

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

CITY COUNCIL

TUESDAY, 15 SEPTEMBER 2015 AT 14:00 HOURS
IN COUNCIL CHAMBER, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING

Lord Mayor to advise that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs.

The whole of the meeting will be filmed except where there are confidential or exempt items.

5 - 14

2 MINUTES

To confirm and authorise the signing of the Minutes of the Annual Meeting of the Council held on 7 July 2015.

3 LORD MAYOR'S ANNOUNCEMENTS

To receive the Lord Mayor's announcements and such communications as the Lord Mayor may wish to place before the Council.

4 PETITIONS

(15 minutes allocated)

To receive and deal with petitions in accordance with Standing Order 8.

As agreed by Council Business Management Committee a schedule of outstanding petitions is available electronically with the published papers for the meeting and can be viewed or downloaded.

5 QUESTION TIME

(90 minutes allocated)

To deal with oral questions in accordance with Standing Order 9(B)

- A. Questions from Members of the Public to any Cabinet Member or District Committee Chairman (20 minutes)
- B. Questions from any Councillor to a Committee Chairman or Lead Member of a Joint Board (20 minutes)
- C. Questions from Councillors other than Cabinet Members to a Cabinet Member (25 minutes)
- D. Questions from Councillors other than Cabinet Members to the Leader or Deputy Leader (25 minutes)

6 **APPOINTMENTS BY THE COUNCIL**

(5 minutes allocated)

To make appointments to, or removals from, committees, outside bodies or other offices which fall to be determined by the Council as set out below:

Independent Remuneration Panel

| Appointee | Term of Office |
|------------------|----------------------------------|
| Subat Khan | 15 September 2015-31 August 2016 |
| | |
| | |

7 **EXEMPTION FROM STANDING ORDERS**

Councillor Valerie Seabright to move an exemption from Standing Orders.

15 - 28

8 **COMMUNITY GOVERNANCE REVIEW - TAKING FORWARD THE PROPOSAL FOR A SUTTON COLDFIELD PARISH COUNCIL**

(25 minutes allocated)

The Leader to move the following Motion:

"That the recommendations set out in the report be agreed"

29 - 82

9 **TOWARDS A COMBINED AUTHORITY**

(25 minutes allocated)

The Leader to move the following Motion:

1 Note the draft report of the Governance Review which has reviewed the proposed area and assessed the functional economy (Appendix 1).

2 Approve the current draft scheme which is being considered by Councils who will form the Combined Authority (Appendix 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.

4 To note that the final proposal to establish a West Midlands Combined Authority will be presented to Full Council in April 2016."

83 - 140

10 **COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE - ADOPTION**

(5 minutes allocated)

The Deputy Leader to move the following Motion:

"That the City Council:

- 1) Approves the adoption of the Community Infrastructure Charging Schedule.
- 2) Approves to commence charging the Community Infrastructure Levy on Monday 4 January 2016."

(1655-1710 break)

141 - 158

11 **REPORT OF OVERVIEW & SCRUTINY 2015/16**

(60 minutes allocated (may be reduced to 55 minutes)

Councillor Majid Mahmood to move the following Motion:

"That the City Council agrees the approach adopted by Overview and Scrutiny and the scrutiny work programme for the year 2015/16."

159 - 160

12 **MOTIONS FOR DEBATE FROM INDIVIDUAL MEMBERS**

(90 minutes allocated)

To consider the attached Motions of which notice has been given in accordance with Standing Order 4(A).



**MEETING OF BIRMINGHAM
CITY COUNCIL
7 JULY 2015**

**MINUTES OF THE MEETING OF
BIRMINGHAM CITY COUNCIL HELD
ON TUESDAY 7 JULY 2015 AT
1400 HOURS IN THE COUNCIL CHAMBER,
COUNCIL HOUSE, BIRMINGHAM**

PRESENT:- Lord Mayor (Councillor Ray Hassall) in the Chair.

Councillors

| | | |
|---------------------|-------------------|----------------------|
| Uzma Ahmed | Eddie Freeman | Victoria Quinn |
| Mohammed Aikhlaq | Matthew Gregson | Hendrina Quinnen |
| Deirdre Alden | Paulette Hamilton | Chauhdry Rashid |
| John Alden | Andrew Hardie | Habib Rehman |
| Robert Alden | Roger Harmer | Carl Rice |
| Nawaz Ali | Barry Henley | Fergus Robinson |
| Tahir Ali | Penny Holbrook | Gary Sambrook |
| Sue Anderson | Des Hughes | Valerie Seabright |
| Gurdial Singh Atwal | Jon Hunt | Rob Sealey |
| Mohammed Azim | Mahmood Hussain | Shafique Shah |
| Caroline Badley | Timothy Huxtable | Mike Sharpe |
| Susan Barnett | Mohammed Idrees | Claire Spencer |
| David Barrie | Zafar Iqbal | Stewart Stacey |
| Vivienne Barton | Ziaul Islam | Ron Storer |
| Bob Beauchamp | Kerry Jenkins | Martin Straker-Welds |
| Matt Bennett | Meirion Jenkins | Sharon Thompson |
| Steve Booton | Brigid Jones | Paul Tilsley |
| Sir Albert Bore | Nagina Kauser | Karen Trench |
| Randal Brew | Tony Kennedy | Lisa Trickett |
| Marje Bridle | Ansar Ali Khan | Anne Underwood |
| Mick Brown | Changese Khan | Margaret Waddington |
| Alex Buchanan | Mariam Khan | Anita Ward |
| Sam Burden | Narinder Kooner | Ian Ward |
| Andy Cartwright | Chaman Lal | Mike Ward |
| Tristan Chatfield | Mike Leddy | Fiona Williams |
| Zaker Choudhry | Bruce Lines | Ken Wood |

City Council – 7 July 2015

| | | |
|----------------------|-----------------|---------------|
| Debbie Clancy | Keith Linnecor | Alex Yip |
| John Clancy | Ewan Mackey | Waseem Zaffar |
| Lynda Clinton | Majid Mahmood | |
| John Cotton | Karen McCarthy | |
| Ian Cruise | James McKay | |
| Basharat Dad | Gareth Moore | |
| Peter Douglas Osborn | Yvonne Mosquito | |
| Barbara Dring | Brett O'Reilly | |
| Neil Eustace | John O'Shea | |
| Jerry Evans | David Pears | |
| Mohammed Fazal | Eva Phillips | |
| Mick Finnegan | Robert Pocock | |

NOTICE OF RECORDING

- 18533 The Lord Mayor advised that the meeting would not be webcast. However, members of the Press/Public could record and take photographs except where there were confidential or exempt items. He added that the electronic voting system was also not in operation.
-

MINUTES

It was moved by the Lord Mayor, seconded and –

- 18534 **RESOLVED:-**

That the Minutes of the Meeting of the City Council held on 9 June 2015, having been printed and a copy sent to each Member of the Council, be taken as read and confirmed and signed.

LORD MAYOR'S ANNOUNCEMENTS

- 18535 There were no announcements.
-

PETITIONS

Petition Relating to City Council Functions Presented before the Meeting

The following petition had been submitted to the Chief Executive prior to the commencement of the meeting in accordance with Standing Order 8:-

(See document No. 1)

It was moved by the Lord Mayor, seconded and

18536 **RESOLVED:-**

That the petition presented before the meeting be received and referred to the relevant Chief Officer.

Petitions Relating to City Council Functions Presented at the Meeting

The following petitions were presented:-

(See document No. 2)

In accordance with the proposals by the members presenting the petitions, it was moved by the Lord Mayor, seconded and -

18537 **RESOLVED:-**

That the petitions be received and referred to the relevant Chief Officers.

Petitions Update

The following Petitions Update was submitted:-

(See document No. 3)

It was moved by the Lord Mayor, seconded and -

18538 **RESOLVED:-**

That the Petitions Update be noted and those petitions for which a satisfactory response has been received, be discharged.

QUESTION TIME

The Council proceeded to consider Oral Questions in accordance with Standing Order 9 (B).

Details of the questions asked are available for public inspection via an audio recording.

APPOINTMENTS BY THE COUNCIL

The following report was submitted:-

(See document No. 4)

Councillor Mike Ward proposed and Councillor Paul Tilsley seconded that Councillor Zaker Choudhry (Lib Dem) serve as a substitute member for Councillor Jon Hunt (Lib Dem) on the ITA Overview and Scrutiny Joint

Committee. There being no further nominations it was –

18539 **RESOLVED:-**

That the following persons be appointed until the Annual Meeting of the Council in 2016 as set out below:-

| <u>Body</u> | <u>Representative</u> |
|---|---|
| <u>Standards Committee</u> New Frankley in Birmingham Parish Council Members | Councillors Eric Carter and Gareth Griffiths |
| ITA Overview and Scrutiny Joint Committee | Councillor John O'Shea (Lab) with Councillor Claire Spencer (Lab) as substitute. Councillor Jon Hunt (Lib Dem) with Councillor Zaker Choudhry (Lib Dem) as substitute. |
| | |

EXEMPTION FROM STANDING ORDERS

It was moved by Councillor Valerie Seabright, seconded and

18540 **RESOLVED:-**

That, pursuant to a CBM discussion, Standing Orders be waived as follows:

- Allocate 15 Minutes for item 8 (Report of the Licensing and Public Protection Committee).

LICENSING ACT 2003 – STATEMENT OF LICENSING POLICY

The following report of the Licensing and Public Projection Committee was submitted:-

(See document No. 5)

Councillor Barbara Dring moved the motion which was seconded.

A debate ensued to which Councillor Barbara Dring replied.

The motion was put to the vote and by a show of hands was declared to be carried.

It was therefore –

18541 **RESOLVED:-**

That the City Council approves the Statement of Licensing Policy and authorises:-

- (i) The Director of Legal and Democratic Services to update the list of Policy Framework Plans to include the same; and
- (ii) the Director of Regulation and Enforcement to do what is necessary to publish and comply with the same.

REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE

Homeless Health

The following report from the Health and Social Care Overview and Scrutiny Committee together with a commentary from the Executive was submitted:-

(See document No. 6)

It was moved by Councillor Sharon Thompson and seconded by Councillor Andrew Hardie:-

“That the report and its recommendations summarised above be accepted and that the Executive be requested to pursue their implementation.”

A debate ensued during which Councillor Ian Cruise declared a pecuniary interest insofar that he was employed at HM Prison Birmingham and Councillor Henley declared an interest as a non-executive director of Birmingham and Solihull Mental Health Foundation Trust. The report made reference to both organisations.

Councillor Sharon Thompson replied to the debate.

The motion having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

It was therefore –

18542 **RESOLVED:-**

That the recommendations summarised above be accepted and that the Executive be requested to pursue their implementation.

ADJOURNMENT

It was moved by the Lord Mayor, seconded and

18543

RESOLVED:-

That the Council be adjourned until 1649 hours on this day.

The Council then adjourned at 1634 hours.

At 1650 hours the Council resumed at the point where the meeting had been adjourned.

MOTIONS FOR DEBATE FROM INDIVIDUAL MEMBERS

The Council proceeded to consider the Motions of which notice had been given in accordance with Standing Order 4(A).

A. Councillors James McKay and Waseem Zaffar have given notice of the following Motion:-

(See document No. 7)

In moving the Motion Councillor James McKay indicated that he was willing to include the amendment proposed by Councillor Matt Bennett. The Motion was seconded by Councillor Waseem Zaffar.

In accordance with Council Standing Orders, Councillors Matt Bennett and Alex Yip gave notice of the following amendment to the Motion:-

(See document No. 8)

Councillor Matt Bennett moved the amendment which was seconded by Councillor Alex Yip.

A debate ensued.

Councillor James McKay replied to the debate.

The amendment having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

The Motion, as amended, having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

18544

RESOLVED:-

Council notes that:

Birmingham has benefitted economically and socially from the arrival of new communities. Whatever national government's position around asylum and

immigration, it will always be in Birmingham's interest to integrate newcomers.

Individuals, community organisations, schools and other stakeholders have worked together to promote Birmingham's designation as a 'City of Sanctuary', a national grassroots movement to establish a commitment to make our city one which meets its obligations to those fleeing violence and persecution in their country of origin. The proposal to explore 'City of Sanctuary' status for Birmingham was endorsed by full Council in 2013.

Council recognises that, in supporting the campaign to establish Birmingham as a 'City of Sanctuary', we will:

- Support local groups and people in helping new communities to integrate into local and civic society, thereby strengthening further the city's social inclusion and cohesion;
- recognise the positive contribution migrants make the social, cultural, economic and community life of the city;
- do what we can to ensure that those seeking lawful sanctuary in the UK are treated properly in Birmingham, recognising that they are often among the most disadvantaged members of our community.

Council therefore resolves to:

Endorse efforts to achieve 'City of Sanctuary' status for Birmingham through recognition by the movement's national body.

B. Councillors Deirdre Alden and Andrew Hardie have given notice of the following Motion:-

(See document No. 9)

The Council was informed that Councillor Andrew Hardie since giving notice of the Motion had been advised that, because of an interest, he should not second the Motion.

Councillor Deirdre Alden moved the Motion which was seconded by Councillor Meirion Jenkins.

In accordance with Council Standing Orders, Councillors Sue Anderson and Zaker Choudhry gave notice of the following amendment to the Motion:-

(See document No. 10)

Councillor Sue Anderson moved the amendment which was seconded by Councillor Zaker Choudhry.

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In accordance with Council Standing Orders, Councillors Paulette Hamilton and Rob Pocock gave notice of the following amendment to the Motion:-

(See document No. 11)

Councillor Paulette Hamilton moved the amendment which was seconded by Councillor Rob Pocock.

A debate ensued.

Councillor Deirdre Alden replied to the debate.

The first amendment having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

The second amendment having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

The Motion as amended having been moved and seconded was put to the vote and by a show of hands was declared to be carried.

Here upon a poll being demanded the voting was as follows:-

For the Motion as Amended (70)

| | | |
|---------------------|-------------------|----------------------|
| Mohammed Aikhlaq | Mohammed Fazal | James McKay |
| Nawaz Ali | Mick Finnegan | Yvonne Mosquito |
| Tahir Ali | Matthew Gregson | Brett O'Reilly |
| Sue Anderson | Paulette Hamilton | John O'Shea |
| Gurdial Singh Atwal | Roger Harmer | Eva Phillips |
| Mohammed Azim | Barry Henley | Robert Pocock |
| Caroline Badley | Penny Holbrook | Victoria Quinn |
| Susan Barnett | Des Hughes | Hendrina Quinnen |
| Sir Albert Bore | Jon Hunt | Chauhdry Rashid |
| Randal Brew | Mahmood Hussain | Habib Rehman |
| Marje Bridle | Mohammed Idrees | Carl Rice |
| Mick Brown | Zafar Iqbal | Claire Spencer |
| Alex Buchanan | Kerry Jenkins | Stewart Stacey |
| Sam Burden | Brigid Jones | Martin Straker-Welds |
| Andy Cartwright | Nagina Kauser | Sharon Thompson |
| Tristan Chatfield | Tony Kennedy | Paul Tilsley |
| Zaker Choudhry | Ansar Ali Khan | Karen Trench |
| Debbie Clancy | Changeese Khan | Lisa Trickett |
| John Clancy | Chaman Lal | Anita Ward |
| John Cotton | Mike Leddy | Ian Ward |
| Ian Cruise | Keith Linnecor | Mike Ward |
| Basharet Dad | Majid Mahmood | Fiona Williams |
| Barbara Dring | Karen McCarthy | Waseem Zaffar |
| Jerry Evans | | |

Against the Motion as Amended (18)

| | | |
|-----------------|----------------------|-----------------|
| Deirdre Alden | Matt Bennett | David Pears |
| John Alden | Peter Douglas Osborn | Fergus Robinson |
| Robert Alden | Eddie Freeman | Garry Sambrook |
| David Barrie | Merion Jenkins | Ron Storer |
| Vivienne Barton | Ewan Mackey | Ken Wood |
| Bob Beauchamp | Gareth Moore | Alex Yip |

Abstentions (1)

Andrew Hardie

It was therefore -

18545 **RESOLVED:-**

This Council notes the move to a 7 day week GP service provided by the NHS. This Council strongly objects to the Chancellor's plan to cut the public health budget by £200m nationally. This is likely to increase the existing severe health inequalities for the citizens of Birmingham.

However, this Council notes that these stated aspirations are in stark contrast to the present reality of ever-lengthening waiting times for GP appointments in Birmingham and nationwide. These promises on improving access are clear spin. It was this Government that cut the primary care budget and scrapped the right to a GP appointment in 48 hours. Our overburdened GP services are in real crisis. The British Medical Association has demanded that ministers stop chasing headlines, as the NHS is facing a funding gap and chronic shortage of doctors.

Moreover, the Government last month imposed an estimated £6.4 million in year cut to the public health funding for Birmingham - an unprecedented move that both wrecks careful budget planning by this City Council, and undermines our efforts to prevent ill-health. This cut will inevitably further increase pressures on Birmingham's GPs and NHS services.

This Council condemns these latest cuts and calls for local health services and budgets to be brought under greater local democratic accountability. Through our Health and Wellbeing Board we have strong health and social care leadership which can be built on further to create a truly integrated health and social care system. Together with our health partners, we could make a sustained difference through commissioning and targeting services at a local level as we are doing through the Better Care Fund.

The meeting ended at 1841 hours.

Report of the Community Governance Review Group

Community Governance Review

Taking Forward the Proposal for a Sutton Coldfield Parish Council

1. Purpose of Report

- 1.1 To advise Full Council on the outcome of the consultation undertaken on the Community Governance Review and to approve the recommendations of the Community Governance Review Group for the creation of a Sutton Coldfield Parish Council in respect of the area that makes up the current Parliamentary constituency of Sutton Coldfield.

2. Recommendations

- 2.1 Following consultation on the Review, the Community Governance Review Group recommends that Full Council approves its recommendations in respect of the Community Governance Review, namely:-
the creation of the parish of Sutton Coldfield and of a parish council for Sutton Coldfield (see paragraph 4.4).
- 2.2 Subject to agreement to recommendation 2.1 above, the Community Governance Review Group recommends that Full Council agrees that the name of the new council shall be "Sutton Coldfield Parish Council" (see paragraph 5.2).
(Note that the City Council cannot confer the title of "Town Council" as, under legislation, that is a matter to be resolved by the new parish council once formed (see paragraph 5.2))
- 2.3 That Full Council agrees the proposed interim electoral arrangements as set out in section 6 below, subject to consultation, i.e.
- a) that the new Sutton Coldfield parish council should have 24 councillors;
 - b) that the parished area of Sutton Coldfield is divided into four voting wards coterminous with the existing City Council Sutton ward boundaries. The wards in the parish will bear the same name as the City Council wards (map appendix 1);
 - c) that there are 6 parish councillors in each of the four wards in the proposed parish council;
 - d) that the first parish elections will take place in 2016, with further elections to take place in 2018 and every four years thereafter to reflect the new Birmingham City Council electoral arrangements arising from the Boundary Commission Review.
- 2.4 That, subject to consultation, the precept for the 2016/17 financial year should be £50.00 for a Band D property, subject to final approval in the reorganisation order.

- 2.5 That a steering group of key local stakeholders is established to act as a consultative body and take forward the planning and implementation of the proposed new parish council until the new Parish Council of Sutton Coldfield is formally created. The steering group will include 2 City Councillors from each of the current 4 city wards that make up Sutton Coldfield constituency. In respect of Sutton Vesey, there shall be 1 City councillor from the Conservative party and 1 City Councillor from the Labour party, as well as community representation with 3 representatives from the Town Council Referendum Group, 1 from the Sutton Coldfield Business Improvement District and 1 from the Sutton Coldfield Charitable Trust. The steering group shall be chaired by the current Sutton Coldfield District chairman with the vice chair to be selected from one of the community representatives.
- 2.6 That from the relevant commencement date set out in the reorganisation order (1st March 2016) until councillors are elected to the new parish council of Sutton Coldfield, an interim parish council will be created (with all the statutory powers of a parish council). The interim parish council shall consist of 2 councillors from each ward who immediately before 1st March 2016 are elected city councillors for the wards of Sutton New Hall, Sutton Vesey (with 1 being a Conservative party councillor and the other being the Labour party councillor), Sutton Trinity and Sutton Four Oaks as well as the community representation set out in paragraph 2.5 above.
- 2.7 That the transfer of any land, property rights and liabilities will be subject to further agreements between the Sutton Coldfield Parish Council and Birmingham City Council.
- 2.8 That the draft timetable and process for the implementation of the proposed parish council is agreed (see paragraph 9.4).
- 2.9 That the reorganisation order to formally establish the parish council is delegated to Council Business Management Committee for approval.
- 2.10 That City Council authorises the Chief Executive, the Director of Localisation and the Director of Legal and Democratic Services to take the necessary steps to implement the decision.

3. Background

- 3.1 On 16 September 2014, following receipt of a validated petition submitted by residents in Sutton Coldfield for a Town Council, Council resolved to conduct a community governance review in the Sutton Coldfield District under the provisions of the Local Government and Public Involvement in Health Act 2007 (the 2007 Act).
- 3.2 The remit of the review was expanded to examine the Council's wider devolution structure as the boundaries of the proposed town council utilised the parliamentary constituency boundary for Sutton Coldfield around which the Council's devolved executive arrangements to District Committees have been organised since 2004.
- 3.3 The terms of reference for the Community Governance review were agreed by Full Council on 16 September 2014, thereby initiating the review, to conclude within a twelve month period.

- 3.4 In February 2015, Birmingham City Council published its proposals for future community governance. Three consultation papers were produced including the Council's initial analysis of the proposal for a town council in Sutton Coldfield. A range of consultation activities were undertaken between 25 February and 30 March 2015. These activities were jointly facilitated by an independent external facilitator who produced a report detailing the outcomes and analysis of the consultation. This report was approved by the Community Governance Review Group on 23 April 2015 and while it gave useful feedback, the Community Governance Review Group considered that the response to the consultation was disappointing and therefore recommended that a postal consultative ballot was held to provide an opportunity for all residents on the electoral register in Sutton Coldfield to express their view.
- 3.5 On 26 May 2015 Council Business Management Committee gave authority to conduct a consultative postal ballot and approved the ballot question and FAQs together with Paper 4 of the Community Governance Review, setting out the Council's position in relation to the Sutton Coldfield proposal.
- 3.6 The constitutional framework and guidance for taking forward the wider community governance arrangements of the City Council were set out in a report to Cabinet on 27 July 2015 following constitutional changes made at the May AGM of the Council. At the 27 July 2015 meeting Cabinet approved the revised ways of working protocol for District and Ward Committees / Forums and guidance on District Committee remits for Community Governance, Community Planning, Community Leadership and Neighbourhood Challenge.
- 3.7 The result of votes cast in the consultative ballot, undertaken by Electoral Reform Services, between 25 June – 16 July 2015 in response to the question *"Should a Town Council be established for the Parliamentary constituency of Sutton Coldfield within the City of Birmingham? are as follows:*

3.8

| | |
|-------------------------------------|----------------------------------|
| Number of eligible voters | 75,431 |
| Total number of votes cast | 29,908 |
| Turnout | 39.6% |
| Total number of valid votes counted | 29,851 |
| Number of votes found to be invalid | 57 |
| Number voting YES | 20,871 (69.9% of the valid vote) |
| Number voting No | 8,980 (30.1% of the valid vote) |

- 3.9 Responses from other consultations also favoured the creation of a town council and further details about the consultation process are set out in paragraph 10 below. At the Community Governance Review Group meeting on 17 July, to consider the responses to the consultation and the result of the consultative ballot, members unanimously agreed to recommend the creation of a town council in Sutton Coldfield to Full Council in September 2015.
- 3.10 Council Business Management Committee approved that the Community Governance Review Group and the Leader acting on their behalf be given authority to draw up a motion and background paper on the Sutton Coldfield proposal to bring to Full Council for decision in September 2015.

4. Reasons for Recommendations

- 4.1 In carrying out the Community Governance review, the Local Government and Public Involvement in Health Act 2007 requires the City Council to have regard to the identities and interest of the community. This means that Community Governance arrangements should reflect and be sufficiently representative of people living across the whole community and not just a discrete cross-section of the community.
- 4.2 In addition to the consultation undertaken between February and March 2015, the consultative postal ballot provided the opportunity for all residents on the local government electoral register in the parliamentary constituency of Sutton Coldfield to cast their vote.
- 4.3 The City Council has to have regard to the results of the consultation but is not bound to follow them. However, when weighed against the overwhelming result of the consultative ballot – both in terms of the number of electors who took part and the very large majority in favour of the proposal to establish a town (parish) council – the City Council would be at significant risk of challenge if it chose not to give greatest weight to the views expressed in the consultative ballot.
- 4.4 Under section 87 of the 2007 Act, a community governance review must make recommendations as to what new parish or parishes (if any) should be constituted in the area under review. If the review results in a recommendation to create a parish, the review must also make recommendations about the name of the new parish; as to whether or not the new parish should have a parish council; and as to whether or not the new parish should have one of the alternative styles.
- 4.5 Under section 89 of the 2007 Act, the review must also make recommendations as to what electoral arrangements should apply to any new parish council. (“Alternative styles” are explained in paragraph 5.1 below.) It is not open to the City Council to create a town council for Sutton Coldfield by name i.e. “Sutton Coldfield Town Council”. Under section 245 of the Local Government Act 1972 the adoption of such a name would be a matter for the new parish council to resolve, if one is created. This report therefore refers throughout to “the parish council” or “the new council” even though it is widely understood that any parish council for Sutton Coldfield would choose to call itself a town council.

5. Name of the Parish Council

- 5.1 As mentioned in 4.5 it is not open to the City Council to create or designate an area as a town council. However under the 2007 Act it can designate a new parish council with an “alternative style” namely:
- Village
 - Community
 - Neighbourhood
- 5.2 Notwithstanding these alternative styles Full Council is recommended to approve that the name of the new parish council shall be “Sutton Coldfield Parish Council”.

As stated in paragraph 4.5, it would then fall to the new parish council to resolve, under section 245(6) of the 1972 Act, to have the status of a town and to adopt the name of town council.

- 5.3 The wards within the parish of Sutton Coldfield shall bear the same name as the current City Council wards as an interim arrangement until the warding of Birmingham is complete and the new electoral arrangements, following the Boundary Review are introduced.

6. Interim Electoral Arrangements

- 6.1 As part of the Community Governance Review, Council is required to consider the number of councillors for the new parish council. However, the electoral arrangements for the proposed parish council will have to be considered alongside the electoral review of Birmingham City Council which is currently being carried out by the Local Government Boundary Commission. While it is understood that the Boundary Commission cannot change the boundaries to the parish council, i.e. the Sutton Coldfield parliamentary constituency boundary, it could make consequential orders on the warding arrangements and allocation of councillors to the proposed parish council.
- 6.2 The electoral arrangements for the proposed parish council would therefore need to be interim arrangements and subject to possible change from 2018 following the outcome of the Boundary Commission Review.
- 6.3 In terms of the Community Governance Review, in respect of electoral arrangements, section 95 of the 2007 Act requires the City Council to consider the following questions when deciding to recommend that a parish should, or should not, be divided into wards for the purpose of electing councillors:-
- a) Whether the number, or distribution, of the local government electors for the parish would make a single election of councillors impracticable or inconvenient
 - b) whether it is desirable that any area or areas of the parish should be separately represented on the council.
- 6.4 If the City Council decides to recommend that the proposed parish should be divided into wards, it must have regard to the following factors:-
- a) the number of local government electors for the parish;
 - b) any change in the number, or distribution, of the local government electors which it likely to occur in the period of five years beginning with the day when the review starts;
 - c) the desirability of fixing boundaries which are, and will remain, easily identifiable;
 - d) any local ties which will be broken by the fixing of any particular boundaries.
- 6.5 Whatever number of councillors are selected for the proposed parish council it is apparent that the number and distribution of the local government electors for Sutton Coldfield would make a single election of councillors impracticable or

inconvenient as the Sutton Coldfield parliamentary constituency is simply too large to be constituted a single ward. For the interim electoral arrangements for the proposed parish council, Full Council is recommended to approve that the proposed parish council adopts the current 4 City Council ward boundaries for Sutton Coldfield (Appendix 1).

- 6.6 The Community Governance Review is also required to consider the number of councillors for the proposed new parish council. The legal requirement is that a parish council must have a minimum of five members; there is no upper limit in law. National research conducted by Aston University in 1992 suggested almost all parish councils serving over 20,000 people had between 13 and 31 councillors.
- 6.7 Full Council is recommended that the proposed new parish council should as part of the interim electoral arrangements have 24 councillors, with the four wards in the parish being identical to the City Council wards in Sutton Coldfield and each ward returning six councillors.
- 6.8 Full Council is recommended to approve that the first elections to the proposed parish council take place in 2016 with further elections in 2018, to take account of electoral changes following the outcome of the Boundary Commission Review and once every four years thereafter to coincide with the City Council local elections.

7. Initial Precept and Budget for the New Council

- 7.1 Should Full Council approve the creation of a new parish council, with elections to the new parish council to be held in May 2016, Regulation 3(2) of the Local Government Finance (New Parishes) (England) Regulations 2008 No 626 requires the Council to anticipate a precept from the new parish council for 2016-17. The amount must be stated in the reorganisation order. Regulation 4 requires this to be a special item, i.e. it will be charged only on council tax payers in Sutton Coldfield. Regulation 3(4) also obliges Birmingham City Council to state in the reorganisation order the budget requirement for the town council for 2016-17 (this will be the same figure as the precept). It further provides that, in calculating its budget requirement for that year, the parish council cannot calculate an amount that is greater than the amount stated in the reorganisation order.
- 7.2 Because an entirely new parish council is being created where none currently exists, the regime of council tax referenda for “excessive” increases in council tax does not apply. Therefore, as legislation presently stands, there is no risk to the City Council that a referendum will be triggered as a result of its decision on the anticipated precept. The proposed new council may find itself subject to those rules in 2017 onwards if the Government extends it to larger town and parish councils.
- 7.3 The national average precept for existing town and parish council is just over £50 a year for a Band D property. If a precept of £50 was set for the proposed parish council, then residents in higher band properties would pay more than this (£100 a year in a Band H property) and those in lower band properties would pay less, (£39 a year in a Band B property). It was made clear to local electors in the supporting information for the postal consultative ballot what the impact of the national average precept of £50 a year would be for a Band D property in Sutton Coldfield. Setting the precept of £50 a year for a Band D property would generate in the region of

£1.8m for the proposed parish council based on the tax base for Sutton Coldfield in 2014/15.

- 7.4 It is important to stress that, whatever amount for the anticipated precept is included in the reorganisation order, it is impossible to guarantee that the impact on individual council tax bills will be precisely the same as assumed above. This is because the actual tax base for 2016-17 will be used in calculating council tax bills and it could differ from the estimate given in paragraph 7.3. While the estimate will be reviewed before the reorganisation order is made to take account of the latest information about housing completions and other relevant factors, there remains a possibility that the actual tax base will differ marginally from the estimate; and that therefore the actual amount of council tax to be paid by households could differ slightly from the figures shown above.
- 7.5 The proposed parish council, once granted parish council status, would have the right to decide their level of precept in perpetuity. However, for the purpose of planning the number and nature of services it provides, it is important that its budget for the first year is set early on to assist the planning process.
- 7.6 Full Council is therefore recommended to agree, as the basis for initial consultation, that the anticipated precept for 2016-17 should be set at £50 per Band D property. The final decision on the precept will be taken in approving the reorganisation order.

8. Implementation

- 8.1 If Full Council agrees to create a new parish, it must make a reorganisation order. The reorganisation order will set out the electoral arrangements, the precept, the transition arrangements and the transfer of any assets liabilities and services. The reorganisation must become effective by no later than 1st April in any year if elections are to be held for the new parish council in the following May. If Full Council's recommendation is to create a parish council, the next steps would include:-
- Publication and consultation on the recommendations of the Community Governance Review
 - Establishment of a steering group to take forward implementation of the parish council
 - Approval of the reorganisation order
 - Reorganisation order becomes effective 1st March 2016
 - Interim parish council established 1st March 2016
 - Elections to new parish council 5th May 2016
- 8.2 Full Council are therefore recommended to agree that a steering group, as set out at paragraph 2.5 above, be established to act as a consultative body and take forward the planning and implementation of the proposed new parish council. From 1st March 2016, when the interim parish council is created, the steering group members as set out in 2.6 will form the interim parish council until elections to the proposed parish council are held.

9. Development of a Long-term Funding and Service Agreement

- 9.1 This will not form part of the reorganisation order. A number of detailed matters will need to be addressed through an agreement or agreements under section 99 of the 2007 Act. Section 99 provides for public bodies affected by a reorganisation order to make agreements with respect to any property, income, rights, liabilities and expenses and any financial relations between parties to the agreement. The City Council needs to protect its fiduciary position and rights. There would also be implications for the practical operation of assets and facilities.
- 9.2 The alternative would be to endeavour to settle all these matters before the reorganisation order is made or the new parish council is elected. The intention is that the long-term funding and service agreement between the two councils would be developed over a period of time. In respect of the City Council, it would fall to the Cabinet to enter any such agreements.
- 9.3 The suggestion of a long-term funding and service agreement provides the opportunity for the City Council to negotiate further such arrangements with the proposed new parish council in future periods. It would also buy ample time for the proposed new parish council to consider what it wished to do for the future. Any staffing consequences would have to be considered at the time in accordance with employment law, including the TUPE Regulations.
- 9.4. The current planning assumptions are set out in Table 3.

Table 3: proposed timetable

| Action | Dates |
|---|--------------------------------------|
| Full Council considers the recommendation of the Community Governance Review | 15 September 2015 |
| Publication and consultation on the decision of Full Council and the recommendations of the Community Governance Review | 19 September 2015 to 31 October 2015 |
| Steering Group established to take forward implementation of the parish council | September / October May 2015 |
| CBM considers draft reorganisation order including the precept, electoral arrangements and transitional arrangements. Publication of reorganisation order following decision of Council Business Management Committee | 17 November 2015 |
| Approval of reorganisation order by Business Management Committee | 15 December 2015 CBM |
| Reorganisation order comes into effect creating the interim Sutton Coldfield Parish Council | 1 March 2016 |
| Interim Parish Council in place until elections to the new parish council | 1 March - May 2016 |
| Elections to Sutton Coldfield Parish Council | 5 May 2016 |
| First meeting of the newly elected Sutton Coldfield Parish Council to take place within 14 days of the declaration of the results and the City Council is responsible for arranging the first meeting. | May 2016 |

10. Consultation

- 10.1 Three consultation papers were published in February 2015 setting out proposals for the wider city wide devolution arrangements together with an initial analysis of the Sutton Coldfield specific proposal for a Town Council.
Paper one - Introduction and Background: setting the overall context.
Paper two – Future of Community Governance in Birmingham: looking at local democratic structures.
Paper three – Sutton Coldfield Initial Analysis (Short Report & Full Report).
- 10.2 A range of consultation activities, on the proposals set out in Papers 1, 2 & 3, were undertaken in March 2015 including:-
- A partners round table discussion with 10 major city-wide partners,
 - A Sutton Coldfield Specific Discussion Group drawn from the Birmingham People's Panel,
 - Four Area Briefings: question and answer discussion sessions targeted at local Councillors, local residents and stakeholders,
 - A Be Heard Questionnaire on the City Councils' website,
 - Discussions organised by six Ward Committees, two neighbourhood forums and the Standing Up for Birmingham, (SU4B) network of community organisations and active citizens,
 - Submissions via e-mail or letter,
 - Discussions with young people via Twitter.
- 10.3 An independently produced report on the consultation findings highlighted that there were overwhelming numbers in favour of a Town Council in the consultation submissions (203 in favour, 14 against).
- 10.4 Following the consultation undertaken in March 2015 and prior to the commencement of the consultative postal ballot, Paper four - *The City Council's Conclusions on the Proposals for a Town Council in Sutton Coldfield*, was published in May 2015 and presented the Council's initial advice to residents of Sutton Coldfield on the proposal for a Town Council.
In summary, the City Council concluded that there were three broad options for the future governance of Sutton Coldfield:
1. Maintain the status quo of district and ward committees, but move to a more extensive 'neighbourhood challenge' role to improve all local public services, along with the rest of the city.
 2. In addition to the above, take up other opportunities to create parish (neighbourhood) councils for the smaller neighbourhoods that people identify with, such as Boldmere, Mere Green, Falcon Lodge or Wylde Green.
 3. Adopt a town council for the whole area of the Sutton Coldfield parliamentary Constituency, as specified in the petition, alongside the existing arrangements.

- 10.5 On 26 May 2015, Council Business Management Committee gave authority to undertake a postal consultative ballot, with residents on the Local Government electoral register in the Parliamentary constituency of Sutton Coldfield, on the proposal for a Sutton Coldfield Town Council. The following consultative ballot question was approved:
Should a Town Council be established in the Parliamentary Constituency of Sutton Coldfield within the City of Birmingham?
Electoral Reform Services were commissioned to conduct the Consultative postal ballot to be held in the Sutton Coldfield Constituency during the period 25 June - 16 July 2015.

- 10.6 Four Special Ward Committee meetings were held in Sutton Coldfield in June 2015 to provide residents with general information on town councils and the Sutton Coldfield specific proposals.

11. Compliance

- 11.1 The recommended decisions are in line with the Leaders Policy Statement June 2015, the Council's Organisational Improvement Plan and wider Future Council Programme.

12. Financial Implications

- 12.1 The City Council will need to ensure that the on-going relationship and costs in dealing with the proposed parish council is effectively resourced. The costs will need to be met from existing resource frameworks.
- 12.2 The next stages of the review will involve further costs to the City Council, although it is difficult to quantify them all accurately at present. The main impact will be on officer time, and this can be absorbed within existing budgets. It is not proposed to engage in expensive methods of public consultation on the reorganisation order. Consultation with the public and other interested parties will be promoted on the Council's website, through social media channels and press releases.
- 12.3 The costs of administering the proposed new council between April and May 2016 (including the cost of reconfiguring the Council Tax computer software to enable effective administration and collection of the additional precept) are yet to be established.
- 12.4 It is proposed that elections to the proposed parish council will be held alongside the planned local elections to ensure the additional costs are minimised. The City Council can recharge the costs of elections to a parish council and the intention is to recover the additional costs of elections through the parish precept when the proposed new parish council will have significant resources at its disposal. For the avoidance of doubt where the parish elections are stand-alone polls, the parish council will be solely responsible for the cost of holding those elections. If combined with other polls those costs shall be shared in accordance with any rules/guidance in force at that time.
- 12.5 The impact of creating a parish council for Sutton Coldfield was drawn clearly to the attention of electors in the supporting material for the local postal consultative ballot.

The electors who took part in the ballot were made explicitly aware of the additional precept that would arise from the establishment of a parish council.

13. Legal Implications

- 13.1 The Local Government and Public Involvement in Health Act 2007 sets out the powers associated with community governance reviews and provide the power for the Council to take decisions regarding matters arising from the review. Relevant provisions of the 2007 Act and other legislation have been mentioned throughout this report. The Council is required by Section 100(4) to have regard to the guidance issued by the Secretary of State relating to community governance reviews.
- 13.2 Upon agreeing to create a parish and parish council for Sutton Coldfield, the City Council must then approve a reorganisation order which sets out the mechanics of the establishment of the parish and its council. The order must include the budget requirement for the parish council for the financial year 2016/17 and any other provisions needed to bring the parish council into being including elections and transitional arrangements. As there is no land or property to be transferred to the proposed parish council at this stage (as that will be subject to separate agreements between the parish council and Birmingham City Council) the order will be relatively brief.
- 13.3 Once the order is made, the City Council must deposit at its main office a copy of the reorganisation order, and a map which shows the effects of the order in detail. The order and the map must be available for public inspection at all reasonable times and the City Council must publicise its availability for inspection. The City Council must also notify the relevant agencies.

14. Public Sector Equality Duty

- 14.1 No adverse impact has been identified. An outline Equality Impact Needs Assessment (EINA) has been completed. The general impact of a town council is likely to strengthen the local democratic process and increase the say of local residents and stakeholders on local matters and leverage in additional resources for local investment via the precept and other means.

15. Background Papers

- 15.1 Department for Communities and Local Government and the Local Government Boundary Commission for England – Guidance on Community Governance Reviews.
http://www.lgbce.org.uk/_data/assets/pdf_file/0019/10387/community-governance-review-guidance.pdf
- 15.2 Relevant secondary legislation
The Local Government (Parishes and Parish Councils) (England) Regulations 2008 No 625
<http://www.legislation.gov.uk/ukxi/2008/625/contents/made>
The Local Government Finance (New Parishes) (England) Regulations 2008 No 626
<http://www.legislation.gov.uk/ukxi/2008/626/contents/made>

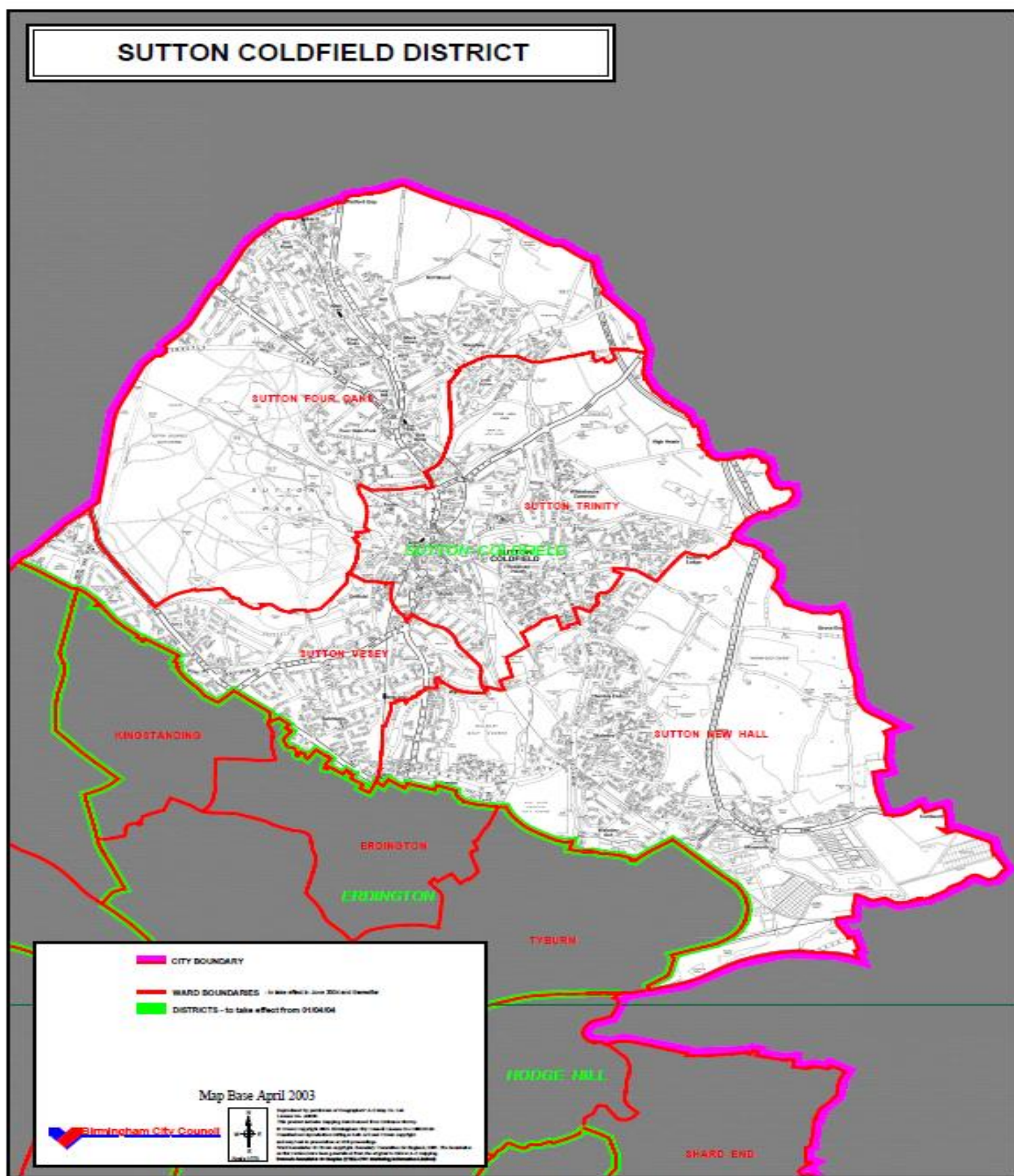
15.3 Supporting information for the Community Governance Review
<http://www.birmingham.gov.uk/community-governance-review>

15.4 Supporting information for the local Postal Consultative Ballot
<http://www.birmingham.gov.uk/sutton-coldfield-ballot>

16. List of Appendices

16.1 Appendix 1 Map of the proposed parish council boundary showing current Sutton ward boundaries

Appendix 1



Produced by the Survey and Mapping Team, Economic Development, Apple Tower, Suffolk Street Queensway, Birmingham, B1 1TR. Tel 0121 353 3867

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:

- 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.

2. Decision(s) recommended:

That Council:-

- 2.1 Notes the draft report of the Governance Review which has reviewed the proposed area and assessed the functional economy (Appendix 1).
- 2.2 Approve the current draft scheme which is being considered by Councils who will form the Combined Authority (Appendix 2).
- 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.
- 2.4 To note that the final proposal to establish a West Midlands Combined Authority will be presented to Full Council in April 2016.

| | |
|---------------------------------|--|
| Lead Contact Officer(s): | Kevin Hubery Head of Strategic Policy |
| Telephone No: | (t) 0121 303 4821 |
| E-mail address: | (e) kevin.d.hubery@birmingham.gov.uk |

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): |
| 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 | <p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation |
|---|---|

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 will be undertaken and views reflected in the final version 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 £4,000 per head less than the national 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. 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. 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. 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 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 60% of respondents agreeing or strongly agreeing with Combined Authority purpose and proposals. Details of the engagement are included on pages 28-31.

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

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

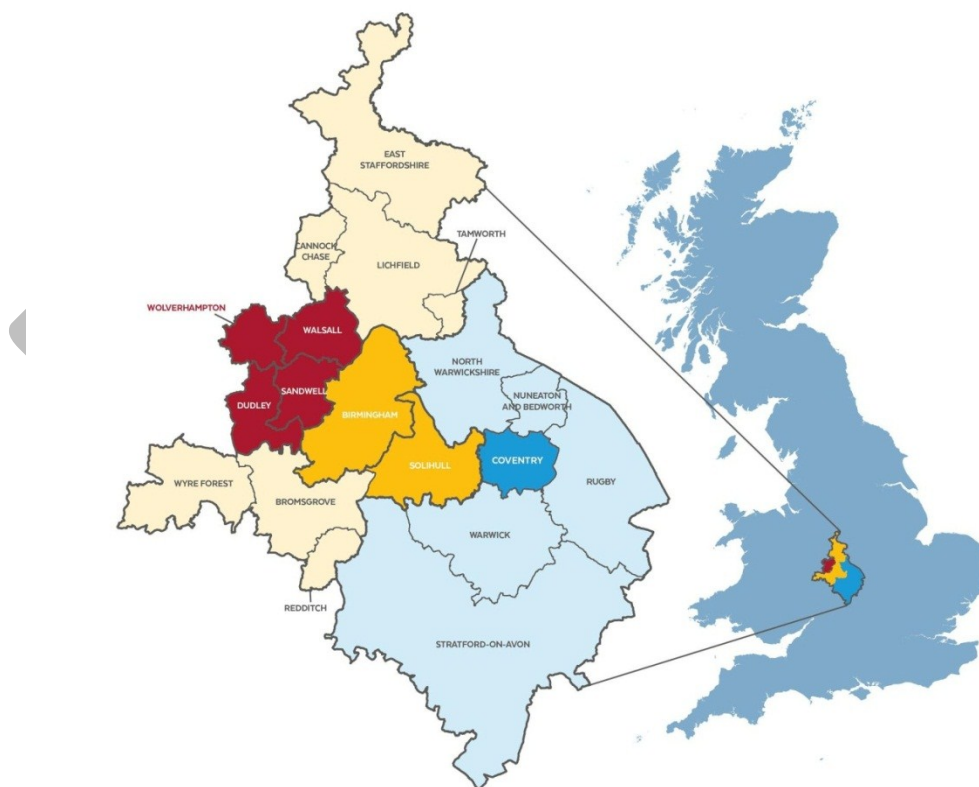
Geography

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 is crucial. This could involve thirteen more local authorities.

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 1.7 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.

¹ Functional Economic Market Area (FEMA) study – initial findings can be found at <http://www.westmidlandscombinedauthority.org.uk/assets/docs/WestMidlandsFEMAStudy26June2015.pdf>

Each of these is discussed in more detail below.

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.

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 can be seen as a stronger FEMA, if an alternative model of governance is chosen as the way forward, there is an ambition to collaborate across this boarder area.

In some instances, economic markets extend beyond the three LEP boundaries, and in formulating its economic strategy, these linkages and markets will need to be taken into account.

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 LEAs. 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 LEs. 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 Midlands 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

The process of engagement run by six of the seven metropolitan authorities were similar. Coventry City Council's approach differed 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's different approach)

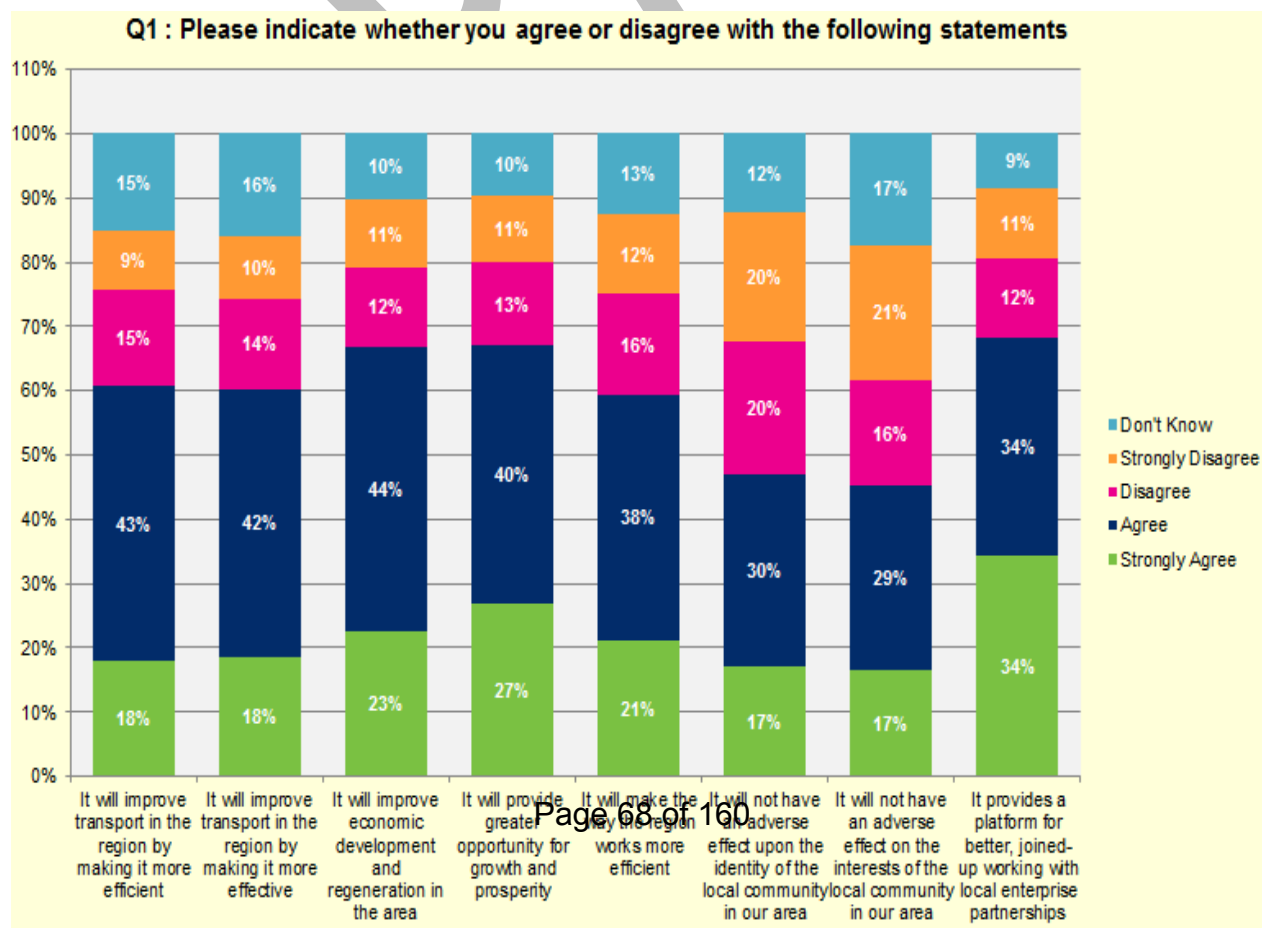
A period of engagement ran during August 2015 and involved:

- 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.

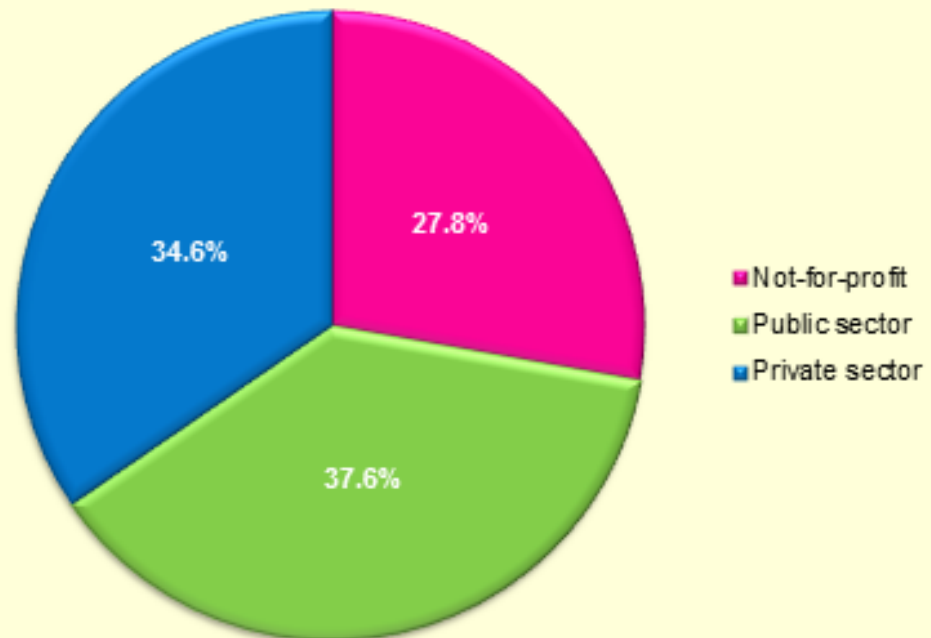
The on-line survey was completed by over 300 respondents and had free text fields for general comments together with 8 questions in respect of:

- 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.

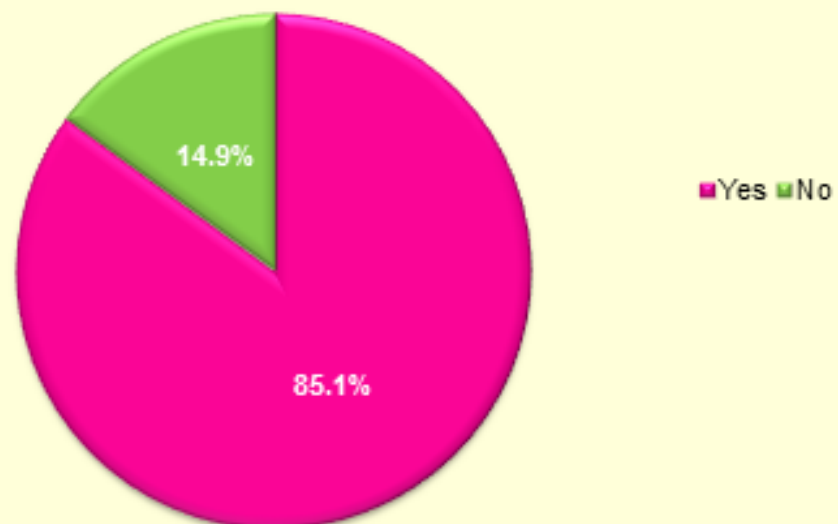
A selection of the questions asked are set out below, question one gave the opportunity to feedback on the support for the establishment of a Combined Authority. Results indicate broad support and confidence that the statutory purposes of it will be achieved, with 60% of respondents agreeing or strongly agreeing with the questions asked overall.



Q7 : What type of organisation are you ?



Q8 : Would you like to be kept informed of the development and events related to the combined authority?



Engagement in Coventry

In the run up to and following Coventry City Council's agreement in principle to form a Combined Authority covering the three LEP there was widespread media coverage of this 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 stated 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 no 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.
- 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.

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 economic strategy, 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 described earlier in this review covers an additional thirteen local authorities. These local authorities can be non-constituent members of the Combined Authority and can be engaged in the strategy for delivering growth in the three LEP area.

Many of the local authorities outside of the metropolitan area are considering their position at this time. 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 shared economic strategy will be developed and agreed. This will build on the findings of the economic evidence commissioned to support the establishment of the Combined Authority.

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 shared economic strategy. 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 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.

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 [] members as set out below:-

- Seven members of the Combined Authority shall be elected members of the constituent authorities, referred to as “constituent members”.
- 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
 - []

Comment [RR1]: This will be the total of 7 constituent authorities, the three LEPs and the Councils that confirm they want to be a non-constituent member by

Comment [RR2]: All districts/counties that commit to non-constituent membership by the end of October will be listed here.

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.

6. Each member will act in the best interests of the West Midlands as a whole, taking into account all relevant matters. Any substitute member will have the same decision-making authority and voting rights as the person whose place they are taking.

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 by majority vote

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. Decisions will be made by simple majority of the constituent members present and voting apart from the following matters which will require a 2/3 majority vote of members of the Combined Authority, present and voting:

- Adoption of growth plan and investment strategy and allocation of funding
- Approval of land use plans
- Adoption of the local transport plan
- Such other plans and strategies as determined by the Combined Authority
- Use of the general power of competence beyond the powers provided within the Local Democracy Economic Development and Construction Act 2009
- Approval of the Combined Authority's annual budget
- Setting of the transport levy
- Allocation of local transport plan funding to the individual constituent authorities
- Financial matters which may have significant implications on constituent members 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 right to all or any non-constituent member
- Approval of specific proposals for individual co-optees to the Combined Authority
- Establishment of arms-length companies
- Establishment of committees and sub committees

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 Councils. Therefore, [] additional representatives will be appointed from each constituent member authorities.

Comment [RR3]: This approach is to be agreed and is subject to change

Alternative options are:

- a simple majority
- A simple majority with identified matters 2/3 (as listed)
- A simple majority with identified matters unanimous
- A simple majority with identified matters 2/3 and a select few

Comment [RR4]:

This number will depend on how many non constituent members are named in the scheme: constituents must be the majority of members.*

*This may not be required in the scheme dependant on how many non-constituents join in October
*There are on-going discussions with DCLG to understand the scope for changing this

Executive Arrangements

18. Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the Combined Authority. However, the discharge of the functions of the Combined Authority will be subject to scrutiny arrangements set out in paragraph 21 and 22 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 members, replacing the existing West Midlands Integrated Transport Authority (WMITA). Individual constituent members 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 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 regions 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 spatial 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 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).

It is proposed that the Combined Authority will be focused on strategic Combined Authority wide economic growth issues that could include, but are not restricted to, functions such as:

- Setting the Combined Authority wide strategic growth plan and investment strategy, in conjunction with the LEPs for the West Midlands.
- 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.

- 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.

29. The General Power of Competence under Section 1 of the Localism Act 2011 will enable maximum flexibility in dealing with economic development and regeneration issues. 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.

30. 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).
- It is considered appropriate that the Combined Authority is designated a local authority for purposes of section 84(2) of The Apprenticeships, Skills, Children and Learning Act 2009 (duty of the Chief Executive of Skills Funding to co-operate with local authorities in relation to apprenticeship training).
- 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.

31. 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 members.

Functions - Transport

32. 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) are exercisable by the Combined Authority.

33. In the application of s101 of the Local Government Act 1972 any other transport functions delegated to the Combined Authority from time to time by the constituent councils (or any of them) shall be functions of the Combined Authority. Any functions which the constituent authorities might subsequently choose to delegate to the Combined Authority eg management of the road network to improve the flow of freight across the area. The Combined Authority to have concurrent street, highways and transport powers with the constituent authorities.

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

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

36. 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

37. 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.

38. 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.

39. The costs of the Combined Authority that are reasonably attributable to the exercise of its functions will be met by its constituent members. Such costs shall be apportioned between the constituent members in proportion to the total resident

population. The Combined Authority will agree an annual budget for the purpose of expenditure.

40. 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

41. 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 of operational duties, powers and functions transferred, which are currently delivered by the local transport authority and executive, the CA and the constituent councils 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 CA 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.

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

**REPORT OF THE DEPUTY LEADER AND CABINET MEMBER
FOR DEVELOPMENT, TRANSPORT AND THE ECONOMY.**

**COMMUNITY INFRASTRUCTURE LEVY CHARGING
SCHEDULE - ADOPTION.**

1. Purpose of Report

- 1.1 To seek approval:
- To adopt the Community Infrastructure Levy (CIL) Charging Schedule.
 - For the CIL Charging Schedule to take effect on Monday 4th January 2016.

2. Background

- 2.1 The CIL is a mechanism to secure funding to contribute to the infrastructure needed to support the growth of the city. Once adopted, CIL has the potential to generate funds for the City Council which can be used to support the provision of infrastructure required to support the implementation and growth within Birmingham (BDP). It is a mandatory charge per square metre on certain developments and the CIL Regulations 2010 (as amended) outline the stages which must be followed in order to adopt a CIL.
- 2.2 In early 2012, external consultants GVA were appointed to examine the viability of different types of development across the city and propose CIL charges for public consultation. This Preliminary Draft Charging Schedule was approved by Cabinet for public consultation for a period of eight weeks during December 2012 and January 2013. This consultation also included specific meetings with the development sector and public drop in sessions.
- 2.3 Taking into account comments received during this consultation process, the charges were revised by GVA and these revised charges were published for consultation for six weeks from September 2014 to November 2014. This consultation again followed Cabinet approval.
- 2.4 The revised charges contained within the Draft Charging Schedule were more favourably received and were duly submitted to the Planning Inspectorate for Examination on 4th February 2015, unaltered.
- 2.5 The Examination in Public was held on 30th April 2015 and the City Council received the Examiner's report on 4th June 2015. The report is to be welcomed and concludes that the proposed charges "provide an appropriate basis for the collection of CIL in our area" and that "CIL will

secure an important funding stream for infrastructure necessary to support the planned growth in the city”. Only two minor modifications are proposed by the Examiner. The first is a clarification that all Use Class C2 development will be zero rated for CIL purposes. The second is to increase the retail convenience size threshold at which CIL would apply from 2,000sq.m. to 2,700sq.m.

- 2.6 The Examiner suggests that the CIL charges are reviewed within three years of adoption to ensure the charges remain appropriate and relevant. It should also be noted that Birmingham City Council are one of the first (and few) local authorities to receive approval to commence charging our CIL in advance of an adopted Development Plan which is testament to the detail contained within the draft BDP.

4 Next Steps

- 4.1 Section 213 of the Planning Act 2008 (as amended) states that a Charging Authority must approve a Charging Schedule at a meeting of the authority and by a majority of votes of Members present.
- 4.2 A report was presented to Cabinet on 27th July 2015 (see appendices) recommending that Cabinet approved the report and recommending to the City Council that the CIL Charging Schedule be adopted and commences charging on Monday 4th January 2016.
- 4.3 Following adoption, CIL will be charged on all relevant applications at the time planning permission first permits development (i.e. when the Planning Decision Notice is issued), irrelevant of date of submission of planning application.

Motion

That the City Council:

- 1) Approves the adoption of the Community Infrastructure Charging Schedule.**
- 2) Approves to commence charging the Community Infrastructure Levy on Monday 4th January 2016.**

Background Papers

- Community Infrastructure Levy – Preliminary Draft Charging Schedule Consultation 29 October 2012
- Community Infrastructure Levy – Draft Charging Schedule Consultation 15 September 2014

Appendices

- Adoption of the Community Infrastructure Levy Charging Schedule – 27 July 2015
- Community Infrastructure Levy Charging Schedule
- Community Infrastructure Levy Examiner's Report
- Community Infrastructure Levy Equality Analysis

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

| | |
|---|--|
| Report to: | CABINET |
| Report of: | Director Planning and Regeneration |
| Date of Decision: | 27th July 2015 |
| SUBJECT: | ADOPTION OF THE COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE |
| Key Decision: No | Relevant Forward Plan Ref: N/A |
| If not in the Forward Plan: (please "X" box) | Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/> |
| Relevant Cabinet Members: | Cllr Tahir Ali, Cabinet Member for Development, Transport and the Economy. Cllr Ian Ward, Deputy Leader |
| Relevant O&S Chairman: | Cllr Victoria Quinn, Economy, Skills and Sustainability Overview and Scrutiny Committee |
| Wards affected: | All |

| |
|--|
| 1. Purpose of report: |
| 1.1 To seek approval to adopt the Community Infrastructure Levy (CIL) and for the CIL Charging Schedule to take effect on Monday 4 th January 2016. |

| |
|---|
| 2. Decision(s) recommended: That Cabinet:- |
| 2.1 Approves this report and agrees to recommend the adoption of the Community Infrastructure Levy Charging Schedule. |
| 2.2 Recommends to City Council that the Community Infrastructure Levy Charging Schedule be adopted and commence on Monday 4 th January 2016. |

| | |
|---------------------------------|---|
| Lead Contact Officer(s): | Ian MacLeod/Hayley Anderson |
| | 0121 675 7244/0121 303 4820 Planning and Regeneration PO Box 28 Birmingham B1 1TU ian.macleod@birmingham.gov.uk hayley.anderson@birmingham.gov.uk |

3. Consultation

3.1 Internal

The CIL Regulations 2010 (as amended) outlines the stages which must be followed in order to adopt a CIL. As part of a two stage public consultation and an Examination in Public process (set out in Section 5), reports have been presented and approved by Cabinet to allow publication of Preliminary Draft and Draft CIL charges. Officers have also attended Economy and Transport Overview and Scrutiny Committee in relation to the draft charging schedule (17th October 2014) and sought comments from services including Education, Leisure, Transportation, Housing and Legal Services involved in current Town and Country Planning Act 1990 (TCPA) Section 106 (S106) processes.

3.2 External

The CIL Regulations 2010 (as amended) outlines the stages which must be followed in order to adopt a CIL. Both consultations were available online with direct links to an online consultation portal (Objective and Be Heard). Emails were sent notifying statutory consultees such as adjoining authorities as well as interested parties, working groups etc advising them of the consultation processes and dates. Throughout the Examination in Public, a dedicated Programme Officer (in line with the Regulations) acted as a conduit between the City Council and the public and all documents were available on line and in print.

4. Compliance Issues:

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

The CIL is a mechanism to secure funding to contribute to the infrastructure needed to support the growth of the city and the implementation of the Birmingham Development Plan (BDP). CIL will contribute towards the overarching objectives of the Councils Business Plan and Budget 2015 plus specifically a 'Green and Sustainable City' and 'Infrastructure Development and Smart City'.

4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

4.2.1 Once adopted, the CIL, as a mandatory charge, has the potential to generate funds for the City Council which can be used to support the provision of infrastructure required to support growth within Birmingham. The CIL will also generate funds which can be used to provide strategic infrastructure across the whole of the city whilst changes in the law governing TCPA S106 agreements mean, (from April 2015), the City Council can only secure TCPA S106 obligations which relate directly to the development site. The CIL will provide greater flexibility than the existing TCPA S106 mechanism, as it will allow the City Council to utilise the CIL infrastructure funds where there is greatest need. The CIL will be reviewed within three years to ensure charges reflect development viability.

4.2.2 The process for determining where CIL money is spent, in accordance with overall corporate priorities, will be incorporated into the City Council's annual budget report. These priorities will be based upon the Regulation 123 list (CIL Regulations 2010 as amended) which defines the City Council's Infrastructure priorities as reported to Cabinet (see Cabinet report 15th September 2014). Revenue from CIL is estimated to be in line with current S106 contributions which are around £3million per annum but CIL provides greater flexibility on where it is spent.

- 4.3 Legal Implications
Under the Planning Act 2008, a Local Authority is enabled but not required to adopt a CIL. The detailed requirements and procedures which must be followed in preparing a CIL are set out in the Planning Act 2008 (Chapter 29, Part II) and in the Community Infrastructure Levy Regulations 2010, as amended.
- 4.4 Public Sector Equality Duty (see separate guidance note)
In overall terms the CIL has been assessed as having a positive impact on the promotion of equality. By providing essential investment in infrastructure across the city, it will help create opportunity for all. (EA ref: DE0912CL)
As stated in Department for Communities and Local Government (DCLG) guidance, Charging Schedules will not require a Sustainability Appraisal.

5. Relevant background/chronology of key events:

- 5.1 CIL is a mandatory charge per square metre on certain developments to support the provision of infrastructure needed to support growth in the city. The CIL Regulations 2010 (as amended) outlines the stages which must be followed in order to adopt a CIL. These regulations also clarified the future role of TCPA S106 agreements, and it became apparent that in order to continue to secure income via planning obligations, the City Council would need to adopt a CIL.
- 5.2 In early 2012, external consultants GVA were appointed to examine the viability of different types of development across the city and propose CIL charges for public consultation. This Preliminary Draft Charging Schedule was approved by Cabinet for public consultation for a period of eight weeks during December 2012 and January 2013. This consultation also included specific meetings with the development sector and public drop in sessions.
- 5.3 Taking account of comments received, a revised set of charges was published for public consultation for six weeks from September 2014 to November 2014. This consultation again followed Cabinet approval.
- 5.4 The charges proposed in the Draft Charging Schedule were more favourably received, and were duly submitted for Examination on 4th February 2015, unaltered.
- 5.5 The Examination in Public was held on 30th April 2015 and the City Council has now received the Examiner's report. The report is to be welcomed and concludes that the proposed charges "provide an appropriate basis for the collection of CIL in our area", and that "CIL will secure an important funding stream for infrastructure necessary to support the planned growth in the city". Only two minor modifications are proposed by the Examiner. The first is a clarification that all Use Class C2 development will be zero rated for CIL purposes. The second is to increase the retail convenience size threshold at which CIL would apply, from 2,000 sq.m. to 2,700 sq.m.
- 5.6 The Examiner suggests that the CIL charges are reviewed within three years of adoption to ensure the charges remain appropriate and relevant. It should also be noted that we are one of the first (and few) local authorities to receive approval to commence charging our CIL in advance of an adopted Development Plan which is testament to the detail contained within the draft Birmingham Development Plan.

5.7 Next Steps

Section 213 of the Planning Act 2008 (as amended) states that a Charging Authority must approve a Charging Schedule at a meeting of the authority and by a majority of votes of Members present. Following this approval, the City Council intends for CIL to take effect on Monday 4th January 2016 and CIL will be charged on all relevant applications at the time planning permission first permits development (i.e. when the Planning Decision Notice is issued), irrelevant of submission date.

6. Evaluation of alternative option(s):

- 6.1 To do nothing – This would result in a loss of funding for infrastructure provision across the city as the scope of TCPA S106 agreements will be reduced.

7. Reasons for Decision(s):

- 7.1 To secure a source of funding for infrastructure provision to enable Birmingham to grow in line with the Birmingham Development Plan.

Signatures**Date**

Cllr Tahir Ali
Cabinet Member for
Development, Transport and
the Economy

.....

Cllr. Ian Ward,
Deputy Leader

.....

Waheed Nazir
Director Planning &
Regeneration

.....

List of Background Documents used to compile this Report:

- Relevant Officer's file(s) on the matter save for confidential documents.
- Community Infrastructure Levy – Preliminary Draft Charging Schedule Consultation 29 October 2012
- Community Infrastructure Levy – Draft Charging Schedule Consultation 15 September 2014

List of Appendices accompanying this Report (if any):

1. CIL Charging Schedule
2. CIL Examiner's Report
3. Equality Analysis

Report Version**Dated**

15 July 2015

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 | <p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation |

Community Infrastructure Levy Charging Schedule

Version 3
Updated July 2015

Contact:

Hayley Anderson
Economy Directorate
Birmingham City Council

Click:

hayley.anderson@birmingham.gov.uk
www.birmingham.gov.uk/cil

Call:

0121 303 4820

Visit:

Office:
1 Lancaster Circus
Birmingham
B4 7DJ

Post:

PO Box 28
Birmingham
B1 1TU

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1.0 What is the Community Infrastructure Levy?

The Community Infrastructure Levy (CIL) is a charge on new buildings in England and Wales. It is a mechanism to ensure certain types of new development contribute to the infrastructure needed to support that development. This infrastructure will support the growth aspirations for Birmingham as outlined in the Birmingham Development Plan which includes proposals for over 50,000 new homes and 100,000 new jobs. This infrastructure could include new schools, roads, parks and public transport improvements.

The charge provides a greater level of certainty for developers and land owners regarding their contributions and will be charged per net square metre of new development.

We will need approval from Full Council to begin charging a CIL, and subject to this approval, we intend to commence charging on Monday 4th January 2016.

2.0 CIL and other planning documents

To adopt a CIL, we need bring together “relevant evidence” which shows our aspirations for growth, the infrastructure needed to support that growth and its cost. We also need to show that the proposed charge will not discourage new developments from being built.

These documents are available on our website at www.birmingham.gov.uk/cil and www.birmingham.gov.uk/plan2031/evidencebase and include the following:

- The CIL Charging Schedule
- CIL Charging Maps
- CIL Economic Viability Assessment (GVA report) – October 2012
- The Birmingham Development Plan (Pre Submission Version)
- The Birmingham Development Plan Policies Map
- Site Delivery Plan
- Infrastructure Delivery Plan
- Preliminary Draft Charging Schedule information and consultation responses
- Regulation 123 list

The Birmingham Development Plan (BDP) was submitted to the Secretary of State for Examination on July 1st 2014, and the Examination Hearing Sessions have now finished. It is anticipated that the BDP will be adopted in 2016.

You can find the Birmingham Development Plan here www.birmingham.gov.uk/plan2031

3.0 The Infrastructure Development Plan

The Infrastructure Delivery Plan (IDP) identifies the infrastructure needed to support the growth of the City. This document helps to identify the types and costs of infrastructure, the delivery timetable and gaps in funding. The IDP is a collaborative effort and we have worked with a wide range of departments and stakeholders who have a role in delivering that infrastructure. The IDP clearly demonstrates a funding gap for the delivery of critical infrastructure which CIL will help to address. You can find the latest version of the IDP [here](#)

4.0 The Community Infrastructure Levy Preliminary Draft Charging Schedule – Viability Study (GVA)

We appointed GVA to carry out a viability study. We wanted this study to look at the viability of various hypothetical developments across the City. When assessing viability, GVA considered planning policy requirements (e.g. standards for sustainable buildings) which can add to the cost of a new development. This study shows possible CIL charges across the City, with different charges by type and location of those developments.

5.0 The Draft Charging Schedule

Following the Preliminary Draft Charging Schedule consultation, a number of responses raised specific issues regarding retail use categories, residential assumptions and values and charges specifically in relation to the Green Belt proposals in the Birmingham Development Plan. We requested GVA conduct further analysis to address the concerns mentioned.

In addition to supplementary testing, we have further amended the charges to take into account the current economic situation. While the economy is no longer in recession, the recovery is delicately balanced. CIL charges should not prejudice this recovery, and must strike an appropriate balance between funding for infrastructure and CIL's impact on economic viability. The proposed charges contained within the CIL also take into account unforeseen costs, additional planning policy requirements and on site Section 106 (S106) contributions. Once adopted, there is the possibility of an early review and potential amendment to CIL charges as the economy continues to recover.

5.1 Additional Retail Testing

Additional, hypothetical development schemes were tested (specifically convenience stores, city centre retail and convenience store with petrol station). The scenarios tested are high level and cannot be used as an example of what an individual developer or operator would be prepared to pay for land at any given location.

The appraisals assume a zero contribution towards S106 costs.

The paper can be found [here](#).

5.2 Additional Employment Testing, including Sustainable Urban Extension (Peddimore Employment Proposal)

Additional employment scenarios were tested, specifically in relation to industrial development on a greenfield site and offices in the prime and fringe of the city centre, to demonstrate potential charges for employment use. The scenarios tested are high level and cannot be used as an example of what an individual developer or operator would be prepared to pay for land at any given location.

To test the viability of a range of schemes on Green Belt employment land, three different scenarios were tested – pre-let industrial use, speculative industrial use and speculative business park use. The papers can be found [here](#).

5.3 Additional Miscellaneous Testing and Analysis

This paper updates the initial viability testing from October 2012. This paper reviews the original, proposed CIL rates and gives a greater viability “cushion” for CIL charges. This ensures the CIL will remain viable even with the varying circumstances for each development scheme. The paper can be found at [here](#).

5.4 Residential Urban Extension

Additional testing was undertaken for a large, strategic scale development of 5,000 units. This is a hypothetical example which mirrors the potential characteristics of the scheme recommended in the Sustainable Urban Extension (SUE). It is assumed that developments will be undertaken by large regional and national developers who benefit from economies of scale.

The testing assumes there will be significant on-site mitigating requirements for such a large scale development, and therefore S106 contributions are unlikely to be pooled with S106 agreements for other schemes.

Testing was undertaken assuming S106 contributions equivalent to £10,000 and £20,000 per dwelling. Further tests also assumed 20% and 35% affordable housing. In all cases, the assumptions adopted give a positive residual land value which suggests the scheme is deliverable; however the appraisals do not equal or exceed the adopted base land values. Therefore, the testing recommends a zero charge for residential development in the Green Belt. The paper can be found at [here](#).

5.5 Affordable Housing Providers and Birmingham Municipal Housing Trust

Amended guidance for the CIL was published on the Planning Practice Guidance website on 12 June 2014, and this replaced the previous standalone guidance that was published in February 2014.

This guidance states that we may offer further, discretionary relief for affordable housing types which do not meet the criteria required for mandatory social housing relief and are not regulated through the National Rent Regime.

The majority of Birmingham Municipal Housing Trust (BMHT) schemes deliver socially rented housing. These properties are funded through a mixture of internally generated resources, grant funding and recycled surpluses from house sales with the land being provided to the scheme at no cost. There is no developer profit achieved on a BMHT scheme as any surpluses created from the homes for sale are reinvested into new homes for rent or into community benefits such as road improvements or public open space.

Therefore it is proposed to exempt BMHT developments from CIL charges. This paper can be found at [here](#).

Similarly, we propose to exempt all social housing providers registered with the Homes and Communities Agency from CIL charges.

6.0 The CIL Examination Process

We submitted our CIL Draft Charging Schedule to the Planning Inspectorate on Wednesday 4th February 2015 for public examination. Our CIL Examination was held at our offices at Lancaster Circus on Thursday 30th April 2015 and all information relating to the Examination, including the Full Report, can be found [here](#).

The Inspector's Report concludes that our Charging Schedule provides an appropriate basis for the collection of the levy, that the charges are set at levels which will not put the overall development of the Birmingham area at risk, and will secure an important funding stream for infrastructure necessary to support planned growth in the city.

Following the Examination, we now need Full Council approval to adopt a CIL, and subject to this approval, we intend to adopt our CIL and commence charging on Monday 4th January 2016.

7.0 CIL Charges

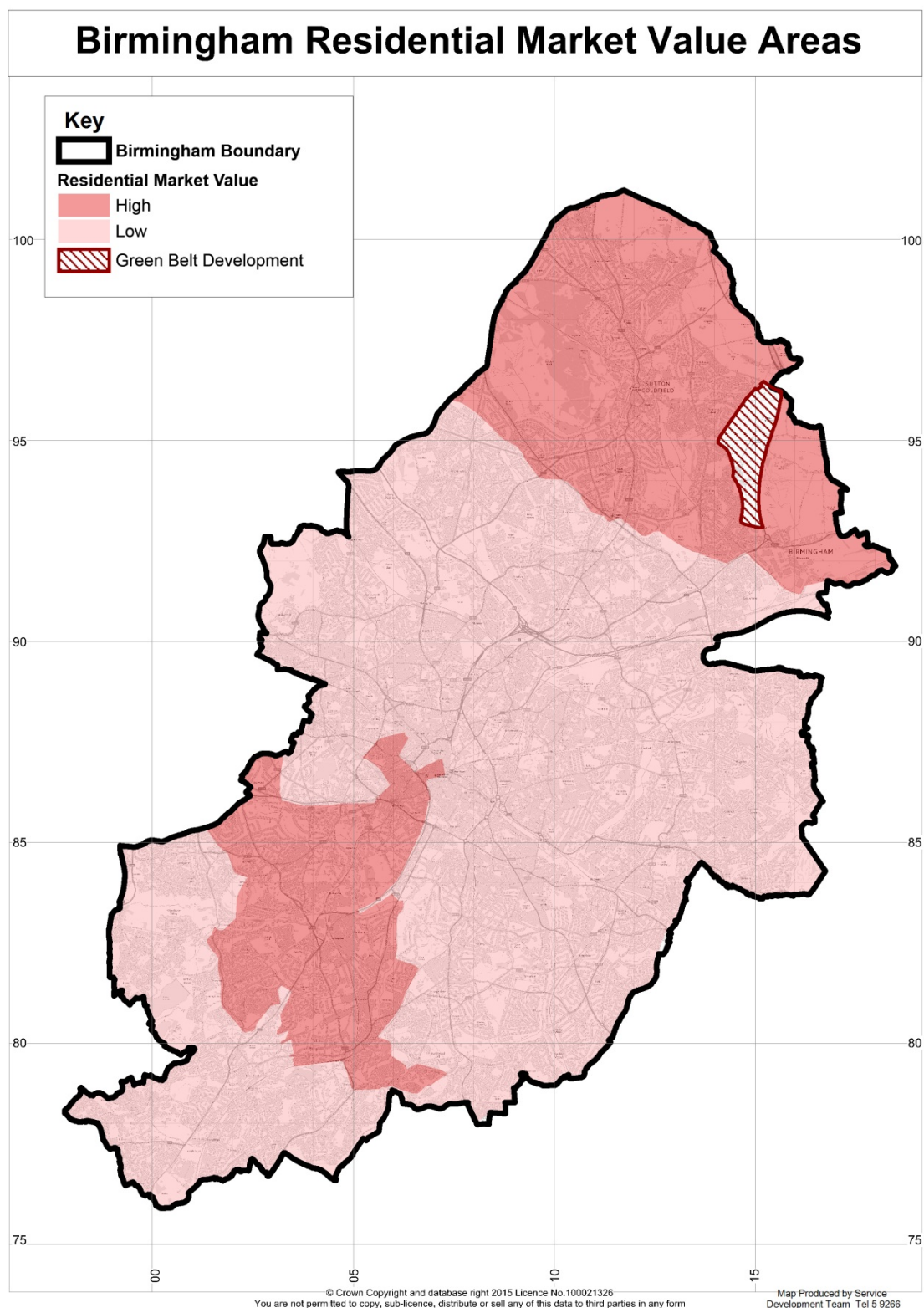
| Development Type | Detail | Charge/sqm |
|---------------------------------|--|------------|
| Retail convenience ¹ | <2,700 sqm | £0 |
| Retail convenience ¹ | >2,700 sqm | £260 |
| Retail ² | All other | £0 |
| Retail ² | Greenbelt Development (Sustainable urban extension) | £0 |
| Industrial/Employment | All areas | £0 |
| Offices | All areas | £0 |
| Residential | Value zones 1,2 & 3 (High value area) | £69 |
| Residential | Value zones 4,5,6 & 7 (Low value area) | £0 |
| Residential | Green Belt Development (Sustainable urban extension) | £0 |
| Residential | Social Housing Providers registered with HCA and Birmingham Municipal Housing Trust developments | £0 |
| Student housing | All areas, except Green Belt Development (Sustainable urban extension) | £69 |
| Student Housing | Green Belt Development (Sustainable urban extension) | £0 |
| Hotel | City centre | £27 |
| Hotel | Green Belt Development (Sustainable urban extension) and rest of city | £0 |
| Leisure | All areas | £0 |
| Education | All areas | £0 |
| Health | All areas | £0 |
| Use class C2 ³ | C2 use | £0 |
| All other development | All areas | £0 |

1. Retail convenience can also include non-food floorspace as part of the overall mix of the unit.

2. Retail - This category will include those retail units selling goods not bought on a frequent basis.

3. The Town and Country Planning (Use Classes) Order 1987 (as amended) defines Use Class C2 Residential Institutions as – residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

7.1 Charging Zone Maps

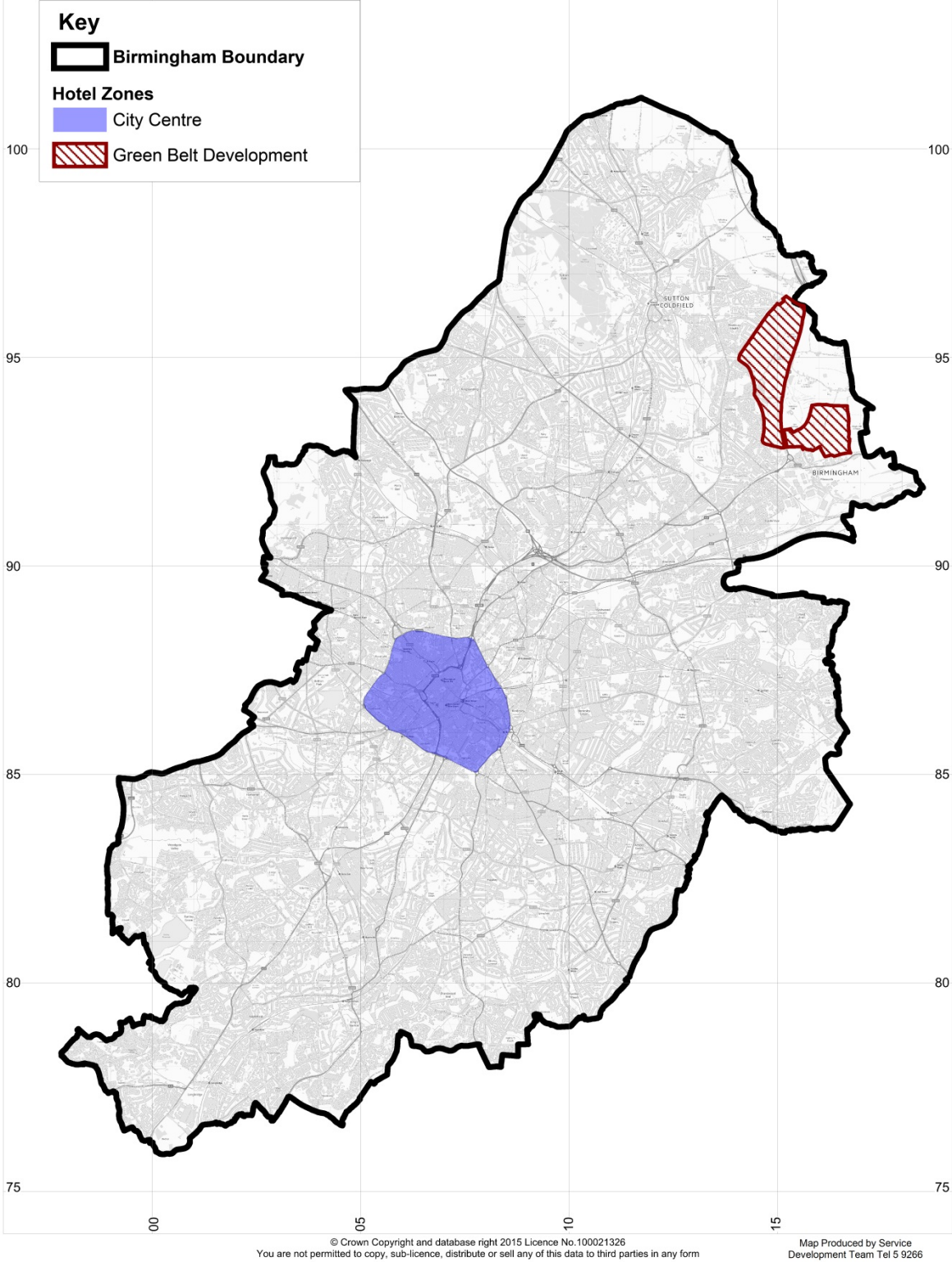


Please note – where the residential charging zone dissects a building on the above plan, the postcode used for the planning application site address will determine which charging zone the application falls under.

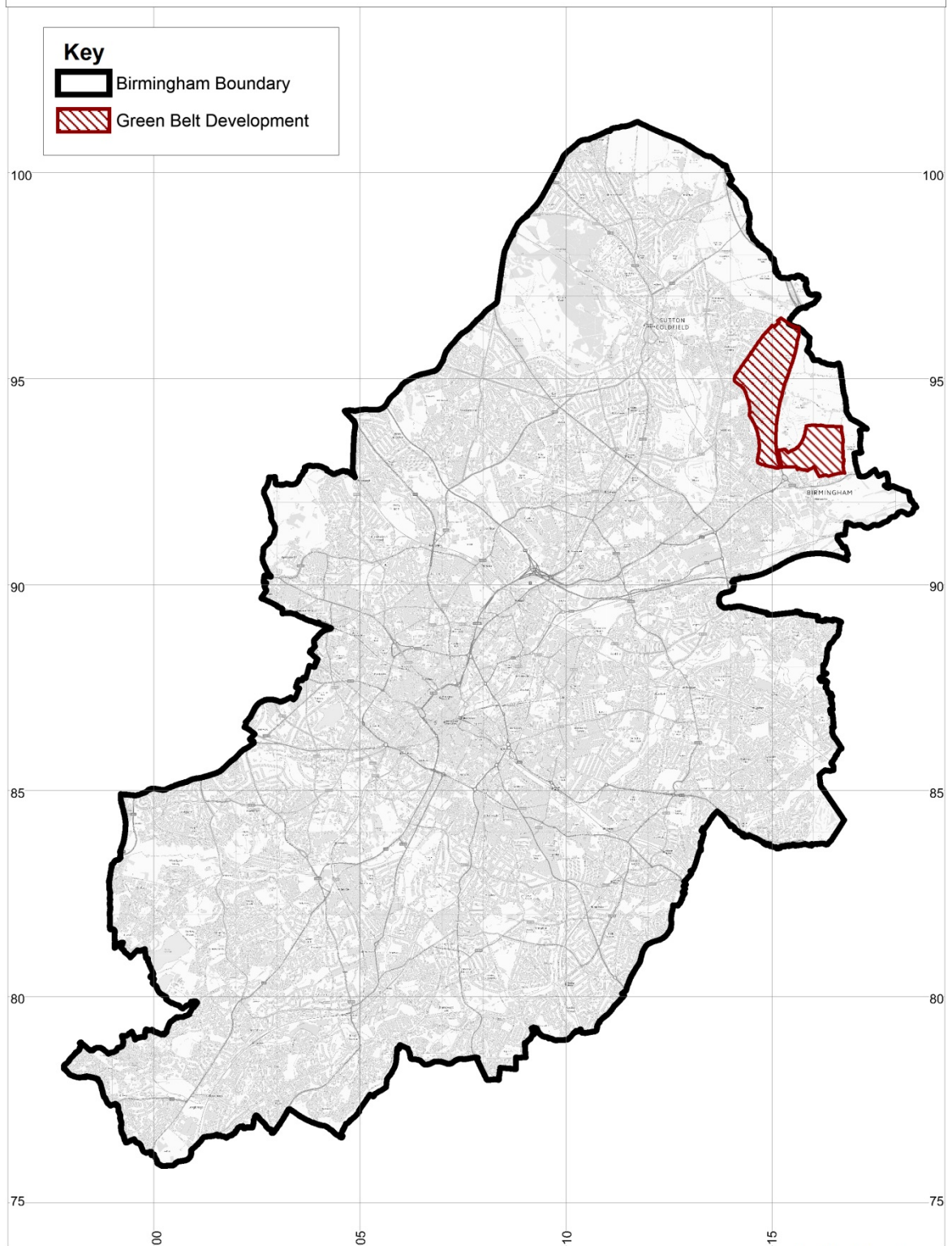
For clarity, the following post codes were identified in the GVA CIL Economic Viability Assessment report (October 2012):

| Market Value Area | | | | | | | |
|-------------------|-------------------------------------|-----------------------------|--------|--|--|---|--------|
| | High | | | Low | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Postcodes | B15, B17, B73, B74, B75 | B30, B29, B72, B76 | B1, B2 | B3, B13, B12, B14, B20, B27, B24, B38, B45, B23, B31, B32, B33 | B9, B18, B19, B28, B10, B26, B44 | B5, B6, B8, B11, B16, B21, B25, B34, B35, B36, B42 | B7, B4 |

Birmingham Hotel Zones



Green Belt Development



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Map Produced by Service
Development Team Tel 5 9266

8.0 Regulation 123 list

The Regulation 123 list (R123) is a list of infrastructure projects which we hope to fund or part fund through CIL. We have published a list and you can find this [here](#). We can revise this list at any time following the adoption of CIL, subject to appropriate consultation.

The projects on this list have been chosen as they support the development of Birmingham, as outlined in the Birmingham Development Plan. We can use the CIL to provide new infrastructure, increase the capacity of existing infrastructure or repair failing infrastructure, if it is necessary to support development.

9.0 What will be liable for CIL?

CIL may be payable on a development which creates net additional floor space, where the gross internal area of new build exceeds 100 sq.m. If the development creates a new dwelling, CIL is usually payable, irrelevant of size. CIL applies to all types of planning consent, including Local Development Orders and Neighbourhood Development Orders.

10.0 What will be exempt from CIL?

- Developments of less than 100 sq.m., unless it is a new house or flat. If it is a new house or flat, CIL is payable.
- Houses, flats, residential extensions or residential annexes which are built by self-builders, and will be occupied by those self-builders.
- Social housing
- Charitable development
- Buildings into which you do not normally go
- Buildings where you only go intermittently, for inspecting/maintaining fixed plant, machinery etc.
- Any structures which aren't buildings such as pylons
- Any development with a £0 charge as defined in the Charging Schedule
- Vacant buildings brought back into the same use
- Mezzanine floors of less than 200 sq.m. unless they form part of a wider planning permission providing other works.

For detailed, up to date information on the various exemptions, please see the [CIL Regulations 2010](#) (as amended) and also the [CIL Planning Practice Guidance](#).

11.0 Calculation

The formula used to calculate CIL liability is defined within the CIL regulations. This involves multiplying our CIL charging rate by the net increase in Gross Internal Area (GIA) and adjusting for inflation.

$$\frac{R \times A \times Ip}{Ic}$$

R – the CIL rate for that use

A – the deemed net area chargeable at rate R

Ip – the index figure for the year in which planning permission was granted

Ic – the index figure for the year in which the charging schedule took effect

The All-In Tender Price Index is an inflation index published by the Royal Institute of Chartered Surveyors Building Cost Information Service and the figure for any given year is the figure for November of the previous year.

CIL calculations leading to a liability of less than £50 are treated as zero rated and are not payable.

Further detail on calculating the amount due is contained in the [CIL regulations](#), including how to calculate the net chargeable area of the development.

If you need any help or advice calculating your CIL liability, please contact Hayley Anderson at hayley.anderson@birmingham.gov.uk or 0121 303 4820.

12.0 Who pays?

Landowners are liable for payment of CIL, but other parties can take on the liability to pay their CIL contribution. If no one assumes liability, or payment is not forthcoming from other parties, the liability will automatically default to the landowner.

13.0 [When and how will I pay?](#)

- When planning permission is granted through a decision notice (or appeal decision) on or after the date of publication of a CIL Charging Schedule for that area; or
- When development is permitted by a 'general consent' (e.g. permitted development).

Please note CIL will be chargeable on all relevant applications at the time planning permission first permits development. This is in accordance with Regulation 40 of the CIL Regulations 2010 (as amended).

There are a number of stages in the CIL collection process which we must follow:

- If you are applying for planning permission, you must include a completed copy of the [Additional CIL Information Form](#) with your application to help us calculate the sum payable
- If your development is granted planning permission by way of a general consent (such as General Permitted Development Orders or Local Development Orders), you must submit a [Notice of Chargeable Development](#) if the development is liable for CIL
- Someone must also assume liability for payment by submitting an [Assumption of Liability Form](#). This could be the developer, landowner or another interested party
- We will then issue a Liability Notice which sets out the charges due and the payment procedure
- Whoever assumes liability must then send us a [Commencement Notice](#) stating when development will start
- We will send a Demand Notice which states the payments and due dates for payment in line with our payment and instalment procedures
- When development starts, and payments are received in line with the procedures, we will issue a receipt for all payments received.

14.0 Can I pay my CIL in kind?

It may be possible to pay your CIL liability in kind, through either land or infrastructure, and we will assess each application and make a decision on a case by case basis. Please contact Hayley Anderson at Hayley.anderson@birmingham.gov.uk or 0121 303 4820 for further information.

Please note, should we agree to an in kind payment of CIL liability, these payments must be agreed through a land or infrastructure agreement before starting on site and can be full or part payment of the CIL liability.

Land or infrastructure must be valued by an independent valuer to ascertain open market value of land or the cost of the infrastructure to decide how much of the CIL liability will be paid by the in kind payment.

Further information regarding in kind payments is contained within the [CIL regulations](#).

15.0 Instalments

We have introduced an Instalment Policy which will take effect when the CIL is adopted.

| Total CIL payment due | Payment Terms |
|------------------------------|--|
| Less than £30,000 | Total payable within 60 days of commencement |
| £30,000 - £100,000 | 25% payable within 60 days of commencement 75% payable within 240 days of commencement (c. 8 months) |
| £100,001 - £500,000 | 25% payable within 60 days of commencement 25% payable within 240 days of commencement (c. 8 months) 50% payable within 365 days of commencement (c. 1 year) NB Full payment is due if full occupation/opening of development is earlier than the dates set out above. |
| £500,001 - £1,000,000 | 20% payable within 60 days of commencement 20% payable within 240 days of commencement of development (c. 8 months) 30% payable within 365 days of commencement (c. 1 year) 30% payable within 540 days of commencement (c. 18 months) NB Full payment is due if full occupation/opening of development is earlier than the dates set out above. |
| More than £1,000,001 | 20% payable within 60 days of commencement 20% payable within 240 days of commencement of development (c. 8 months) 20% payable within 365 days of commencement (c. 1 year) 20% payable within 540 days of commencement (c. 18 months) 20% payable within 730 days of commencement (c. 2 years) NB Full payment is due if full occupation/opening of development is earlier than the dates set out above. |

If these instalment terms are broken, we will issue a Demand Notice which requires full payment immediately.

Similarly, if no Commencement Notice is received and we have to determine the “deemed commencement” date, we will issue a Demand Notice for CIL liability, which must be paid immediately in full.

16.0 Developer contributions and S106 Agreements

You could be asked to contribute towards infrastructure in different ways. This could be through CIL, S106 agreements, S278 highway agreements and any conditions which may be attached to your planning permission.

However, these different types of developer contribution all serve different purposes and the regulations will limit any perceived or actual “double dipping” with developers paying twice for the same thing.

16.1 Section 106 agreements

The CIL should provide infrastructure to support the development of the whole area covered by the Development Plan. However, some site specific issues or mitigation might still be needed to make sure planning permission is granted.

When we have adopted CIL, Section 106 requirements should be scaled back to those matters which are directly related to a specific site, and are not set out in a Regulation 123 list.

Whilst the majority of our viability appraisals assume a zero CIL liability, there may still be a need for on-site requirements, and these will be assessed on each planning application. The CIL “viability cushion” should still allow for an on-site S106 contribution if required.

You should note that while S106 agreements will remain, they will continue to be negotiable and therefore will be negotiated *after* the CIL contribution has been calculated.

S106 agreements should continue to be;

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and
- (c) fairly and reasonably related in scale and kind to the development

From April 2015 we can't pool unlimited S106 agreements for infrastructure. If we have signed five or more obligations for a specific type of infrastructure or project since 6 April 2010, and you can also fund that piece of infrastructure or project through the CIL, we cannot sign any more of those S106 agreements. This also includes S106 agreements signed against applications made under Section 73 to vary a planning condition.

If you can't fund a piece of infrastructure through the CIL (such as affordable housing), we can pool unlimited S106 agreements, as long as we have regard to wider policies on planning obligations set out in the National Planning Policy Framework.

16.2 Section 278 agreements

Section 278 agreements are agreements between the highway authority and someone who agrees to pay all or part of the highways works. Section 278 agreements **cannot** be used for works which are included on the Regulation 123 list (i.e. works which could be funded by CIL). However, unlike S106 agreements, there is no limit on pooling S278 agreements.

17.0 Percentage to neighbourhoods

We have to pass on a percentage of CIL receipts to those communities affected by new developments.

15% of CIL receipts must be passed to Parish and Town Councils where development has taken place. This is capped at £100 per council tax dwelling, per year.

If there is a Neighbourhood Plan or a Neighbourhood Development Order (including a Community Right to Build Order) in place, the amount passed to that Neighbourhood Plan area is increased to 25%, with no annual cap.

| | |
|---|--|
| Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/> = 25% uncapped, paid to Parish | Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/> = 15% capped at £100/dwelling, paid to Parish |
| Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/> = 25% uncapped, local authority consults with community | Parish Council <input checked="" type="checkbox"/> Neighbourhood Plan <input checked="" type="checkbox"/> = 15% capped at £100/dwelling, local authority consults with community |

These percentages will still apply if there are no Neighbourhood Plans or Parish Councils, but we will keep these contributions, and engage with local communities to determine how best to spend the money. The funds will be passed on every six months, at the end of October and April.

If a developer has contributed in kind CIL payments in the form of infrastructure, we will ensure a cash equivalent contribution to local communities.

The percentage passed to neighbourhoods can be spent on a wider range of infrastructure than the rest of CIL, as long as it still supports the development of the area.

18.0 Review

The CIL viability study can only demonstrate viability at a moment in time and cannot forecast future changes in the market. Therefore we will keep our CIL charges under review to make sure they remain appropriate. If market conditions change significantly, or the infrastructure funding gap changes, we will review and alter the CIL charges as necessary. Any proposed changes to the CIL charge will be posted on the CIL pages on our website, and you will have the opportunity to comment before any changes are made.

We can decide to stop charging a CIL at any time. If we were to do this, any CIL liability relating to a development which hasn't started would be dissolved and no CIL would be payable.

19.0 Monitoring

Regulations state we must let you know how we're spending any CIL income. We will publish a report (at least) annually (by 31 December each year, for the previous financial year) explaining how much we've received in CIL payments, how much we've spent, and on what, and how much we're carrying over into future years.

Town and Parish Councils must also report on their CIL spending.

20.0 Sustainability

The CIL charging schedule does not require a Sustainability Appraisal as it is a short financial document rather than a "land use planning" document.

Glossary and Further Information/FAQs.

Is CIL payable if existing buildings are being demolished or converted?

The gross internal area of any buildings on the site that are going to be demolished or re-used may be deducted from the calculation of CIL liability. However, deductions are only applied where those buildings have been in lawful use for a continuous period of at least 6 months within the period of three years ending on the day planning permission first permits the chargeable development. In this context, “in use” means that at least part of the building has been in use.

It will be for the applicant or their agent to demonstrate that a building has been in use by providing appropriate evidence such as Council Tax records or Business Rates documentation.

The day “planning permission first permits development” is defined in the CIL regulations as the date at which development may commence. If there are any pre-commencement conditions attached to the planning permission, this date is the date at which the final pre-commencement condition is discharged. If there are no such conditions, then the date is the date of planning permission.

In relation to outline applications, subject to any phasing arrangements that may apply, development will only be permitted when the last of the reserved matters is approved.

Is CIL payable if my scheme does not need planning permission?

A CIL payment is required whether or not the development needs planning permission. If you intend to carry out development authorised by “general consent” (including permitted development) you should serve the City Council with a Notice of Chargeable Development.

Do charities have to pay CIL?

If you are a charitable institution, and you own a material interest in the land, you will get full relief from your portion of CIL where the chargeable development will be used wholly, or mainly, for charitable purposes. We can also offer discretionary relief to a charity landowner if the greater part of the development will be held as an investment and the profits applied for charitable purposes.

To qualify for charitable relief:

- You must be a charitable institution
- You must own a material interest in the land
- You must not own this interest jointly with a person who is not a charitable institution.

And a charitable institution is defined in the regulations as:

- A charity
- A trust of which all the beneficiaries are charities

- A unit trust scheme in which all the unit holders are charities

If you are providing social housing, we will also grant full relief from CIL charges, for those social housing units. This relief may also be available for those parties who are not charities.

An [application](#) for relief must be made to the City Council before commencement of the development to which it relates.

Be aware that if you claim charitable relief, you must continue to be eligible for that charitable relief for seven years following the commencement of your development. If, at any point in those seven years:

- The purpose of the development changes to an ineligible use;
- The owner of the interest in the land changes, and no longer qualifies for relief;
- The terms of the leasehold changes, and no longer qualifies for relief.

You must inform us of this change within 14 days, and we will “clawback” the relevant parts of the relief given. If you do not notify us within 14 days, we will charge an additional 20% of the chargeable amount, or £2,500 (whichever is lesser).

The regulations regarding charitable relief can be found [here](#).

What if I am building social housing?

Full CIL relief can be given to those parts of a development which are going to be used as social housing if a claim is submitted to the City Council by an owner of a material interest in the relevant land.

This will benefit most social rent, affordable rent, and intermediate rent accommodation provided by the Council or Private Registered Provider, and also shared ownership dwellings.

When [applying](#) for this relief, you must provide evidence that the chargeable development qualifies for social housing relief. To ensure that relief is not used to avoid CIL payments, the regulations provide that any relief must be repaid if the development no longer qualifies for the relief granted within seven years from the commencement of the development.

The regulations regarding social housing relief can be found [here](#).

Social housing relief is calculated according to the formulas in [Regulation 50](#).

Discretionary social housing relief applies to those affordable dwellings which meet the criteria set out in Regulation 49A (2014 Regs).

What if I am building my own home?

If you are building your own home, or have commissioned your own home, and you are going to live in that home for a minimum of three years after completion, you don't have to pay CIL.

You can submit your [Part 1 Claim](#) at any time as long as the work hasn't commenced, and this exemption does not apply retrospectively. As with other exemptions, you must notify us if your circumstances change during those three years.

To claim the exemption, you will need to submit your [Part 2 Claim](#) within six months of completion.

The regulations regarding self-build housing relief can be found [here](#).

What about residential extensions or annexes?

If you want to extend your house, and your residential extension is under 100 sq.m., you don't have to pay CIL. You must submit this [form](#) before you start work on your extension or annex.

The regulations regarding residential extensions and annexes can be found [here](#).

How do you decide if a building has been abandoned?

We will decide if a building has been legally abandoned. We will take into account;

- The condition of the property
- The period of non-use
- Whether there has been an intervening use, and
- Any evidence regarding the owner's intention

What about phased developments?

It is possible to allow a planning application to be divided into "phases" for the CIL, which is especially useful for large, planned developments. This applies for both detailed and outline permissions (and therefore "hybrid" permissions too), and each phase would be treated as a separate chargeable development. This allows for payments in line with the instalment policy which we have adopted.

The principle of phased delivery must be apparent from the planning permission.

For outline permissions, if the CIL is in force when the outline permission is granted, each phase of that permission is subject to CIL, or any replacement CIL charging schedules which may be introduced.

What happens if I want to alter my permission? Do I pay twice?

If you want to revise or submit a new planning application for a development which has started but is not finished, we are able to take into account any CIL payments which can be credited against the new permission. This is called abatement. However, if your development has finished, you cannot apply for abatement.

If the revised development has a lower CIL liability than the original, no refunds will be paid.

You can only apply for abatement before development commences under the alternative permission.

Can I appeal against a CIL decision?

Yes, in certain circumstances, you can appeal against the levy calculation. Further guidance can be found [here](#).

What happens if I have overpaid?

We will pay back any overpayment as long as the refund exceeds the administrative costs for processing that refund. We will not refund overpayments if those overpayments are the result of an in kind payment.

What if no one assumes liability for the development?

If no one assumes liability, the liability falls to the owners of the land. This also means that full payment will become due when development commences. If no one assumes liability, we may approach potential people or organisations who might want to assume liability and point out the benefits (such as payment in instalments) if they assume liability.

Liability can be transferred at any time up to the day before the final payment is due by submitting a [Transfer of Assumed Liability form](#).

What happens if I don't pay?

The regulations allow us to impose penalties for late payment.

If a party has assumed liability and doesn't pay, we can issue a Default Liability Notice to the owners of any material interest in the land within the chargeable development.

If the debt still isn't settled, we can take more direct action to recover the CIL funds due. We can stop any development on site until payment is received, and in extreme cases, we can seize and sell assets, or even apply to send the liable party to prison for up to three months.

Can CIL be spent outside the Birmingham boundary?

Yes, if we believe that the infrastructure will benefit the development of the wider area. We can also pool our CIL receipts with other charging authorities to fund large, strategic projects which we would all benefit from.

Links to other relevant information:

DCLG CIL information

Planning Practice Guidance - Community Infrastructure Levy

CIL regulations**HMSO**

Community Infrastructure Regulations (March 2010) (Statutory Instrument 2010 no. 948):

http://www.legislation.gov.uk/ukxi/2010/948/pdfs/ukxi_20100948_en.pdf

(It should be noted that these principal regulations have been amended in part by subsequent regulations and the HMSO web site should be consulted for all relevant amendments)

Further information is available from:

The Planning Portal

The Planning Advisory Service - CIL

CIL - How to make an appeal

CIL forms

CIL Form - CIL Form Guidance

Form 1: Assumption of Liability

Form 2: Claiming Exemption or Relief

Form 3: Withdrawal of Assumption of Liability

Form 4: Transfer of Assumed Liability

Form 5: Notice of Chargeable Development

Form 6: Commencement Notice

Report to Birmingham City Council

by Mr Philip Staddon BSc, Dip, MBA, MRTPI

an Examiner appointed by the Council

4 June 2015

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT BIRMINGHAM CITY COUNCIL COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

Charging Schedule submitted for examination on 4 February 2015

Examination hearings 30 April 2015

File Ref: PINS/P4605/429/8

Non-Technical Summary

This report concludes that the Birmingham City Council Draft Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area. The Council is able to demonstrate that it has sufficient evidence to support the Schedule and can show that the levy rates would be set at levels that will not put the overall development of the area, as set out in its draft Birmingham Development Plan 2031, at risk. The proposals will secure an important funding stream for infrastructure necessary to support planned growth in the city.

Introduction

1. This report contains my assessment of Birmingham City Council's draft Community Infrastructure Levy (CIL) Charging Schedule in terms of Section 212 of the Planning Act 2008 (as amended). It considers whether the schedule is compliant in legal terms and whether it is economically viable as well as reasonable, realistic and consistent with national guidance set out in the National Planning Practice Guidance (NPPG).
2. To comply with the relevant legislation and guidance the local charging authority has to submit a charging schedule that should set an appropriate balance between helping to fund necessary new infrastructure and the potential effect of the proposed CIL rates on the economic viability of development across its area.
3. The basis for the examination, on which Hearing sessions were held on 30 April 2015, is the 'updated' Draft Charging Schedule (DCS), which consolidates the originally published DCS with changes proposed through a later Statement of Modifications (SOM). The original DCS was published for public consultation between 29 September 2014 and 10 November 2014 and the SOM in the month before 4 March 2015. For the avoidance of doubt, all further references in this report to the 'DCS' relate to the updated version incorporating the SOM changes.
4. The DCS proposals include CIL charges for residential development, student housing, a particular type of retail development and for certain hotel developments.
5. The proposed CIL charges for 'residential' development relate to three residential market zones defined on a map in the DCS. The first zone relates to the 'High' value market value areas which comprises the northern part of the city's administrative area (the Sutton Coldfield locality) and parts of the south-west of the city's area (including the suburbs of Harborne, Bournville and King's Norton); a CIL charge of £69 per square metre (psm) is proposed in this zone. The second zone is notated as 'Green Belt

Development' and is drawn around a proposed urban extension west of the A38 at Langley; CIL would be zero rated in this zone i.e. £0 psm. All of the remainder of the city's administrative area would fall within the defined 'Low' market value areas where it is proposed that the CIL charge would also be zero rated. The DCS makes clear that residential development by 'Social Housing Providers registered with the HCA and Birmingham Municipal Housing Trust development' would be zero rated for CIL; this exemption would include any market housing developed by these providers to cross subsidise affordable housing provision.

6. Student housing developments would incur a CIL charge of £69 psm in all locations except for the urban extension zone at Langley (where it would be zero rated).
7. Retail CIL charges would apply only to 'retail convenience' developments for schemes with a floorspace exceeding 2,000 square metres.
8. Hotel developments would be subject to a £27 psm CIL charge within a defined city centre zone. Elsewhere such developments would be zero rated.
9. For completeness, the DCS lists zero rated CIL charges for other types of retail development and for industrial / employment, offices, leisure, education, health 'Extra Care' and 'all other development'.

Background evidence – the city, the development plan, infrastructure needs and economic viability evidence

Birmingham

10. Birmingham is a major city with a population of just over 1 million. Since the 1980s the city has been through economic restructuring, estate regeneration and transformation of its environment. The city is a major employment centre, drawing in workers from across the West Midlands. It is a leading European business destination with an economic output of £20bn per annum. Many international companies are based in the area, including Jaguar Land Rover, Kraft, KPMG, Deutsche Bank and GKN. The local economy is supported by five universities and six major colleges, supporting over 73,000 undergraduate and postgraduate students. Birmingham is a major centre for culture, sports, leisure and shopping with a number of world class venues and over 30 million people visiting a year. In addition to the city centre's shopping areas, there is a network of over 70 local centres serving its urban and suburban communities. It is a major, diverse and dynamic city.

The Birmingham Plan 2031 – Submission Draft

11. The emerging Birmingham Plan 2031 sets out the Council's vision and strategy for the sustainable growth of the city in the period to 2031. The Plan seeks to respond to identified challenges that include an anticipated

population growth of 150,000 (estimated to result in 80,000 new households), the need to respond to climate change and the need to accommodate and deliver the longer term levels of growth needed through development beyond its existing built up and administrative areas.

12. Once adopted, the Plan will set out the statutory framework to guide decisions on development and regeneration in Birmingham up to 2031 and will replace the strategic content of earlier plans and documents. It sets out how and where new homes, jobs, services and infrastructure will be delivered and the type of places and environments that will be created.
13. The production of the Plan, by its very nature and scope, has been a complex and major endeavour. Indeed, its preparation can be traced back to 2007 and it has evolved over the years seeking to respond to new evidence, issues and changes in national planning policy. The Plan was submitted for examination in July 2014 and that 'submission draft' set out the following overall levels of growth:
 - 51,100 additional homes.
 - 2 regional investment sites (20 and 25 hectares) and an 80 hectare strategic employment site.
 - About 270,000 sq.m. gross of comparison retail floorspace (by 2026).
 - A minimum of 745,000 sq.m. of office floorspace.
 - New waste, recycling and disposal facilities.
14. In terms of the Plan's housing proposals, it seeks to maximise the level of housing delivery within the built up area, with a focus on re-using existing urban land. Key locations for such development will be the city centre, a portfolio of defined 'growth areas' and, more generally, sites spread throughout the urban and suburban areas. However, the Plan recognises that this cannot accommodate the full levels of population growth and its associated housing requirements and proposes that land at Langley should be released from the Green Belt to accommodate a Sustainable Urban Extension (SUE) of about 6,000 new homes. The balance of growth that would not be met in the city's area (circa 30,000 new households) is expected to be delivered beyond its administrative boundaries. The Plan explains (paragraph 4.7) that the Council will seek to work collaboratively with neighbouring authorities to achieve this end.
15. The Plan's employment proposals seek to deliver an additional 100,000 jobs in the period to 2031, through a focus on the city centre, existing 'core employment areas' and the promotion of growth areas. The largest strategic employment allocations are an 80 hectare site at Peddimore and 'regional investment sites' at Aston and Longbridge.
16. The Plan's approach to retail development is linked strongly to the city's established hierarchy of centres, with most planned new floorspace directed

to the higher tiers of the city centre itself, the sub-regional centre at Sutton Coldfield and three 'district growth points', with the large network of district and local centres serving specific community catchment areas.

17. The promotion of Birmingham's significant tourism and cultural roles is set out in the Plan, along with the importance of providing supporting facilities such as hotels.
18. The Plan seeks to promote the provision of good quality student accommodation and there is policy support for purpose built student accommodation schemes on-campus and, subject to specified criteria, in off-campus locations.

The Birmingham Plan 2031 – Examination progress and CIL implications

19. The Plan was submitted for examination in July 2014. Following the Hearing sessions, the appointed Inspector issued his interim findings in January 2015. These require the Council to carry out further work before the examination can continue. The further work relates to three broad areas. First, the need for an updated and more robust objective assessment of housing need. Second, the need to undertake additional work on the Plan's Sustainability Appraisal (SA), specifically concerning the approach to Green belt releases. Third, the need to bring forward modifications to address the housing 'shortfall' (that will need to be met by other Councils).
20. The Council advised that the additional work was now complete and it was awaiting the Inspector's more detailed report setting out the need for proposed modifications to make the plan sound. A further round of public consultation on the proposed modifications and the revised SA is planned to take place over the summer. The Council hopes to be in a position to adopt a modified Plan either late this year or early in 2016.
21. The Council is keen to progress its CIL proposals now that 'pooling' restrictions on S.106 contributions have come into force and, more generally, to establish a funding stream for infrastructure to support its growth strategy. The progression of the CIL proposals ahead of the conclusion of the Birmingham Plan 2031 examination process raises some issues, along with some widely held misconceptions, about the CIL legislative / regulatory requirements and the associated guidance.
22. In terms of the statutory provisions, there is nothing contained within either The Planning Act 2008 or The Localism Act 2011 that makes having an up to date and adopted Plan in place a prerequisite of the implementation of a CIL regime. Many of the Councils that have adopted CIL to date have the benefit of recently examined and adopted plans, whilst others have submitted their CIL proposals for examination alongside their development plans (as suggested in paragraph 175 of the NPPF). These scenarios are at the ideal end of the spectrum and ensure, in theory at least, that the CIL proposals are conceived in terms of the most up to date strategic policy

framework defining 'the development of an area'¹ that CIL is intended to support. However, not all prospective charging authorities will be able to present a CIL schedule alongside freshly adopted development plans, due either to the inevitably long gestation period and / or (as is the case in Birmingham) if they encounter complexities and delays in the process.

23. The important point is the evidence base itself, rather than the procedural status of the development plan (although clearly these matters are closely linked). The Birmingham Plan 2031 is a mature policy document that has been the subject of extensive public consultation and is supported by a detailed evidence base. Whilst there remain issues to be resolved, modifications to be made and further consultation to be undertaken, I am satisfied that these matters do not present any obstacle to the principle of progressing a CIL regime.
24. The 'development' of the city, in the terms envisaged in S.205 of the Planning Act 2008, is clear, and the strategy of concentrating most growth on largely brownfield sites within the urban area, supported by strategic Green Belt releases, is very unlikely to change. There is a sufficiently stable development plan backcloth to enable high level CIL viability assessments to be made. However, my comments should not be treated as any predetermination of the Plan's outcome and, at the examination Hearings, the Council did concede that there could be circumstances that would require the CIL proposals to be revisited e.g. any changes to the Green Belt housing release (which has its own tightly drawn CIL zone). However, those are matters to be addressed if and when they arise.

Infrastructure planning evidence

25. The draft Birmingham Plan 2031 is supported by an Infrastructure Delivery Plan (IDP) which assesses and analyses the city's future infrastructure needs. It is a wide ranging document that identifies and assesses a diverse range of physical, environmental and social infrastructure to enable growth to occur and to facilitate the delivery of key proposals. It includes known infrastructure costs and identifies funding sources and lead agencies. It is a 'live' document and the Council is continually updating it.
26. The Council has undertaken an infrastructure funding gap assessment. For the entire 'essential' infrastructure set out in the IDP, it assesses a net funding gap of circa £461.7 million in the plan period (to 2031). Although I am not wholly convinced by the categorisation of certain infrastructure as 'essential', i.e. that development and planned growth could not occur without such projects, the evidence of major infrastructure demands is compelling. The most significant funding requirements relate to transport and education.
27. The Council estimates that its CIL receipts in the plan period would be circa £90.7 million. It estimates a potential 'average annual CIL receipt' of circa £5.6 million, with almost half (£2.8 million) coming from convenience retail

¹ S.205(2) of The Planning Act 2008

(supermarkets), with residential development (higher value zone) generating £1.7 million and lesser amounts from city centre hotels (£0.6 million) and student housing (£0.5 million).

28. I have some reservations about the robustness of these figures which have been arrived at by looking backwards (actual past delivery in 2009 – 14) rather than forward (planned delivery) for the various CIL paying development types. This may have some credence for residential development but is unlikely to be the case for commercial developments such as hotels, supermarkets and student housing schemes, which will tend to progress when the market identifies capacity, but will cease if the finite market is considered to be sated. Furthermore, the Council's projections have not factored in the effect of discounting CIL for existing floorspace, which is likely to be a factor on many former employment sites and will reduce receipts. In my view, the Council may have overestimated the likely CIL receipts.
29. However, these factors do not affect my overarching conclusions that the funding gap is substantial and that CIL revenue would make an important contribution to filling that gap. Taking the Council's assessed gap and revenue estimates at face value, CIL may equate to about 20% of the gap (although I think the true figure may be less). Even allowing for a degree of caution around the definition of 'essential' infrastructure, the evidence provides a compelling justification for introducing a CIL regime.
30. The Council has produced a Draft Regulation 123 list that sets out the infrastructure that it intends to fund, partly or wholly, through CIL receipts. The list includes a wide variety of infrastructure types covering transport, education, arts, parks, allotments, public realm etc. The document includes a clarification note on the continued use of S.106 agreements for site specific infrastructure and further clarifies that all infrastructure requirements associated with the SUE at Langley will be secured by S.106 mechanisms (and not by CIL).
31. Whilst I do not doubt the comprehensive nature of the list, it could be improved in a number of ways. First, it would be helpful to sort the projects and initiatives into clear infrastructure types, as this would provide much greater clarity and transparency. Second, in many cases the 'infrastructure' needs much greater definition as some projects just appear as locations e.g. 'Iron Lane, Stechford' and 'The Drum Arts Centre'; readers should be able to understand the destiny and purpose of any CIL receipts. Third, the Council's intentions on the use of CIL in respect of education projects are not clear from the current draft; this type of infrastructure appears on the Regulation 123 but also appears as an exclusion (to be secured by S.106 agreements) on 'large' sites. The list did not define 'large', although it became clear at the Hearing sessions that the reference related only to the SUE. All of these matters were discussed with the Council at the Hearing sessions and the Council agreed to address the issues through redrafting, which I would encourage it to undertake prior to the implementation of any CIL regime.

Economic viability evidence – methodology, data sources and assumptions

32. The Council commissioned consultants to undertake a Viability Assessment (VA) to support its CIL proposals. The VA was completed in October 2012 and has been supplemented with additional topic based viability evidence in December 2013. These supplements included additional viability testing in respect of the SUE, employment, retail and a paper covering 'miscellaneous' matters (an update on residential sales values and allowances for a 'viability cushion'). The evidence also includes a letter from the Council's consultants providing a commentary and analysis of developments relating to retirement homes, sheltered housing and 'extra care' schemes. Hereafter, I refer to this collective of evidence as the VA.
33. The VA employs a residual valuation approach. In simple terms, this involves deducting the total costs of the development from its end value to calculate a residual land value (RLV). That residual land value is then compared to assumed 'benchmark' land values (BLV) to test viability. If the RLV is higher than the BLV, the scheme would be judged viable and vice versa. Where there is a surplus above the assumed BLV this enables a maximum potential CIL value to be computed.
34. The testing of residential scheme viability included nine residential development 'typologies', along with a bespoke testing of the SUE assumed development. The nine typologies were devised by the Council to represent what it considered to be representative of likely future developments in the city and were informed by the sites in its Strategic Housing Land Availability Assessment (SHLAA). Four of the typologies were small schemes below the Council's affordable housing threshold and comprised: 1 house, 2 flats, 6 houses and 10 flats. The five larger development typologies, above the affordable housing threshold, were: 15 flats, 50 flats, 15 houses, 50 houses and 200 houses. The SUE testing was based on an assumed strategic scale development of 5,000 homes (a slightly lower figure than the 6,000 contained in the draft Birmingham Plan 2031). In my view, the range of sites tested is comprehensive and well grounded.
35. To undertake the viability analysis, the modelling on residential developments entailed making assumptions about a range of development costs and revenues.
36. To establish sales value assumptions the Council's consultants undertook a high level review of the city's housing market and defined seven 'market value areas' comprising defined postcodes. For each of these areas, average house price values (psm) were established from a combination of Land Registry data, the consultants own in-house expertise and a stakeholder workshop (held in March 2012). The average sales values ranged from the lowest of £1,615 psm (postcodes B7 and B4) to the highest of £2,585 psm (postcodes B15, B17, B73, B74 and B75). Although the data set appeared to be comprehensive, it was a little dated, with most of the values being drawn from 2011 and 2012. However, the Council advised that since this time, property prices had risen by about 7% in the city, suggesting that the values employed are conservative and cautious.

37. The establishment of robust BLVs is clearly of great importance in this type of viability modelling. The Council considers that most new housing development will come forward on land previously in employment use but it also expects some element of supply from existing residential sites, particularly in the lower value areas where developments seek to increase density and / or provide a better quality / higher value housing product.
38. The Council established BLVs based on a triangulation of Valuation Office Agency (VOA) data, known transactions and the CIL stakeholder workshop. It concluded that there were distinct differences between the higher and lower value areas of the city. In the higher value areas (market value areas 1, 2 and 3) it assessed a BLV of £1.1 million per hectare for existing employment land (which includes a premium of 20% on existing use value) and £1.9 million per hectare for existing housing land. In the lower value areas (market value areas 4, 5, 6 and 7), the figures were £595,000 per hectare and £740,000 per hectare respectively.
39. For the greenfield SUE, the Council assumed a BLV of £250,000 per hectare, which is reasonable in my view, and within the range indicated in research contained in the Department for Communities and Local Government (DCLG) study².
40. Base build costs for residential schemes were drawn from Building Cost Information Service (BCIS) rates. The build costs for the SUE reflected the economies of scale achievable on large volume housing sites. As with sales values, the build cost assumptions were a little dated (Quarter 1 2012) and clearly do not include recent years' inflation. However, I am satisfied that build cost changes can be considered 'in the round' alongside sales value increases and the viability 'buffers' employed in the CIL rate setting.
41. In addition to base build costs, the modelling included reasonable allowances for enabling costs and contingencies. For the SUE, much greater enabling costs are anticipated, reflecting the costs of providing infrastructure and services to a large greenfield site. The modelling assumed a cost of £20,000 per plot on the SUE, which would sit within the £17k – £23k range suggested in the Harman Report³ for 'strategic infrastructure and utility costs.'
42. Costs assumptions in respect of fees, contingencies and finance conformed with accepted industry norms. Developer profit was assumed at 20% of Gross Development Value (GDV) on market housing and 6% of GDV on affordable housing, which I consider reasonable.
43. Affordable housing was modelled at policy compliant levels in terms of proportion (35%), tenure split and the assumed absence of grant subsidy. Lower levels of affordable housing (0% and 20%) were also modelled to

² *Cumulative Impacts of Regulations on House Builders and Landowners* - Research Paper. Published by DCLG in 2011 (although commissioned by the previous Government in 2008).

³ *Viability Testing Local Plans* – Local Housing Delivery Group (Chaired by Sir John Harman) June 2012.

provide sensitivity tests.

44. The modelling assumed that there would be no residual S.106 planning agreement costs, as the Council considers that CIL will largely replace the use of S.106 agreements and obligations. However, it is apparent from the Council's Draft Regulation 123 list that some element of site specific mitigation may still be required to be secured through S.106 agreements. In most cases, this is likely to be limited but some consideration of these costs is required in the assessment of the modelling results and CIL proposals. For the SUE, substantial S.106 costs are anticipated and the modelling tested levels of £10,000 per plot and £20,000 per plot.
45. The commercial development modelling used similar assumptions and methodology. Notional schemes for care homes, offices, employment, retail, hotels, student accommodation, leisure, education and health developments were all tested. The assumptions employed for the notional commercial development schemes all appeared reasonable, including the assumed rents, yields, build costs, profit levels and BLVs.

Conclusions on background evidence

46. The Birmingham Plan 2031 provides a clear strategic planning framework to guide the sustainable growth of Birmingham. Although the Plan is yet to be adopted and more work and consultation is required, it is sufficiently mature and settled to enable the viability effects of CIL to be assessed. The Plan's strategy has a strong growth focus on brownfield sites within the existing urban areas of the city, supplemented by some strategic Green Belt releases for housing and employment.
47. The IDP identifies the infrastructure required to support Birmingham's planned growth in population and jobs. The evidence demonstrates a sizeable infrastructure funding gap that justifies the introduction of a CIL regime. CIL receipts will help to reduce that gap, although a significant funding shortfall will remain. There is some uncertainty over the level of CIL receipts and the Council would be wise to monitor performance closely once a CIL regime is operational.
48. Overall, the background economic viability evidence for both residential and commercial development that has been used is reasonable, robust, proportionate and appropriate. The interpretation and use of that evidence in defining the proposed CIL rates and zones is discussed more fully below.

Residential Development CIL – zones, charges and appraisal findings

The 'High' value CIL charging zone (£69 psm)

49. This zone comprises market value areas 1, 2 and 3 where sales values are generally acknowledged to be higher than in the remainder of the city. The modelling of the residential development typologies in these areas returned generally strong positive viability. Smaller schemes below the affordable

housing threshold fared particularly well, with most remaining viable at theoretical CIL rates of £250 psm. Larger schemes with affordable housing at full policy target levels, returned lower theoretical rates, but still achieved an average of £90 psm.

50. Taking all of the results together, the Council assessed that a CIL charge of £115 psm represented the level that the 'majority' of schemes (at least 70%) could sustain. It then applied a viability buffer of 40% to arrive at its proposed CIL charge for this zone of £69 psm. In my view, that is a reasonable buffer and allows most schemes to remain viable. I have also considered the effects of increases in sales values and build costs and conclude that, overall, these are likely to increase the comfort margin.
51. At the Hearing sessions, the Council advised that the SHLAA sites in the urban area (i.e. excluding the SUE) currently totalled 33,395 potential new homes and of these 6,173 (or 18.5%) would be in the 'High' value zone and would incur the £69 psm charge. That is a modest but nonetheless important proportion of overall planned housing delivery. In my assessment, the evidence demonstrates that the delivery of these planned homes will not be unduly threatened by the imposition of the CIL charge. Indeed, in most cases, schemes can comfortably absorb the charge, which would fall within a range of 2 – 5 % of development costs.

The 'Low' value CIL charging zone (£0 psm)

52. This zone comprises market values areas 4,5,6 and 7. The modelling of the residential development typologies in these areas returned less strong viability results. Although the lowest value area 7 did not return any positive viable results, the 'majority' of schemes across the whole zone, including larger schemes with full policy target affordable housing levels (35%), were able to support a maximum theoretical CIL charge of £55 psm.
53. Were the same approach to buffers to be employed (as in the 'High' zone) this would suggest a CIL charge of £33 psm. However, the Council has elected to apply a £0 rate. At the Hearing sessions, the Council explained that its primary concern was to maintain viability and maximise affordable housing content.
54. Strictly speaking, the £0 charge is a straightforward matter. A nil charge clearly cannot threaten viability across this zone. However, some have questioned the Council's approach that effectively exempts most new homes that are planned in Birmingham (81.5% of the SHLAA sites) from CIL charges, given that all development will contribute to infrastructure needs and the evidence does suggest that modest charges could be sustained. The Council will also need to consider the much more limited role for S.106 agreements once a CIL regime is in place.
55. At the Hearing sessions, the Council advised that it does not rule out a more widespread application of CIL charges in the future, but its immediate priority is maximising viability and delivery and avoiding any pressure to compromise on affordable housing requirements in areas where viability is

demonstrably lower. The Planning Practice Guidance (PPG) does advise that, where evidence points to low viability, a charging authority should consider setting a low or zero levy rate in that area (Reference ID: 25-021-20140612). The guidance further advises that there is no requirement for a proposed rate to exactly mirror the evidence (Reference ID 25-019-20140612).

The 'Low' / 'High' zone boundary challenges

56. The Council's two-zone CIL approach for most of the city (the SUE is dealt with separately below) does, perhaps unavoidably, create some tensions around the zoning boundaries. There were two notable challenges. First, a property estate company sought revisions to the zoning boundaries in the Hagley Road and Bristol Road areas (south-west of the city centre) i.e. to effectively move its holdings from the 'High' to the 'Low' zone. Second, a commercial site owner on Lifford Lane, similarly sought a 'Low' zone status and proposed that a site specific review mechanism should apply.
57. With regard to the first set of challenges, evidence was submitted which purported to show that property values in these areas were more akin to the 'Low' zone and revised alignments of zone boundaries (departing from their postcode origin) were promoted. I have considered these submissions carefully but I am not persuaded that the Council should be required to make the suggested modifications. There are a number of reasons that have led me to this view.
58. First, the Council's two-zone approach, based on postcodes, is simple, supported by its evidence base and avoids 'undue complexity'⁴. Second, the strategic and broad-brush approach to CIL proposed by the Council inevitably means that its two large zones will contain a range of sales values, above and below the averages adopted for the value areas. Third, the evidence presented by the representor did not convince me that sales values in these localities represented a clear value watershed. Fourth, these are densely developed urban areas and there is no development envisaged that would be critical to the delivery and implementation of planned growth in the city. Finally, it should be noted that the Council's evidence base suggests that even in the 'Low' zone, the 'majority' of tested developments could support CIL contributions. For all of these reasons, I do not consider the suggested modifications are justified or necessary.
59. The second set of challenges were more site specific but included similar concerns about inconsistencies in sales values in the 'High' and 'Low' zones. The site lies in the southernmost section of the 'High' zone and may come forward for re-development post 2018. It has the capacity to deliver several hundred homes. Whilst I can understand the site owner's desire to avoid the costs of CIL on what may be a complex development project, no viability evidence was available to suggest that CIL could not be sustained (as there is no scheme at this point in time). The suggestion of a mechanism to review the Low / High value status on a site by site basis is not workable

⁴ National Planning Practice Guidance - Paragraph: 021 Reference ID: 25-021-20140612

with a CIL regime which, on adoption, is a fixed instrument (until the point of any review and revision). The Council advised that it would be reviewing its CIL regime in advance of this particular site coming forward. I am satisfied that there is no need to amend the zone boundaries and the review mechanism is a more appropriate method to address these matters, should it prove necessary.

The SUE charging zone (£0 psm)

60. The Council's testing of the assumed SUE development at Langley used a range of enabling and S.106 costs. They are unavoidably broad brush assumptions given the relatively early life cycle stage of the proposals. However, a 'best case' viability scenario, employing the lowest enabling works cost (£70 million) and the lowest assumed S.106 contributions (£10,000 per plot), did not achieve the assumed greenfield BLV. The actual RLV under that scenario was, by my calculation, £205,185 per hectare, which is well below the assumed BLV of £250,000. Higher enabling and S.106 costs clearly reduce the RLV further, although a positive land value is achieved in all test scenarios.
61. The Council envisages that the SUE will come forward through a comprehensive outline planning application. Its preferred approach is to deal with the SUE's substantial and specific infrastructure requirements in a self-contained manner through a S.106 planning agreement. This approach is reflected in its proposed CIL zone, defined around the site boundaries of the SUE, and its proposed £0 CIL charge. The evidence confirms that the development is unable to sustain CIL charges on top of the heavy burden of anticipated site enabling costs and S.106 obligations.

Specialist residential development types for older people.

62. The VA evidence suggested that residential scheme viability for retirement housing schemes falling within the C3 Use Class would display similar overall viability characteristics to conventional housing schemes. However, the Council recognised that those variants involving significant elements of support and associated facilities that led to a C2 Use Class classification were less viable. Indeed, the testing suggested that such schemes would only be viable in the highest value area.
63. I am satisfied that the Council's approach to differentiate by Use Class, applying a £0 rate to Class C2 uses, reflects the evidence. A modification to the DCS is required to reflect the Council's intention to apply a zero CIL rate to all Class C2 uses (rather than just the 'Extra Care' developments stated in the DCS). This is reflected in my recommendations.

Commercial CIL – viability appraisal evidence and proposed CIL charges

The 'zero –rated' commercial development types

64. The VA's testing of office, industrial, warehouse, education and health developments demonstrated that these could not currently support CIL charges. The evidence suggested that commercial leisure developments had some potential to support very modest CIL charges. The Council does not propose CIL charges for any of these development types at this point in time and there would be no material impact on the amount of CIL receipts, due to the very limited number of such schemes anticipated to come forward.

Retail development

65. The VA tested a range of different types of retail development, in varying locations, sizes and covenant strengths. The initial 2012 VA testing generated potential CIL rates of £380 psm for a supermarket (5,000 sq. metres); £170 psm for a 'non food retail park' development (9,290 sq. metres) and £150 psm for a suburban food store (400 sq. metres). The Council's further testing in 2013 included a finer grained analysis of convenience retail types. It tested notional schemes of 1,500 sq. metres, 2,700 sq. metres and 5,000 sq. metres supermarket combined with a petrol filling station. The CIL results with a 40% buffer applied were, respectively, £0 psm, £470 psm and £260 psm (assuming 20% profit on GDV).
66. The Council's DCS proposes to apply a retail CIL charge of £260 psm solely to 'convenience' stores (supermarkets) over a 2,000 sq. metre size threshold (all other retail types would be zero rated). The Council advised that the city was generally well catered for with a network of centres and supermarkets and its greater priority was increasing comparison shopping floorspace to meet modelled capacity. That said, the Council's latest retail needs assessment suggests that, once commitments are allowed for, a growth in the range of 39,700 – 53,600 sq. metres of new convenience floorspace may be achievable in the period 2012 - 2031. The Council also acknowledged the importance of the smaller supermarket formats, and the discount operators, in terms of meeting future demands, driving consumer choice and addressing localised gaps in provision.
67. The key examination issue in respect of the proposed retail CIL charge relates to the size threshold at which it would apply. The later 2013 evidence clearly indicates that smaller format supermarket stores cannot sustain a CIL charge, whereas a 2,700 sq. metre store can sustain a quite significant CIL charge (of £470 psm). Representations from the discount supermarket sector argued that there was no clear rationale for the Council's proposed 2,000 sq. metre threshold and that there were discount formats above this threshold and below the tested 2,700 sq. metres that simply could not sustain the CIL charge. Given that further stores of this nature are anticipated in Birmingham (one operator suggested up to ten sites were in the pipeline), it was argued that these schemes could face viability issues.

68. This is quite a difficult area to arbitrate as the variable is not simply one of unit size and the economies of scale but of operator covenant strength (and associated rents and yields). In effect, the Council is seeking to promote a floorspace as a proxy to where low and high covenant strengths are likely to sit. Whilst there is nothing wrong with that approach, I share representative views that the evidence does not demonstrate that 2,000 sq. metres should be that watershed – it is simply a figure selected to fall in the middle ground between the unviable and viable tested schemes. At the Hearing sessions, the Council accepted that the use of 2,700 sq. metres was a more robust evidence based threshold, and indicated that it would not be unduly concerned about the use of the higher figure. I recommend that modification, as it will align the charging schedule more closely with the evidence and remove any potential risk to the viability of smaller formats of convenience retail development.

Hotel development

69. The VA testing of notional 150 bed hotel schemes indicated that there were differences in viability between city centre schemes and those elsewhere. City centre schemes generated a potential maximum CIL rate of £45 psm, whereas those elsewhere displayed weaker viability. The Council's proposed application of a £27 psm CIL charge in its defined city centre zone is supported by the evidence. Such a charge includes a healthy (40%) buffer from the maximum and I do not consider that hotel development viability will be compromised.

Student accommodation development

70. The VA tested notional student housing schemes of 50 and 250 units and both returned maximum CIL levels of £115 psm. The proposed application of a £69 psm CIL charge (which includes a 40% buffer) is supported by the evidence. The Council indicated that, although this market is mature, there are signs of some activity and new schemes may come forward in the Plan period.

Overall Conclusions

71. The evidence demonstrates that, subject to some minor modifications, the overall planned development of Birmingham will not be put at risk if the proposed CIL charges are applied. Two minor modifications are required. The first is a clarification that all Use Class C2 development will be zero rated for CIL purposes. The second is to increase the 'retail convenience' size threshold, at which CIL would apply, from 2,000 sq. metres to 2,700 sq. metres. Subject to these changes, I conclude that, in setting the CIL charges, the Council has used appropriate and available evidence which has informed assumptions about land and development values and likely costs. The CIL proposals are anticipated to achieve an important income stream that will help to address a well evidenced infrastructure funding gap.
72. However, my conclusions must include some comment on the very 'light touch' nature of the CIL proposals. Indeed, until at least the first review, the

vast majority of development planned in the city will not be contributing through CIL (or S.106 planning agreements) to the infrastructure requirements identified in the IDP. I understand the Council's desire to nurture growth, particularly given its reliance on growth beyond its own administrative boundaries, but care is needed to ensure that growth is appropriately supported by infrastructure (which must be funded). Earlier in this report, I also expressed some reservations about the robustness of CIL revenue estimates and whether these will fully materialise. These are not criticisms of the Council but they are important factors for the Council to monitor and review and may assist its thinking in terms of the timing and scope of its first formal CIL review. I recommend that the Council considers undertaking such a review within three years of adoption of the schedule.

73. Overall, I conclude that, subject to my recommended modifications, the Birmingham City Council Draft Community Infrastructure Levy Charging Schedule, as modified by its Statement of Modifications, satisfies the requirements of Section 212 of the 2008 Act and meets the criteria for viability in the 2010 Regulations (as amended). I therefore recommend that the Charging Schedule be approved.

| LEGAL REQUIREMENTS | |
|---|---|
| National Policy / Guidance | The Charging Schedule complies with national policy / guidance. |
| 2008 Planning Act and 2010 Regulations (as amended) | The Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, and consistency with the development plan framework for Birmingham and is supported by an adequate financial appraisal. |

P.J. Staddon

Examiner

Attached: Appendix A – Recommended Modifications

Appendix A

Modifications that the Examiner specifies so that the Charging Schedule may be approved.

These modifications should be read in conjunction with Examination Document SO2 'Draft Charging Schedule – Version 1 – Updated January 2015.'

| Modification Number | Modification |
|---------------------|--|
| EM1 | <p>Page 8 – Table – left hand column</p> <ul style="list-style-type: none">• Delete 'Extra Care' and insert 'Use Class C2'• Add footnote 3 referencing above - <i>The Town and Country Planning (Use Classes) Order 1987 (as amended)</i> |
| EM2 | <p>Page 8 – Table</p> <p>Second development type 'Retail convenience', middle column:</p> <ul style="list-style-type: none">• Delete '>2,000 sqm' and insert '>2,700 sqm' |

Equality Analysis

Birmingham City Council Analysis Report

| | |
|--------------------------------|--|
| EA Name | Community Infrastructure Levy |
| Directorate | Economy |
| Service Area | P&R Planning And Development |
| Type | New/Proposed Policy |
| EA Summary | The impact of a new policy to secure planning obligation contributions from new development within the city. |
| Reference Number | EA000209 |
| Task Group Manager | hayley.anderson@birmingham.gov.uk |
| Task Group Member | |
| Date Approved | 2015-07-09 01:00:00 +0100 |
| Senior Officer | Andrew.round@birmingham.gov.uk |
| Quality Control Officer | Richard.Woodland@birmingham.gov.uk |

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

| | |
|---|--|
| What is the purpose of this Policy and expected outcomes? | The CIL is a charge which Local Authorities in England and Wales are empowered, but not required, to charge on most types of new development in their area. The proceeds of the CIL will be spent on local infrastructure to support the development of the area. It is for the Authority to determine the infrastructure which will be supported and the priority order of that infrastructure. The charge per square metre, once adopted, will become a mandatory charge on all new developments with an increase of net internal area of over 100sqm, or a single new dwelling. |
|---|--|

For each strategy, please decide whether it is going to be significantly aided by the Function.

| | |
|---------------------------|-----|
| Public Service Excellence | No |
| A Fair City | No |
| A Prosperous City | Yes |
| A Democratic City | No |

2.2 Individuals affected by the policy

| | |
|--|-----|
| Will the policy have an impact on service users/stakeholders? | Yes |
| Will the policy have an impact on employees? | No |
| Will the policy have an impact on wider community? | Yes |
| <u>Comment</u> The CIL regulations ensure that all charges proposed relate solely to the development economics/viability of an area or type of development, and do not relate to individual builders/people/companies. It should also be noted that the infrastructure provided will have a positive benefit for individuals, businesses and visitors to Birmingham through improved public spaces, transport, education provision and cultural offerings. | |

2.3 Analysis on Initial Assessment

The Department of Communities and Local Government undertook an Equalities Impact Assessment of CIL legislation and regulations in January 2012. Part of this assessment states that:

The Community Infrastructure Levy is unlikely to have an adverse impact on any social group. By making communities more sustainable, the Community Infrastructure Levy will facilitate economic growth and liveability and so create opportunity for all. The infrastructure and services that the Community Infrastructure Levy will provide (such as medical and community facilities and transport networks) will enhance accessibility and liveability for all sectors of society, and could help to deliver new infrastructure that serves different needs within the community, for example, by increasing mobility and accessibility. We do not anticipate the reforms to the Community Infrastructure Levy changing this assessment.

DCLG, Jan 2010, <http://www.parliament.uk/documents/impact-assessments/IA11-010AG.pdf>

It is clear that the Government do not expect the implementation of CIL to cause any adverse impact on any equality groups; indeed they anticipate that it will in general have a positive influence on a number of equalities groups.

The CIL will provide an income stream to contribute towards infrastructure projects in the city which will support the city to grow as outlined in the Birmingham Development Plan. This infrastructure can include but is not limited to highways, education facilities, public open space, Page 138 of 160 and leisure facilities.

All projects funded wholly or in part through CIL will be subject to the Councils Standing Orders and will have due

regard to the aims of the General Duty.

The CIL will impact on those individuals and businesses who submit planning applications either for an individual dwelling (although self build individuals will be exempt from paying CIL) or for applications with an increase of 100sqm or more of gross internal area, as these developments will be liable for CIL payments. This is a mandatory charge and will be payable in instalments.

The CIL charge will be based on extensive, specialist, viability testing and will be published for public consultation twice, with further publication in advance of the Examination in Public.

As part of the first consultation stage, the relevant documents were published on the website for six weeks, along with paper copies available in all Libraries. Two public drop in sessions were also held, in addition to workshops with interested private sector agencies (developers, agents and consultants) to facilitate engagement. The consultation was published on Objective, and written responses were also accepted. All comments were taken into account, and the charges have been revised where appropriate to ensure they do not inhibit development, but also secure an income stream to provide necessary infrastructure.

As part of the second consultation stage, the revised charges will also be published on the website for a period of six weeks, there will be further drop in sessions, workshops and the consultation will be on Be Heard. If comments received require further amendment of CIL charges, the EA will be updated to reflect this.

Regulations clearly state how CIL will be calculated and spent to ensure there is no double counting of planning obligations with S106 agreements.

The consultation process and formal examination stage which follows will provide an opportunity to influence the charges and viability evidence of the CIL. The objective of CIL is to generate funds to provide infrastructure to support the development of the city, as outlined in the Birmingham Development Plan. Without this option, the change in regulations relating to planning obligations would lead to a decrease in planning obligation income. This could have implications for the city as the current infrastructure would not be improved or replaced to keep pace with the growth of the city, leading to overcrowded schools, a lack of public open space, poor highway infrastructure and public realm which is not fit for purpose.

However, if the CIL charges are too high, this could lead to a reduction in development activity, and therefore in the number of new houses and employment opportunities provided for a growing population. This could also lead to a reduction in the associated planning obligation income.

This risk can be mitigated by ensuring the charges are kept to a level which secures income but does not prohibit development, as is required in the CIL regulations. In addition, the regulations regarding S106 planning obligations will be scaled back once CIL is adopted, leading to an expectation that overall planning obligation contributions will remain on a par after the adoption of CIL and should not have any impact on the level of development activity.

There is no evidence that this policy will have an adverse impact on the lives of people.

It is anticipated that the funds received will provide infrastructure which will improve the lives of people within Birmingham.

3 Concluding Statement on Full Assessment

This screening has been undertaken as a collaborative exercise by the panel and has included a review of other screening statements. A full Equalities Assessment is not necessary. Should any equality issue arise post implementation of CIL, this will be considered.

4 Review Date

30/09/15

5 Action Plan

There are no relevant issues, so no action plans are currently required.

REPORT FROM OVERVIEW AND SCRUTINY**2015/16****1. PURPOSE**

- 1.1 Since the changes to the Constitution in May 2015, the five newly created overview and scrutiny committees have been discussing and preparing the work programmes for the 2015/16 municipal year.
- 1.2 This report sets out the emerging work programmes, as well as reflecting on the achievements of the past year.

2. THANKS

- 2.1 Firstly, we would like to thank all those who have been involved in and have supported scrutiny over the past year. In particular, we would like to thank our colleagues who served as Committee Chairs last year, and we will be recognising their achievements in this report.
- 2.2 We are also indebted to the many witnesses that have contributed to scrutiny's work. Their participation, bringing knowledge, ideas and enthusiasm to our work, has been vital and we would like to express our thanks to them all.

3. OVERVIEW AND SCRUTINY IN 2015/16

- 3.1 Scrutiny has changed significantly since we last collectively reported to City Council. In May 2015, City Council agreed changes to the Constitution that included reducing the number of overview and scrutiny committees to five. The move to five O&S Committees took into account the statutory responsibilities, workloads and demands on members, whilst acknowledging the need to reduce the number of committees as resources reduce.
- 3.2 The remits of the Committees are based on the three directorates:
 - The Place Directorate responsibilities would be covered by the new *Neighbourhood and Community Services O&S Committee*;
 - The People Directorate would continue to be scrutinised by two committees (*Health and Social Care O&S Committee* and *Education & Vulnerable Children O&S Committee*), reflecting the need to give sufficient focus to health and safeguarding within the scrutiny work programme;
 - The Economy Directorate would also be scrutinised by two committees to reflect the wide range of strategic issues within its remit. The *Economy, Skills & Sustainability O&S Committee* reflects the strategic economic, transportation and employment part of the directorate; whilst the *Corporate Resources O&S Committee* focuses on governance, finance and resource management; and contracting and commissioning.
- 3.3 Appendix 1 sets out the Committee remits with Cabinet portfolio links.

- 3.4 Changes to the Constitution made in respect of District Committees also have an impact on Scrutiny. District Committees can advise or make representations to Overview & Scrutiny Committees on all matters affecting community interests. The new “Neighbourhood Challenge” will mean District Committees investigating, reviewing and gathering data on the performance of all local public services, working in a collaborative but challenging way with all service providers to seek out new ways of improving services. In doing so, District Committees may report the outcome of a Neighbourhood Challenge to the relevant O&S Committee, or an O&S Committee may request a District Committee undertake some work to support scrutiny.
- 3.5 Ward Committees/Forums may also make representations to “support the work of Overview and Scrutiny committees as appropriate.”
- 3.6 The work programmes therefore seek to encompass a wide range of policy and service areas – the number of scrutiny committees may have reduced, but the breadth and depth of work they are expected to cover has not. Scrutiny continues to play a major part in the governance of Birmingham, influencing improvements in services and the plans to enhance conditions for our citizens. As we reflect on the past year, scrutiny’s value in representing the views and needs of Birmingham’s people, businesses and community organisations is shown. It is our intention to continue this in the coming year.

4. PROPOSED WORK PROGRAMME

- 4.1 The emerging priorities for each committee are set out below.

Corporate Resources O&S Committee

- 4.2 The new Corporate Resources O&S Committee scrutinises the portfolios of the Leader, Deputy Leader and Cabinet Member for Commissioning, Contracting and Improvement. In doing so, it largely mirrors the remits of the former Governance, Resources and Customer Services; Partnership, Contract Performance and Third Sector; and Districts & Public Engagement O&S Committees.
- 4.3 In 2015/16, Customer Services will continue to be a major theme, focusing on improving customer services across the City Council, in particular aiming to improve all elements of customer service from first contact through to delivery of the service, or resolution of the problem, with the aim of ensuring maximum quality in customer services and end to end service delivery.
- 4.4 Last year, the Governance, Resources and Customer Services O&S Committee was asked by the Deputy Leader to consider the proposed Birmingham Promise, which takes some of the most frequently requested Council services and tells customers what standards they can expect and then provides regular reports showing the actual achievement. The Committee helped shape the Promise, and to get buy-in from across the organisation, which contributed to the launch of the Birmingham Promise in March 2015.
- 4.5 The Corporate Resources O&S Committee have undertaken to continue this work via an examination of the customer journey. Independent analysis commissioned by the City Council into citizen satisfaction during March/April 2014 revealed only 49.4% satisfaction for contact centre services and 43.2% satisfaction for end to end delivery. Comparing these figures to those of the Institute of Customer Service annual customer satisfaction survey (which showed satisfaction with local councils at 62% and 72% for local services in the

public sector) shows that we have some way to go. The Committee will investigate how these satisfaction scores can be increased.

- 4.6 The Committee will also consider wider governance issues. The Leader will attend in September to discuss his Policy Statement, the Combined Authority and Future Council programme. This will involve taking a look at inquiries undertaken by the former Districts & Public Engagement O&S Committee on Devolution: Making it Real and Ward Committees. In addition, later in the year, the Committee will undertake a review of the implementation of the Constitution changes, particularly with regard to District Committees and Ward Committees/Forums, in conjunction with the Neighbourhood & Community Services O&S Committee, which will focus on the Neighbourhood Challenge.
- 4.7 The Cabinet Member for Commissioning, Contracting and Improvement will attend in October to outline his forthcoming priorities and to update members on work currently in progress including the Business Charter for Social Responsibility and the Council's Living Wage policy. The Committee will be completing a short inquiry looking at the Golden Square public realm space development and how the overspend might have been prevented, as requested by the Cabinet Member for Commissioning, Contracting and Improvement.
- 4.8 Alongside this, the Committee will continue the former Partnership, Contract Performance and Third Sector O&S Committee's work on contract management. Committee members will continue to consider major city council contracts and partnerships, including Amey and Acivico. The Partnership, Contract Performance and Third Sector O&S Committee inquiry on Council Commissioning and Third Sector Organisations will also be followed up. This inquiry focused on the impact on the third sector of budget cuts, especially as the city moves to commission more of its services. Members were keen to ensure that the City Council's commissioning and procurement processes were fair and robust and that all organisations especially smaller organisations learnt of the opportunities that were available. A report with recommendations was presented to City Council in April 2015.
- 4.9 The Committee will also be tracking the implementation of the Service Birmingham Scrutiny Inquiry recommendations, presented to City Council this June. This joint inquiry, completed by the former Governance, Resources and Customer Services O&S Committee with the former Partnership, Contract Performance and Third Sector O&S Committee, focused on the relationship between the City Council and Service Birmingham and the extent to which this was functioning as a true partnership. The main findings were that the partnership had to overcome historic mistrust and lack of confidence to ensure that both partners' objectives were delivered.
- 4.10 Another important strand of work is that concerning Member Development, as a new programme is developed in response to the changes in the Constitution. The Committee will continue to have an input to this along with financial monitoring, consideration of the property portfolio and Children and Families with No Recourse to Public Funds.

Economy, Skills & Sustainability O&S Committee

- 4.11 The new Economy, Skills & Sustainability O&S Committee has a wide remit to scrutinise Executive portfolios interfacing with the Economy Directorate and strategic competences of the Place Directorate. As such it brings together those policy areas concerning economic growth previously covered by the former Birmingham Economy and Transport O&S

Committee (regeneration and development of physical infrastructure including housing development and business growth; addressing worklessness and the improvement of skills; transportation and strategic highways). In addition, the new Committee includes the scrutiny remit over sustainability policies (the work of the Green Commission; on climate change; Birmingham Energy Savers, sustainable transport; future waste strategy; flood risk management) and in respect of both the cultural strategy of the city and major sports and events.

- 4.12 In 2015/16 scrutiny of transportation and connectivity issues and their effect upon the economy and accessibility to work and skills development within the city will continue to provide a major focus of the Committee's 'overview' and reactive work programme. This develops the approach of the former Birmingham Economy & Transport O&S Committee in 2014/15 where considerable focus was placed on providing timely opportunities for questioning and Executive reflection on major schemes and their public impact and perceptions. Notably, this included reaction to the A34 Birchfield Road underpass flooding and ensuing traffic congestion; consideration of the Paradise Circus redevelopment and awareness-raising of the scheme, its impact on traffic congestion and improvement of contingency and improved communication plans; extensive scrutiny of the decisions and practice around bus lane enforcement roll-out; reaction and feed-in to the development of the Birmingham Connected strategy including extensive contribution to the Road Safety Strategy; consideration of public transport through discussion with Network Rail and London Midland.
- 4.13 The new Committee has begun to develop this work with a session on "Super September" in July, examining the economic and transportation related considerations around the extensive major events planned for September including the opening of New St Station and Grand Central and the requirement to ensure accessibility and safe movement of people around the city.
- 4.14 The Committee aims to ensure that these issues are looked at in conjunction with the major planned and ongoing infrastructure projects (including Cycle City Revolution and High Speed 2 (HS2) as well as the city's road strategy (A38, impact of M6 improvements, pinch point programme) and the Midlands Connect Strategy around infrastructure and connectivity in the Midlands alongside the work of Integrated Transport Authority and impact in both economic and transportation terms around future combined authority ambitions). Extensive consideration of the achievements of the Birmingham Cycle Revolution scheme is therefore scheduled for the Committee's work programme this Autumn, monitoring the work of the Changing Gear report and taking forward the consultation on Road Safety Strategy.
- 4.15 In 2014/15, the former Birmingham Economy & Transport O&S Committee looked in depth at local centres focusing in particular upon Business Improvement Districts (BIDs) in light of changing budget implications and the city's national status as BID capital. This was the subject of a short inquiry, which following a call-in meeting relating to the Westside BID, which is being finalised for report to the Executive ahead of forthcoming Cabinet decisions. This work will be taken forward by the new Committee in 2015/16 through overview work focusing on the transportation and economic development of local centres and their potential and actual contribution to skills development.
- 4.16 The new Committee will also scrutinise and support the work of the Cabinet Member for Skills, Learning and Culture around the skills levels of Birmingham residents with particular

regard to those experiencing long term worklessness and NEETs, focusing on the emerging strategies being developed to address this as well as their interface with infrastructural initiatives such as the Library of Birmingham, and development of strategic Arts and Culture policies.

- 4.17 Given the considerable public scrutiny regarding cuts to the Library of Birmingham, the Committee will keep a close focus on this and consider the impact of planning and recent partnership opportunities with Google, the British Library and the Brasshouse Language Centre re-development.
- 4.18 Current work to develop a strategy for the improvement and future of public realm within the city will be considered by the new Committee both in terms of its local and strategic impact as well as in terms of transportation, sustainability and skills development potentials and will aim to report to Council in order to contribute into the development of this strategy.
- 4.19 In 2015/16 the new Committee will develop the work of the former Connectivity & Sustainability O&S Committee in looking at the future strategy for waste management in the city. This will include ensuring the implementation of recommendations on the From Waste to Resource inquiry and Household Recycling Centres inquiry as well as opening up consideration of the emerging priority to consider food waste challenges as part of the development of the new strategy.
- 4.20 The new Committee will also consider Climate Change objectives as part of its scrutiny and support of the work of the Cabinet Member for sustainability, looking at the Birmingham Energy Savers programme, and development of the Biophillic Cities agenda in respect of both its economic, social, health and community cohesion potentials.
- 4.21 The new Committee will continue to ensure that it provides timely responses to matters within its remit which generate public concern allowing an opportunity for Executive reaction and re-consideration of issues. As such and because of the very limited number of statutory responsibilities falling under the committees remit, its reporting will continue to deliver reports which will constructively contribute to the development of Executive policies and realistically reflect the cities experience where that overview work will have a clear and otherwise undeliverable contribution to add.

Neighbourhood & Community Services

- 4.22 The new Neighbourhood and Community Services O&S Committee has a wide responsibility for scrutinising a range of matters around Place. The two largest areas of responsibility fall within the portfolios of two Cabinet Members. These are:
- The Cabinet Member for Neighbourhood Management and Homes covering neighbourhood and housing services including council housing management services and pre-tenancy services, registered social landlords and the private rented sector; and
 - The Cabinet Member for Inclusion and Community Safety which covers social cohesion and inclusion, safer communities, tackling inequality within the community, domestic violence and third sector partnership and engagement.
- 4.23 The Committee also has responsibility for waste services (as far as it relates to operational matters such as the collection of waste from residential and other properties in the city);

street cleansing; and for community libraries and youth services (other than skills and training).

- 4.24 The Committee will be holding the Cabinet Members for Neighbourhood Management and Homes and Inclusion and Community Safety to account for their priorities as they relate to their respective portfolios.
- 4.25 This Committee has statutory responsibility for scrutinising crime and disorder matters. As part of this, the Committee will examine the work of the Community Safety Partnership. Various priority work strands in the area of community safety will be covered including monitoring work happening with a view to Preventing Violent Extremism, reviewing Domestic Homicide Reviews carried out in the City and also looking at the West Midlands Police's review of Neighbourhood Policing and Neighbourhood Tasking Groups.
- 4.26 On community safety more generally, the Committee will continue the work of the former Social Cohesion and Community O&S Committee which undertook a piece of work looking at violence within relationships with a focus on how statutory bodies can increasingly work together to engage more directly with communities to shift efforts more towards prevention and early intervention. Members considered the role of the City Council in working with partners to ensure that effective community engagement takes place, for instance with schools and the wider community to safeguard young and vulnerable people. The report made recommendations at City Council in April 2015 highlighting the need for the City Council to encourage communities and partners to work better together by investing in preventative strategies and educational measures in schools. The report also recommended that the City Council take a leadership role in reviewing the city's Domestic Violence Strategy.
- 4.27 The Committee will track the implementation of recommendations from Working with Communities to Prevent Relationship Violence and other inquiries previously completed: Birmingham Where the World Meets; Working with Housing Associations and Health of Birmingham's Third Sector.
- 4.28 In terms of social cohesion the Committee will be doing some work on child poverty and the Birmingham Child Poverty Commission and will also be joining with the Education and Vulnerable Children O&S Committee in looking at the work happening within schools in the wake of Trojan Horse.
- 4.29 Later in the year the Committee will also be examining progress with the implementation of the newly developing "Neighbourhood Challenge" role for District Committees. This will combine with the work being undertaken by the Corporate Resources O&S Committee on how constitutional changes are being implemented.

Education and Vulnerable Children

- 4.30 The main focus for last year's work programme was the scrutiny inquiry into Child Sexual Exploitation (CSE). The key question for the Committee was: what needs to be strengthened in the way the Council prevents and deals with child sexual exploitation and in its working with partners? This was a very challenging and time consuming area of work as the members heard examples of when there has been inadequate protection for young people who have been very vulnerable. At the same time Members heard of much that was

being done that was positive and particular note needs to be made of the work of the third sector.

- 4.31 “We Need to Get it Right – A Health Check into the Council’s Role in Tackling Child Sexual Exploitation” was presented to Council in December 2014. It subsequently won two national awards in both the Raising the Profile and Influencing Beyond Boundaries categories at the Centre for Public Scrutiny Annual Good Scrutiny Awards. At the end of year the Committee received the first update on progress being made and will continue to monitor this during 2015/16.
- 4.32 The safeguarding of the city’s children and the improvement plan remained high on the list of priorities for the work programme. Lord Warner, Birmingham’s Children’s Commissioner, attended Committee to report on his findings and the improvements being made and noted the need for additional investment, increased preventative work to reduce demand and increased support from partners. The Committee has provided challenge around workforce issues including retention and recruitment and pressed for the regional agreements to ensure some standardisation in pay and terms and conditions to create a level playing field. During the year a new front door to children’s social care was developed and introduced: the multi-agency safeguarding hub and developments were reported to the Committee. The Birmingham Safeguarding Children Board attended Committee to present its annual report and business plan. The Committee was in support of plans to strengthen the Board and assessed the requirements of schools and support being provided to them to strengthen safeguarding.
- 4.33 The Committee assessed the implementation of the Early Help strategy and pressed for the development of the Safe Scorecard so that further improvement could be measured. Members also visited a number of Family Support & Safeguarding Hubs and were pleased to see the family centred approach in operation underpinned by co-located teams.
- 4.34 The Committee took an interest in improvements to placements for children in care: adoption and fostering. There were changes to Independent Reviewing Officers whose roles includes monitoring the way in which the local authority manages the cases of children in care during the year which were reviewed. The Committee actively supported the development of and advised on the consultation of the Special Education Development Plan which was subsequently agreed at Cabinet in February 2015.
- 4.35 Regarding education, school improvement has been at the heart of the Committee’s work. The Committee examined the outcomes and attainment of students in the city and provided challenge to the use of the pupil premium. It followed this up with an examination of achievement by white working class boys to identify best practice. The provision of school places in the right places is an ongoing concern for parents across the city and, therefore, for the Committee. The Committee received an update on the innovative ways which this is being addressed as well as some of the challenges being faced. It also continued to track progress against the recommendations in the Strengthening the Birmingham Family of Schools inquiry.
- 4.36 Other items considered by the Committee included child deaths and the Birmingham Children Commission report “It Takes a City to Raise a Child”.
- 4.37 A Joint Scrutiny Board was established with members from Education and Vulnerable Children O&S committee and members of the Social Cohesion and Community Safety O&S Committee to explore issues relating to the Trojan Horse allegations. It met three times and

considered the outcomes of the Kershaw report and the impact of Trojan Horse on communities and community relations. It also examined school improvements following Trojan Horse, including discussions with Colin Diamond in his role as Deputy Education Commissioner. Subsequently, the Education and Vulnerable Children Committee carried out pre-implementation scrutiny on the implementation of the interim procedure for selection, appointment and removal of local authority nominated school governors and the Interim Code of Conduct for Governors at maintained schools and local authority governors serving on academy governing bodies.

- 4.38 For 2015/16 the focus of the Committee is on the two improvement plans now in place: Improvement Plan for Early Help and Children's Social Care (2015 to 2017) and the Education and Schools Improvement Plan. Sir Mike Tomlinson, Education Commissioner has been invited to attend committee again to report on his perception of progress being made on the latter. The Committee also intends to consider the on-going pressures on the budget for children's services.
- 4.39 The Committee has already received an update on Corporate Parenting in July and will discuss this again later in the year to check how District Committees are fulfilling their responsibility for looked after children. They also had an update on adoption and fostering.
- 4.40 The Committee is examining again the sufficiency of school places and school admissions (following a question raised at City Council). Members looked at school exclusions in July and will again look at this later in the year as there are some concerns about provisions made for such children. One of the improvements made in response to the Trojan Horse concerns was a whistle blowing policy and Members have been satisfied that this has now been developed and is already in use. Members have been briefed on the Early Years Review Consultation Proposal and will continue to feed into this.
- 4.41 The Committee has a specific interest in Special Educational Needs and Disability (SEND) and will consider the transfer from SEN statements to Education, Health and Care Plans (EHC) as progress has been unacceptably slow.
- 4.42 The Committee intends to continue to assess progress against the previous inquiries: Work Experience for School Age Children – the role of the City Council; and Strengthening the Birmingham Family of Schools.
- 4.43 The Chair has met many officers over the summer and during many of these, concerns regarding missing children were raised. This encompasses children missing from care and home as well as children absenting themselves from school and those with no school placement. Lines of enquiry will be investigated and an appropriate inquiry will be carried out in the autumn.

Health and Social Care

- 4.44 The local authority has a statutory responsibility to review and scrutinise matters relating to the planning, provision and operation of health services and in Birmingham this duty is performed by the Health and Social Care O&S Committee (HOSC) which has a duty to consider and respond to any consultation by a health service commissioner or provider on substantial reconfiguration proposals.
- 4.45 During the last municipal year the Health and Social Care O&S Committee completed an inquiry into Dementia Services which included involvement from service users. This was

presented to City Council in November 2014 and won a Centre for Public Scrutiny Award for good scrutiny. The Committee also carried out an inquiry into Homeless Health with input from a group of rough sleepers and a focus on the health and housing needs of single homeless people who find themselves sleeping rough. This inquiry was presented to City Council in July 2015.

- 4.46 The Committee also continued to track progress with the implementation of recommendations from a number of previous inquiries including Falls Prevention; Adults with Autism and the Criminal Justice System; and Childhood Obesity. The Committee will continue to monitor progress with the implementation of the recommendations in these reports in the current municipal year. In addition the members will also track the Homeless Health report as well as Mental Health: Working in Partnership with Criminal Justice Agencies, which was an inquiry previously conducted by the former Social Cohesion and Community Safety O&S Committee.
- 4.47 The Committee began this year by hearing a petition that was presented to City Council in March 2015 against the budget cuts which were proposed at the time to Supporting People Mental Health and Disabilities Services, and which was subsequently referred to the HOSC for debate. The current Cabinet Member for Health and Social Care and previous Cabinet Member for Health and Wellbeing both attended and took part in a wide-ranging discussion. The Committee will be examining another important issue for people with learning disabilities by looking at support with employment and housing provided for people with learning disabilities at the December meeting.
- 4.48 Last year the Committee looked at the consultation on the draft standards and service specification for the Congenital Heart Disease Review and in the current municipal year the Committee will follow this through by looking at the outcome from the consultation and next steps. In addition the Committee members will be revisiting the re-procured adult drug and alcohol treatment system, referred to as the Birmingham Substance Misuse Recovery System, with the new lead provider who now manage, co-ordinate and fund the scheme, six months into the new contract to investigate how the new arrangements are bedding in.
- 4.49 Adult social care is another important strand of the Committee's work. The Committee will continue to monitor progress with the integration of health and social care through the Better Care Fund and will examine the 2014/15 Safeguarding Adults Annual Report. In December the Committee will be scrutinising performance in adult social care services by looking at the Local Performance Account for 2014-15 together with a report on performance, the budget and progress with savings plans. The Committee will also be holding the Cabinet Member for Health and Social Care to account at this session.
- 4.50 Quality is a recurring theme and the Committee has been briefed about the Care Quality Commission's new Quality Ratings Regime. Healthwatch Birmingham are also developing a new strategic approach and new Quality Standards and they will be attending Committee again in the new year to update the Committee on these.
- 4.51 In terms of planned inquiries for the current year, the Committee is considering a major inquiry around Infant Mortality in Birmingham, which has one of the highest infant mortality rates in England together with a short inquiry into Prostate Cancer and Health Inequalities and will be giving consideration as to how best to focus any future planned work in these areas to make the work as useful as possible and to add maximum value.

- 4.52 The Committee is focused on its work to protect the most vulnerable in society and to this end will work with the Executive to support independent living including the continuation of home adaptations being made available to all eligible service users.
- 4.53 The regulations also require the appointment of a joint scrutiny committee where a health service commissioner or provider consults more than one local authority's health scrutiny function on substantial reconfiguration proposals. Birmingham has two joint scrutiny committees.
- 4.54 The Joint Health and Social Care Committee with Sandwell scrutinises issues which have an impact across the local authority boundary between Sandwell and West Birmingham. This Committee will continue to monitor emerging initiatives and new models of care in the Urgent Care Programme and progress with various aspects of the Right Care Right Here Programme where numerous changes are happening in preparation for the opening of the new Midland Metropolitan Hospital in 2018. In addition the members of the Sandwell Joint HOSC will be looking at the redesign of End of Life Care Services in Sandwell and West Birmingham.
- 4.55 The other Joint Health and Social Care Committee with Solihull will continue to examine the Heart of England Foundation NHS Trust Surgery Reconfiguration Proposals and the Birmingham, Sandwell and Solihull Non-Emergency Patient Transport consultation which will have an impact on all three areas. The members from all three authorities have been invited to attend a meeting in October to look at Non-Emergency Patient Transport together.
- 4.56 We have also been corresponding with the Chairman of the Health O&S Committee at Worcestershire County Council to investigate the feasibility of establishing a Joint Health Committee with regard to service changes in Worcestershire that could potentially affect neighbouring local authorities.
- 4.57 Birmingham also regularly hosts the West Midlands Regional Health Scrutiny Network meetings for health scrutiny chairs and officers from around the region. The next meeting will be in October 2015 and the CEO of West Midlands Ambulance Service has agreed to address the meeting with an update on the outcome of the recent NHS 111 re-procurement process.

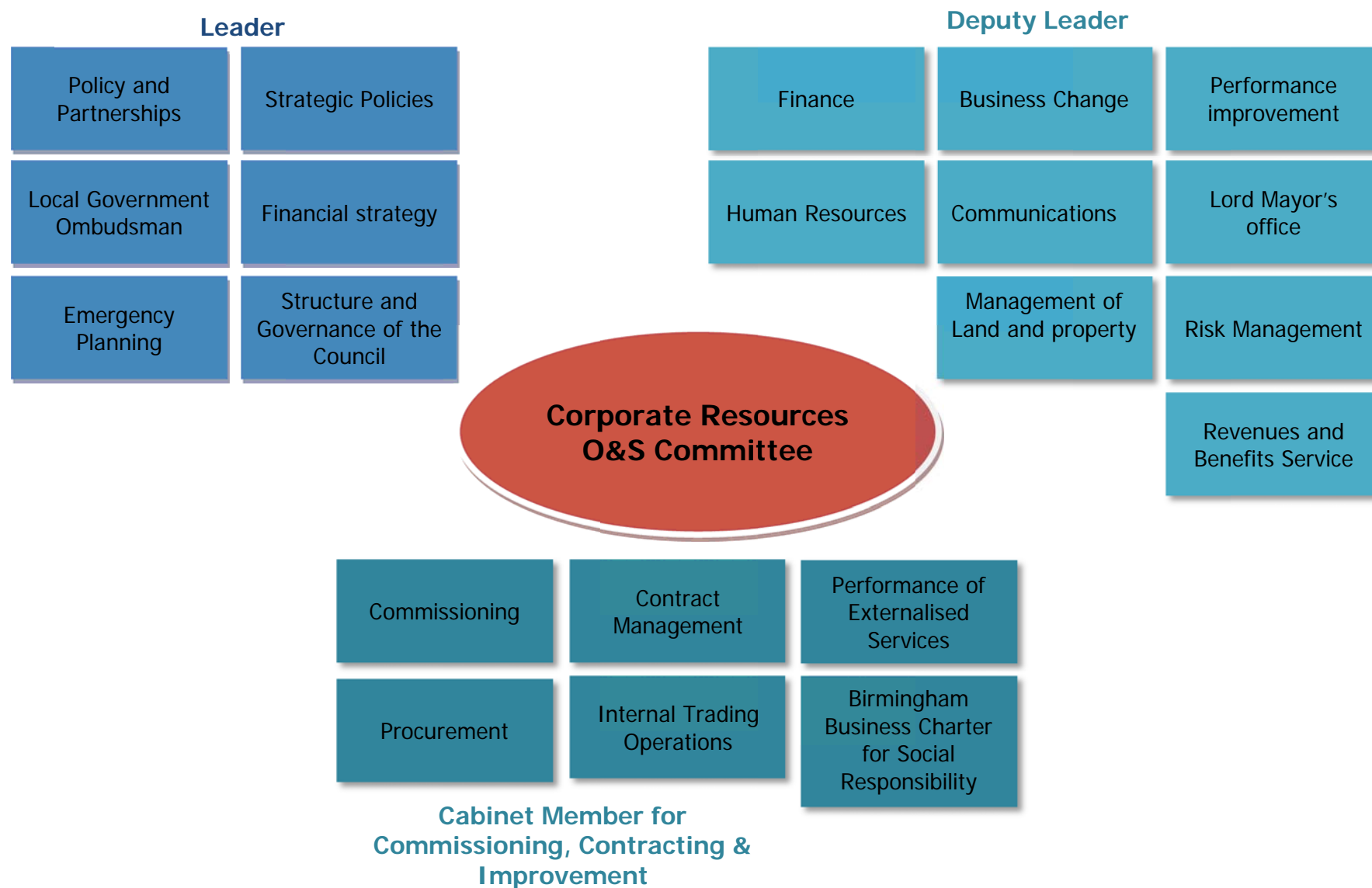
Future Council Working Group

- 4.58 Finally, we were requested to set up a cross-party working group to facilitate cross-party overview of, and engagement with, the Future Council programme.
- 4.59 The working group, consisting of the five O&S Chairs with two Conservative and one Liberal Democrat member, will be reviewing the progress of the Future Council programme and the five thematic sub-groups. Meetings commenced in September and will continue throughout the year. The group will report findings to the Leader, Deputy Leader and Chief Executive; and all members of the Council (to complement/assist with briefings received prior to City Council meetings).

MOTION

That the City Council agrees the approach adopted by Overview and Scrutiny and the scrutiny work programme for the year 2015/16.

Appendix 1: Scrutiny Committee Remits and links to Cabinet Portfolios



**Cabinet Member for Skills,
Learning & Culture**

| | |
|---|---------------------------|
| Employment Opportunities | Skills |
| Arts and Culture | The Library of Birmingham |
| Youth Engagement and Lifelong Learning (post 14 skills and adult education) | Museums |

**Cabinet Member for Development,
Transport & the Economy**

| | | |
|--------------------------|----------------------------------|--------------------------------|
| Economic Growth and Jobs | Development of Land and Property | Provision of Land and Property |
| Transport Strategies | Highways (strategic highways) | Land Use Planning |
| | Advice to Planning Committee | Business Improvement Districts |



Leader

| | |
|---|----------------|
| Promotion of the city & Inward Investment | Major Projects |
|---|----------------|

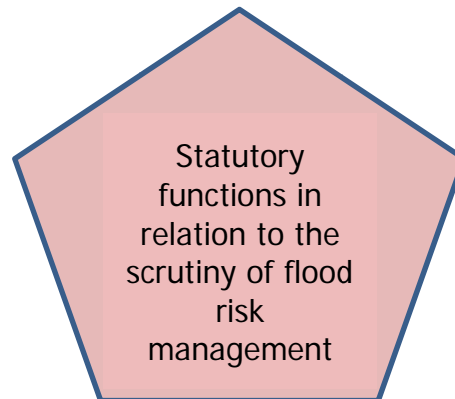
Cabinet Member for Sustainability

| | |
|------------|---|
| Smart City | Climate Change |
| Green City | Waste Strategy (Development of a financially and environmentally sustainable waste strategy for the city) |

Deputy Leader

Cabinet Member for Children's Services

| | |
|-------------------------------|--|
| Sports and Events Development | Skills and Entrepreneurship in Schools |
|-------------------------------|--|



**Cabinet Member for
Children's Services**

Safeguarding Children
and Young People

Children's Services

Education and Wellbeing
of Children and Young
People

Corporate Parenting

**Education and
Vulnerable Children**

**Cabinet Member for Health
and Social Care**

Adult Social Care and Health

Public Health

**Health and Social
Care O&S
Committee**

Statutory
responsibility to
review and scrutinise
matters relating to
the planning,
provision and
operation of health
services
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Cabinet Member for Inclusion and Community Safety

Social Cohesion and Inclusion

Tackling Inequality

Safer Communities

Equalities within the Community

External Challenge

Domestic Violence

Third Sector Partnership and Engagement

Cabinet Member for Neighbourhood Management & Homes

Council housing management services

Private Rented Sector

Registered Social Landlords

Pre-tenancy Services

Tenure Mix in the supply of housing

Neighbourhood and Community Services O&S Committee

Cabinet Member for Development, Transport & the Economy

Highways (local highways issues)

Cabinet Member for Sustainability

Waste Services (Collection and sustainable disposal of waste from residential and other properties within the city and street cleansing on operational matters)

Cabinet Member for Skills, Learning & Culture

Community Libraries

Youth Services (other than skills and training)

Statutory responsibility to scrutinise crime and disorder matters (the "crime and disorder committee")

Appendix 2: Scrutiny Reports to City Council 2014-15

| O&S Committee | Report | Date to City Council |
|--|---|----------------------|
| Transport, Connectivity & Sustainability | From Waste to Resource | July 2014 |
| All | O&S Work Programme | September 2014 |
| Health and Social Care | Dementia Services | November 2014 |
| Education & Vulnerable Children | Child Sexual Exploitation | December 2014 |
| Districts & Public Engagement | Are Ward Committees fit for purpose? | January 2015 |
| Connectivity & Sustainability | Household Recycling Centres | February 2015 |
| Culture, Learning and Skills | Increasing Participation in Sport and Physical Activity | February 2015 |
| Partnership, Contract Performance and Third Sector | Council Commissioning and Third Sector Organisations | April 2015 |
| Social Cohesion & Community Safety | Relationship Violence | April 2015 |

Scrutiny Reports to Cabinet Members 2014-15

| Committee | Report | Date |
|---|--|---------------|
| Social Cohesion & Community Safety | Neighbourhood Tasking | August 2014 |
| Connectivity & Sustainability | Green Waste | November 2014 |
| Governance, Resources and Customer Services | Birmingham Promise | February 2015 |
| Districts & Public Engagement | Role of Councillors on District Committees | April 2015 |

Appendix 3: Emerging Priorities (and proposed Council date where applicable) for 2015/16

| O&S Committee | Report | Date to City Council |
|---|--------------------------------|-----------------------------|
| Corporate Resources | Service Birmingham | June 2015 |
| Health and Social Care | Homeless Health | July 2015 |
| All | O&S Work Programme | September 2015 |
| ... | | |
| <i>Education & Vulnerable Children</i> | <i>Missing Children</i> | <i>January 2016</i> |
| <i>Corporate Resources</i> | <i>The Customer Journey</i> | <i>February 2016</i> |
| <i>Neighbourhood and Community Services / Corporate Resources</i> | <i>Neighbourhood Challenge</i> | <i>April 2016</i> |

MOTIONS FOR DEBATE FROM INDIVIDUAL MEMBERS

To consider the following Motions of which notice has been given in accordance with Standing Order 4(A)

A Councillors Karen Trench and Roger Harmer have given notice of the following motion:-

“Council notes with alarm the significant increase in fly-tipping in the city in the last two years.

Council believes this is an inevitable result of a series of policy decisions including:

- charging for household bulky waste collections;
- charging for garden waste collections;
- restricting the amount of general waste that can be put out;
- removing community chest from wards, thereby ending many local initiatives.

Council notes that, according to figures supplied to the council July meeting, incidents of fly-tipping increased from 503 reported in August 2013 to 2,718 reported in May 2015; that, similarly, the number of household bulky collections ordered monthly reduced from 5,993 in July 2013 to 1,199 in July 2015.

Council commends the work of environmental health officers and others seeking to tackle these problems.

However it calls for an action plan from the executive to make tackling fly-tipping a city wide priority by:

1. Accelerating the assignation of the proposed community budgets to be assigned to districts, ensuring they have the flexibility to be used for environmental problems;
2. Investigating the cost effectiveness of the household bulky charges and the charges for green waste collection in the light of the social and economic costs of fly-tipping;
3. Reporting back on the outcome of these considerations during this year's budget consultation”

B Councillors James McKay and Sharon Thompson have given notice of the following motion:-

“Council notes that:

In July 2015 a Motion to support Birmingham’s designation as a ‘City of Sanctuary’, a grassroots movement to support those fleeing violence and persecution in their country of origin, passed with cross-party support.

Since then, the horrifying images and reports of the refugee crisis have led to calls for Britain, and Birmingham, to do all it can to help.

Council recognises that any effective response to the refugee crisis must be a shared effort between local government, national government, statutory agencies, and wider civil society.

Council therefore resolves to:

- Play a full and active part in efforts, locally and nationally, to provide an effective response to the refugee crisis, including a shared city-wide approach to housing up to fifty Syrian refugees through a nationally-organised and nationally-supported resettlement scheme.”