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1. PURPOSE OF REPORT

- 1.1 To secure approval to confirm to all interested parties that this Council wishes to become a member of the West Midlands Combined Authority (WMCA), subject to necessary consultation and negotiation of final arrangements, with continued delegation to the Leader and the Chief Executive.

2. RECOMMENDATION

- 2.1 That Hinckley and Bosworth Borough Council gives a formal commitment as to its' intentions in respect of membership of a Combined Authority west of the A5.
- 2.2 That the delegation given to the Leader and Chief Executive on 21 July 2015 continues to operate and that members be kept informed of the progress of more detailed negotiations.

3. BACKGROUND TO THE REPORT

- 3.1 At the last meeting of the Council (21 July 2015), Members considered a report on the continuing discussions and negotiations in which this Council is involved in respect of the potential for our membership of a Combined Authority covering the West Midlands. Background to those discussions was provided and delegation given to the Leader and to the Chief Executive to continue to represent the Council in those discussions.
- 3.2 These discussions are in parallel to those taking place regarding a Combined Authority for Leicester and Leicestershire, in which the Council is involved also, on the basis of our geographical position and our wider interests. Those discussions with Government are at a slower pace than those involving the West Midlands, whose bid was submitted to the government on 4 September, thus meeting the 'fast track' timeline. The general economic regeneration and other interests of this council were represented as part of that document. The content of the submission remains strictly confidential. For that reason, access to it is via the Chief Executive only. A copy of the joint press release, issued on 4 September, is attached.
- 3.3 The Council is required to decide whether it wishes to pursue its interests to the point of making a firm and binding declaration that it wishes to become a member of the Combined Authority for the West Midlands, as well as the one for Leicester and Leicestershire. That decision has to be made and published by 12 October, for submission to Government by 20 October; hence this report before members at this meeting.
- 3.4 Section 3 in the previous (21 July) report provided the main reasons for pursuing the twin-track approach and the discussions since that point have reinforced the need for the Council to have dual membership, in order to maximise the potential benefits available to our businesses and our communities in future years; not least from the potential financial freedoms, on which the WMCA is seeking further discussion) and our ability to influence housing, planning and transport decisions on a wider scale.

- 3.5 Members should note that, because the Council would be a 'Constituent' (i.e. full) member of the Leicester and Leicestershire Combined Authority, once established, because of our location, we cannot be full members of the WMCA. We would be a 'non-constituent' member, which provides fewer rights. However, there is a commitment from the Constituent members (the seven Metropolitan Authorities) that non-constituent members will have voting rights; although the precise definition of those rights is yet to be agreed. We will have full and equal voting rights within the Leicester and Leicestershire Combined Authority.
- 3.6 Members should note that, on 3 September 2015, Warwickshire County Council voted against joining a proposed WMCA and in favour of the continuing discussions to form a Coventry/Warwickshire Combined Authority; which was the initial position of this Council
- 3.7 Members will recall that the Council has submitted an application to be a member of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP), as a logical step in the event that the Council becomes a member of either the WMCA or a Coventry/Warwickshire Combined Authority. That application will receive an initial consideration at a meeting of the CWLEP Finance and Governance Committee on 29 September.
- 3.8 The current timescale would see the introduction of the WMCA in mid-2016. The initial financial implication for this Council, in addition to those set out in the last report in respect of membership of the CWLEP would be £10,000 in the first year and up to £25,000 pa thereafter.
- 3.9 Members are recommended to approve the Council's making a formal statement on its' intentions regarding membership of a Combined Authority west of the A5 and to continue to be a party to and influencing those discussions.

#### 4. WHAT THIS COULD MEAN FOR HINCKLEY AND BOSWORTH COUNCIL

- 4.1 The establishment of a Combined Authority and related Devolution Deal is intended to secure the following key outcomes for the area as a whole, including for this Borough:-
- Securing greater control of Government funding on transport, infrastructure and housing.
  - Securing enhanced connectivity and securing key benefits from HS2 for the area of the Combined Authority.
  - Securing local management of transport networks and integrated road and rail plans.
  - Devolution of employment and skills funding to secure innovative new set of services for the area.
  - Devolution of range of Government functions and funding streams for business support and start up.
  - Devolution of policy making powers and resources for focus on troubled individuals, including devolution of criminal justice system.
  - Establishing a Mental Health Commission for the Combined Authority Area to provide more targeted interventions and support to individuals.

## 5. FINANCIAL IMPLICATIONS [KP]

- 5.1 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). The ongoing cost of membership is built into the base budget.
- 5.2 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.
- 5.3 As outlined in section 3.6, it is expected that membership of the West Midlands Combined Authority will cost this Council £10,000 in year 1 and £25,000 in subsequent years.
- 5.4 Assuming that involvement is approved, and on the basis that membership of the CWLEP and WMCA will commenced in 2016/17, both costs will be built into the 2016/17 Budget, to be approved as part of the budget setting process in February 2016.

## 6. LEGAL IMPLICATIONS [MR]

- 5.1 A Combined Authority (“CA”) will comprise shared administrative arrangements between local authorities in a particular area dealing with a range of matters
- 5.2 The relevant legislation is the Local Democracy Economic Development and Construction Act 2009 (“The 2009 Act”) and the Cities and Local Government Devolution Bill (“The Bill”) which will have its second reading in the House of Commons on a date to be advised
- 5.3 Two or more authorities may perform a governance review of the effectiveness and efficiency of transport and/or the arrangements for promoting economic development and regeneration within their area and may subsequently publish a scheme
- 5.4 If the Secretary of State, having considered the scheme, feels it will improve arrangements relating to transport and economic regeneration, then he may establish a Combined Authority by Order
- 5.5 The Bill makes amendments and additions to the provisions in the 2009 Act and provides for a CA to be conferred a broader set of functions than economic development regeneration and transport and also for a function of a public authority to be undertaken instead by a CA.

## 7. CORPORATE PLAN IMPLICATIONS

- 7.1 The recommendations in this report will have positive effects on the following two priorities:
  - Creating a vibrant place to work and live
  - Empowering communities

## 8. CONSULTATION

- 8.1 A formal consultation will be undertaken by Government, once the submission has received initial consideration. It may be appropriate for a more local consultation in advance of that by Government.

## 9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 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.
- 9.3 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 be formally engaged in whatever form of Combined Authority is developed immediately adjacent to this Council to the west could result in the Council's not being able to have the maximum influence and benefit (including devolved powers) to be secured from improved effective joint working and integrated support to local regeneration	Taking a clear decision for the Council to be a member of any Combined Authority to the immediate west of the boundaries of this Borough, as a basis for further negotiations with Government on devolved powers	Leader and Chief Executive

## 10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 10.1 By pursuing this initiative, the expectation is that all parts of the community will benefit from an expanded economy and improvements in services which are better-connected than now. The Council will need to ensure that the positive ramifications of an improved economy are shared more widely and fairly amongst our communities.

## 11. CORPORATE IMPLICATIONS

- 11.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
  - Environmental implications
  - ICT implications
  - Asset Management implications
  - Procurement implications
  - Human Resources implications
  - Planning implications
  - Data Protection implications
  - Voluntary Sector

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Background papers: 'Combined Authority Options' Report to Council – 21 July 2015

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