

REPORT OF THE LEADER AND THE CHIEF EXECUTIVE

CREATION OF THE WEST MIDLANDS COMBINED AUTHORITY

1. Introduction

- 1.1. This report presents the draft statutory order for the creation of the West Midlands Combined Authority to City Council for approval.

2. Background

- 2.1. The seven metropolitan councils of the West Midlands conducted a Review of Strategic Governance in 2015 to assess whether the arrangements for economic development, regeneration and transport would benefit from improvements. This review highlighted the positive joint working to date that has been in place through informal arrangements, and then considered the options for the future. It considered change against the key statutory tests under the Local Democracy, Economic Development and construction Act 2009 (LDEDCA):
- The exercise of statutory functions relating to economic development, regeneration and transport;
 - The effectiveness and efficiency of transport; and,
 - The economic conditions in the area.
- 2.2. The Review concluded that the establishment of a Combined Authority for the West Midlands would provide better support to business to further growth and to create jobs; and secure an improvement in the region's economic conditions. The Combined Authority would draw together strategic work across transport, economic development, employment and skills, improving outcomes and providing greater opportunity for the region. The Governance Review is appended to this report at Appendix 1.
- 2.3. The Scheme for the proposed Combined Authority, containing the membership, powers, functions and voting arrangements was then drafted. At its meeting in September 2015 Council endorsed these proposals and agreed that Birmingham City Council should formally become a Constituent member of the West Midlands Combined Authority.
- 2.4. The Scheme was submitted to Government on 26 October 2015 and is attached at Appendix 2.
- 2.5. Under the amendments to the LDEDCA in the Cities and Local Government Devolution Act 2016 (CLGDA), consultation must be carried out by each of the prospective members of the Combined Authority and a summary of the results

sent to the Secretary of State before a statutory Order based on the Scheme is drafted by government. This Order must then be approved by each of the local authorities before the Secretary of State presents it to Parliament for approval.

- 2.6. The seven prospective constituent councils carried out consultation on the Scheme which ended on 8 February 2016. The summary of feedback from the consultation sent to the Secretary of State is attached at Appendix 3.
- 2.7. The West Midlands is in the process of creating its Combined Authority at the same time as implementing the Devolution Agreement signed by the leaders of each council in November 2015. The Agreement will ultimately be reflected in the functions and powers of the Combined Authority, but in order to achieve both of these objectives it has been decided to break the process down into two stages: (a) the setting up of a basic Combined Authority (the subject of this report and resolution) and (b) the amendment of the Scheme and other legal steps required to adopt the provisions of the Devolution Agreement.
- 2.8. Therefore the proposals on which views were sought in the recent consultation and which are the subject of the Order presented to Council today are separate from what is in the devolution deal and based purely on the Scheme approved in September 2015.
- 2.9. Following the submission of the summary of consultation responses, the Secretary of State has now confirmed his intention to establish the West Midlands Combined Authority. The draft Order is attached at Appendix 4.
- 2.10. Council is now asked to formally consent to the Order being laid before Parliament and to delegate decisions on any final drafting amendments that may be necessary to the Chief Executive in consultation with the Leader. This will ensure that the Order can be laid before Parliament without delay. The Draft Order is attached at Appendix 4.
- 2.11. Once consent is given to the Order the Secretary of State will invite Parliament to approve the Order to establish the Combined Authority, and for the abolition of the West Midlands Integrated Transport Authority, which will be subsumed within the Combined Authority
- 2.12. Subject to the above approvals and the passage of the Orders through Parliament, the Combined Authority's inaugural meeting will be held on 1 June 2016, at which point it will agree its Constitution and ways of working. The draft constitution is attached for information at Appendix 5. This will enable the Combined Authority to assume democratic responsibility for the functions of the West Midlands Integrated Transport Authority, and PTE (Centro), as well as accepting transfer of its assets and liabilities.
- 2.13. The Combined Authority's first Annual General Meeting will also take place on 1 June 2016.

- 2.14. The Scheme describes the functions, membership and decision making of the proposed Combined Authority in more detail. The remit of the Combined Authority will be focused on the strategic economic development, regeneration, transport, employment and skills functions that can be better delivered collaboratively across the West Midlands. It will remain a focused strategic decision making body, with responsibility over those strategic issues where it is mutually beneficial for local authorities, Centro, and the Local Enterprise Partnerships to work together. It is not a 'super Council' and each Council will maintain its independence and sovereignty.
- 2.15. Each Constituent Council will be represented on the Combined Authority by two members of its Cabinet who will be the Leader and one additional member. This is to ensure that Constituent Members are the majority (there will initially be 7 Constituent councils and 8 Non-Constituent Members). The Constituent councils will form the core membership of the Combined Authority, with one representative from each Non-Constituent member. Council will be asked to approve nominated members at the Annual General Meeting of the Council meeting in May.
- 2.16. The Constitution of the Combined Authority provides for Constituent Councils to appoint two Members to the Combined Authority, along with a substitute Member. Council will be requested to nominate two members at its Annual General Meeting in May 2016.
- 2.17. The Combined Authority will establish a Scrutiny Panel. Scrutiny arrangements require one nomination from each Constituent Council. Council will also be requested to nominate one member of Council to the Combined Authority Scrutiny Panel at its Annual General Meeting Council in May 2016.

3. Background Documents

- Statement of Intent by the West Midlands councils and LEPs, July 2015
- Report to Council on the Combined Authority Scheme, September 2015

4. Attachments

- Governance Review (Appendix 1)
- Scheme (Appendix 2)
- Summary of consultation responses (Appendix 3)
- Draft Statutory Order (Appendix 4 - to follow)
- Draft WMCA Constitution (Appendix 5)

Motion

This City Council:

1. Notes the progress made in establishing the West Midlands Combined Authority and the remainder of the relevant process to be followed
2. Notes the Draft Constitution of the Combined Authority (Appendix 5)
3. Gives consent to the presentation to Parliament of the statutory Order that will create the West Midlands Combined Authority (draft attached to this report at Appendix 4)
4. Delegates to the Chief Executive, in consultation with the Leader of the Council the power to agree with Government any further drafting amendments to the Order that may prove necessary