

## WMC FULL COUNCIL MEETING

**18<sup>th</sup> January 2011  
2.00pm – 4.00pm**

**The Partnership Centre, Albert House, Quay Place, Edward Street, Birmingham**

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### **2.00pm – 3.00pm: Public Health Strategic Leadership Debate**

#### **Objectives:**

- Increased understanding and sharing of knowledge of changes in relation to delivering public health.
- To give a strategic steer to the local authority Chief Executives on the Public Health Transition Group.
- Identify key messages to Government in response to the White Paper 'Healthy Lives, Healthy People: Our strategy for public health in England'.

**2.00 – 2.05 Introduction** - Lead Chief Executive

**2.05 – 2.25 National Policy Context and Issues for Local Government** - Prof. Jon Glasby, Birmingham University

**2.25 – 2.55 Break Out Groups**

**2.55 – 3.00 Summing Up** – Cllr Philip Atkins, WMC Chairman

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### **3.00 pm – 4.00pm: Business Agenda**

- 3.00 – 3.05** 1. Welcome and apologies
- 3.05 – 3.10** 2. Draft notes of the meeting held on 28 September and matters arising (*paper attached*)
- 3.10 – 3.15** 3. Draft notes of the Member Steering Group meeting held on 23<sup>rd</sup> November for noting (*paper attached*)
- 3.15 – 3.35** 4. New WMC Constitution including voting allocations etc. (*paper attached*)
- 3.35 – 3.55** 5. LGG feedback from Cllr Philip Atkins
- Introducing Cllr David Parsons
  - Discussion on LGG business
- 3.55 – 4.00** 6. Any Other Business and Dates of scheduled meetings:  
12<sup>th</sup> July 2011 (AM) (Please note that this meeting replaces the meeting previously scheduled for 14<sup>th</sup> June 2011)

## Draft Notes of the West Midlands Councils Meeting held on Tuesday 28 September 2010

### 1. Welcome and Apologies

The Chairman welcomed Leaders and alternates to the meeting and noted the apologies which are recorded in Appendix One.

### 2. Draft notes of the meeting held on 22 June 2010 and matters arising

The notes were **agreed** as a true record. Members requested shorter reports and sufficient time to read them prior to the meeting.

### 3. Report of WMC Member Task and Finish Group on Moving to the New Organisation.

Cllr Roger Phillips presented the report which had been put forward by the WMC Member Task and Finish Group. Cllr Phillips highlighted three key parts of the report; the issue with Shropshire's pension liabilities; the issue with the non metropolitan authorities' pension liabilities, in response to which members wish to spread the repayment of the liability over at least a three year period; and the new staffing structure which was deemed fit for purpose at present but which would be reviewed regularly to ensure that it remains so.

Following discussion the recommendations set out in the report, see below, were **agreed** subject to two amendments:

- Recommendation 1(iv) to be amended to read:  
That when WMC ceases as an employing body, member councils meet the pension liability of WMC to the West Midlands Pensions Fund. That the determination of the methods of settlement of liabilities be subject to further discussion through a working group comprising the Chairman and senior officers representing Metropolitan and Non Metropolitan Authorities. The working group should also conduct further negotiations with Shropshire County Council.
- Recommendation 1(v) '**That the shell company option is not explored further and member councils make payment of the sums due when invoiced**' to be deleted.

- 1(i) That the change of name of the organisation from West Midlands Leaders Board to West Midlands Councils is endorsed.
- 1(ii) That the staffing structure shown in Appendix A is endorsed, with the proviso that a further review as mentioned in paragraph 3.4 takes place in due course.
- 1(iii) That WMC ceases to be an employing body and that Birmingham City Council as 'host' employer is agreed for the retained WMC staffing structure (Appendix A.);

with the host council Chief Executive (or his nominee) acting as CEO to the WMC Staffing Structure for the purposes of pay and rations and operational matters, and that Chairman of the Chief Executives Task Force undertaking the lead role in respect of strategic direction, with such arrangements to take effect as soon as practicable and no later than 1<sup>st</sup> April 2011 .

- 1(iv) That when WMC ceases as an employing body, member councils meet the pension liability of WMC to the West Midlands Pensions Fund. That the determination of the methods of settlement of liabilities be subject to further discussion through a working group comprising the Chairman and senior officers representing Metropolitan and Non Metropolitan Authorities. The working group should also conduct further negotiations with Shropshire County Council.
- 1(v) That WMC continue to operate from the Regional Partnership Centre to the end of the lease in November 2013; with the secretariat actively seeking new co-location partners and marketing the Training & Meeting Centre as a venue for hire, and that member councils support this approach in terms of using the RPC as a preferred venue in Birmingham.
- 1(vi) That the proposed member steering group is asked to review the position on necessary financial matters going forward, including the question of reserves in 2011-12 in light of the indicated level of reserves to meet unforeseen costs, with a view to reducing the premises liability on authorities, and the level of contribution to met from reserves.
- 1(vii) That the Financial Statements for 2009-10 (at Appendix D) are approved.
- 1(viii) That the Revised Budget for 2010-11 shown at (Appendix B) is approved
- 1(ix) That the Draft Budget for 2011-12 based on a 40% reduction in authority subscription levels and WMC meeting 33% of premises costs (Appendix C) is approved.
- 1(x) That further governance work should be undertaken by officers through the CETF to provide the necessary draft documentation as set out below, with draft Terms of reference to be recommended to the Member Steering Group for approval.
  - A revised constitution for WMC including a new voting structure and liability sharing arrangements.
  - Terms of Reference for the WMC Steering Group.
  - Terms of Reference/Role Description for the WMC Lead CEO.
  - Terms of Reference for Advisory Panels.
  - Terms of Reference for the Chief Executives' Task Force.
- 1(xi) That WMC release AWM from any further commitment to the Brussels office following the payment of their £415,308 contribution for 2010-11 and this is factored into an approach to a managed reduction in the Brussels Office liability.
- 1(xii) That WMC agree in principle to develop a new bid for ERDF funds for 2011-13 using contributions from member councils (as indicated in Appendix G) as match.

**4. High Level Work Programme for Consultation**

Colin Williams introduced the draft Service Statement which set out the resources, functions and activities of the Employers' Services Team, and Rose Poulter introduced the draft high level Work Programme for the Strategic Coordination Unit. Members were asked for a steer regarding the priorities for the Coordination Unit. Members commented that transport is an important cross boundary issue and that this theme should be included in the work programme via liaison with existing transport related groups including bringing the JS&IB transport group under the WMC, and key issues such as the Regional Rail Development Plan being brought to WMC.

The Service Statement and the high level Work Programme were **approved**.

**5. A Summary of LEP submissions in the West Midlands**

The paper, which provided an overview of current LEP activity in the West Midlands was **noted**.

**6. Equity and Excellence: Liberating the NHS – Opportunities and Risks Presented by the NHS White Paper.**

Kate Doogan introduced the paper which set out the opportunities and risks in the White Paper for local government. Members commented that:

- The White Paper is unclear as to how the scrutiny role will be carried out through the Health and Wellbeing Board.
- The lack of coterminosity with the GP commissioning consortia will create significant problems, it is suggested that there needs to be a duty upon the consortia to work with Health and Well Being Boards.
- Directors of Public Health are currently employed by the NHS and they have very different terms and conditions.
- The Regional Director of Public Health has set up a Transition group which includes three local authority Chief Executives.

The report, and members' reservations regarding the White Paper, were **noted** and it was **agreed** that a seminar for elected members be arranged to cover the new roles for local government in the changing health and social care environment and developing an approach to ensure effective scrutiny within the new proposed arrangements.

**7. Links with the National LGA**

Cllr Philip Atkins advised members that he now sits on the national LGA Executive Group. He wishes to ensure that he is able to input a West Midlands perspective into the Executive and therefore Leaders were asked to advise him or Rose Poulter of any issues which they wish to be raised. It was requested that the LGA be asked to streamline its reports. It was **agreed** that the West Midlands representatives on LGA bodies would be identified and engaged with.

**8. Any Other Business**

Cllr Roger Phillips advised Leaders that all local authorities would be contacted, as usual, during the autumn by the national Pay Negotiation body for their authority's thoughts on pay increases.

**9. Dates of Scheduled Meetings: all 2.00 – 4.00pm**

Following agreement in item 3 that the WMC would now meet twice per year the dates for future meetings will be:  
18 January 2011 and 14 June 2011.

## Appendix One

### Attendance

Name	Authority
Cllr Adrian Andrew	Walsall Metropolitan Borough Council
Cllr Philip Atkins	Staffordshire County Council
Cllr Phil Grove	Malvern Hills District Council
Cllr Neil Stanley	Cannock Chase District Council
Cllr Ian Hedley	Solihull Metropolitan Borough Council
Cllr Steve Eling	Sandwell Metropolitan Borough Council
Cllr Anthony Lloyd	Nuneaton & Bedworth Borough Council
Cllr Elias Mattu	Wolverhampton City Council
Cllr Michael Doody	Warwick District Council
Cllr Stephen Gray	Stratford on Avon District Council
Cllr Roger Knight	Worcester City Council
Cllr Roger Phillips	Herefordshire Council
Cllr Alan Farnell	Warwickshire County Council
Cllr David Billson	South Staffordshire District Council
Cllr Les Smith	North Warwickshire Borough Council
Cllr Simon Tagg	Newcastle-under-Lyme Borough Council
Cllr Timothy Huxtable	Birmingham City Council
John Polychronakis	Dudley Metropolitan Borough Council
Cllr Roger Hollingworth	Bromsgrove District Council
Cllr Carole Gandy	Redditch Borough Council
Cllr Michael Heenan	Stafford Borough Council
Cllr Adrian Hardman	Worcestershire County Council
Mark Barrow	Newcastle under Lyme Borough Council

### Apologies

Name	Authority
Cllr Mike Bird	Walsall MBC
Cllr Mike Whitby	Birmingham City Council
Cllr Anne Millward	Dudley MBC
Cllr Richard Grosvenor	East Staffordshire Borough Council
Cllr George Lord	Worcestershire County Council
Cllr Simon Geraghty	Worcester City Council
Cllr Neville Patten	Wolverhampton City Council
Cllr Sybil Ralphs	Staffordshire Moorlands DC
Cllr Darren Cooper	Sandwell MBC
Cllr Mohammed Pervez	Stoke-on-Trent City Council
Cllr Paul Middlebrough	Wychavon District Council
Cllr Brian Edwards	South Staffordshire District Council
Cllr John Mutton	Coventry City Council
Cllr Andrew Eade	Telford and Wrekin Council
Cllr Keith Barrow	Shropshire Council
Cllr Daniel Cook	Tamworth Borough Council
Cllr John Champion	Wyre Forest District Council
Cllr Dennis Harvey	Nuneaton and Bedworth Borough Council
Cllr Craig Humphrey	Rugby Borough Council
Cllr Colin Hayfield	North Warwickshire Borough Council

### Officers in attendance

Nick Bell (Staffordshire CC), Mark Barrow (Birmingham CC), Rose Poulter (WMC), Colin Williams (WMC), Kate Doogan (WMC), Emma Kiteley (WMC).

**Draft Notes of the WMC Member Steering Group Meeting  
held on Tuesday 23 November 2010**

**1. Welcome and Apologies**

The Chairman, Cllr Craig Humphrey, welcomed members to the meeting and noted the apologies which are recorded in Appendix One.

**2. Draft notes of the WMC Full Council meeting held on 28 September 2010**

The draft notes were noted.

**3. Report Back from the Regional Transport Group**

Rose Poulter introduced the report which outlined an approach to developing future transport working and liaison arrangements. During discussion it was noted that group must focus on strategic connectivity issues and shouldn't get too distracted by individual projects, it was also felt that there must be a facility for local government to meet separately when necessary.

The recommendations of the report were **agreed**.

**4. WMC Constitution, Voting Structures and Liabilities**

Colin Williams introduced the report and advised that the exact figures and a proposal for the payment of liabilities will be available for the Full Council meeting in January.

During discussion the advice regarding the lack of legal ability to require Shropshire to pick up 10/120s of the liability was acknowledged and members **agreed** therefore to move forward on the basis of Shropshire picking up 5/115s. It was also **agreed** that the option for least change in relation to voting structures and liabilities is the most desirable and that therefore Option A should be recommended to the Full Council in a shorter, less detailed paper and that the draft constitution should also be taken forward to Full Council. It was also **agreed** that the Chief Executives' Task Force should consider the paper, make a recommendation and inform local authority treasurers of the implications.

**5. Draft Terms of Reference for the Member Steering Group and the European Advisory Panel.**

Rose Poulter introduced the report which set out the Terms of Reference for the two groups. Members **agreed** the TOR for the MSG subject to an amendment to bullet point four under Modus Operandi which should now read:

- Be quorate when at least 3 members are present representing a metropolitan authority, a shire county or rural unitary authority and a district authority.

Members also **agreed** the TOR for the EAP subject to discussions at the meeting on the 26<sup>th</sup> November, a slight amendment on page 7 to change the emphasis from a small number of sectors, because the funding streams don't necessarily follow sectors and the inclusion of an amendment to bullet point six on page six which should now read:

- Assist West Midlands' local authorities, businesses and third sector to identify European opportunities helping them to access European funding, create European partnerships and develop European commercial opportunities.

#### **6. New Format of West Midlands Councils Meetings**

Rose Poulter introduced the report and members **agreed** to the changes to the format of the Full Council meetings proposed in the report. With regards to the January meeting the topic and format were **agreed** subject to the speakers being informed and independent of national government and the NHS and the inclusion of breakout sessions rather than a Q and A session. Members noted that the Leaders Board session held at Longbridge in October 2009 had been very successful and could be a model to be adopted in the future. It was also noted that early receipt of agendas, papers and briefing notes is important.

#### **7. WMC Member Nominations**

Rose Poulter introduced the report which set out the member self nominations received for the WM Ambulance Service NHS Foundation Trust - Members Council. Only one nomination had been received from an urban authority and this was not accompanied by a Leader endorsement. It was therefore **agreed** that a further call for nominations should be made to urban authorities. With regards to the rural nominations, it was **agreed** that the two nominees deemed suitable, Cllrs Soley and Smith be referred to the Chairman and Vice Chairman for decision, with the proposal that they could become a lead and an alternate representative.

The paper also set out the Conservative Group's nominations to the lead member roles for Europe and for Employer Services / Improvement and Efficiency. No other nominations were put forward and members **agreed** to ratify Cllr Bore as the lead member for Europe. It was also **agreed** that the Conservative Group would revisit the nominations for lead member for Employer Services / Improvement and Efficiency.

#### **8. Report back from LGG Executive and Links and Engagement with LGG and Members of the Programme Boards.**

Members noted the scheduled of WM representatives on the LGG Programme Boards and **agreed** that the question of how to engage with them effectively should be part of the discussion at the next Full Council meeting.

#### **9. Report of the Chief Executives' Task Force**

Paul Sheehan advised members that the Task Force did not intend to report regularly to the MSG, only when required. Members **noted** the report and the advice set out in it.

#### **10. Future Funding for the Birmingham Office of WMES and the Future of ERDF**

Rose Poulter introduced the paper which recapped the decision of the Full Council to support in principle the development of a new bid to support the EU Connects project which would involve match funding of £100,000 per annum. Now, due to

uncertainty re AWM funding which will not be resolved until the end of November, local authorities have been asked for an additional potential contribution of £120,000 to support the existing team from April until the end of the contract in December 2011. Members **agreed** the approach and asked for the letter which had been sent to Chief Executives, to be sent to Leaders, from Cllr Atkins, detailing the support provided by the project and the full cost implications. Members also **agreed** that once the issues had been resolved the process should be combined with that for normal subscriptions.

**11. Future Location of the People and Leadership Team**

Colin Williams introduced the report which proposed that the People and Leadership Team be reintegrated with the Employers Services Team of WMC. Members **agreed** the recommendations of the report.

**12. Report of the WMC Host Chief Executive**

Members noted the report which set out a number of operational matters and **agreed** the recommendations.

**13. Any Other Business**

**LGG Executive Meeting** - It was noted that Cllr Atkins would not be able to attend the next meeting of the Executive and Cllr Humphrey volunteered to attend in his place to ensure the West Midlands is represented.

**Joint Strategy and Investment Board** – The MSG were advised that Cllr Atkins and Sir Roy McNulty had met and agreed that the JS&IB should cease to operate providing that this decision is endorsed by the WMC MSG and the AWM Board. Members **endorsed** the decision.

**14. Dates of Future Meetings**

The dates of future meetings were **noted** as:  
22 February 2011 (2-4pm), 12 April 2011 (10-12pm), 21 June (2-4pm), 18 October (2-4pm).

## Appendix One

### Attendance

<b>Name</b>	<b>Authority</b>	<b>Sub-region / Group</b>
Cllr Roger Hollingworth	Bromsgrove	Worcestershire & Conservative Group
Cllr Sir Albert Bore	Birmingham	Labour Group
Cllr Craig Humphrey	Rugby	Coventry, Solihull and Warwickshire

### Apologies

<b>Name</b>	<b>Authority</b>	<b>Sub-region / Group</b>
Cllr Paul Tilsley	Birmingham	Liberal Democrat Group
Cllr Mike Whitby	Birmingham	Birmingham
Cllr Roger Phillips	Herefordshire	Shropshire, Herefordshire and Telford.
Cllr Timothy Huxtable	Birmingham	Birmingham
Cllr Mike Bird	Walsall	The Black Country
Cllr Philip Atkins	Staffordshire	Staffordshire & Stoke on Trent
Mark Barrow	Birmingham	WMC Host Chief Executive

### Officers in attendance

Paul Sheehan (CETF), Colin Williams (WMC), Rose Poulter (WMC), Kate Doogan (WMC).

**WEST MIDLANDS COUNCILS**

**18<sup>TH</sup> JANUARY 2011**

**WEST MIDLANDS COUNCILS - CONSTITUTION AND PENSION LIABILITIES**

**Report of the Member Steering Group**

**1. Purpose of Report**

The purpose of this report is to provide members with the opportunity to consider;

- a) recommendations from the Member Steering Group in respect of a revised Constitution for West Midlands Councils, and;
- b) options available to each Council with regard to meeting the cost of past pensions liabilities arising from the cessation of West Midlands Councils as an employer with effect from 31<sup>st</sup> March 2011.

**2. Recommendations**

2.1 It is **recommended** that Members;

- a) approve the revised Constitution attached as **Appendix A**;
- b) ensure that each constituent Council makes appropriate arrangements to secure formal endorsement of that Constitution and provides written confirmation of such to West Midlands Councils;
- c) endorse the options being made available to each Council with regard to settlement of past pension liabilities as set out in paragraphs 3.10 to 3.14 of this report.

**3. Report Detail**

3.1 Background

Members will recall that at the West Midlands Councils (WMC) meeting on 28<sup>th</sup> September it was agreed that further governance work should be undertaken by officers to provide draft documentation in relation to a revised constitution for WMC, including a review of voting structures and liability sharing arrangements.

3.2 The Chief Executives Task Force asked a small group of Monitoring Officers, representing all Authority types, to bring forward recommendations to the Member Steering Group. In addition, that group were also asked to review the previous advice from Eversheds and provide professional legal advice in relation to the current pension liabilities issue and in particular the position with regard to Shropshire Council.

3.3 Constitution

The current constitution was agreed at a meeting of all Councils in July 2009 (and amended at a meeting of WMLB in January 2010 to reflect membership of JSIB). This set out the voting allocations for the 33 local authorities who form the membership of WMC and reflected the fact that upon Shropshire County Council's securing of Unitary status, the 5 votes allocated to the (former) Shropshire District Councils were removed and were not redistributed. This led to an allocation of 60 votes to the Metropolitan authorities and 55 to the non Metropolitan (Shire) authorities.

- 3.4 Having considered a detailed report from the Monitoring Officer Group, the member Steering Group **recommend** the adoption of the draft revised and updated WMC Constitution attached at **Appendix A**. This reflects the new role and governance arrangements for WMC agreed at the meeting on 28<sup>th</sup> September 2010 and retains the key principles that;
- a) there should be equality of voting between the Metropolitan and Non Metropolitan areas;
  - b) every Council must have at least one vote, and;
  - c) voting share should be linked to population size
- 3.5 In addition, it also retains the provisions that on resignation an individual constituent Council is required to give 12 months notice and meet its share of contingent liabilities based on its proportion of total subscription paid. This methodology is also incorporated in a dissolution situation.
- 3.6 In order to meet the above principles, the proposed Constitution addresses the current 60/55 imbalance (arising from LGR in Shropshire) by reducing the overall votes from 120 to 112 through a reduction of 4 votes for both Metropolitan and non Metropolitan areas. This provides a 56/56 model, with the non Metropolitan votes being based on population distribution, whilst also retaining a balance between voting strength of Districts and Counties within each two tier area. The Metropolitan vote continues to be distributed by population. **Appendix B** provides a comparison between existing and proposed models.
- 3.7 Despite this minor change in voting arrangements, the Member Steering Group **recommend** that in view of the recently agreed 40% reduction from 2011/12 onwards, the existing subscription arrangements should be retained.
- 3.8 Settlement of Pension Liabilities  
Members will be aware that in view of the substantial downsizing of the regional organisation, including the abolition of Regional Assemblies, it is no longer considered sustainable for West Midlands Councils to remain an employing body due to the size of its liabilities within the Local Government Pension Scheme in comparison with its small number of contributing employees.
- 3.9 The cessation of WMC as an employer requires the settlement of all past pension liabilities. The estimated value of these liabilities (at £6m), was reported to Members at the last full meeting of WMC (see **Appendix C** for details). The final actuarial determination of the liability has been commissioned by the West Midlands Pension Fund (WMPF), with whom WMC are an Admitted Body. This will be based on the known staffing position as at 31<sup>st</sup> March 2011, the day before any retained WMC employees are to be transferred to Birmingham City Council as the new host employer. Members will be advised of the actuary's provisional detailed settlement figure as soon as it is available and no later than the date of the meeting. A final figure will be identified during May/June 2011 taking into account any further changes in circumstances ahead of 31<sup>st</sup> March.
- 3.10 As the existing Constitution is silent on the specific issue of settling past liabilities in non resignation or dissolution scenario's, advice was sought from Eversheds who concluded that WMC was in a position to decide how such liabilities, whenever they arise, are to be distributed amongst members. The report to the full Council meeting in June 2010 endorsed the recommendation that they should be distributed in line with the existing voting structure. Having considered this advice, the Monitoring Officer group supported the view expressed therein that "there was no reason why the current constitution would not be upheld by a Court as binding on all member councils". In addition, with regard to Shropshire Council, the Member Steering Group also accepted the advice from the Monitoring Officer group and **recommend** that their share of past pension liability should reflect the current Constitution i.e. representing 5/15ths of the overall sum.

- 3.11 A small group of S151 Officers, supported by the Monitoring Officer from Staffordshire County Council, have met with WMPF to ensure equitable arrangements for settling this liability between Metropolitan and non Metropolitan Councils (i.e. the former already being employing bodies within WMPF) and maximum flexibility for each Council over the method of and period for settlement.
- 3.12 These discussions have been fruitful and each of the 7 Metropolitan Authorities have already indicated to WMPF that they wish to take advantage of the opportunity to transfer their share of the liability (representing 50% overall) to their existing fund deficit within the West Midlands Fund. For each Council, this will enable the sum to be taken into account in overall actuarial assessments and met over the 25 year period alongside all other pension liabilities. No cash payments will be required.
- 3.13 Whilst it has been accepted this mechanism cannot be directly replicated across different Pension Funds, there are two options available to the 26 Councils not covered by the West Midlands Fund. These are as follows;
- Option A To make a single payment in full settlement to the West Midlands Pension Fund based on the share of the final actuarial assessment as at 31<sup>st</sup> March (to be paid on invoice during 2011/12 following a further and final actuarial review in May / June 2011), **or**;
- Option B Elect to remain a party to an assignment of the existing Admission Agreement, which will recover the liability (i.e. relevant share thereof) over a period of 25 years in line with all other scheduled bodies.
- 3.14 Officers are content that the above proposals provide equitable and consistent treatment to Metropolitan and Non Metropolitan Authorities, albeit through different mechanisms. Members should also be aware that;
- Prior to the end of March, each Local Authority will be asked to provisionally identify which of the above options it wishes to exercise and notify WMC accordingly in order for the necessary arrangements to be put in place.
  - It is likely that the costs of settling 'up front' will be marginally higher than those of paying over the longer period as WMPF would apply more conservative return on investment projections. Arrangements will be made for LA's to have an indication of this difference assessed by the Actuary on request.
  - For Councils choosing the longer term option, annual payments will be invoiced directly by WMPF on or around 1<sup>st</sup> October each year. The value of the outstanding sums will be subject to triennial re-evaluation as with all funds.
  - A further option will remain open to those Councils that elect to remain part of the admission agreement through which they can crystallise and settle their share at any time during the 25 year period.

A draft 'Heads of Agreement' covering the assignment of the existing Admission Agreement has been developed for discussion with WMPF and will be shared with all Chief Executives as soon as it is ready for circulation.

**Cllr Philip Atkins**  
**Chair of WMC and Member Steering Group**  
**Leader of Staffordshire County Council**

**Contact Officer**  
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Director of Employer Services  
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# WEST MIDLANDS COUNCILS

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## CONSTITUTION

JANUARY 2011

**1. Title**

West Midlands Councils (WMC).

**2. Membership**

All principal Councils in the West Midlands area shall be eligible for membership of West Midlands Councils.

**3. Purpose**

To support, represent and promote the collective interests of the local authorities in the West Midlands area and the communities they serve.

**4. Objectives**

- 4.1 To provide a resource to enable, facilitate and coordinate regional, sub regional and local activity, where collective working will add value.
- 4.2 To provide value added services to member organisations in support of organisational development and improvement activities.
- 4.3 To provide a focus for local authority activity and engagement to deliver against priorities set by West Midlands Councils.

**5. Representation at meetings of the Full Council**

- 5.1 Local Authorities in membership of WMC may be represented at its meetings by their Leader or their duly nominated substitute and the meetings of the Leaders shall be called the Full Council (or such other name as the Leaders shall from time to time determine).
- 5.2 The Leader of each authority or their duly nominated substitute shall exercise the number of votes allocated to the authority indicated in Annex 1.
- 5.3 The Full Council may agree for other persons to attend and/or speak at its meetings, but such persons shall not be eligible to vote at any meetings of the Full Council.
- 5.4 A Leader ceasing to be a Leader of the nominating local authority automatically ceases to be a member of the Full Council.
- 5.5 Substitutes for appointed representatives may be made providing notice is given before the meeting.

**6. Voting**

- 6.1 In the event of a vote being necessary at a meeting of the Full Council, the voting scheme at Annex 1 will be used in conjunction with the voting protocols at Annex 2 and the Standing Orders of the WMC at Annex 3.

- 6.2 The person presiding at any meeting of the Full Council shall not, in the case of an equality of votes, have any casting vote in addition to any vote he or she may be entitled to give as a member of the Full Council.

## **7. Meetings of the Full Council**

- 7.1 The Full Council shall hold an Annual General Meeting, normally in July, to conduct the following business:-

- (a) Election of the offices of Chair and Vice Chairs and the appointment of other lead members;
- (b) Agreement of Constitutions of Member Groups, their membership and Terms of Reference;
- (c) Establishment of, and amendments to Standing Orders and Scheme of Delegation if required;
- (d) Receive annual report(s);
- (e) Agree a schedule of meetings for the ensuing year;
- (f) Approve the Financial Statements for the previous financial year and appointment of auditors;

and at least one further meeting, no later than the last day of January each year, unless otherwise agreed by the Chair and at least one Vice Chair, to consider the work plan, budget and subscriptions for the ensuing financial year.

- 7.2 Other meetings of the Full Council may be held as required.
- 7.3 An Extraordinary Meeting of the Full Council must be called by the Host Chief Executive (the Chief Executive of the host employer council, or their nominee) at any time, subject to receipt of a request in writing from the authorities in membership of the WMC holding not less than 1/3 of the votes. Such a request shall specify the business to be considered at the meeting.

## **8. Elected Officers of West Midlands Councils**

- 8.1 The Full Council shall elect a Chair and three Vice Chairs (including one that is representing District Councils) for a two year period, subject to annual review.
- 8.2 The Chair shall preside at meetings of the Full Council provided that if the Chair is absent from a meeting one of the Vice Chairs will preside. If the Chair and Vice Chairs are all absent from a meeting the Full Council shall elect another member to preside at the meeting.

## **9. Member Steering Group**

- 9.1 There shall be a Member Steering Group responsible for the effective strategic and operational management of all WMC business including related special interest group activity. The Steering Group shall also provide the mechanism for effectively engaging the three main political groups in the West Midlands.
- 9.2 The Member Steering Group will consist of a Leader, and named deputy who shall also be a Leader, from each of the sub regions as defined by WMC at a full council meeting. Where appropriate the Chair and Vice Chairs of the WMC will automatically become the sub regional representative. Membership will also include a nominee, and named alternate, of each of the three main political groups (Conservative, Labour and Liberal Democrat Group).

## **10. Annual Meeting for all Elected Members**

- 10.1 There shall be at least one meeting per year to which all elected members should be invited.

## **11. Political Groups**

- 11.1 WMC secretariat will facilitate meetings of the three main political groups (Conservative, Labour and Liberal Democrat) as required and in particular; on the day and before the start of a Full Council meeting and on the day and before the start of the Annual Meeting for all elected members.

## **12. Other Member Arrangements**

- 12.1 The Full Council will determine other member arrangements as deemed appropriate for the conduct of its business and which it may vary from time to time.
- 12.2 The Full Council may establish Member Groups considered necessary either on a permanent or ad hoc basis and determine their membership and Terms of Reference. The appointed Chair of a Member Group will be required to report back to the Member Steering Group.
- 12.3 Any elected member of any member authority may be appointed to sit on a Member Group in accordance with the relevant appointment process. Due regard should be given to ensuring as far as is practicable, that Member Groups reflect the necessary skills and expertise required for their particular purpose.
- 12.4 The Full Council may co-opt to the membership of Member Groups, without voting rights, any person with specialist skills or experience in order to more effectively pursue its purpose and objectives.

## **13. Conduct of Business**

- 13.1 Notice of meetings shall be given by the Host Chief Executive. The period of notice for meetings of the Full Council shall be 28 clear days.
- 13.2 An Agenda for meetings of the Full Council shall be determined by the Chair of the Chief Executives Task Force in consultation with the WMC Chair and shall be circulated not less than 5 working days before a Full Council meeting, specifying the business to be transacted.
- 13.3 A quorum for the Full Council shall be members representing local authorities in membership of WMC holding at least 1/3 of the votes capable of being cast. The Quorum for other Member Groups shall be 1/3 of the appointed membership.
- 13.4 The Host Chief Executive, in consultation with the Chair may, in cases of urgency, act on behalf of the Full Council in pursuance of its objectives and current policies, providing that the Full Council is advised in writing/by email of such actions.
- 13.5 The Full Council shall determine other procedural matters by adopting such Standing Orders and Schemes of Delegation as it deems necessary.

## **14. Corporate Responsibilities and Sub-Regional Groupings**

- 14.1 The Full Council shall act, wherever possible, on the basis of consensus and views expressed by elected officers of WMC shall reflect this approach. Where voting is necessary, it shall be in accordance with the scheme and protocols at Annexes 1 and 2. Dissenting views may be recorded in the minutes.
- 14.2 The Full Council may make such appointments to outside bodies as it thinks fit and keep a record of these appointments. All appointments shall be reviewed on an annual basis.
- 14.3 The Full Council may establish or recognise other groupings for any other purposes it deems necessary.

14.4 At the date of enactment of this constitution there exists one Special Interest Group, West Midlands in Europe (incorporating West Midlands European Centre) based in Brussels which is managed by the Members Steering Group and supported by a European Advisory Panel.

## **15. Staff and Advisers**

15.1 The WMC may appoint such staff, through the host employer Council, as may be determined necessary to fulfil its responsibilities.

15.2 The Full Council and Member Steering Group will receive advice and support from the Host Chief Executive on operational matters.

15.3 The Chief Executives' Task Force is responsible for advising West Midlands Councils and its Member Steering Group on matters of strategic importance.

## **16. Amendments to the Constitution**

16.1 The Constitution and operating protocols of WMC may be amended by a simple majority of those present and voting, with the exception of items relating to purpose, objectives, the nature of the subscription scheme, voting allocations and dissolution which must be the subject of a 2/3 majority of the votes capable of being cast by those Councils in membership of WMC at that time.

## **17. Finance and Administration**

17.1 Subscriptions paid by Authorities in membership of WMC shall be determined on the basis of a scheme approved by the Full Council.

17.2 A budget and related subscriptions for the ensuing financial year shall be presented to a meeting of the Full Council for approval.

17.3 WMC may not invest, lend or borrow money or acquire or dispose of land and buildings without obtaining specific approval at a meeting of the Full Council.

17.4 The Full Council shall approve a Scheme of Delegations and Authorisations for the financial management of its business.

17.5 WMC's financial year shall run from 1 April to 31 March.

17.6 All subscriptions shall become due on 1 April in every year. The Full Council shall have the power to terminate the membership of any member authority whose subscription is not paid by 1 September of that year after a demand in writing has been sent to that member authority. Notwithstanding the subscription shall remain duly payable and furthermore the rules of resignation shall also apply to the termination of membership by WMC.

17.7 The financial statements of WMC (including all funds held by or on behalf of WMC) shall be prepared annually and shall be subject to external audit.

## **18. Liabilities**

18.1 Each constituent authority, by accepting membership of WMC, undertakes jointly with each of the other constituent authorities whilst it is in membership, to underwrite any liabilities that are not ultra vires and may be incurred in the name of the WMC and with WMC's authority.

18.2 A statement of liabilities will be included in the annual Financial Statements of the WMC.

18.3 Liabilities that may be realised during the life of the organisation will be met by authorities in membership in accordance with their proportion of the overall subscription base applicable at that time.

## **19. Resignation**

19.1 Any member authority wishing to terminate its membership of WMC shall:

- give not less than 12 months' notice in writing to the Host Chief Executive to expire on 31 March in any year;
- meet the cost of determining their share of liability at the point of termination
- shall be required to pay their share of liability to WMC within 6 months of the final day of membership

19.2 Such share of liability shall be calculated on the last day of the authority's period of membership (31 March) and be in accordance with the agreed method as set out in Clause 18.3 above.

19.3 Any member authority shall, upon ceasing to be a member of WMC, forfeit all right to and claims upon WMC and its property and funds.

19.4 WMC will deposit any resignation liability payments in its bank accounts and any motion to use liability deposits shall require at least 3/4 of the votes capable of being cast.

## **20. Dissolution**

20.1 A motion for the dissolution of WMC must be approved by 3/4 of the votes capable of being cast by local authorities in membership of WMC.

20.2 The Full Council shall appoint a liquidator.

20.3 The apportionment of any remaining assets or liabilities shall be in accordance with the agreed method as set out in Clause 18.3 above.

20.4 Every effort will be made to ensure that staff displaced to a new body taking over the responsibilities of WMC shall either be assimilated into the new body or into member authorities on terms no less favourable than their current appointments, or have their appointment terminated in accordance with contractual arrangements.

## WEST MIDLANDS COUNCILS

## Voting Structure

Authority	Vote	
Worcestershire CC	6	
Worcester DCs (6 x 1 vote each)	<u>6</u>	12
Herefordshire Unitary	4	4
Shropshire Unitary	6	6
Telford and Wrekin Unitary	3	3
Staffordshire CC	8	
Staffordshire DCs (8 x 1 vote each)	<u>8</u>	16
Stoke-on-Trent Unitary	5	5
Warwickshire CC	5	
Warwickshire DCs (5 x 1 vote each)	<u>5</u>	<u>10</u> 56
Birmingham	20	
Coventry	7	
Dudley	7	
Sandwell	7	
Solihull	4	
Walsall	6	
Wolverhampton	5	56
		<u>112</u>

## VOTING PROTOCOLS FOR WEST MIDLANDS COUNCILS

### 1. Voting Principle

- (i) Voting strengths relate to the authorities and therefore mechanisms should be flexible enough to enable authorities with multiple votes to maximise their vote when required.

### 2. Voting protocols

#### (a) Representation and Voting

- (i) These protocols will apply to meetings of the Full Council and to such Member Groups or representations on other bodies determined by the Full Council, as the Full Council may from time to time decide. "One member one vote" will apply to other meetings.
- (ii) Each authority shall have the number of votes identified in Annex 1 to be exercised by the Authority leader or their duly nominated representative.
- (iii) Votes are not transferable between authorities and may not be exercised by officers.
- (iv) For each meeting the secretariat shall maintain a named votes list showing the names of the members entitled to be present at that meeting and the votes attached to each.
- (v) Substitutions are allowed with an automatic transfer of the voting allocation attached to the member being substituted, subject to the secretariat being notified of such substitutions before the start of each meeting.

#### (b) Voting Procedure

- (i) The Chair initially to seek approval to motions by voice agreement.
- (ii) If the indication by voice is not clear the Chair may, or if requested by any member, shall seek a show of hands.
- (iii) If, because of the multiple vote arrangements, on a show of hands the decision remains in doubt, the Chair may, or if requested by a number of members equivalent to 10 votes must, initiate a named vote where the secretariat uses a voting list which indicates the voting members and the numbers of votes each has at that meeting. In these circumstances decisions will be based on a majority of the votes cast in accordance with the voting totals.

## **STANDING ORDERS FOR THE REGULATION OF PROCEEDINGS AND BUSINESS OF WEST MIDLANDS COUNCILS**

### **1. Meetings of the Full Council**

- 1.1 The Full Council shall meet not less than twice a year, one of which shall be designated the Annual General Meeting, to be held not more than 15 months and not less than nine months after the preceding Annual General Meeting.
- 1.2 Notice of the date, time and venue shall be sent to members not less than 28 calendar days before each meeting.
- 1.3 An agenda specifying the business to be transacted shall be sent to members not less than 5 working days before each meeting.
- 1.4 No other business except as specified in the agenda shall be transacted except with the approval of a majority of votes present at that meeting.
- 1.5 Extraordinary meetings of the Full Council may be called at the request of the Chair, or in his/her absence one of the Vice Chairs, or by request in writing to the Host Chief Executive signed by members representing at least 20 votes and giving the purpose of the meeting. The Chair, or in his/her absence one of the Vice Chairs, may agree in exceptional circumstances that the period of notice of date, time and venue for extraordinary meetings be less than 28 days

### **2. Quorum**

- 2.1 No business shall be transacted at any meeting of the Full Council unless members representing at least 38 votes (representing one third of all votes) are present at that meeting.

### **3. Chair**

- 3.1 Meetings of the Full Council shall be presided over by the Chair, or in his/her absence one of the Vice Chairs.
- 3.2 In the absence of the Chair or Vice Chairs another member of the Full Council may be chosen as Chair, for any particular meeting, by the majority of the votes present at that meeting.
- 3.3 The decision of the Chair of any Full Council meeting on all points of procedure and order, and interpretation of Standing Orders, is final.
- 3.4 In Standing Orders, 5, 6, 8, 10, 11 and 12 reference to the Chair shall mean the Chair of the meeting in question.

### **4. Attendance Record**

- 4.1 At every meeting of WMC each member shall enter his or her name in an attendance book, or on such other form of record provided by the secretariat from which attendance of members will be recorded.

### **5 Minutes**

- 5.1 The minutes of the previous meeting of WMC sent to members with the agenda will be taken as read.

5.2 Any motion or discussion on the minutes can only relate to their accuracy. Subject to such motions or discussions, the Chair shall sign the minutes as a correct record.

## **6. Order of Business**

6.1 The order of business at WMC meetings shall normally be as listed on the agenda but the Chair may, at his/her discretion, alter the order in which business is taken at the meeting.

## **7. Motions not requiring notice**

7.1 The following motions may be moved without notice:-

- (a) Appointment of Chair and Vice Chairs of WMC
- (b) Appointment of a Chair for the meeting;
- (c) Relating to the accuracy of the minutes, closure, adjournment, order of business, or next business;
- (d) Appointment of any Member Group or Lead Member for any purpose;
- (e) Appointment of members of WMC to other bodies;
- (f) Adoption of reports and recommendations of, Member Groups or Officers and any consequential resolutions;
- (g) Amendment to recommendations of Member Groups or Officers;
- (h) Leave be given to withdraw motions;
- (i) Amendment to motions;
- (j) A motion to exclude the public;
- (k) By the Chair;
- (l) Suspending Standing Orders.

7.2 All other motions will require fourteen clear days notice to the Host Chief Executive unless agreed by the Chair or in his/her absence one of the Vice Chairs and will be included upon the agenda for the meeting

## **8. Rescission of Preceding Resolutions**

8.1 Resolutions passed by the Full Council within the previous six months cannot be rescinded, nor can a notice or amendment to the same effect as one which has previously been decided against within the preceding six months be proposed. This Standing Order shall not apply to motions moved by other Member Groups.

## **9. Rules of Debate**

9.1 A motion or amendment, other than motions to adopt reports and recommendations of Member Groups or Officers, shall not be discussed nor recorded in the minutes of the meeting unless it is proposed and seconded by members of the Full Council.

9.2 An amendment to a recommendation or other motion must be either:-

- (i) to leave out words;

(ii) to leave out words and to insert or add others, or

(iii) to insert or add words.

Any such amendment must not have the effect of introducing a new proposal into, or negating, the original motion.

- 9.3 Whenever an amendment has been moved and seconded, no second or subsequent amendment can be moved until the previous amendment has been disposed of, although notice of any number of amendments can be given without speaking to them.
- 9.4 If an amendment is rejected, other amendments may be moved on the original motion. If an amendment is carried, the motion as amended will become the substantive motion upon which any further amendment may be moved.
- 9.5 An amendment or other motion may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Full Council meeting.
- 9.6 The proposer of a motion may, with the consent of the Full Council meeting, alter a motion if the alteration is one which could have been moved as an amendment thereto.
- 9.7 No member shall address the meeting more than once on any question but the proposer of a motion or an amendment has the right of reply at the close of the debate, with the proposer of the original motion having the final right of reply before the amendment is put to the vote. Neither may introduce any new matter in exercising the right of reply.
- 9.8 When seconding a motion a member may reserve his/her speech until a later period of the debate.
- 9.9 When speaking, members must address the Chair. However, when the Chair rises no member may continue speaking. The debate will only continue when the Chair resume his/her seat.
- 9.10 The Chair will determine the order of priority of speakers on any matters.
- 9.11 Without the consent of the Full Council meeting, which shall be given or refused without debate, no speech by the proposer of a motion or amendment shall exceed ten minutes in length and no other speech shall exceed five minutes in length.
- 9.12 No member, unless rising on a point of order or personal explanation, may interrupt the speech of another member, nor impute motives or use offensive expressions to any member or officer.
- 9.13 A member may rise to a point of order or on a personal explanation, but a personal explanation must be confined to some material part of a former speech by that member at the same meeting which may have been misunderstood.

## **10. Voting**

- 10.1 If the Chair considers that the question has been sufficiently discussed he/she will put the motion to the vote.
- 10.2 Every question shall in the first instance be determined by voice "aye" or "no" but the Chair may, and if the question be challenged must, take a show of hands. If members entitled to cast 10 or more votes and representing at least two constituent authorities rise and demand a division then the names for and against shall be taken down in writing and entered in the minutes and the question shall be determined by the total votes cast having regard to the number of votes each member is entitled to cast in accordance with the voting protocols of WMC.

- 10.3 Where, immediately after a vote is taken and it is not taken down in writing in accordance with (10.2) above, and any member present at the meeting so requests, a record shall be made in the minutes of the meeting of whether the member voted for or against the motion or whether the member abstained from voting.
- 10.4 In the event of equality of voting the Chair shall not have a second or casting vote in addition to any vote to which he or she may be entitled as a voting member.

#### **11. Adjournment by Chair**

- 11.1 The Chair may adjourn the meeting for as long as he/she wishes and any business not conducted at that time will be considered at the next meeting.

#### **12. Notices**

- 12.1 All notices and communications required by these Standing Orders to be sent or delivered may be sent by post or by agreement by electronic means, and any such notice or communication shall be deemed to be received on the day on which in the ordinary course of first class post it would be received or on the day it was transmitted electronically.

#### **13. Variations and Revocation of Standing Orders**

- 13.1 Any motion to vary or revoke these Standing Orders shall, when proposed and seconded, be referred to the Steering Group without debate or discussion and shall be reported upon by that Steering Group to the next ordinary meeting of WMC.

#### **14. Suspension of Standing Orders**

- 14.1 Any of the preceding Standing Orders (other than Standing Order 13) may be suspended at any meeting of WMC, as regards any business on the agenda for such meetings, providing the majority of the votes present at the meeting so decide.

**Impact of Revised Voting Allocations**

	Pop'n '000	% of Total Pop'n	EXISTING CONSTITUTION (60/55) (Met/ Non Met)	REVISED CONSTITUTION (56/56) (based on pop'n share of Met/non Met and retaining balanced votes in 2 tier areas)
Each District Council			1	1
<i>(Sub Total)</i>			19	19
Worcestershire	556	10.25	6	6
Herefordshire	179	3.29	4	4
Shropshire	291	5.37	5	6
Telford	162	2.99	3	3
Staffordshire	828	15.26	8	8
Stoke on Trent	238	4.4	5	5
Warwickshire	535	9.85	5	5
<i>(Sub Total)</i>	2,792	51.41	36	37
Birmingham	1,028	18.94	21	20
Coventry	312	5.76	7	7
Dudley	306	5.65	7	7
Sandwell	291	5.36	7	7
Solihull	205	3.78	5	4
Walsall	255	4.71	7	6
Wolverhampton	238	4.39	6	5
<i>(Sub Total)</i>	2,638	48.59	60	56
<b><i>(Total)</i></b>	<b>5,431</b>	<b>100</b>	<b>115</b>	<b>112</b>

**Distribution of Pension Liabilities**

**Note;** The below figures are based on the **estimated** settlement value of £6m  
and distributed in accordance with existing Constitution

<b>Authority</b>	<b>No of votes</b>	<b>shared at 60:55</b>	
Birmingham	21	1,050,000	
Coventry	7	350,000	
Dudley	7	350,000	
Sandwell	7	350,000	
Solihull	5	250,000	
Walsall	7	350,000	
Wolverhampton	6	300,000	
Staffordshire CC	8		436,360
Shropshire	5		272,725
Worcestershire CC	6		327,270
Stoke	5		272,725
Warwickshire CC	5		272,725
Herefordshire	4		218,180
Telford & Wrekin	3		163,635
Each District Council	1		54,545
<b>Total (estimated)</b>		<b>3,000,000</b>	<b>3,000,000</b>

## West Midlands Pension Fund

### Leaders Board – Valuation Issues

The organisation is changing and the implementation is not yet complete and there is therefore the potential to impact on the Pension Fund valuation figures set out below. It is not expected to amend these to a material level when there is a major change in the discretionary pension policies being applied.

#### **Situation 1**

Admission agreement remains in place but closed to new members

Recovery Period 25 years  
Future Service Rate 13.2% of pensionable pay  
Past Service Deficit 31.3.10. £4.5m

Deficit lump sum payments: 2011/12 - £207,700  
2012/13 - £217,600  
2013/14 - £227,900

These figures are calculated on an “ongoing basis” assuming the “shell admission agreement” stays in place until last pension liability is paid. The deficit payments would continue to be indexed at a rate of 4.75% per annum past 2013/14. The figures are exposed to the usual pension risks, e.g. investment returns, longevity etc and any changes in the required funding strategy at each valuation.

#### **Situation 2**

If the admission agreement is terminated and the employer (Leaders Board) exits membership of the Fund.

This reflects figures that would need apportioning as appropriate if one of the councils wanted to pay a lump sum to extinguish all their share of the liabilities.

Overall/total lump sum termination deficit of the order of £8.0m - £8.5m This amount is an estimated figure as at 31 March 2011. The actual termination deficit would be calculated at the date of termination and would vary in line with market and demographic factors.