general comments together with 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.
- 3.3 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 60% of respondents agreeing or strongly agreeing with Combined Authority purpose and proposals.
- 3.4 In conclusion, the recommendation of the review (see Appendix 1) 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.
- 3.5 A draft “scheme” (see Appendix 2) sets out the basis on which the Combined Authority will work in practice – the proposed voting arrangements and so on. Some matters are yet to be fully resolved as potential members of the Combined Authority are yet to finally commit to joining. Also, this is an interim working arrangement due to the fact that the new legislation is still going through Parliament which will affect the structure of the CA.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

The recommendations are fully consistent with the Council's policies.

Working at City Region level was supported in the Leader's Policy Statements adopted by Full Council in 2013, 2014 and 2015, as part of our "triple devolution" approach to governance.

The Council's White Paper, "Planning Birmingham's Future & Budget Consultation 2014-15" in Dec 2013 proposed the creation of a Combined Authority.

The "Birmingham City Council Business Plan 2015 +" adopted by Full Council in March 2015 committed the Council to "to develop a Combined Authority with partners in the Black Country, Greater Birmingham and elsewhere".

4.2 Financial Implications

The financial implications associated with the establishing of a new Combined Authority will be addressed in subsequent reports.

4.3 Legal Implications

In accordance with Section 108 of the Local Democracy, Economic Development and Construction Act 2009 a governance review in relation to a potential Combined Authority has addressed the effectiveness and efficiency of:

- (a) transport within the area covered by the review and
- (b) arrangements for economic development and regeneration within the review area.

4.4 Following consideration of the proposed scheme by Government, a report will be brought to Council in April 2016 when final approval is required to become a constituent Member of a potential Combined Authority.

4.5 Public Sector Equality Duty (see separate guidance note)

An initial Equality Impact Assessment has been completed for the strategic governance review and will be updated accordingly throughout the consultation process. This part of the process is overseen by the CA Programme Office at Wolverhampton City Council.

5. Relevant background/chronology of key events:

Existing governance arrangements

5.1 The seven Local Authorities in the West Midlands metropolitan area have a long history of collaboration at a scale that reflects the 'functional economic geography' of the area.

Creating a Combined Authority

5.2 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 (ie it so not a statutory consultation), but is seen as good practice to ensure stakeholder views are understood; this and step 1 is complete and the current draft of the review is attached as appendix 1.
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. The current draft scheme is attached as appendix 2
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. The proposal will be sent to the Secretary of State in October 2015 and this part of the process should be complete by April 2016.

5.3 The proposed West Midlands Combined Authority:

- (i) First and foremost is the administrative form by which local authorities can act together to deliver their economic and transport functions – and co-ordinate the functions that deliver them;
- (ii) The plan is to give it the wider remit of overseeing and co-ordinating the reform of certain aspects of the public sector across the region;
- (iii) It will not take powers away from local councillors and the communities they serve. The individual councils will remain and operate as they do now. They remain sovereign.

6. Evaluation of alternative option(s):

6.1 The governance review considered the main options available.

1 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 highlighted in this review would be missed.

2 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.

3 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.

7. Reasons for Decision(s):

7.1 To enable the submission of a Combined Authority Scheme to Government

Signatures	<u>Date</u>
Council Leader
Chief Executive

List of Background Documents used to compile this Report:

List of Appendices accompanying this Report (if any):
<ol style="list-style-type: none"> 1. West Midlands authorities' draft statutory Governance Review 2. Scheme for the establishment of a Combined Authority for the West Midlands

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.

5	The relevant protected characteristics are: (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation
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