



1. **PURPOSE OF REPORT**

- 1.1 To seek a positive decision from the Full Council on the membership of a West Midlands Combined Authority on a 'non-constituent' basis

2. **RECOMMENDATION**

- 2.1 That the Council:-

- a) Advises the relevant body that Hinckley and Bosworth Borough Council is confirming formally its acceptance of the initiative to become a Non-Constituent Member (NCM) of the proposed West Midlands Combined Authority (WMCA).
- b) In the event of approving (a), approves also the Governance Review and *draft* Scheme at Appendices Ai and Aii and agrees to receive further information on governance arrangements and the devolution 'deal' for the proposed WMCA..
- c) Irrespective of the decision on (a), seeks a review/enforcement of the Coventry Joint Committee/Economic Prosperity Board arrangement; in which it participates with Warwickshire County Council, Coventry City Council and the five Warwickshire District Councils, to enhance and maintain the strong local economic, housing and planning linkages.
- d) Irrespective of the decision on (a), reaffirms its request to be a member of the Coventry and Warwickshire Local Enterprise Partnership (CWLEP).
- e) Confirm its continued commitment to membership of and contribution to the proposed Leicester and Leicestershire Combined Authority.
- f) Confirms its continued commitment to membership of the Leicester and Leicestershire Local Enterprise Partnership (LLEP), in particular to its continued membership of the Leicester and Leicestershire Business Rates Pool.

3. **BACKGROUND TO THE REPORT**

- 3.1 Council has previously considered reports on the potential membership of (initially) a Coventry and Warwickshire Combined Authority and, more recently, a West Midlands Combined Authority. Such a membership would be in addition to its membership of the proposed Leicester and Leicestershire Combined Authority and its existing membership of the Leicester and Leicestershire Local Enterprise Partnership. The Launch Document for the WMCA is attached at Appendix B and an explanation of the purpose and functions of a Combined Authority is attached at Appendix C.
- 3.2 Council has previously shown a positive interest to become a member of the WMCA and has given a firm direction on applying for membership of the Coventry and Warwickshire Local Enterprise Partnership, to give substance to WMCA membership. Members will recall also that the proposal is based on our strong links to a West Midlands Functional Economic Area (FEA), set out in Appendix D, as well as the equally strong, but different, links to the Leicester and Leicestershire FEA.

- 3.3 At the last meeting of the Council on 15 September 2015, Members resolved that the Leader and Chief Executive be authorised to continue negotiations in relation to membership of the WMCA and that a further report be brought to Council on or before 8 October for a final decision, if there was to be a recommendation to join the WMCA. The application for membership of the CWLEP had been submitted already, with full Council support, for a meeting of the CWLEP Board on 5 October.
- 3.4 In the event, a Council meeting was not convened on 8 October, as the Leader and Chief Executive had asked for a meeting with representatives of the WMCA 'Core Team' to secure answers to specific questions before making a final recommendation. That meeting with the 'Core Team' could not be held before 1 October.
- 3.5 Following the 1 October meeting, although some assurances were helpfully provided by the WMCA 'Core Team' and some issues identified, the initial recommendation was that membership of WMCA was not an option which we should pursue.
- 3.6 However, having reviewed the position, I was concerned that:-
- a) As a 'key decision' for the future of the Council and our activities, especially in relation to economic growth, it should be made by full Council (notwithstanding the delegation granted and on 21 July and 15 September 2015).
 - b) Whilst the initial recommendation was justified on grounds of strict finance and other resource commitments, it could restrict our room for manoeuvre and wider influence in the longer term.
- 3.7 For these reasons, Council is being asked to take the final decision on our membership position, with a recommendation in favour of membership, for the reasons set out in Section 4 below.

4. REASONS FOR RECOMMENDATION

- 4.1 The reasons for making a recommendation in favour of joining the WMCA are as follows, in addition to those set out in the last report, repeated in 4.2 (below). As the Council is already a full member of the proposed Leicester and Leicestershire Combined Authority (and has no wish to change that position), we can not be a full member of another Combined Authority; we can be only a 'non-constituent member', which carries fewer rights, but also fewer responsibilities. Non constituent membership of WMCA is being pursued by the other interested Districts in Warwickshire and other areas.
- It would give us an insight and influence on decisions, especially if voting rights for non-constituent member authorities include matters relating to Growth Plans and associated funding; these rights are not available to non-constituent members under the existing draft scheme, but the position is being reconsidered by WMCA.
 - It would reinforce our influence and commitment to securing funding and works on the vital A5 corridor.
 - It would more effectively position the Council in discussions on major infrastructure and transport investment in support of the Midlands Connect initiative and underpin the Midlands Growth Engine - the counterweight to the Northern Powerhouse.
 - It would enable our engagement with both fast-track (WMCA) and less-fast track (LLCA) initiatives.

- It would cost nothing financially and, once up and running in 2016, little in terms of time.
- It would establish the Council more firmly as a major east-west organisational conduit between Leicester/Leicestershire and the wider West Midlands on matters of transport (road/rail), building on our recognised contribution to cross-border working with North Warwickshire and Nuneaton and Bedworth Councils.
- It would foster improved relationships between CWLEP and LLEP, as well as provide a firm foundation for those between WMCA and LLCA.
- It addresses the simple question - if invited (as we have been), why would we say no?

4.2 In September 2015, I reported that the establishment of a Combined Authority and related Devolution Deal was 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 [SK]

5.1 There are no direct financial implications of Hinckley and Bosworth Borough Council becoming a non constituent member of the West Midlands Combined Authority as the Project Team of the Combined Authority has confirmed that this Council would not have to make a financial contribution for the membership.

5.2 There will however be an indirect resource implication as attendance at meetings will require representation from one of the Strategic Leadership Board (SLB) and Executive Member representation.

6. LEGAL IMPLICATIONS [MR]

6.1 A Combined Authority ("CA") will comprise shared administrative arrangements between local authorities in a particular area dealing with a range of matters.

- 6.2 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.
- 6.3 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.
- 6.4 If the Secretary of State, having considered the scheme, feels it will improve arrangements relating to transport and economic regeneration, then he may establish and Combined Authority by Order.
- 6.5 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 be 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 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 and discussions with Government on devolved powers.	Leader and Chief Executive

<p>That the decision to be a partner in another Combined Authority, in addition to that for Leicester and Leicestershire, could harm relationships within the latter area</p>	<p>Take action to reassure partners in Leicester and Leicestershire that we remain committed to them and, in particular, to the Leicester and Leicestershire Business Rates Pool</p>	<p>Leader and Chief Executive</p>
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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

Background papers: Reports to Council 21 July 2015 and 15 September 2015

Contact Officer: Steve Atkinson, Chief Executive 01455 255606
 Executive Member: Councillor Mike Hall, Council Leader