

WEST MIDLANDS LEADERS BOARD

13 April 2010
2.00 pm – 4.00 pm

**Rooms 1 and 2, Regional Partnership Centre,
Albert House, Quay Place, Edward Street, Birmingham**

Agenda

1. Welcome and apologies
2. Draft notes of the meeting held on 19 January 2010 and matters arising (*attached*)

For discussion/decision

3. Report Back from:
 - (a) Joint Strategy and Investment Board - Cllr Roger Phillips
 - (b) Regional Economic Council - Cllr Philip Atkins (*attached*)
4. The Challenges of Adult Social Care and the Opportunities for Collaboration and Efficiency
Presentation by Linda Sanders - Director of Adult, Community and Housing Services, Dudley MBC
5. High Speed Rail (*attached*)
6. Developing the Regional Strategy (*attached*)
7. 'Light Touch' Review of Business Support in the West Midlands (*attached*)
8. Total Capital (*attached*)
9. The Role of the WMLB as a Statutory Consultee in Planning (*attached*)
10. Chief Executive's Report (*attached*)
11. Report of the WMLB Finance and Audit Committee (*attached*)
12. Any Other Business
13. Dates of next meetings, all 2.00 pm–4.00 pm:
 - 15 June 2010 – AGM
 - September date TBC
 - 23 November 2010
 - 18 January 2011
 - 15 March 2011
 - 14 June 2011

Please note that lunch will not be provided

West Midlands Leaders Board**13 April 2010****Notes of the West Midlands Leaders Board Meeting
Held on Wednesday 19 January 2010****1. Apologies and Declarations of Interest**

The Chairman welcomed Leaders and alternates to the meeting, thanked members for their attendance and noted the apologies which are recorded in Appendix One.

2. Draft notes of the meeting held on 28 October 2009 and matters arising.

The notes were **agreed** as a true record.

In relation to item 3 of the notes, members were advised that the Finance and Audit Committee (FAC) had been set up and met on 14 January. The minutes of the FAC meeting had been circulated and would be considered under item 5 of this agenda.

3. Feedback from JS&IB

Roger Phillips advised members that the JS&IB is operating against a context of the scale of the poor performance of the West Midlands and the tightening financial constraints of the public sector. Therefore it is important to finalise the structure and governance arrangements for JS&IB so that we can decide what we want to do and concentrate on ensuring essential projects and programmes are delivered by local government and partners. JS&IB will identify some long term strategic issues and also some shorter term projects that can be delivered in 18 months to 3 years, seek to maintain funding streams and investment into the region and seek to work strongly in partnership with other agencies.

The Vice Chairman reiterated the importance of local authorities being comfortable with the sub regional arrangements to be proposed at item 6 of the agenda. He reassured members that the recent JS&IB meeting had seen a change of emphasis towards local government leading the Board and that he and his fellow local government representatives were ensuring that a convergence of views takes place.

4. WMLB Statement of Intent.

Olwen Dutton introduced the draft WMLB Statement of Intent for comment and approval. It was commented that the document does not have sufficient emphasis on the impact of WMLB on individuals and communities. Members **agreed** the document subject to strengthening the wording in relation to communities as above.

5. **WMLB Strategic Plan**

Olwen Dutton introduced the report and referred members to the notes of the FAC meeting held on 14 January 2010. The FAC had considered the Strategic Plan and had felt that it should be reordered to reflect the key areas of importance, the version attached to the FAC minutes reflected these changes. The Chief Executive outlined the 3 phase approach to restructuring the secretariat and detailed the new staffing structure chart. The new structure aims to provide sufficient flexibility to meet changing demands and priorities. The new structure would deliver £350,000 of savings in 2010-2011. Members made the following points:

- A request was made for a formal record of appreciation of the work of the Member Panel. This was to reflect the work that the Panel has done in gaining broad support and sign up to the Leaders Board agenda.
- The new structure and business plan appear fit for purpose to meet the local government priorities and CLG requirements.
- The Member Panel were asked to consider the member structures beneath WMLB and JS&IB, how they will reflect areas that no longer have a Portfolio Holder e.g. Health and Wellbeing and how they will be populated.
- It was noted that Local Authorities will have to support the WMLB secretariat to be able to fulfil its functions with the new structure, on occasion local authorities may need to take delegated responsibility for work.
- It was noted that the new structure is very streamlined and is small compared to other regional bodies e.g. AWM and GOWM.
- It was requested that a report be brought back to the next meeting detailing how the £516,000 balancing sum in the budget is finally allocated.

Members **agreed**:

- The Strategic Plan;
- The request that a report be brought back to the next meeting on how the £516,000 balancing sum is finally allocated;
- All the recommendations in the FAC report; and
- That consideration to be given at the next Member Panel meeting to member representation on groupings and sub groups and that a report be brought back to the next meeting.

6. **JS&IB Representation – Sub Regional Arrangements**

Olwen Dutton introduced the paper which set out the rationale for and the proposed sub regional arrangements. The arrangements are seen as the pragmatic way forward for arranging Leaders Board representation on the JS&IB. Members made the following comments:

- It would be up to the sub regional representatives to ensure that the concerns of all their local authorities are taken on board.
- It was recognised that Stoke on Trent has particular needs and issues and that it is in the best interests of the region to support Stoke in resolving these issues but that there are benefits in being represented as part of a larger sub-regional area.

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

7. **New Opportunities for Local Government to Influence Skills in the West Midlands**

Mark Rogers gave a presentation which set out the changes to skills, the new roles for local government and the arrangements being put in place to work collaboratively

across the region. The report that had been circulated highlighted the opportunity to influence the draft WM skills priorities which will be submitted to the Department of Business Innovation and Skills (BIS) to help it prioritise the Skills Funding Agency (SFA) spending. Members made the following comments:

- The challenges and changes as stated were supported. In disseminating funding we need to consider how to improve Business Link delivery to focus on jobs that go somewhere.
- Need to raise basic standards of educational attainment otherwise it doesn't matter what the skills requirements are as they cannot be met.
- Emerging from a recession is one of the most damaging times for businesses; they need to be certain that the skills are there to support the emergence. We must identify courses that will pick up on these opportunities.
- AWM have given us joint sign off of the WM statement of priorities for the Skills Funding Agency – we must use this opportunity to influence.
- Local government must use its procurement powers to mould the future development of new industries e.g. electric cars.
- We need to accelerate the thinking on and investment in new technologies, and industries – there is no point in skilling up to do what we already do.
- A shared responsibility between the RDA and local government is shifting from low GVA industry to high GVA industry, yes we need to get ahead of the recession but in order to solve the long term decline we must focus on this overall shift.

8. West Midlands Select Committee: Inquiry into the Transition from the RSS to the new Regional Strategy for the West Midlands.

Olwen Dutton introduced the report which set out a draft response for Members' consideration. The draft response was **endorsed**.

9. Chief Executive's Report

Olwen Dutton introduced the report and all of the recommendations in the paper and the report of the Finance and Audit Committee were **agreed**.

10. Any Other Business

The issue of the proposals for Adult Social Care was raised and it was **agreed** that Cllr Ken Taylor should write to the Minister expressing the serious concerns that local authorities have about the proposals.

Members were advised that the Chasewater Dam, which feeds the canal network, is leaking. Members **agreed** that support should be given to bids for funding to make the necessary repairs.

It was proposed and **agreed** that Cllr Taylor circulate the outcomes of the WMLB meetings to Leaders so that they can cascade this to their members.

11. Dates of next meetings

13 April 2010, 15 June 2010.

Please note that the meeting previously scheduled for 13 July 2010 will now take place on 15 June 2010.

It was **noted** that from July 2010 the Leaders Board will meet every two months. Future dates would be circulated shortly.

Attendees

Name	Authority
Cllr Philip Atkins	Staffordshire CC
Cllr Keith Barrow	Shropshire Council
Cllr David Bilson	South Staffordshire DC
Cllr Daniel Cook	Tamworth BC
Cllr Steve Eling	Sandwell MBC
Cllr Alan Farnell	Warwickshire CC
Cllr Carole Gandy	Redditch BC
Cllr Richard Grosvenor	East Staffordshire BC
Cllr Philip Grove	Malvern Hills DC
Cllr Adrian Hardman	Worcestershire CC
Cllr Michael Heenan	Stafford BC
Cllr Roger Hollingworth	Bromsgrove DC
Cllr Craig Humphrey	Rugby BC
Cllr Tim Johnson	Walsall MBC
Cllr Paul Middlebrough	Wychavon DC
Cllr Anne Millward	Dudley MBC
Cllr Neville Patten	Wolverhampton CC
Cllr Roger Phillips	Herefordshire Council
Cllr Sybil Ralphs	Staffordshire Moorlands DC
Cllr Robert Sleigh	Solihull MBC
Cllr Chris Saint	Stratford – on - Avon
Cllr David S Smith	Lichfield DC
Cllr Neil Stanley	Cannock Chase DC
Cllr Simon Tagg	Newcastle under Lyme BC
Cllr Paul Tilsley	Birmingham CC
Cllr Ken Taylor	Coventry CC
Cllr Brian Ward	Stoke on Trent CC

Apologies Tendered

Name	Authority
Cllr Ken Meeson	Solihull MBC
Cllr Ross Irving	Stoke on Trent CC
Cllr Darren Cooper	Sandwell MBC
Cllr Michael Doody	Warwick DC
Cllr Mike Whitby	Birmingham CC
Cllr Les Topham	Stratford on Avon DC
Cllr Simon Geraghty	Worcester CC
Cllr Brian Edwards	South Staffordshire DC
Cllr Dr George Lord	Worcestershire CC
Cllr Colin Hayfield	North Warwickshire BC
Cllr Mike Bird	Walsall MBC
Cllr John Champion	Wyre Forest DC
Cllr Andrew Eade	Telford and Wrekin Council
Cllr Peter Gilbert	Nuneaton and Bedworth BC

Officers in attendance

Mark Rogers (Solihull), Mark Barrow (Newcastle), Andy O'Brien (East Staffordshire), Olwen Dutton (WMLB), Rose Poulter (SNR Transition), Kate Doogan (WMLB), Dagmar Waller (WMLB).

West Midlands Leaders Board**13 April 2010****BRIEFING NOTE****Relocation: Transforming Where and How
Government Works – Ian R Smith****Background**

Published as part of the Budget on 24 March the Ian Smith Report recommends the relocation of 15,000 civil service jobs from London over 5 years and about 28,000 relocated in total in the longer term. It will:

- stimulate economy outside SE
- bring government closer to people
- promote efficiency.

Proposal

- More streamlined and tightly knit Whitehall
- Remaining activities needing to be close to London to be in low cost locations e.g. Thames Gateway.
- **Each Region to develop property asset management strategies**, working with Local Government on the Total Place model.
 - **Regional Ministers** and supporting structures strengthened including to provide oversight and ownership of **estate strategies** for future location, and the “disposition” of government activity in their region.
 - Estate strategies should develop plans for scale efficient, competitive regional campuses and clusters - not necessarily on a single site or city - but meeting particular infrastructure and economic geography.
 - A regular **regional forum** should develop propositions that deliver better value for money integrated with emerging regional estate plans; being specific about how they will create hubs and scale efficient clusters that will build regional competitiveness.

West Midlands Response

- A welcome move from Government.

- Need to have single regional quality, strategic and evidenced proposition or risk losing out – must have a consistent view.
- Local government should take a leading role with GO, Government Agencies and other partners.

Relevant Activity

Martin Reeves Chief Executive of Coventry is chairing the West Midlands Property Alliance (local government), a pioneering forum to deliver on the property asset implications of Total Place and Total Capital. It has been created to orchestrate and oversee a programme which will:

- Facilitate and enable the realisation of significant latent value and efficiencies from the region's public sector estate;
- Contribute to the successful achievement of place based delivery of public services;
- Result in the creation of a smaller, higher quality, better utilised public sector estate.

Government Office in the West Midlands has recently completed an audit of estates and property. This is a precursor to each region developing a regional strategy for the Government estate.

Worcestershire County Council has also produced an exemplar audit of their own and partners' estates.

Next Steps

Revisit work carried out for previous relocation **Lyons Review (2004)** e.g. attributes different locations have for kinds of activity e.g. back office, policy, science, customer contact etc.

Also highlighted the following relocations to the West Midlands at/around that time:

- Defence Medical Services – Birmingham (presumably Selly Oak Hospital)
- Learning and Skills Council HQ – Coventry
- DTI function relating to the Automotive industry
- Dept Transport – Highway Agency HO posts brought to Birmingham.

Building on some informal comment from around Region - bid potentially built around:

- Comprehensive view including quangos and arms length organisations
- Audit what we have including clusters eg DEFRA (Stoneleigh, Worcester)
- What is already being sought e.g. Keele University is exploring the relocation of Office of Government Commerce (OGC)
- Strong physical infrastructure spine e.g. West Coast Mainline/A38 Corridor/BIA - connections within region, to London and internationally
- National location - centre of transport network - e.g. DfT
- Connect and be aware of existing strategies and priorities e.g. Impact Investment Locations, RSS, RES
- Existing Assets and virtual connections e.g. Stoneleigh/Worcester/Harper Adams for DEFRA (close West Coast and Chiltern lines), Universities/expertise

- Capitalise on committed government expenditure e.g. Ministry of Justice relocation (Birmingham), HS2 and University and FE funding (A38)
- Link to nature of and strategic objectives of West Midlands - urban renaissance, economic restructuring
 - CLG and corporate HCA functions around planning, housing and regeneration/social exclusion.
 - BIS - strong and large university sector, sectoral interests in
 - industrial restructuring
 - Hi-tech/medical industries
 - kick starting green engineering and take up opportunities which arise from potential Green Bank or related initiatives.

Build wider case for relocation:

Universities, diverse places to live, ranges of housing, countryside etc. Also, educational offer eg high performing schools/independent school sector.

Conclusion

The West Midlands is already well into this agenda; with early work in hand with Birmingham, Worcestershire and Coventry, Solihull & Warwickshire as part of Total Place. Plus Martin Reeves Chief Executive of Coventry is chairing the West Midlands Property Alliance (local government). In addition via Government Office there is now a map of the civil service estate's footprint and job clusters. The West Midlands is apparently the second best region in which to be a civil servant, London being the best.

This represents a significant opportunity for the West Midlands local government family to work together with others including GO, AWM and HCA to develop our approach.

It is anticipated that following the national elections Government Offices in all regions will be asked to take forward this agenda. It will be important for the local government family to take an active role as this agenda gathers pace.

Rose Poulter

Director of Policy

Tel: 0121 678 1055

r.poulter@wmleadersboard.gov.uk

West Midlands Leaders Board

13 April 2010

High Speed Rail

1. Purpose of Report

1.1 To inform the Leaders Board of:

- a) The key details set out in the Government's High Speed Rail Command Paper;
- b) Joint Strategy and Investment Board's discussion; and
- c) Seek Leaders Board's views on the process outlined to enable West Midlands' local government to gather and communicate views in order to influence the outcomes required.

2. Recommendation

2.1 Members are recommended to:

- a) Note the details of the Command Paper and its discussion at Joint Strategy and Investment Board (JS&IB) on 23rd March 2010;
- b) Discuss and agree the process for ensuring that West Midlands local government works with regional partners to influence the outcomes;
- c) Discuss and agree the arrangements for responding to the proposed Exceptional Hardship Scheme consultation; and
- d) Require an update report in June 2010.

3. Background

- 3.1 At the Leaders Board meeting on 13th July 2009 members received a presentation on High Speed Rail (HS2). All authorities were urged to consider the benefits that could be brought by HS2 and how capacity could be released on other lines and existing pressure reduced. It was felt that HS2 should be supported but a strong business case should be developed.
- 3.2 JS&IB has previously expressed unconditional support for the development of high speed rail, the provision of stations at Birmingham City Centre and Birmingham International Airport/National Exhibition Centre, and the need for a connection to Heathrow. The work within the region has involved Advantage West Midlands (AWM), Birmingham City Council, and Centro (the West Midlands Integrated Transport Authority).
- 3.3 In March 2010 the Government published their Command Paper. This was reported to JS&IB on 23rd March 2010. The JS&IB report and draft minute (subject to change) is provided in Appendix A.

- 3.4 The key points to consider from JS&IB are their:
- a) Understanding that while there are a range of views, the region needs to secure collective support for HS2, as this is necessary to secure a commitment to the investment and delivery of a high speed rail link from London to the West Midlands, including connections to Heathrow and HS1;
 - b) Agreement that communications on HS2 needs to be planned and collectively owned to avoid mixed messages from the region;
 - c) Requirement for local authorities and wider regional partners to demonstrate clear support for the proposed development;
 - d) Confirmation that regional partners should continually extol the benefits of and make the case for HS2. This includes the potential to improve connectivity within the region and make better use of released capacity on the conventional rail network; and
 - e) Acknowledgement that while HS2 will deliver significant benefits for the regional economy there are also environmental consequences. These issues need to be handled in a sensitive and balanced way, including the response to the proposed Exceptional Hardship Scheme.
- 3.5 The development of HS2 is a major opportunity to improve the accessibility of Birmingham, and the West Midlands with consequent economic benefits. A figure of a £5bn increase in Gross Value Added (GVA) for the region has been estimated.

4. Influencing Outcomes

- 4.1 The issues that local authorities and the wider region need to address, to make sure that HS2 delivers the required outcomes are:
- a) Connecting regional centres to the high speed rail network;
 - b) Make best use of the released capacity - this work needs to be thought through further (some technical work is currently being led by Centro);
 - c) The proposed HS2 route will have a significant impact in some areas. Whilst the immediate benefits will be delivered elsewhere, mitigation needs to take a holistic view of what is needed (rather than focussing on statutory minima);
 - d) Detailed planning on routes from Birmingham to Manchester and Leeds should not hinder progress on the Birmingham to London route nor the progress of the Hybrid Bill;
 - e) Links to Heathrow;
 - f) Developing a maintenance depot;
 - g) Ensuring excellent links between the termini for HS2 and HS1; and
 - h) Funding implications;
 - There is a temptation to delay investment in local projects pending decisions on HS2 proposals. This should be avoided, and proposals future proofed.
 - Implications related to, and development of funding packages for two West Midlands Stations.

- 4.2 JS&IB requested that the recently formed JS&IB Regional Transport Group¹ should take a leading role in advising how these issues are addressed. This was agreed at the Group's inaugural meeting on 29th March 2010. The immediate priority being to respond to the proposed Exceptional Hardship Scheme consultation (see Section 5).
- 4.3 The JS&IB Regional Transport Group will work with the officer led Transport Executive Group to gather and communicate views in order to influence the outcomes identified (see paragraph 4.1) and any others that may arise over time.

5. Exceptional Hardship Scheme

- 5.1 The Department for Transport (DfT) is also consulting on the proposals for an Exceptional Hardship Scheme that will allow it to "protect the interests of residential owner-occupiers of properties which may be affected by the preferred route option..." The consultation asks questions about principles, criteria and operational aspects of such a scheme.
- 5.2 The DfT has consulted 16 local authorities in the West Midlands, the Leaders Board, and AWM. The response deadline is 20th May 2010. The JS&IB Regional Transport Group agreed that, given the short timescale for producing this response, the Transport Executive Group should draft a response and share it with JS&IB Regional Transport Group members before forwarding to JS&IB co-chairs for approval.

Olwen Dutton

Chief Executive

WMLB/WMRA

Tel. 0121 678 1031

E-mail: o.dutton@wmleadersboard.gov.uk

¹ Members of the Regional Transport Group are: Cllr Angus Adams (Dudley MBC), Cllr Robert Badham (Sandwell MBC), Mr Mike Barnes (OSG), Cllr Alan Cockburn (Warwickshire County Council), Cllr Timothy Huxtable (Birmingham City Council), Cllr Robert Marshall (South Staffordshire Council), Mr Tom McCabe (Shropshire Council), Cllr Derek Prodger (Worcester City Council), Cllr G E Richards (Solihull MBC), Cllr Brian Wilcox (Herefordshire Council).

Joint Strategy and Investment Board

Tuesday 23rd March

High Speed Rail

1 Purpose

- 1.1 The purpose of this paper is to update the Joint Strategy and Investment Board on government's publication of the High Speed Rail Command Paper on the 11th March 2010.

2 Recommendation

- 2.1 JS&IB note the government High Speed Rail Command Paper, which includes support for a first phase London to Birmingham link.
- 2.2 JS&IB approve the proposed actions required to make the best possible regional case to secure a commitment to high speed rail through the intended public consultation in the autumn 2010.

3 Background

- 3.1 In January 2009 the government established High Speed 2 Ltd to consider the options for a new high speed rail network in Britain, including a costed and deliverable proposal for a first phase London to Birmingham connection.
- 3.2 HS2 Ltd's report was presented to government in December 2009, and published alongside government's Command Paper on the 11th March 2009. The report concludes that there is a strong business case for a new Birmingham to London line, as part of a longer term national network.
- 3.3 The Command Paper sets out government's response to the HS2 Ltd study, recognising the significant benefits of a national High Speed Rail network.
- 3.4 The headline findings of the Command Paper are as follows, subject to the findings of a public consultation to be held in the autumn 2010;
- A High speed line from London to Birmingham will be established as a first phase of a national 335 mile Y shape network with onward links to Manchester, the East Midlands, Sheffield and Leeds
 - 250 mph trains will reduce the London to Birmingham travel time to 45 minutes
 - The initial Y shape network should include connections onto existing conventional network tracks, including West and East Coast Main Lines to deliver direct high speed services to Newcastle and Liverpool from the outset
 - The London station will be located at a redeveloped Euston, with a Crossrail Interchange station sited between Paddington and Heathrow to integrate with current and planned transport systems, including a link to the Great Western Main Line. The

link to Heathrow is provided by a fast and direct link from a Crossrail Interchange Station (no direct high speed Heathrow link)

- The Government has appointed Lord Mawhinney to assess the options for a station at Heathrow;
- There will be a link to high speed 1 and the Channel Tunnel, subject to cost, via a dedicated rapid transit system linking Euston to St Pancras;
- A new high speed station will be established at Curzon/Fazeley Street in Birmingham with a second station in the region of BIA/NEC subject to an acceptable funding package being identified
- The proposal would be taken forward by means of a single Hybrid Bill;
- Detailed planning work on routes from Birmingham to Manchester and Leeds to be undertaken by HS2 Ltd and completed in summer 2011, with a view to consulting in 2012;
- The Y shape network will cost in the region of £30bn; with the first phase London to Birmingham link costed at £17 billion

4. West Midlands Response to Command paper

4.1 The Command Paper announcement of a proposed London to Birmingham high speed rail connection, as the first phase of a national network, is excellent news for the region and should be unanimously welcomed.

4.2 The HS2 Ltd report and the Command Paper largely reflects the stated JS&IB preferences for the proposed high speed rail link, agreed and communicated to HS2 Ltd in September 2009. JS&IB previously stated;

- Unconditional support for the development of high speed rail
- Identified that the region required two stations to maximise high speed rail benefits – one located in Birmingham City Centre and a second station located at BIA/ NEC
- A connection to Heathrow is vital

4.3 Securing a commitment to the development of a high speed rail is also an agreed JS&B 'Big Win' included within the Statement of Intent.

4.3 Following JS&IB's agreement of regional requirements, Advantage West Midlands, Birmingham City Council, and Centro have worked closely with HS2 Ltd to successfully make the case for the first phase London to Birmingham rail link, with the two required stations.

4.4 However, the Command Paper does not include a commitment to a direct high speed Heathrow link, which will be connected through a Crossrail interchange. Although, the Government has appointed Lord Mawhinney to further assess the options for a station at Heathrow.

4.5 There is cross political party support for High Speed Rail, although the Conservatives have stated that they would reassess the routing of the line, and have stated strong support for a direct link to Heathrow.

5. Required Actions

- 5.1 Whilst the Command Paper very positively supports the case for a high speed rail network, largely reflecting West Midlands priorities, it is vital that the region continues to establish a strong case to secure a government commitment following the public consultation in the Autumn. The region needs to continue to demonstrate unified support for the development, ensuring that the public and private sector across the West Midlands are aware of the anticipated benefits.
- 5.2 Therefore, it is recommended that the following actions are pursued by the JS&IB and partners;
- JS&IB write to Lord Adonis, the shadow transport leads of other political parties, and regional MPs, welcoming the findings of the Command Paper, and stating regional support for high speed rail (March 2010)
 - Post election, review and respond to any change in circumstance regarding high speed rail (May 2010)
 - Further research to support the economic case for the high speed rail network, and preferred phasing of the proposed Y shaped national network is undertaken to inform the regional response to the public consultation (April 2010)
 - Building on the Centro commissioned rail study which is currently being finalised, further work is undertaken to explore the regional transport interconnectivity required to maximise the regional benefits of high speed rail (July 2010)
 - Through Business Voice West Midlands galvanise regional business support for high speed rail by briefing them as to benefits of high speed rail prior to the public consultation (August 2010)
 - An agreed supportive regional statement is agreed prior to the public consultation, ensuring the region's local authorities, public agencies, and business associations demonstrate clear unified support during the consultation (August 2010)
 - Continue close working relationships with HS2 Ltd

Mark Pearce
16th March 2010

JS&IB Draft Minute (subject to change)

2.9	Following consideration of the presentation, the shadow Board agreed to:	
2.10	<ul style="list-style-type: none"> Write to Lord Adonis and others (as outlined in the paper submitted at agenda item 5) welcoming the findings of the Command Paper, restating the region's support for high speed rail; 	JS&IB/Secretariat
2.11	<ul style="list-style-type: none"> Be prepared to respond to political developments regarding high speed rail proposals; 	JS&IB/Secretariat
2.12	<ul style="list-style-type: none"> Continue to commission research to support the economic case, including the benefits of subsequent phases; 	JS&IB/Secretariat
2.13	<ul style="list-style-type: none"> Further explore the options for regional connectivity to maximise the benefits to the region; 	JS&IB/Secretariat
2.14	<ul style="list-style-type: none"> Through Business Voice West Midlands, galvanise business support for high speed rail; 	JS&IB/Secretariat
2.15	<ul style="list-style-type: none"> Agree a collective regional statement in support of high speed rail in advance of the consultation exercise; and 	JS&IB/Secretariat
2.16	<ul style="list-style-type: none"> Continue to work closely with HS2. 	JS&IB/Secretariat

6.1	The shadow Board considered the submitted report and noted that:	
6.2	There would be concerns among some local government colleagues and those concerns must be recognised. It would be essential to make the case for the wider economic benefits of high speed rail however.	
6.3	The wider economic benefits must be articulated and must show the genuine benefits to the region (well beyond Birmingham). There would be huge opportunities for procurement, for regional engineering companies, for stimulating growth, for further development of inter-connecting transport links and for flood prevention. High speed rail would also free capacity on the existing network. The benefits should be stressed to as wide a range of beneficiaries as possible to develop a broad coalition of support.	AWM All
6.4	This Board and its partners must continue to work with HS2, learning from the experience of others (such as Kent), to drive the economic argument.	
6.5	A synopsis of the headline benefits would be developed as an aide memoir for this Board. The headline economic benefits could also serve as the basis of a Business Voice West Midlands campaign to galvanise business support for the scheme.	AWM BVWM

6.6	AWM would contribute to the development of the paper to the Leaders' Board in April, setting out the bigger picture of economic benefits to the region (incorporating the awaited Centro work on inter-connectivity).	AWM
6.7	That the region should develop a coordinated response to the DfT's 'Exceptional Hardship' consultation (ideally in a collective response via the JS&IB). The Transport Group should consider how this joint/co-ordinated response could best be achieved when it met on Monday.	Secretariat
6.8	The letter to Lord Adonis (<i>as referred to at 2.10 above</i>) should outline the actions to be taken by the JS&IB and its partners to promote and maximise the benefits of high speed rail (as outlined at paragraph 5.2 of the submitted report).	AWM

West Midlands Leaders Board

13 April 2010

Developing the Regional Strategy

1. Purpose

- 1.1. To advise Members on the process for developing the new Regional Strategy and to seek endorsement of some key governance principles.

2. Recommendations

It is recommended that WMLB:

- a) Notes the progress made as set out in this report and the appended updated version of the JS&IB report of 23rd March 2010;
- b) Endorses the decisions made by JS&IB at their meeting on 23rd March 2010, including the establishment of a Regional Strategy Project Board, as set out in paragraphs 3.3 and 3.4 below;
- c) Agrees that each sub-region identifies a senior Member and a senior officer to represent the sub-region on the Regional Strategy Project Board, as set out in paragraph 3.5 below; and
- d) Agrees the delegation of power to the six WMLB Members on the Regional Strategy Project Board set out in paragraph 3.6 below.

3. Report detail

- 3.1. As of 1st April 2010, the WMLB and AWM, as the Responsible Regional Authorities, are responsible for the development, implementation and monitoring of the new Regional Strategy – the ‘Strategy for the West Midlands’. WMLB and AWM will discharge these functions jointly via the Joint Strategy & Investment Board (JS&IB). At its meeting on 23rd March 2010, the JS&IB received a report which provided an overview of the requirements for developing the new Strategy for the West Midlands. JS&IB was also asked to consider and agree the basic governance arrangements for the strategy making process. WMLB Members are referred to the JS&IB report which in its updated form is appended to this report and covers the following main items:

- i. Why we need a Regional Strategy;
- ii. Government expectations;
- iii. Challenges to be addressed in the strategy making process;
- iv. Main building blocks of the strategy process;
- v. Timeline for the strategy making process;
- vi. Governance arrangements, especially the role & key decisions of JSIB in the strategy process.

- 3.2. The remainder of this report summarises the key decisions made by JS&IB and identifies the implications for WMLB, particularly any key decisions that WMLB need to make at this stage.
- 3.3. At their meeting on 23rd March 2010, JS&IB considered and agreed some key principles regarding the governance arrangements for the development of the Regional Strategy. These arrangements are set out in Section 8 of the JS&IB report (attached). On behalf of WMLB and AWM, the JS&IB will take the strategic leadership role in the development of the Regional Strategy and will provide strategic guidance and take the key decisions at various stages of the process. In order to assist the JS&IB with this challenging task, JS&IB agreed that appropriate support structures are put in place to deal with the operational business. In particular, JS&IB agreed to set up a Regional Strategy Project Board to progress the work on an operational basis (as set out in Section 8 of the appended JS&IB report). This may involve, for example, brokering issues between sub-regions and ensuring appropriate accountability via involvement of local authorities and engagement with other partners. In addition, JS&IB agreed to start the process of looking at the regional vision and principles.
- 3.4 In respect of the Regional Strategy Project Board, JS&IB agreed that the Project Board should report to the JS&IB via the JS&IB Executive Group. This line of reporting is reflected in the governance arrangements diagram which has been updated following the JS&IB decision (see Appendix 2 of the appended JS&IB report).
- 3.5 The Regional Strategy Project Board will oversee the progression of the Regional Strategy work on an operational basis. In order to ensure appropriate representation of each of the six sub-regions, WMLB is asked to agree that each sub-region identifies a senior Member and a senior officer that represent the sub-region on the Project Board. This approach was considered and endorsed by the Regional Chief Executives' Task Force at their meeting on 30th March 2010.
- 3.6 In performing its strategic leadership role on behalf of WMLB and AWM, the JS&IB will be involved and take decisions at key stages of the process of developing the Regional Strategy (as set out under Section 9 of the appended JS&IB report). These will be brought before the WMLB for consideration at key stages. As agreed by JS&IB, the operational business of preparing the Regional Strategy will be progressed by the Project Board. In order for these arrangements to be effective, WMLB is asked to agree a delegation of power to the six WMLB Members on the Regional Strategy Project Board for decisions required as part of the operational management of the strategy making process. These WMLB Members will be required to refer back to the WMLB at key stages of the process.

Rose Poulter

Director of Policy

Tel: 0121 678 1055

r.poulter@wmlboard.gov.uk

John Pattinson

Head of Development

Tel: 0121 678 1041

j.pattinson@wmlboard.gov.uk

Stefan Preuss

Strategic Advisor – Planning

Tel: 0121 678 1018

s.preuss@wmlboard.gov.uk

Joint Strategy & Investment Board23rd March 2010**Regional Strategy Development Process and Time Table****1. Purpose of Report**

This report provides an overview of the requirements for developing the new Strategy for the West Midlands and asks JS&IB to consider and agree the basic governance arrangements for the strategy making process as set out in this report.

2. Recommendations

It is recommended that JS&IB:

- i. Notes this report and the requirements for developing the Strategy for the West Midlands;
- ii. Agrees the strategic role of JS&IB in the strategy making process as set out in Section 8;
- iii. Agrees to set up a Regional Strategy Project Board to progress the work on a day-to-day basis as set out in Section 8; and
- iv. Agrees to start the process of looking at the regional vision and principles as set out under Section 6 at the informal JS&IB meeting in April.

3. Why we need a Regional Strategy

There is a statutory duty under the 2009 Local Democracy, Economic Development and Construction Act ('the Act') upon WMLB and AWM (as the 'Responsible Regional Authorities') – via the JS&IB – to produce a Regional Strategy. Moreover, there is also a clear rationale for preparing a strategy from the West Midlands perspective, given the added value of a clear strategic framework for the Region. The new Strategy for the West Midlands will provide an integrated framework which will bring together all key policy areas that shape the future development of our Region. This will provide longer term certainty for planning and investment decisions and ensure that the provision of infrastructure is properly coordinated across the Region. The new Strategy will enable the Region to chart a clear pathway out of our current economic position and it will help to develop and deliver long term solutions to achieve sustainable economic growth and regeneration.

The development and implementation of the Regional Strategy will be a key opportunity for the JS&IB to exercise its leadership role and it will enable the Region to take a 'fresh approach' to tackling the challenges facing the West Midlands, especially given the impact of the recession upon our Region. The process of preparing the Regional Strategy can act as a galvanising force which brings key regional players together and helps to foster the Powerful Guiding Coalition. It will also help us to make the right connections between the regional and sub-regional levels and to align regional and sub-regional policy making and delivery activities.

It will be important to ensure that the strategy process supports and informs the ongoing implementation of our existing priorities. It should inform ongoing prioritisation and investment decisions. This means we will have an up-to-date evidence and policy base to underpin funding decisions and project delivery which can be crucial in the drawing down of funding and providing certainty to private sector investment.

The Strategy for the West Midlands will be an integrated strategy but it should not be regarded as an all encompassing process. Specifically it is important that we retain the flexibility to be able to respond quickly to changing economic circumstances. As a region we are likely to need to make strategic choices about our skills, innovation and enterprise (industrial strategy) priorities on at least an annual basis. We need to develop a process for making these shorter-term strategic choices in a way that informs and is informed by the overall Regional Strategy process.

4. Government expectations

Besides the regional benefits of developing a new Regional Strategy, there are clear expectations from Government against which we will have to deliver. The Act directs that the Regional Strategy shall set out policies in relation to (i) sustainable economic development, and (ii) the development and use of land. It must also include policies designed to contribute to the mitigation of, and adaptation to, climate change. The Policy Statement on Regional Strategies develops the legislation and sets out that the Responsible Regional Authorities (RRAs) should ensure the Regional Strategy broadly covers:

- an overview of key regional and sub-regional opportunities and challenges (covering economic, environmental, social, health and well being, infrastructure and spatial characteristics and needs);
- how sustainable economic growth can be delivered – taking account of employment and the key drivers of productivity (i.e. innovation and knowledge transfer, skills, enterprise, investment and competition);
- meeting housing need and demand, including provision for gypsies and travellers;
- proactive and innovative actions on climate change and energy;
- identifying areas or communities that should be a priority for economic growth, regeneration and investment;
- how the strategy has taken account of available infrastructure, including environmental infrastructure such as waste management and provision of construction aggregates;
- priorities for the protection, enhancement and access to the built and natural environment;
- priorities for widening access to culture, media and sport.

The new Regional Strategy will need to be accompanied by an Implementation Plan which will need to be reviewed on an annual basis. This will offer the opportunity to identify clear priorities and implementation projects and provide some flexibility to react quickly to changing circumstances in the short term. This Implementation Plan supports the Regional Strategy but it is not formally examined through the Examination in Public process (see below).

5. Challenges to be addressed in the strategy making process

Experience in the North West suggests that the preparation of the Strategy for the West Midlands will be an energising and output focused process that will help to drive the Region forward collectively. There will be a number of challenges on the way which will need to be considered and resolved. These include, for example:

- The extent of creative challenge in the strategy making process, e.g. how much it is a revision/ evolution of existing strategies and how much it is ‘blue sky thinking’;
- The breath and timing of engagement of stakeholders in the strategy making process, i.e. who needs to be involved, how and at what stage of the process;
- The timetable for developing the Regional Strategy and the timing of key mile stones (see Section 7);
- Getting the appropriate balance of time and effort between making strategic choices and developing the necessary policy detail to implement effectively the strategic choices;
- Complying with the required statutory processes in a way that complements, rather than burdens, the overall strategy process;
- The balance between the regional and sub-regional elements of the process and indeed of the strategy itself.

In making a decision on the overall approach to the strategy process, we will also need to consider the interrelationship with the ongoing revision of the Regional Spatial Strategy (RSS) (see separate information paper under Item 11). JS&IB will need to agree a way forward with Government via the Government Office for the West Midlands. National intervention in the RSS process by Government over the last two years has not always been helpful in progressing the RSS work to conclusion but JS&IB will have to progress matters in the most practical way in liaison with GOWM.

6. Main building blocks of the strategy process

The Act, together with related Regulations (published in March 2010) and Government guidance (published in final form in February 2010), sets out various requirements for the preparation, monitoring and implementation of the Regional Strategy. The main building blocks involved in preparing the Strategy are set out below. However, it is important to note that there are a number of detailed requirements which sit behind each of these building blocks. For example, block 4 on the Project Plan involves the preparation of a draft Project Plan, consultation on that draft and subsequent refinement and publication of a final Project Plan.

1. Scope, content and overall structure

Early consideration of the intended scope, structure and content of the Regional Strategy will be required. This includes consideration as to whether the Regional Strategy should be one single, comprehensive document or whether it should be split into distinct parts, e.g. a high level Part 1 which sets out the strategic policy direction and a more detailed Part 2 which contains specific policies (which, in turn, could be structured around topic areas and/or individual sub-regions). In either case, this would then be complemented by a separate Implementation Plan as Part 3. Even if the process were split in this way, both parts 1 and 2 would have to be tested at the formal Examination in Public (EiP) (see step 8 below).

2. Gathering/Use of evidence

Government guidance highlights the importance of having a sound evidence base to underpin the development of the Regional Strategy. A large amount of technical work is already available, so this

task will involve a review of the existing evidence base but some additional work to fill gaps in the information base and provide strategic intelligence is likely to be required. The interrelationship and alignment with Local Economic Assessments (LEAs) will be a key element of the process.

Overall, it will be important to establish clear links between the evidence base and the decision making process, i.e. we will need to demonstrate how the evidence base has been tested and how it has informed the decisions made. This will be a key test at the EiP. It will therefore be important to seek early involvement of the EiP Panel Chair in the process of establishing and testing the evidence base to avoid unnecessary delays at the EiP stage of the process (see step 8.).

3. Visioning/Futures work/Principles

Early on in the process, we will also need to consider and establish key policy principles & objectives and a vision which will provide a basis for the preparation and progression of the Strategy for the West Midlands. This will feed into the preparation of the Project Plan in that it will help to define the process, scope and content for the Regional Strategy. The JS&IB Statement of Intent could act as a platform for this but the opportunity should be taken at this early stage to secure positive engagement in developing a Strategy to guide the economic recovery of the West Midlands. The process will need to be led by JS&IB but will also need to involve the wider Powerful Guiding Coalition as well as wider consultation to secure engagement, involvement and commitment in the strategy work in the early formative stages of the process.

4. Project planning and management

The preparation and publication of the formal Project Plan is a statutory requirement and marks the formal commencement of the strategy making process. The Project Plan will set out the intended scope, structure and content of the Regional Strategy as well as the process for its preparation, including a timetable with key milestones. As outlined above, this stage involves a number of steps, i.e. the preparation of a draft Project Plan, consultation on that draft and subsequent refinement and publication of a final Project Plan. As part of this process, we will also need to prepare and agree a 'Statement of Community Involvement' which will set out how and when stakeholders will be involved in preparing the Regional Strategy. Both the Project Plan and the Statement of Community Involvement will need to be agreed formally with GOWM.

5. Strategy development (incl. options) and drafting

A key first stage in the actual preparation of the Regional Strategy will be the development of options and strategic choices in relation to the policy direction that is to be adopted in the Strategy. (This would relate to a high level Part 1 approach as explained earlier.) We will need to consider and agree these options and strategic choices which will then be subject to consultation with stakeholders. Recent experience in the North West region demonstrates that this can be a positive and active stage in the process with many stakeholders welcoming the opportunity to be involved in an integrated Strategy for the first time.

Based on the options work and the consultation responses, a full draft of the Regional Strategy will need to be developed which will set out the preferred way forward, including the strategic objectives and detailed policies (i.e. all the material included in the Part 1 and 2 documents, as explained earlier). The draft Strategy will need to be accompanied by a draft Implementation Plan.

The draft Strategy will then be subject to statutory public consultation, and both the draft Strategy and the draft Implementation Plan will need to be submitted to the independent Panel.

6. Formal consultation processes

The need for stakeholder engagement throughout the process of developing the Regional Strategy is emphasised in Government guidance. Responsible Regional Authorities have some flexibility as to the timing, scope and nature of stakeholder engagement, and there is likely to be a mixture of formal and informal engagement. However, there are certain statutory requirements for formal engagement, including formal consultation on the draft Regional Strategy and a formal list of statutory consultees.

7. Statutory assessment processes (SA, HRA etc.)

Government guidance requires that key procedural arrangements are put in place as early as possible in the strategy making process. This includes various appraisal processes (Sustainability Appraisal, Habitat Regulation Assessment as well as rural, equality and health proofing) which will need to be carried out throughout the whole strategy making process. These appraisals should not be separate add-on processes but should form an integral part of the preparation of the Regional Strategy. Recent legal challenges to RSS processes in several English regions reinforce the importance of these processes being in place from the start. Key statutory agencies (especially Natural England and the Environment Agency) will need to be involved in these appraisals from the start.

8. Examination in Public

The purpose of the EiP is to test the draft Strategy and to allow independent scrutiny by an independent expert panel. Whilst there will be a formal EiP period once the draft Strategy has been submitted to the Panel, Government guidance advises Responsible Regional Authorities to seek appointment of a Panel Chair (and Panel Secretary) as early as possible in the strategy making process. This is to enable the Panel to become familiar with the region and its issues and clarify the nature and extent of any controversy. The formal EiP itself is a technical and very intensive process in which the JS&IB position will need to be explained and defended. (It is not possible to predict the length of a new style Regional Strategy EiP but it is worth remembering that the RSS Phase Two EiP lasted seven sitting weeks.)

9. Refinement/Finalisation post EiP

In the light of the recommendations of the EiP Panel, the Responsible Regional Authorities will need to consider and agree any refinements to the draft Strategy and the Implementation Plan before formally submitting the refined Strategy to the Secretary of State for approval.

Following this, the Secretary of State approves the Strategy or may decide that further changes to the draft Strategy are required in which the Secretary of State will then published his/her Proposed Modifications for public consultation. Once the Secretary of State has approved the final version of the Strategy, the Responsible Regional Authorities will need to publish the final Strategy.

Depending on the changes made by the Secretary of State, the Responsible Regional Authorities may need to consider any changes to the Implementation Plan that are required. Following adoption, the JS&IB will need to monitor the implementation of the Regional Strategy and submit a statutory Annual Monitoring Report to Government. (It must be understood that the monitoring

requirement begins from April 2010 so a new integrated Annual Monitoring Report will have to be submitted to Government by February 2011.) JS&IB will also need to review and, where necessary, update the Implementation Plan on an annual basis.

7. Timeline for the strategy making process

Government guidance does not prescribe a timetable for the development of a Regional Strategy but it sets out numerous procedural requirements (see Section 6). Against the background of these national requirements, an outline timetable has been developed (see Appendix 1). This sets out the key stages of the strategy making process, including the broad timing of formal consultation periods. This timetable will need to be firmed up as part of the development of the Project Plan and will need to be agreed with Government. Clearly, the timetable outlined in Appendix 1 may be subject to change: for example, in the light of Government announcements in relation to the RSS revision (see Item 11) and the outcome of the General Election. However, it is important to progress the work on the timetable to provide guidance to stakeholders as to the intended process and timing of the strategy preparation.

8. Governance arrangements

On behalf of WMLB and AWM (the Responsible Regional Authorities), the JS&IB will take the strategic leadership role in the development, implementation and monitoring of the Strategy for the West Midlands. JS&IB will need to provide strategic guidance and take the key decisions at various stages of the process (see Section 9). In order to assist the JS&IB with this challenging task, it is proposed that appropriate support structures are put in place to deal with the day-to-day business. The proposed governance arrangements are set out in the diagram at Appendix 2. These can be summarised as follows:

- **JS&IB:** strategic leadership role and main decision making body (see Section 9);
- **JS&IB Executive Group:** the existing permanent high level advisory group responsible for implementing the priorities, key tasks, actions and decisions set by the JS&IB. The Executive Group will be underpinned by delivery groups which advise on and take forward the delivery of priorities and projects identified by JS&IB.
- **Regional Strategy Project Board:** a new proposed 'task and finish' group commissioned by JS&IB to progress the development of the Strategy for the West Midlands which will oversee technically the content and the integrity of the strategy making process. This would include representation from AWM, WMLB and the six sub-regions as well as a number of other important stakeholders in the process. The Project Board will be underpinned by the 'virtual strategy team', ongoing technical groups and stakeholder panels which could meet as and when needed. [Post meeting note: The JS&IB agreed at its meeting on 23rd March 2010 that the Project Board will report to the JS&IB via the JS&IB Executive Group.]
- **JS&IB Advisory Panels:** the emerging, permanent panels which will provide technical advice to JS&IB such as the Skills and Transport Panels.

9. Role & key decisions (of JSIB) in strategy process

Section 6 above described the main building blocks of the process for preparing the Strategy for the West Midlands. There will be a number of key stages in this process at which JS&IB will need to make key strategic decisions. This is based on the assumption that the proposed Regional Strategy Project Board will oversee and guide the day-to-day work.

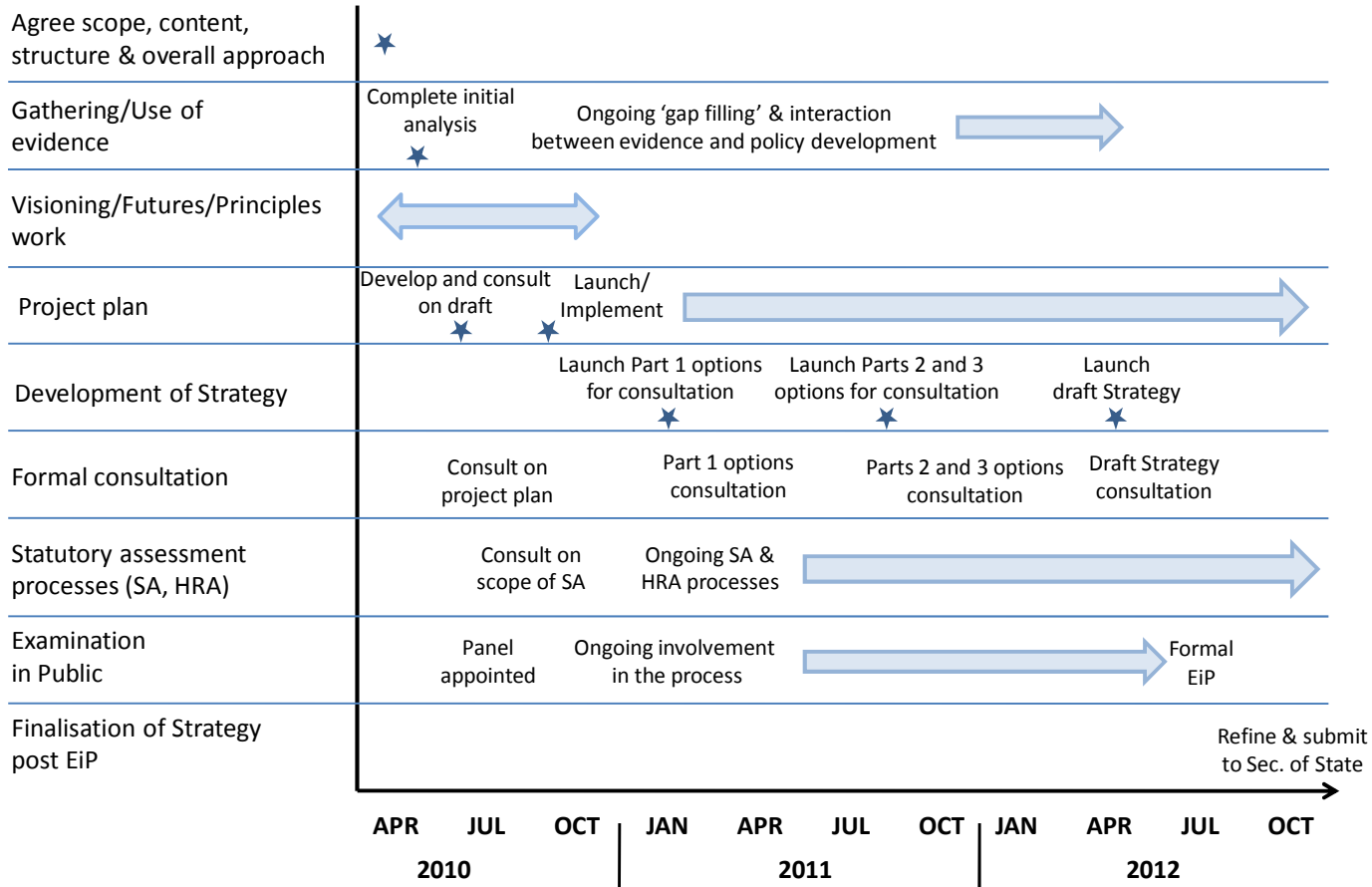
The main stages at which key decisions will need to be made by JS&IB are summarised below. This follows on from the overview of the main building blocks of the strategy making process outlined earlier in section 6 of this report.

1. Principles, objectives and visioning: Early on in the process JS&IB will need to consider and establish key policy principles & objectives and a vision which will provide a basis for the preparation of the Strategy for the West Midlands.
2. Scope, structure and content of Regional Strategy: JS&IB will need to consider and agree the intended scope, structure and content of the Regional Strategy early on in the process.
3. Project Plan: JS&IB will need to agree the formal Project Plan which will set out the intended scope, structure and content of the Regional Strategy as well as the process for its preparation, including a timetable with key milestones.
4. Options & Strategic Choices: JS&IB will need to consider and agree these options and strategic choices which will then be subject to consultation with stakeholders.
5. Draft Regional Strategy: Based on the options work and the consultation responses, JS&IB will need to consider and agree the draft Strategy and Implementation Plan. It will also need to decide how the Regional Strategy is to be explained and defended at the EiP with the possible need for delegated powers to key Project Board members to deal with the inevitable dynamics of the EiP process.
6. Refinement of RS post EiP: In the light of the recommendations of the EiP Panel, JS&IB will need to consider and agree any changes to the draft Strategy and the Implementation Plan before formally submitting the refined Strategy to the Secretary of State for approval.
7. Response to Secretary of State's Proposed Modifications: JS&IB will need to consider and agree a formal response to the Secretary of State who will then finalise and approve the Strategy.
8. Publication of approved Regional Strategy: Once the Secretary of State has approved the final version of the Strategy, JS&IB will need to publish the final Strategy. Depending on the changes made by the Secretary of State, JS&IB may need to consider and agree any changes to the Implementation Plan that are required.

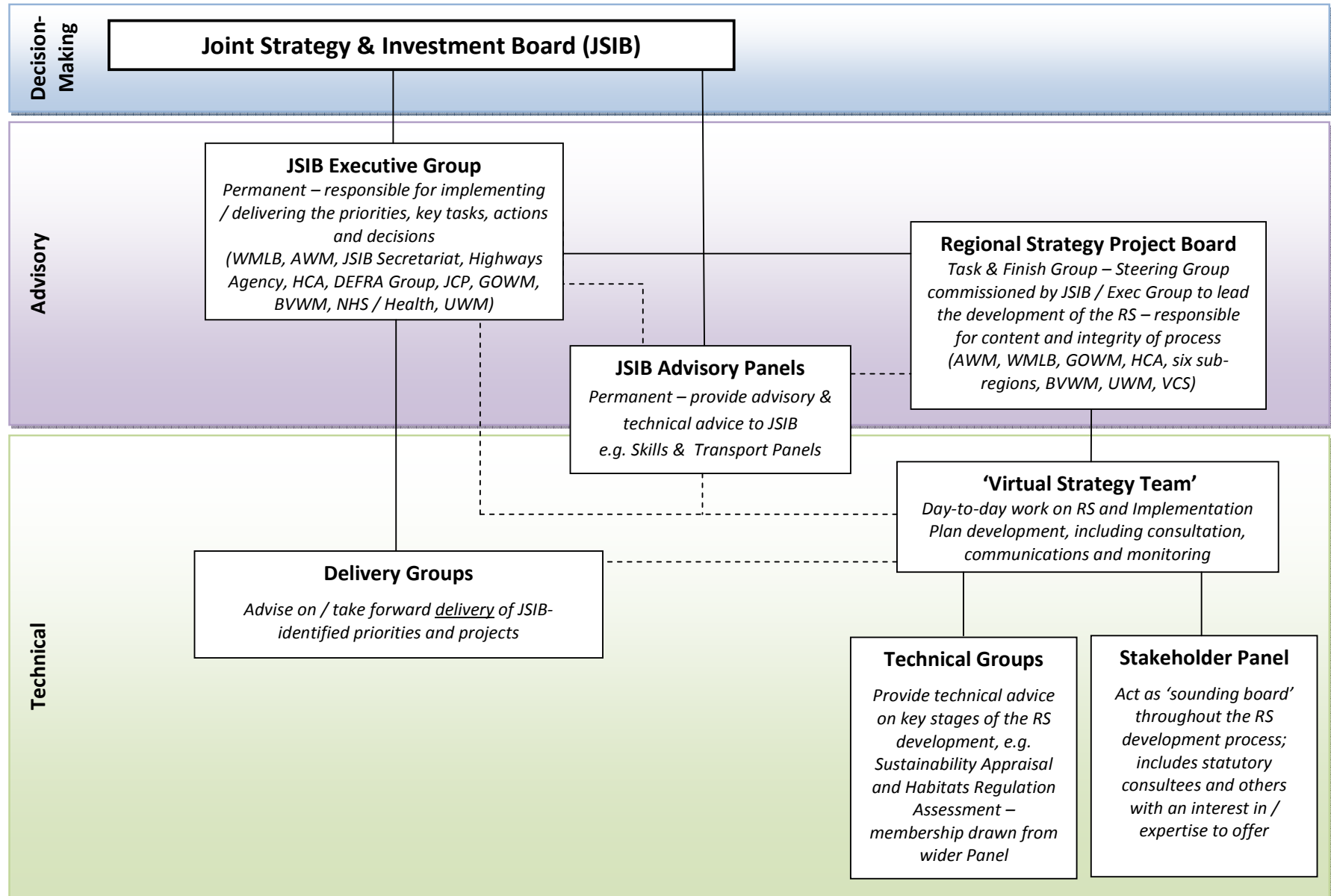
Appendix 1 – Proposed outline timetable for developing the Regional Strategy

Overview of the proposed timeline for developing the Strategy

Main 'building blocks' of the Strategy process



Appendix 2 – Proposed governance arrangements (updated post 23 March 2010 JS&IB meeting)



West Midlands Leaders Board

13 April 2010

‘Light Touch’ Review of Business Support in the West Midlands

1. Purpose of Report

- 1.1 To inform Leaders of AWM’s “light touch” review of regional level business support and to seek approval to develop a response on behalf of WMLB.

2. Recommendation

- a) That WMLB through its officers develops a response to the review.
- b) That the Chair and Vice Chairs are delegated to sign off the response on behalf of WMLB.
- c) That the WMLB considers the outcome of the review when available.

3. Background

- 3.1 In light of the current economic climate and the growing recognition that there is a need to “do things differently” AWM are commissioning consultants to undertake a ‘light touch’ review of Business Support Services in the West Midlands.
- 3.2 In terms of business support AWM is responsible, among other things, for funding Business Link West Midlands, the Manufacturing Advisory Service and some UK Trade and Investment activity for example related to supporting specific business clusters.
- 3.3 Alongside other organisations councils have key roles in engaging and supporting businesses across a wide range of their functions. It is therefore important that the review takes full account of local authority perspectives.
- 3.4 Chief Executives’ Task Force in March considered that a more in depth review would be more appropriate. However, AWM have indicated that they are committed to the light touch approach among other things to respond to new government policy, and to involve local authorities.
- 3.5 Based on an information paper to the 23 March JSIB the broad shape of the Review is:

- understanding what the Region needs from publicly funded business support in the future and the best way of providing it
 - assisting the Region to convey its intentions for business support services to any future government
 - clarifying the future role for AWM and identifying the roles of other key stakeholders and sub-regional delivery partners
 - reviewing of the current service provision and opportunities for refining the existing model.
- 3.6 The review will start in mid April and report in mid June to the AWM Board and then the JSIB, most likely in July 2010.
- 3.7 The review will involve consultation and interviews with a range of regional business stakeholders (primarily those represented by Business Voice West Midlands), the West Midlands Regional Enterprise Board, the Chambers of Commerce, the regions' Local Authorities, plus Further and Higher Education Institutions, and other relevant sub-regional delivery partners.
- 3.8 The existing service providers for Business Link West Midlands, the Manufacturing Advisory Service and UK Trade and Investment will also be included in consultation, as a part of the review.
- 3.9 Officers from the WMLB secretariat and local authority colleagues through the Regional Economic Development Officers Group (REDOG) have already had some input into the brief for the review.
- 3.10 It is proposed that officers continue to engage to develop a WMLB response for sign off by the Chair and Vice Chairs of WMLB and to ensure appropriate local authority involvement throughout the review process. It is also proposed that the WMLB should consider the outcomes of the review when they become available in June or July.

Contact officer
Sherman Wong
Head of Economic and Social Policy
Tel: 0121 245 0210
Email: s.wong@wmleadersboard.gov.uk

West Midlands Leaders Board

13 April 2010

Total Capital - Taking Total Capital forward to support growth in the West Midlands

1. Purpose of the Briefing

- 1.1 To introduce the concept of Total Place and Total Capital to Members and to seek their support for embedding the approach within the Leaders Board, as part of collaborative working on investment planning in the West Midlands.

2. Recommendations

- a) To note the concept of Total Place and Total Capital
b) To support the embedding of the approach within the Leaders Board.

3. Background to Total Place and Total Capital

Total Place

- 3.1 The HMT recently published its report: 'Total place: a whole area approach to public services', available at:
http://www.hm-treasury.gov.uk/d/total_place_report.pdf. The report sets out a new approach to local public services and local authorities working with Government and reports findings from a series of pilots and case studies. The concept of Total Place is to consider the cumulative impact of all revenue spending in a particular place, with a place being defined as a Local Authority area. This is supported by a similar approach to capital expenditure, focusing on local property and capital investment and referred to as Total Capital. Across the country this has been piloted and developed by the Homes and Communities Agency, and in this Region has involved the West Midlands Regional Improvement and Efficiency Partnership.
- 3.2 The immediate public expenditure context for the Total Place and Total Capital agenda is the need to achieve increased efficiencies within a climate of reduced future public spending.
- 3.3 The 13 Total Place pilots were launched following the 2009 Budget and the Smarter Government White Paper 'Putting the Frontline First' (December 2009) endorsed the move towards local areas having more control in setting priorities and guiding resources.
- 3.4 The Total Place pilots are currently looking at different families of local services, and three of the pilots are located within the West Midlands Region:

- Birmingham,
- Worcestershire and
- Coventry, Solihull and Warwickshire.

The pilots have largely looked at revenue expenditure and how improvements and savings can be made in the delivery of those services.

- 3.5 A first report on the pilots was submitted to the Treasury at the beginning of February 2010 and initial findings are showing:
- a) the benefits of prioritising spending for a place rather than the organisation,
 - b) a need for establishing collaborative working relationships between central and local government at the point of service delivery,
 - c) a need for a change of culture that is more service user centric and outcome focused and
 - d) the need for greater awareness of total public spend in an area.

Total Capital

- 3.6 To broaden the findings and potential outcomes of the work on the Total Place pilots, capital expenditure has been brought into the equation, with case studies looking specifically at how investment in infrastructure is planned and delivered within an area, to ensure better alignment of capital programmes. Together with the 13 Total Place pilots, five Total Capital case studies have sought to understand how in a future climate of reduced public spending, public services, facilities and infrastructure can be provided in a more efficient way whilst delivering improved public service and economic growth.

4. Total Capital within the West Midlands

- 4.1 Worcestershire and Solihull are Total Capital and Asset Pathfinders in the West Midlands and work is already underway to identify where improved delivery of services can be achieved.
- 4.2 Within the West Midlands there are 20 Impact Investment Locations, identified in 'Regional Funding Advice 2', which together total over 70 projects. These range from housing schemes, new business parks, public transport improvements and new highway schemes. The total public expenditure identified on all the projects offers huge opportunities for efficiencies derived from the Total Capital approach to be realised. An example of this would be in North Solihull which has a 15 year programme of regeneration where capital investment for new schools, community facilities, and public realm could be aligned with the new housing and local centres.

5. Improvement and Efficiency West Midlands

- 5.1 Through Improvement and Efficiency West Midlands (IEWM), the West Midlands Regional Improvement and Efficiency Partnership, the Region has established a forum to deliver on the property asset implications of Total Place and Total Capital. The forum known as the West Midlands Property Alliance (WMPA) was launched towards the end of last year. This is a local authority led initiative chaired by Martin Reeves the Chief Executive of Coventry City Council. The 33 local authorities in the West Midlands and also the range of other local, regional and national public sector partners across health, emergency services and central and regional government are involved in the forum. The WMPA is overseeing a structured programme to deliver significant capital and revenue efficiencies and to

address the barriers to achieving place based delivery of public services. The WMPA is referred to favourably in the HMT Total Place report (p54) and other regions are also looking at rolling out similar Asset Management models.

6. What are the implications for the West Midlands Leaders Board of the Total Place and Total Capital Approach?

- The approach will need to be led by local authorities
- There is a need to work and coordinate activity at all levels; localities, local, sub regional and regional
- There is a need for collaborative working and join conversations between different agencies and local government
- There is a need to consider the implications of the Ian Smith report in relocating Government activity from London
- There is a need to align investment in the Region to achieve successful economic growth
- To explore the option of establishing a Housing and Regeneration Panel, under the WMLB to help progress the Total Place and Total Capital agenda

Emma Kiteley
Strategic Advisor - Housing
West Midlands Leaders Board
Tel: 0121 678 1037
Email e.kiteley@wmlleadersboard.gov.uk

West Midlands Leaders Board

13 April 2010

The Role of the WMLB as a Statutory Consultee in Planning

1. Purpose of Report

- 1.1 To bring to the attention of Members the implications for the WMLB of its role as a statutory consultee with regard to consultations on Development Plan Documents and in respect of certain planning applications that would be of major importance for the implementation of the Regional Strategy.

2. Recommendation

- 2.1 Members are recommended to:
- a) Note the changes brought about by the 2009 Local Democracy Act in respect of the statutory consultee role conferred to the WMLB and the implications for this role in the context of a reduction of available resource, both from within the WMLB Secretariat and that provided by WMLB authorities;
 - b) Authorise delegated approval to the Chief Executive to draw up and agree new working procedures for this area of responsibility in conjuncture with the existing conformity advisors in the Region's Strategic Authorities;
 - c) Authorise the delegation of decision making on behalf of the WMLB in the exercising of its role as a statutory consultee to the Chief Executive in accordance with the new working procedures as agreed.

3. Previous Role of WMRA

- 3.1 Under the Planning and Compulsory Purchase Act 2004 (P&CPA 2004), the West Midlands Regional Assembly (WMRA) became a statutory consultee. Firstly, WMRA provided an opinion of general conformity to the Regional Spatial Strategy upon the publication of a Development Plan Document (DPD) by a local authority. Secondly, the WMRA was also given statutory consultee status in respect of certain planning applications that would be of major importance for the implementation of the Regional Spatial Strategy.
- 3.2 The WMRA operated its role as a statutory consultee under an approved and well established Protocol between it and the Region's local planning authorities (LPAs). Working on the basis of a decentralised model, advice to the WMRA was provided by the Region's Strategic Authorities and this was supplemented, where necessary, by expert policy advice from relevant regional Policy Leads. Non-County Authorities and Policy Leads assisted the WMRA under a remunerated Service Level Agreement. This payment for services is not continuing beyond 31st March 2010 due to budgetary pressures experienced by WMLB.

3.3 The issuing of advice on behalf of the WMRA followed Member consideration of the advice presented to them with regard to consultations on a published DPD or a planning application.

4. The New Role for WMLB

4.1 The Local Democracy Act of 2009 removes the legal requirement in the P&CP Act 2004 for local authorities to seek a specific opinion of general conformity from the WMLB with respect to the Regional Strategy upon the publication of a DPD. However, it remains a legal requirement that all local authority DPDs must be in general conformity with the Regional Strategy (the Strategy for the West Midlands'). Whilst the formal requirement to require an opinion of general conformity no longer applies, WMLB will have statutory consultee status for DPDs being prepared across the Region.

4.2 As with the WMRA the WMLB will continue to be a statutory consultee for certain planning applications which would be of major importance for the implementation of the Regional Strategy. Like the WMRA, the relevant regulations permit the WMLB to give notice to LPAs on those applications it wishes to be consulted upon. In the Protocol operated by the WMRA, this notice was given by setting thresholds on the size of different types of development in different locations (e.g. separate thresholds for residential developments in rural and urban areas).

4.3 In addition to consultations on DPDs and planning applications, WMLB will also continue to receive consultations from neighbouring Regions and Wales about their strategic plans. These consultations will need to be considered to assess their relationship and any impact on the Strategy for the West Midlands. As with conformity advice on DPDs and applications, such consultations have been coordinated centrally by the WMRA with advice being received via relevant Strategic Authorities and Policy Leads. The importance of this cross boundary working was highlighted by a number of members at the January 2010 WMLB Annual Conference.

4.4 It should be noted that AWM will also be a statutory consultee in relation to DPDs and planning applications in their own right, although in respect of the latter function they currently have their own criteria for applications upon which they wish to be consulted. It is therefore feasible that on occasions there will be legitimate differences of opinion in the advice provided to LPAs given the economic focus of AWM enshrined in the WMRES; especially until a new Strategy for the West Midlands is finalised. WMLB and AWM will work together in order to align responses as far as possible and to minimise any differences before formal advice is issued to LPAs. It is important to note that only the Regional Spatial Strategy elements of the Regional Strategy would have the status of a statutory Development Plan until a revision to the Strategy for the West Midlands has been prepared. There will also be occasions when AWM will be the applicant in respect of applications of regional significance.

4.5 The WMLB response to such consultations will help to ensure that the regional and local halves of the statutory development plan align with each other. Therefore, advice on general conformity with the Regional Strategy (RS) provided by the WMLB would be of great benefit of WMLB LPAs in preparing their DPDs and for Planning Inspectors at their Examination, as well as ensuring the implementation and delivery of the RS. The prospect of not providing advice could result in WMLB LPAs deviating from agreed regional policies and this would not only make the implementation of the RS more difficult but would considerably increase the chances of a Planning Inspector

rejecting a DPD on the grounds of non-conformity with the RS following an Examination in Public. This would clearly not be in the interests of the LPA concerned and could have significant cost implications for them. Advice in the name of the WMLB in relation to the RS will be afforded a great deal of primacy by Inspector's as authors of the regional policies in the RS. The advice provided by the WMLB on applications can assist WMLB LPAs in rejecting proposals that prejudice both the RS and their Local Development Frameworks and this extends to any subsequent appeal hearings.

- 4.6 Whilst remaining a statutory consultee, the restructuring of the organisation from the WMRA to the WMLB and the reduction of resources available to WMLB for this work have required the review of this conformity role and the need to focus limited resources where they have the greatest effect. In terms of advice to Local Planning Authorities, the existing Protocol for operating this function as the WMLB will require rewriting so that it is streamlined, less prescriptive and is focused on matters of regional significance and the delivery of the Regional Strategy. This is in line with the positive consultation results which the WMRA received from the conformity advisors of the Region's Strategic Authorities in February and March 2010 in response to desire for future involvement in the process, albeit that there was recognition from them that resources were likely to diminish in helping the WMLB to deliver its role.
- 4.7 Consequently, the WMLB needs to undertake an overhaul of the existing procedures it operates. This needs to reflect the changes brought about in legislation and the reduction of resource available, both within the WMLB Secretariat and that provided by WMLB authorities. How it is proposed this will be taken forward is discussed below in Section 5.

5. How the WMLB role as a statutory consultee will be taken forward

- 5.1 The key factor in preparing new procedures is the reduction of resource available to the WMLB in undertaking this role. The WMRA Secretariat had a 1 full time equivalent (FTE) position coordinating this process and it has been estimated that a further 1 FTE resource was collectively being provided by the Strategic Authorities and Policy Leads in providing advice to the WMRA. Following the restructure of the WMRA into the WMLB, this resource at the Secretariat is now 0.4 FTE.
- 5.2 Whilst the Region's Strategic Authorities have given the positive view that they wish to continue to support the WMLB in this role (as regional Conformity Advisors) this is also likely to be on a reduced basis. In addition, the WMLB cannot rely on the specific policy expertise provided by Policy Leads as they have indicated that they would not provide this support without the remuneration they previously received under the WMRA arrangements. Overall, the resources available to WMLB to undertake its statutory consultee function will be significantly reduced. Within the WMLB Secretariat, this workload will need to be shared across the whole Policy Directorate and it is proposed that this will be organised on a sub-regional basis.
- 5.3 In view of this, changes to the way this function is carried out by the WMLB are required, including ways of operating within the WMLB Secretariat and a review of the Protocol. It is being recommended that the principles set out in the following section be approved as a basis for more detailed operational procedures to be taken forward and agreed by the Chief Executive on behalf of the WMLB.

- 5.4 Amending the WMRA Protocol will need careful consideration and close liaison with local authorities in the Region, especially those directly involved in the provision of advice. On the basis that Members agree the principles on how this function should operate and the Chief Executive is given delegated powers to prepare and finalise new procedures, a meeting has been scheduled with officers from the relevant local authorities for the 20th April 2010. Thereafter the aim is to have new formal WMLB arrangements operational by the 4th May 2010.
- 5.5 Until such time as the new arrangements are amended, it is proposed to continue operating under the WMRA Protocol throughout April to ensure a continuity of service. This was agreed by the Assembly Board on the 15th January 2010 and was ratified by the Joint Strategy & Investment Board on the 23rd March 2010. The one change this has brought about is the interim vesting of all formal decision making authority with the Leaders Board Chief Executive.
- 6. New working arrangements – recommended principles to be adopted**
- 6.1 It is proposed that the Strategic Authorities will continue to provide the WMLB with advice on DPD and planning application consultations where the WMLB wishes to receive this advice. This would continue on the geographical basis operating in the WMRA Protocol (including the Minerals and Waste Panel). This advice will be considered by the WMLB Secretariat in formulating a response to the consultation. In order to speed up the response and meet consultation deadlines, it is considered that the vesting of all formal decision making authority in relation to this function on behalf of the WMLB be delegated to the Chief Executive.
- 6.2 The WMRA Protocol involved informing selected members of the Business Sector and Other Stakeholders Group and provided them the opportunity to feed in views on consultations. As this function now rests with the WMLB, there is no requirement to seek such views outside of the Strategic Authorities or the WMLB Secretariat and this should enable advice to be prepared expediently. Although, as mentioned in paragraph, 3.7 it will be important that coordination with AWM continues to take place.
- 6.3 Whilst all DPDs will need to be in general conformity with the Regional Strategy, the WMLB would now only comment on Core Strategy DPDs to reduce the number of DPD consultations it deals with. There is some comfort that other DPDs will need to be in conformity with the relevant Core Strategy, but it will be for LPAs to ensure the DPD conforms generally to the Regional Strategy. The only exception to this would be any Area Action Plans (AAPs) that are produced in advance or in tandem with an LPA Core Strategy DPD, but only where these were considered sufficiently important enough to justify involvement – e.g. Longbridge AAP or an AAP for a strategic centre.
- 6.4 In respect of the various stages in the preparation of a Core Strategy DPD (and any relevant AAP as described above), the WMLB would only be able to provide selective strategic comments on pre-publication documents that LPAs consult on. Whilst this is a reduction of involvement to that provided by the WMRA, it is necessary to reflect the reduction of available resource. Greater detail would have to be provided on publication documents as the WMLB response will assist an Inspector's understanding at the examination in public.
- 6.5 Whilst the thresholds for planning application consultations in the WMRA Protocol are already set at strategic level, there is some scope for them to be refined further; for example, by removing the need for LPAs to refer smaller rural developments and

focus on larger schemes. Furthermore, applications that meet thresholds will be only received on basis for referral in first instance. The WMLB Secretariat and Strategic Authorities would then decide whether any issues of regional significance arise in the application that would warrant a bespoke response to the relevant LPA.

- 6.6 The WMLB will have not have the resources for any direct involvement in DPD examinations in public and public inquiries with respect of planning applications. Any further representation in this regard would be by written representations only.
- 6.7 The proposed new procedures, if agreed and put in place, should be reviewed after six months of coming into effect in order to judge whether they are effective and to consider whether they need refining. This should be reported to WMLB at the appropriate time.

Olwen Dutton
Chief Executive
0121 678 1031
o.dutton@wmleadersboard.gov.uk

Rose Poulter
Director - Policy
0121 678 1055
r.poulter@wmleadersboard.gov.uk

John Pattinson
Head of Development
0121 678 1041
j.pattinson@wmleadersboard.gov.uk

West Midlands Leaders Board

13 April 2010

Chief Executive's Report

1. Purpose of Report

- 1.1 To bring to the attention of the Leaders Board a number of matters requiring approval, endorsement or noting.

2. Recommendations

- 2.1 Leaders are requested to:

- a) Approve Terms of Reference for the Members Panel
- b) Endorse the decisions taken by the Chairman in relation to member representation
- c) Approve the development of a Leaders Board position in respect of the Barnett formula
- d) Note the work being led by Birmingham Science City to engage with a wide range of public, private and research partners throughout the West Midlands and consider opportunities for wider local government involvement
- e) Note that Ministerial approval has been given for the Leaders Board scheme and funding
- f) Note the outcome of the recent Roundtable Meeting between the Local Government Association and representatives from the Leaders Boards.

3. Member Panel

- 3.1 At its meeting on 9th February 2009 the Leaders Board agreed to establish the Members Panel. This has been set up and has met four times and is felt to be working well. Membership is

Name	Nomination Type	Named Alternate
Cllr Ken Taylor	WMLB (Chairman)	Cllr Ken Meeson (Solihull)
Cllr Roger Phillips	WMLB (Vice Chairman)	Cllr Keith Barrow (Shropshire)
Cllr Mike Whitby	WMLB (Vice Chairman)	Cllr Neville Patten (Wolverhampton)
Cllr Roger Hollingworth	WMLB (member)	Cllr Carol Gandy (Redditch)
Cllr Philip Atkins	Conservative Party	Cllr Mark Winnington (Staffordshire)
Cllr Albert Bore	Labour Party	Cllr Steve Eling (Sandwell)

Cllr Paul Tilsley	Liberal Democrat Party	Cllr Ray Hassall (Birmingham)
Cllr J Beris Williams	Independent Party	Cllr Sebastian Bowen (Herefordshire)

3.2 The Leaders Board is requested to formally agree the terms of reference attached as Appendix 1 as agreed at the Member Panel's first meeting on 6th May 2009.

4. **Member Representation**

4.1 At the Leaders Board on 19 January 2010, the Member Panel was asked to consider how WMLB should provide political leadership in areas that are not anticipated to be covered by JS&IB arrangements. At its meeting on 3 March 2010 the Members Panel also considered political involvement in regional groupings or bodies that will continue to exist outside the WMLB/JS&IB arrangements where a political involvement is requested. The Leaders Board is asked to note the following recommendations subsequently agreed by the Chairman:

- West Midlands Strategic Migration Partnership - use the nomination process to identify a Chair, with sufficient time to be fully engaged, from appropriate authorities
- WM Regional Enterprise Board – use the nomination process
- West Midlands Investment Advisory Panel – use the nomination process
- Regional Rural Affairs Forum – use the nomination process
- Sustainability West Midlands – two nominations (agreed by Chairman as Cllr David Smith, Lichfield and Cllr Paul Tilsley, Birmingham)
- Tourism West Midlands – nominations process to be used when the existing appointment (Cllr Saint, Stratford upon Avon) comes to an end
- Regional Health Partnership – no WMLB nomination at present however the wider issue of working with the health sector was felt to be very important for WMLB and would require detailed consideration following the General Election.
- City Region Growth and Prosperity Board – no separate WMLB representation is required as a number of Leaders are already members of this Board
- Arts Council West Midlands – no WMLB nomination
- England Volunteering Council - no WMLB nomination
- Environment Agency Regional Committees – Environment Agency to be advised that nominations should be made through the WMLB nomination process not by individual local authorities.

4.2 Leaders have already been asked to circulate the opportunities throughout the council. The closing date for receipt of self nominations accompanied by appropriate notes of support either the local authority Leader or political group leader is 21 May 2010.

5. **Future Activity – The Barnett Formula**

5.1 The Leaders Board is in an ideal position to discuss issues of significance to local government, develop a position and if appropriate, lobby for changes in approach. Members are asked to consider if they wish to develop a view on the Barnett Formula.

5.2 The Barnett formula plays a key role in the funding of the devolved administrations accounting for the majority of public spent. It was established in the 1970's and since devolution it has allocated an unconditional block grant to each of the

devolved administration thus providing significant flexibility. The Barnett Formula is based on historic spending patterns and population not on needs and is used to calculate changes to a baseline block grant which is considered to be historically too generous to Scotland and Northern Ireland.

- 5.3 The formula was designed to bring about equal spending per head in England, Scotland, Wales and Northern Ireland by slowly reducing the differences in spending between them. However spending data for 2007/8¹ still shows wide disparities;
- Northern Ireland received £5,684 per head: 21% above the UK average spend per head and £1,161 more per head than that spent in England
 - Scotland received £5,676 per head: 21% above the UK average and £1,153 more per head than that spent in England
 - Wales received £5,050: 8% above the UK average and £527 more per head than that spent in England
 - England received £4,523 per head: 3% below the UK average.
- 5.4 There has been considerable recent debate on the future funding of the devolved administrations and an increased scepticism about the fairness of the Barnett Formula. In particular it is considered to take no account of different needs or different costs in different areas, funding is not allocated in proportion to population, it does not apply to division of expenditure between the different regions in England and it does not provide incentives to become economically efficient. In December 2010 the Independent Commission on Funding and Finance for Wales proposed a replacement simple needs based formula.
- 5.5 Although the development of alternatives to the Barnett Formula is a national issue, the Leaders Board may wish to consider working with other Leaders Boards and the Local Government Association to develop a common position to feed into Government.
6. **Economic Development through Science, Technology and Innovation**
- 6.1 This item is being brought to the Leaders Board attention as it could make a significant contribution to its commitment to 'improve the economic position of the West Midlands so that business can prosper and grow'.
- 6.2 It is recognised nationally that science, technology and innovation will play a critical role in building a robust economy that exploits existing and potential strengths. At the West Midlands regional level this is a huge challenge, with regional GVA only 85% of the national average, the lowest percentage of high growth firms of any region, low levels of private sector investment in innovation, and long-term, over-dependence on 'low-tech' manufacturing and 'mature' industries. However, with commitment and coordinated effort the region can exploit the following strengths to build a knowledge-based economy:
- A diverse and excellent HE sector – 2 universities in world top 100
 - Robust public sector employment and investment and positive attitude to innovation and partnership
 - Consistent innovation priorities over many years, through Innovation and Technology Council, that are well aligned to national 'New Industries New Jobs' Agenda

¹ Fair Shares? Barnett and the politics of public expenditure – IPPR July 2008

- Regional HEIs are at the national forefront of business support and increasingly taking a coordinated, demand-led approach
 - Birmingham Science City is developing a strong ethos of region-wide partnership including the region's HEIs, local authorities, business and business intermediaries
 - Significant regional investment in research and innovation infrastructure (eg Research Alliance, PARD, HDTI, MTC)
- 6.3 Science cities started in the UK with York in the late 90s, becoming a national designation in 2004/5 for Manchester, York, Newcastle, Birmingham, Nottingham and Bristol based on strong science-based assets with potential to attract innovative businesses and become drivers of economic growth. There were no new public funds, but the West Midlands embraced the concept strongly to develop a partnership vision to exploit science and technology and to channel investment. As a regional partnership, Birmingham Science City (BSC) has developed a strategic framework to support its vision to *develop and use science and technology to improve the prosperity and quality of life of the West Midlands and the UK.*
- 6.4 BSC took a region-wide approach from the outset to encompass all the assets available. To date the biggest Local Authority player in BSC has been Birmingham which has taken up a seat on the Partnership Board. Leaders are asked to consider the following opportunities for wider local authority engagement:
- Should local authorities fill the two vacant local authority seats on the BSC Partnership Board?
 - If there should be an increased involvement in the current working groups - Communications; Public Engagement; Procurement, Low Carbon; Digital; Innovative Healthcare; Security?
 - How local authorities can be involved in the key priority of developing public and private sector demand led demonstrator projects? Local authorities with challenges that might have a science and technology solution that are willing to take an innovative approach and work in partnership to resolve the challenge have been invited to discuss ideas with the BSC Executive.
 - How local authorities become engaged in a new communications project (run by Marketing Birmingham) to showcase the West Midlands as a region of excellence in Science, Technology and its application to a regional, national and international audience.

7. Ministerial Approval

- 7.1 Leaders will be pleased to note that Ministerial approval has been given for all Leaders' Board Schemes of Operation and funding on the basis previously agreed with a further reduction. The reduction for the West Midlands Leaders Board is £11425.

8. Local Government Roundtable Meeting

- 8.1 The Local Government Association (LGA) and Chairs of the Leaders Boards have had three meetings so far to look at the questions of how Regions can work with the LGA. This relationship and how to work most effectively has been in discussion for some time now. With the formation of Leaders Boards there is an opportunity to develop a more productive and mutually beneficial arrangement for the purpose of ensuring the strongest possible voice of local government.

- 8.2 The LGA's Executive recently agreed to changes in its constitutional arrangements including an enlarged LGA Executive Group. Regional bodies are to be invited to put forward a representative to sit on the LGA Executive Group who will be a voting member. The implications for how the arrangements will be delivered in order to be as effective as possible still need to be discussed.
- 8.3 At the roundtable meeting on 31st March a discussion took place regarding the ability to lead local government across the UK together with the principles for effective joint working. Leaders will be kept informed of progress at future meetings.

Olwen Dutton

Chief Executive

Tel. 0121 678 1031

E-mail: o.dutton@wmleadersboard.gov.uk

West Midlands Leaders Board – Members Panel

Terms of Reference

1. **Purpose**

- 1.1 The Members Panel is an advisory group to the West Midlands Leaders Board (WMLB). Its initial focus will be advising on the development of Member structures to support the WMLB.

2. **Membership**

- 2.1 It should consist of four Local Authority Leaders, including the WMLB chair and Vice Chair and one elected member nominated by each of the four regional political groups (Conservative, Labour, Liberal Democrat and Independent).

3. **Role**

- 3.1 To advise the WMLB of:

- Appropriate member structures to support the delivery of its aspirations;
- Suggested nomination mechanism for any member structure agreed by WMLB;
- Relevant concerns from Members within the Region.

- 3.2 It will also provide a mechanism to formally engage the main political groupings within the Region

4. **Reporting Requirements**

- 4.1 The Chair of the Members Panel will provide regular progress reports to WMLB. In addition detailed reports may be required in respect of specific activity requested by WMLB.

West Midlands Leaders Board

13 April 2010

**Decision Notes of the meeting of the Finance & Audit Committee
held on 25th March 2010**

Please Note: Resolutions in bold require a WMLB decision

Present: Cllr Ken Taylor, Chairman (Coventry)
Cllr Neville Patten (Wolverhampton)
Cllr Paul Tilsley (Birmingham)
Cllr Sir A Bore (Birmingham)

Olwen Dutton, WMLB Chief Executive
Sharon Phillips, WMLB Head of Financial and Business Services
Louise Insley, WMLB PA

**Agenda
Item**

A1. Welcome and Apologies

Apologies were received from Cllr Craig Humphries.

A2. Minutes of the 14th January 2010

The Committee:

- 2.1 approved the minutes as a true record and noted alternate nominations
- 2.2 requested the CEO write to alternates to provide them with the FAC Terms of Reference and advise them that copies of the FAC agenda and notes of meetings would be provided to them 'for information'.

A3. Electronic Reports

The Committee confirmed the electronic approvals of recommendations contained in two Secretariat reports dated 22 February and 8 March in relation to the restructure. Members were asked to note an error at page 2 of the report of 8th

March where the stated salary should read £26,276 not £23,708 however this did not affect the other information or the recommendations.

The Committee were provided with a verbal update on the posts that were still at risk of redundancy at the completion of implementation and were advised that costs relating to Assembly staff would be met from existing Assembly funding and those for WMLB staff were accounted for in the 2010-11 final budget.

The Committee:

3.1 confirmed approval of the recommendations in the electronic reports and noted the amendment

A4. Draft Scheme of Delegation (and Financial Protocols for Delegated Authorisations)

A draft Scheme of Delegation for WMLB was considered and the Committee were advised that this reflected the current practices and protocols in place that had been effective in managing the finances of both WMLGA and WMRA and which had passed previous internal audit scrutiny. Members were advised that the Finance Manager had however been added to the approved authorisations in order to ensure that within a small team there would be sufficient segregation of duties to mitigate against fraud and to ensure staff leave or absence did not unduly interrupt normal business practice.

The Committee agreed to recommend the Scheme to WMLB for approval but also requested that at the year end audit due shortly, the auditors be asked to confirm that it was sufficiently robust and that the break from internal audit review during the transition period was not a cause of concern in their view.

The Committee agreed:

- 4.1 **to recommend the draft Scheme of Delegation to WMLB for approval, see report at Appendix A,**
- 4.2 to seek confirmation from the auditors as to the robustness of the Scheme and that they are not unduly concerned at the lack of an internal audit function during the transition period,
- 4.3 to monitor the effectiveness of the Scheme and revise as may be necessary in the future.

A5. Final Draft Budget 2010-11 (Appendix B)

The Committee received a Final Draft Budget for 2010-11 which incorporated minor adjustments as well as recommendations from WMLB and FAC and set out below.

- WMLB agreed an increase in the Member Allowances budget to enable a special responsibility allowance to be paid to the Chairman, Vice Chairs and JS&IB representatives; with only one allowance paid per individual.

- Upon FAC advice the CEO has secured continuation of affiliate membership with WM Police, Fire and Centro and the income has been increased accordingly.
- A small budget of £5,000 was included as a contribution to collaborative work with other regions. Olwen Dutton will Chair the Local Government Liaison Group in 2010-11.
- The final Budget included a cost allocation exercise to ensure that CLG funding to support development of a Strategy for the West Midlands meets an appropriate share of overhead cost. After CLG funds are allocated to staffing and operational costs the remaining sum for work programme development is £441,754 and a further sum of £54,084 is added to this from the WMLB core funding stream to facilitate work that is not directly related to the strategy. Overall the total work programme budget is therefore £495,839 and is constructed as follows:-

Activity	£
Evidence Base (AWM to meet bulk of costs)	90,000
SA Independent Advisors (shared cost with AWM)	15,000
Habitat Regulatory Assessment (shared costs with AWM)	10,000
Visioning (shared cost with AWM)	15,000
Draft Project Plan Consultation - regional event and 6 sub regional events (shared cost with AWM)	15,000
Preparations & Testing of Options (shared cost with AWM)	100,000
Monitoring, including data licenses etc	100,000
Conformity and Implementation (shared cost with AWM)	105,000
Communications – print, project plan, events, reports (shared cost with AWM)	45,839
Total	£495,839

- The new organisational structure has just been concluded and implemented and the Strategic Management Team and Heads of Service will now define a more detailed work programme under the four key priorities. This is likely to require some adjustment to the above initial budget and this will be reported to FAC.
- The above Work Programme Budget is the funds available from WMLB only and in coming months WMLB will need to agree with AWM the contributions that they will make to the work programme over and above this budget.

CLG Business Plan & Budget

A separate high level CLG Business Plan and Budget was submitted to GOWM in February to secure CLG funding for 2010-11 on the approved of the Chairman. FAC endorsed this document. The WMLB Scheme was also submitted for approval of the Secretary of State.

The Committee agreed to:

- 5.1. **recommend the Final Draft Budget to WMLB for approval**
- 5.2. to approve the CLG Business Plan and Budget as submitted in February 2010 to secure CLG funding

Note: Matters Arising

On 30th March CLG advised that Secretary of State had approved the WMLB Scheme and funding for 2010-11.

A6. Chief Executive's Report

(6.3) WMIÉ Draft Budget

WMIÉ Management Committee endorsed a Draft Budget for 2010-11 at their meeting on 4th March subject to approval by the Managing Partners (AWM and WMLB). WMLB is represented on the WMIÉ Management Committee by FAC member, Cllr Sir Albert Bore. The Committee noted the details of the budget and the further Management Committee recommendations to increase the target for new business.

The WMLB subscription is reduced due to lower operational costs following a reduction in the size of premises and a move to a smaller team. FAC noted that the cost of removing the Brussels Director post was being funded over a 2 year period with more significant subscription reductions delivered in 2012-13.

The WMLB Head of European Services will manage a joined up European team, but WMIÉ contribute to the cost of this post via a reduction in the WMLB subscription.

The Committee approved the WMIÉ Budget on behalf of WMLB as a managing partner.

(6.4) VAT Status of WMLB – progress update

The Chairman had received a letter in February from Stephen Timms, Financial Secretary to the Treasurer advising that HM Treasury and CLG were in discussion as to whether the Leaders Boards could be considered either a Joint Board or Joint Committee established by two or more councils. It was agreed that the CEO would pursue this potential for Section 33 VAT status with CLG.

The Committee was advised that the CEO was exploring an appropriate legal status for WMLB with Eversheds and this would include consideration of VAT status to assist with our case to CLG.

(6.5) Extend Insurance Cover with Zurich Municipal

In view of the current transition process the Committee agreed to extend the existing insurance provision with Zurich Municipal for one year whilst resources are focussed on the dissolution of the Assembly and transition to WMLB. A full tender process could then be undertaken early 2011 to implement a new insurance contract for 2011-12.

(6.6) New Funding Bids

FAC was advised of new WMLB funding bids supported by EUConnects.

Funding	Value	Purpose
Lifelong Learning FB01	€15,000	WMSMP - Partnerships
PIMMS CA FB02	€18,500	Transport – Capitalising on partner initiatives in mobility management services
EU2020 Going Local FB03	€21,400	Environment – From detached Lisbon & Gothenburg Strategies to a regionalised indigenous EU 2020

The Committee agreed:

- 6.1 to approve the WMiE Budget for 2010-11
- 6.2 to pursue Section 33 Status with CLG and noted that legal advice was being sought as to an appropriate legal status for WMLB
- 6.3 to extend the insurance provision with Zurich Municipal for 2010-11

**Approved by the Chairman
Cllr Ken Taylor**

**Finance & Audit Committee
25 March 2010**

**Draft WMLB Scheme of Delegation and Financial Protocols for
Delegated Authorisation**

1. Purpose

To present a proposed Scheme of Delegation (appendix A) for the WMLB to be implemented with immediate effect upon approval of the Committee and recommended for endorsement by the WMLB.

2. Recommendation

The Committee is asked to **review and recommend for approval** by WMLB a Draft Scheme of Delegation and supporting financial protocols for delegated authorisation

3. Scheme of Delegation

3.1 The Chief Executive is responsible for the resources under her control and for the propriety and regularity of the public finances for which she is answerable; for the keeping of proper accounts, for prudent and economical administration, for the avoidance of waste and extravagance, for the efficient and effective use of all of the resources in her charge.

3.2 As the Accounting Officer for WMLB the Chief Executive has delegated responsibility for the corporate and overall strategic management, reporting to the Finance & Audit Committee and the WMLB as necessary. She is responsible for establishing a framework for financial management that is transparent, robust and gives due regard to accounting practice and relevant statutory requirements.

3.3 A Draft Scheme of Delegation is attached for WMLB which reflects the good practice employed within the Assembly and WMLGA schemes whilst ensuring it is relevant to the needs of the WMLB. It seeks to ensure segregation of duties to minimise the risk of fraud and utilises senior officers as authorised signatories to separate the key elements of procurement and expenditure processes.

3.4 The proposed Scheme also seeks to ensure Member involvement and approvals as appropriate and in relation to the nature of the activities and sums involved.

Appendix A

- 3.5 Whilst the CEO is the Accounting Officer it is necessary for her to delegate to other senior officers and the Financial Protocols and Delegated Authorisations annexed to the Scheme, summarises the nature of these delegations.
- 3.6 The Finance & Audit Committee has a key role within the overall scheme to provide a further mechanism for authorisation and scrutiny, as set out in the Committee's Terms of Reference including
- Approval of budget virements and recommendations to WMLB on significant variations to business plans.
 - Approval to write off of debts and/or make recommendations on such to WMLB.
 - Approval of the disposals of assets.
 - Approval of contracts for insurance provisions, long term lease commitments (over 5 years) and variations to procurement protocols.
 - Approval for WMLB to; submit funding bid proposals, act as the accountable body for a project, provide a treasury function for projects/ other organisations, or make recommendations on such to the WMLB.
 - Monitor the effectiveness of the systems of financial control and management.
 - Act as a consultative and advisory body for the Chief Executive on matters of a financial or operational nature in relation to the management of the WMLB Secretariat.

**Olwen Dutton
Chief Executive**

Contact Officer; Sharon Phillips
s.phillips@wmlga.gov.uk 0121 678 1030

SCHEME OF DELEGATION

Agenda Item 4
Appendix A

CEO Chief Executive
 FAC Finance & Audit Committee
 Board WM Leaders Board
 IRP Independent Remuneration Panel

WMiE West Midlands in Europe
 WMiE MC WMiE Management Committee
 WMEC WMiE European Centre (WMEC)

A] Financial Management

ACTIVITY:	DELEGATION:	USEFUL REFERENCE DOCUMENTS: (HYPERLINK in electronic version)
<p>Annual Business Plan & Budget (inc CLG Bids):</p> <ul style="list-style-type: none"> ▪ Preparation of BPB ▪ Review BPB and make recommendations to Board ▪ Approval of BPB including annual subscriptions ▪ Approval of BPB Progress Reports and CLG Funding Claims (reporting key aspects to Board) ▪ Approval of changes to the budget up to £50k (report to Board) ▪ Approval of changes to the budget over £50k ▪ Recommendation of WMiE BPB ▪ Approval of WMiE BPB (report key issues to Board) ▪ Monitor WMiE BPB (report key issues to Board) 	<p>CEO FAC Board FAC</p> <p>FAC</p> <p>Board WMiE MC FAC FAC</p>	<p>WMLB Constitution FAC Terms of Reference RPC Business Year CLG Funding Agreement WMiE Governance</p> <p>NB: WMLB is an equal managing partner with AWM in WMiE and is represented on the MC by a member of FAC who also serves as a director on WMEC. The MC is the mechanism for managing the day to day operations of WMiE/WMEC.</p>
<p>Budget Virements or amendments:</p> <ul style="list-style-type: none"> ▪ Approval of virements between budget heads up to £25K (report to FAC) ▪ Approval of virements between agreed budget heads over £25K and up to £50k (report to Board) ▪ Approval of virements over £50K ▪ Approval of changes to organisational structure outside agreed business plan (report key issues to Board) 	<p>CEO</p> <p>FAC</p> <p>Board FAC</p>	<p>FAC Terms of Reference</p>

Appendix A

<p>Annual Report & Audit:</p> <ul style="list-style-type: none"> ▪ Appointment and dismissal of auditors and approval of audit plans ▪ Preparation of annual report and accounts for audit ▪ Review of annual report and audited accounts ▪ Approval of annual report and accounts ▪ Filing of annual returns 	<p>FAC</p> <p>CEO</p> <p>FAC</p> <p>Board</p> <p>CEO</p>	<p>FAC Terms of Reference</p>
<p>Expenditure & Establishment:</p> <ul style="list-style-type: none"> ▪ Approval of all expenditure within agreed business plan ▪ Internal delegated authority ▪ Delegated approval of expenditure within agreed business plan up to £50K ▪ Approval to enter into longer term contracts (property, equipment, etc) within agreed business plan up to £50,000, OR contracts not in agreed Business Plan up to £10,000 ▪ Approval to enter into longer term contracts over £50,000 or over £10,000 and not in agreed Business Plan ▪ New staff within agreed business plan ▪ New staff not in agreed business plan 	<p>CEO</p> <p>CEO</p> <p>Directors</p> <p>CEO</p> <p>Board</p> <p>CEO</p> <p>FAC</p>	<p>Financial Protocols supporting WMLB Scheme of Delegations</p>
<p>Emergency Approvals:</p> <ul style="list-style-type: none"> ▪ Emergency approvals or variations to procurement policy based on a justification and recommendation from the Chief Executive 	<p>3 members of FAC</p>	<p>FAC Terms of Reference</p>
<p>Income and Pricing Policy:</p> <ul style="list-style-type: none"> ▪ Approval of local authority subscriptions and any variations to such ▪ WMLB pricing policy for general services such as consultancy, training, corporate services etc 	<p>Board</p> <p>CEO</p>	
<p>Member allowances and expenses:</p> <ul style="list-style-type: none"> ▪ Advice and proposals ▪ Recommendations to Board ▪ Approval of allowances scheme 	<p>IRP</p> <p>FAC</p> <p>Board</p>	<p>IRP Terms of Reference</p> <p>Member Allowances Scheme Policy</p>

Appendix A

Approval for WMLB to act as accountable body/provide treasury function for: <ul style="list-style-type: none"> ▪ Project funding up to £75,000 per annum ▪ Project funding over £75,000 and below £500,000 per annum ▪ Project funding over £500,000 per annum 	CEO FAC Board	FAC Terms of Reference
Approval to accept grant funding: <ul style="list-style-type: none"> ▪ Contract value up to £100,000 (report to FAC) ▪ Contract value over £100,000 (report to Board) 	CEO FAC	
Bad debt write off and asset disposal: <ul style="list-style-type: none"> ▪ up to £1,000 ▪ between £1,000 and £10,000 ▪ over £10,000 	CEO FAC Board	Financial Protocols supporting WMLB Scheme of Delegations
Banking <ul style="list-style-type: none"> ▪ General Banking arrangements ▪ Authorised bank signatories ▪ Short term Banking Investment Strategy 	CEO CEO FAC	Financial Protocols supporting WMLB Scheme of Delegations
Invest, Lend or Borrow: <ul style="list-style-type: none"> ▪ Approval to invest, lend or borrow money, or acquire or dispose of land or buildings ▪ Contingent liability apportionment 	Board Board	WMLB Constitution
Insurances: <ul style="list-style-type: none"> ▪ Approval of insurance requirements and appointment of insurers ▪ Implementation of agreed cover 	FAC CEO	FAC Terms of Reference
Financial Reporting: <ul style="list-style-type: none"> ▪ File returns to HMRC, Inland Revenue, Certification Office etc 	CEO	Financial Protocols supporting WMLB Scheme of Delegations
Declarations of Interest: <ul style="list-style-type: none"> ▪ Maintain a register of DOI ▪ Monitor DOI 	CEO FAC	Register of DOI (on web)

B] Governance

<p>Democratic Arrangements:</p> <ul style="list-style-type: none"> ▪ WMLB operational plans and structures ▪ WMLB Voting arrangements 	<p>Board Board</p>	<p>WMLB Constitution and committee Terms of Reference</p>
<p>Strategic Planning:</p> <ul style="list-style-type: none"> ▪ Consultation and development of draft annual plan ▪ Review and make recommendation to Board ▪ Approval of Strategic Plan ▪ Monitoring performance against key priorities (reporting key issues to Board) 	<p>CEO FAC Board Members Panel</p>	<p>WMLB Constitution Members Panel Terms of Reference</p>
<p>Financial Management:</p> <ul style="list-style-type: none"> ▪ Scrutiny of finance, propriety and effectiveness of Assembly financial systems ▪ Recommend and monitor audit functions ▪ Approval of audit plans 	<p>FAC FAC FAC</p>	<p>FAC Terms of Reference Financial Regulations</p>
<p>Risk Management:</p> <ul style="list-style-type: none"> ▪ Strategy and monitoring (reporting key issues to Board) ▪ Implementation 	<p>FAC CEO</p>	<p>Risk Register</p>
<p>Corporate Governance:</p> <ul style="list-style-type: none"> ▪ Preparation of Corporate Governance Plan ▪ Approval/monitoring (reporting key issues to Board) ▪ Implementation 	<p>CEO FAC CEO</p>	<p>CGAP</p>

**Version 1: March 2010
Approved [date/who]**

WMLB Scheme of Delegation - Financial Protocols and Delegated Authorisations

The organisation has a Scheme of Delegation that provides the accountability framework for financial management and is approved by the West Midlands Leaders Board (WMLB).

Financial Protocols for Delegation and Separation of Duties

The Chief Executive Officer delegates authority under the following set of Financial Protocols that supports the approved Scheme of Delegation and provides scope to ensure segregation of duties; generally the Head of Financial & Business Services and the Finance Manager will authorise purchase orders and invoices for payment, CEO and Directors will authorise payments, BACS approvals and sign cheques.

Financial Protocols for Delegated Authority and Segregation of Duties		
Bank Authorisations: Chief Executive (CEO) Head of Finance (HoF) Directors (Dirs) Finance Manager (FM)	Purchase Order Authorisations: Chief Executive Head of Finance Directors Finance Manager up to 20K	Invoice Authorisations: Chief Executive Head of Finance Directors FM up to £20k
Activity	Document	Authorisation Required
Sales Invoices	Budget Holder raises sales requisition to issue invoice	HoF/FM
Sales Credit Notes	Budget Holder raises sales credit requisition to issue credit note	HoF/FM
Service Level Agreements	Drafted by HoF / FM	Authorised Signatory
Purchasing up to £20k	Purchase Requisition	Budget Holder
	Purchase Order	Authorised Signatory
	Purchase Invoices and Supplier Credit Notes	Authorised Signatory
	Purchase Credit Notes	Authorised Signatory
Payments	BACS or Cheque payments under £20k	2 Authorised Signatories
Purchasing over £20k*	Purchase Requisition	Budget Holder
	Purchase Order, Contract or Letter of Engagement	Authorised Signatories
	Purchase Invoice	Authorised Signatory

Appendix A

Activity	Document	Authorisation Required
Payments	BACS or Cheque payments over £20k	3 Authorised Signatories
Treasury Management	Approval of fund commitment to investment high interest account	3 Authorised Signatories
Transfers between WMLB bank accounts	Transfer Request (email) from HoF / FM	2 Authorised Signatories
Transfer of Payroll Funds	Instruction to bank for payroll transfer from HoF / FM	3 Authorised Signatories
Lease / Long Term Contracts (5 yrs or over)	Contract / Lease document	CEO plus 2 authorised signatories; unless under £20k then CEO plus 1
Write off small amounts on ledgers up to £1 per single incident to a maximum of £100 per annum	SAGE account statement; annotated with reason for write off and signature of FM	FM
Write off debts up to a maximum of £1,000 in value and notify CEO	SAGE account statement; annotated with reason for write off and signature of HoF	HoF
Write off debts up to a maximum of £2,500	SAGE account statement; annotated with reason for write off and signature of CEO	CEO
Write off debts over £2,500	Report setting out reason for proposed write off	CEO and Finance & Audit Committee

**Procurement over £20,000 requires a formal tender procedure requiring the involvement of HoF or FM to ensure procurement compliance and audit trail.*

Notes:

1. Funds managed on behalf of other partners or projects are done so within these delegations and adopt the WMLB financial processes and protocols unless specifically requested to adopt an alternative set of partner principles or conditions required by the funding body.
2. WMiE has its own Scheme of Delegation that is approved by the WMiE Management Committee and the CEO and Head of Financial & Business Services have delegated authorisation within this scheme.

APPENDIX B**WMLB Income & Expenditure Budget 2010-11**

<u>INCOME</u>	£
CLG Funding	1,902,552
LA Subscriptions (inc EO grant)	1,256,670
WMP, WMF, Centro and APS Subscriptions	43,098
Training & Consultancy (Surplus)	309,000
RPC Service Level Agreements & Project Fees	235,109
Employment Management Fees	21,752
Finance Fees & Staff Recharges	95,213
Bank Interest	7,000
Total Income	<u>3,870,394</u>
<u>EXPENDITURE</u>	
Establishment	
Staffing	2,468,806
Pension Contributions (Ex Ees)	49,498
Training & Health	15,000
Staff Travel & Subsistence	40,000
Member Allowances Scheme	30,000
	<u>2,603,304</u>
Premises & Operating Costs	
Premises; rent, rates, power, cleaning, facilities etc	400,249
Photocopying / Printing	30,000
Post (including franking)	17,302
Telephones, Mobiles and Fax	20,000
Stationery	10,000
Venues, Meetings & Hospitality	15,000
ICT System and Equipment	35,000
Periodical / Technical Subscriptions	4,500
Professional Fees: Audit, FRS, Legal, etc	19,700
	<u>551,752</u>
Communications & Marketing	
Publications & Marketing	12,000
WMLB Conference Activity	15,000
	<u>27,000</u>
Networking	
European & International	15,000
UK	7,000
	<u>22,000</u>
Work Programme	
West Midlands in Europe Subscription	160,500
EU Connects	10,000
Strategy / Research / Consulting	495,839
	<u>688,339</u>
Total Expenditure	<u>3,870,394</u>