

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	COUNCIL BUSINESS MANAGEMENT COMMITTEE
Report of:	Chief Executive
Date of decision:	16 February 2016
SUBJECT:	CREATION OF COMBINED AUTHORITY AND WEST MIDLANDS DEVOLUTION AGREEMENT

1. Purpose of report

- 1.1. To take forward the establishment of the West Midlands Combined Authority (WMCA) through the inclusion of a report and motion at the full Council meeting of 1 March seeking the necessary approval to the submission of the relevant Order to Parliament by the Secretary of State.
- 1.2. To take forward the implementation of the West Midlands Devolution Agreement through the inclusion of a report and motion at the full Council meeting of 1 March seeking the necessary approval to the agreement of 17 November 2015.

2. Recommendations

- 2.1. That Council Business Management Committee approves the inclusion of the following reports and motions in the agenda for the full City Council meeting of 1 March:
- Approval to the Order for the West Midlands Combined Authority and delegation of authority to the Chief Executive in consultation with the Leader to approve any minor amendments that may be necessary.
 - Note the contents of the draft Combined Authority Constitution.
 - Approval to the West Midlands Devolution Agreement and delegation to the Chief Executive, acting in consultation with the Leader to give any consequential consents required by the Secretary of State to bring about its implementation.

Lead contact officer(s)	Stuart Evans, Joint Acting City
--------------------------------	--

	Solicitor Tony Smith, Policy Executive
Telephone number: Email address:	0121 303 4868 0121 303 4550 stuart.j.evans@birmingham.gov.uk tony.smith@birmingham.gov.uk

3. Relevant background and chronology of key events

3.1. It has been agreed between the WMCA members and the Department for Communities and Local Government that the WMCA should be created in two stages, reflecting the fact the West Midlands is both creating a CA and taking forward and devolution agreement in parallel.

3.2. Stage one (the subject of this report) is the creation of a basic CA. Under the new Cities and Local Government Devolution Act this requires the following steps:

- The drawing up of a Scheme describing how the CA will operate and its initial powers (this was approved by City Council in September)
- Consultation by the local authorities concerned (this has taken place and finished on 8 February)
- The drawing up of an Order by the Secretary of State and the approval of this Order by the relevant councils, prior to it being presented to Parliament for approval

3.3. The timetabling of these steps has been planned to ensure that the CA will come into existence on 1 June 2016. Following the consultation the draft Order will be ready for Council approval on 1 March and subject to Council approval will be presented to Parliament later that month. The other West Midlands councils are also seeking this approval between late February and 3 March.

3.4. The Devolution Agreement, signed by the leaders of the WMCA councils and the Chancellor of the Exchequer on 17 November 2015 is a proposed agreement, subject to certain conditions, including the approval of each Council.

3.5. The Agreement is the first step in a process of devolution and has opened up an

ongoing dialogue with Government that will include further agreements on devolved functions and joint working on public service reform.

3.6. Since November the councils have worked with government on an Implementation Plan for the first agreement and for the HS2 Growth Strategy. A process of clarification is also being completed and a due diligence review has been commissioned and will be completed before the Council meeting. Completion of these steps will give each council Leader and Chief Executive the assurance necessary to seek approval from their full council.

3.7. Approval of the agreement at this stage will unlock the funding from the beginning of the 2016/17 financial year and enable work to be taken forward on the Implementation Plan. It will also enable discussion to take place on further agreements, including potential announcements in the 16 March Budget.

3.8. The second stage of the agreed process will be taken forward in the summer and will involve three steps:

- The Secretary of State submitting a further Order to create the post of elected mayor and the election in May 2017. The councils are only required to give technical consent to that order being made, not to approve it since this approval is part of the devolution agreement. It is proposed that this be delegated to the Chief Executive and Leader for action
- A second Order by the Secretary of State devolving the agreed powers to the WMCA and Mayor from central government (this requires no further approvals)
- A third Order making amendments to the Scheme for the CA to include changes arising from the devolution agreement (this will be the subject of further consultation and approval by full council).
- The draft Combined Authority Constitution is annexed to this report as a matter for information only.

Signatures of approval to submit report to the Committee:

Signed:

Title:

Dated:

List of background documents used to compile this report
Draft Scheme for the West Midlands Combined Authority – report to City Council of October 2015
West Midlands Devolution Agreement, 17 November 2015
Draft reports to City Council, 1 March 2016 (to be available at the committee meeting)