



WARDS AFFECTED: ALL

1. **PURPOSE OF REPORT**

- 1.1 To seek support and authority from Council for the continuing discussions/ negotiations regarding membership of Combined Authorities in Leicester and Leicestershire and in the West Midlands.
- 1.2 To seek support for the related submission for this Council to be a member of the Coventry and Warwickshire Local Enterprise Partnership, in addition to existing membership of the Leicester and Leicestershire Local Enterprise Partnership.

2. **RECOMMENDATIONS**

- i) That Council note the indicative timescales relating to the formation of Combined Authorities for Leicester and Leicestershire and, in some form, for authorities in Coventry/Warwickshire and the wider West Midlands.
- ii) That Council authorise the Chief Executive and Leader to continue discussions with the relevant bodies, to explore these options further, on the basis of the Council ultimately being a member of two Combined Authorities.
- iii) That, in furtherance of the decision in (ii) above, the Council seeks membership of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP), in addition to its existing membership of the Leicester and Leicestershire Local Enterprise Partnership (LLEP).

3. **BACKGROUND TO THE REPORT**

- 3.1 Over a number of months, Council has received reports on the emergence of Economic Prosperity Boards (EPBs) and then Combined Authorities (CAs), building on the two City Deals (later Growth Deals), in which Hinckley and Bosworth Borough Council is a member - Leicester and Leicestershire (by existing administrative boundaries) and Coventry and Warwickshire (by invitation in 2013).
- 3.2 The Council has taken the consistent view that it wished to be a member of the two emerging EPBs/CAs, as it would provide us with influence over major transport communication developments north-south (A5) and east-west (rail, M69). It would enable the Council also to build on the highly effective work we have coordinated already with neighbour authorities (North Warwickshire and Nuneaton and Bedworth Borough Councils) on the A5 developments, the Enterprise Zone at MIRA, and wider economic and skills development.
- 3.3 Since the May 2015 elections, the pace of moves towards Combined Authorities has increased considerably, in response to the Cities and Local Government Devolution Bill, introduced in the Queen's Speech on 27 May 2015. A Statement of Intent was launched and subsequently submitted by Leicester and Leicestershire on 25 June 2015, and the West Midlands launched a Combined Authority Statement on 6 July 2015. Both are attached to this report.

3.4 Leicester and Leicestershire covers the County Council, Leicester City and the seven Districts, all of whom have signed up in support of the intent and to contribute to the future work necessary to add detail to the Statement of Intent. The West Midlands' Statement is on behalf of the seven Metropolitan Authorities in the West Midlands, but the discussions around the wider bid currently include, amongst others, the Coventry and Warwickshire City Deal authorities, which includes the five Warwickshire Districts and Hinckley and Bosworth.

3.5 The establishment of a Combined Authority is intended to improve:

- * the exercise of statutory functions relating to transport in the area;
- * the effectiveness and efficiency of transport in the area;
- * the exercise of statutory functions relating to economic development and regeneration in the area
- * economic conditions in the area.

In agreeing to any 'deal' for a Combined Authority, the Secretary of State will also have regard to the need:

- * to reflect the identities and interests of local communities;
- * to secure effective and convenient local government.

3.6 There is still much to do in these areas and, if this Council is to secure the maximum benefit for our businesses and residents, as well as make an effective contribution, it is suggested that we should be at both the Combined Authority tables. In addition, as LEPs are essential to the approval of any Combined Authority (as the Secretary of State has made very clear), it is essential that we are members not only of the LLEP (as we are already), but of the CWLEP, as it is one of the three LEPs within the wider West Midlands. Indeed, even if the Warwickshire authorities do not become members of a West Midlands Combined Authority, it would be sensible for us to be a member of CWLEP, to cement and reinforce our existing joint working.

3.7 Whilst discussions remain fluid, if the ambition is to be achieved for Combined Authority status to be secured from April 2016, a great deal of work will be required over the summer. For that reason, Council is asked to delegate authority for engagement in these continued discussions to the Leader and Chief Executive, with a view to more refined proposals and recommendations being put to Council in September 2015.

3.8 In essence, Council is asked to support the move to be a member of two Combined Authorities and of their respective LEPs, which will enable the Leader and Chief Executive to further discussions within that remit.

4. FINANCIAL IMPLICATIONS (KP)

4.1 The Council currently contributes £8,000 per annum towards the operation of the Leicester and Leicestershire LEP. In addition to this, the Council may be asked to contribute towards individual capital projects coordinated by the LEP (e.g. rural broadband)

4.2 If the Council were to join the Coventry and Warwickshire LEP it is expected that a contribution of circa £20,000 will be required. This is based on the current contributions made by Warwickshire districts and would be confirmed upon joining. A supplementary budget would be required for this contribution which, if below £25,000 can be approved by the Chief Executive and Deputy Chief Executive (Corporate Direction) in accordance with Financial Procedure Rules.

4.3 At this time, any financial contribution required by the Council towards the set up and operation of a Combined Authority(ies) is not yet known. It is however envisaged this will be clarified by September 2015 and built into the 2015/16 budget as required.

5. LEGAL IMPLICATIONS (MM)

5.1 The statutory powers for creating a combined authority are contained within the body of the report.

5.2 Combined authorities will be a separate legally recognised entity assuming the role of integrated transport authority and economic prosperity board. This gives the combined authority the power to exercise any function of its constituent councils that relates to economic development and regeneration, and any of the functions that are available to integrated transport authorities.

5.3. A Governance Review must be undertaken and a “Scheme” must be published for the creation of the combined authority

5.4 The Secretary of State must consult and give consent to the making of Order by way of Statutory Instrument

6. CORPORATE PLAN IMPLICATIONS

6.1 Membership of the two Combined Authorities and their respective LEPs would assist in meeting the following Corporate Plan aims:

- * Creating a vibrant place to work and live
- * Providing value for money and pro-active services

7. CONSULTATION

7.1 There have been previous reports to Council on this and related issues, as they have emerged. The current stage in the process does not require formal consultation and Members are asked simply to give authority for further discussions with potential partner Councils in the East and West Midlands.

8. RISK IMPLICATIONS

8.1 It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Not to engage in discussions and negotiations could leave the Council exposed and isolated, by not exploring the opportunities open to it for	Continue negotiations across two potential Combined Authorities, with a view to securing the most effective	Leader and Chief Executive

arrangements which could facilitate improved effective working and provide more integrated support to local regeneration.	arrangements for residents and businesses in Hinckley and Bosworth	
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9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 By continuing to engage in these discussions, the Council will be better-placed to secure the most effective arrangements for all areas of the Borough – in the east from Leicester and Leicestershire; in the west from Coventry, Warwickshire and the wider West Midlands. The intention remains to secure economic vitality both to the towns and to the more rural areas.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: 'Coventry/Warwickshire City Deal Governance Arrangements' – Executive 4 March 2014

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