



THE RUGBY BOROUGH COUNCIL

You are hereby summoned to attend a SPECIAL MEETING of the Rugby Borough Council which will be held at the TOWN HALL, RUGBY on Thursday 9th June 2016 at 7.00 p.m.

A G E N D A **PART 1 – PUBLIC BUSINESS**

1. Apologies for absence.
2. To approve the minutes of the Special Meeting of Council held on 19th May 2016.
3. Declaration of Interests –

To receive declarations of –

(a) non-pecuniary interests as defined by the Council's Code of Conduct for Councillors;

(b) pecuniary interests as defined by the Council's Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.
4. West Midlands Combined Authority.

To consider the report of the Executive Director.

DATED THIS 1st day of June 2016

Executive Director

To: The Mayor and Members of Rugby Borough Council

SPECIAL COUNCIL – 9 JUNE 2016

REPORT OF THE EXECUTIVE DIRECTOR

WEST MIDLANDS COMBINED AUTHORITY

1. SUMMARY

This report outlines the latest developments in relation to the setting up of the West Midlands Combined Authority (WMCA) and asks Council to consider whether or not to join the Combined Authority.

2. BACKGROUND

2.1 Council last considered its position on whether or not to join the WMCA at its special meeting on 8 October 2015 (see full report at Appendix 1). At that time it was resolved that the Council:

(1) will continue to engage constructively in the discussions and negotiations that will lead to the final shaping of the West Midlands Combined Authority in terms of both its internal governance and external devolution of powers from Government, whilst also continuing to look at any other opportunities which may arise;

(2) will then review its decision when the final form of the Combined Authority is known and reserves the right to withdraw from discussions if it considers that continuation would not be in the best interests of the Council or the residents and businesses that it serves; and

(3) will fully consult with all local residents before Council makes any final decision on a Combined Authority.

2.2 The impact of making a decision to join the WMCA as a non-constituent member at that time were not particularly clear but largely discussed as follows. The Council would have access to all meetings, a seat at the table and voting rights on a number of issues including:-

- adoption of a growth plan and investment strategy and allocation of some funding by the WMCA;
- all matters relating to the Super Strategic Economic Plan (SEP);
- the grant of further powers from central Government/local public bodies;
- land, spatial activity, public service reform and Local Enterprise Partnership (LEP) activity affecting our patch;

- voting on a long list of WMCA issues;
- future use of business rate retention funding;
- decisions on funding bids and allocations;
- certain aspects of transport investment;
- but all of this set in the context of a non-constituent membership fee of £25,000 for 2016/17. The level of future membership fees is currently uncertain.

3. SUBSEQUENT DEVELOPMENTS

- 3.1 Since the last report to Council on 8 October 2015, things have developed quickly and a number of authorities have since decided to join the WMCA as either constituent or non-constituent members.

The current list of constituent members is:

Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton

The current list of non-constituent members is:

Cannock Chase, North Warwickshire, Nuneaton and Bedworth, Redditch, Shropshire County, Stratford-upon-Avon, Tamworth, Telford and Wrekin, Warwickshire County, Black Country LEP, Coventry and Warwickshire LEP and Greater Birmingham and Solihull LEP

The West Midlands Police and Crime Commissioner and West Midlands Fire Service both hold observer status.

- 3.2 A number of details have become clear over recent weeks and months:

- local Authorities that wish to be part of the WMCA discussions regarding the current or future Devolution Deals in the next twelve months need to be either constituent or non-constituent members of WMCA by 10 June 2016;
- the Combined Authority is looking at managing £8 billion of infrastructure development and in order to do that would be looking at training a new generation of local labour to meet the demand;
- the Combined Authority had created an HS2 Delivery Board with responsibility for delivering contracts worth several billion pounds, starting in the next few weeks;
- not only are discussions going on regarding the current Devolution Deal 1, but bids are starting around Devolution Deals 2 and 3 and, if we want Rugby's needs to be considered, we would need to be at the table.
- the WMCA will have a key role in managing Further Education funding for those parts of the LEP areas that are in the WMCA footprint and, in order to use the

funding strategically to develop an appropriately skilled workforce, it would be done more effectively across the whole three LEP area;

- it will be much easier to have a voice and influence over the significant amount of infrastructure money available within the WMCA area and where it is spent if Rugby is within the WMCA footprint;
- as far as business rates are concerned, within the WMCA we would be part of a bigger pool and negotiations are ongoing with Government around more flexibility and possibly authority for the WMCA over this activity;
- in terms of action by the WMCA within any local authority area, the WMCA Constitution puts restrictions on taking action within a council area relating to that council's functions without its consent;
- the fact that Warwickshire County Council recently joined the WMCA on 17 May 2016, albeit as a non-constituent member (see their report at Appendix 2 for many details relating to joining the WMCA as a non-constituent member), already means that the WMCA will be making some decisions affecting Rugby and, if we choose not to become a non-constituent member, then this Council will not necessarily be a party to those discussions or decisions;
- if Warwickshire County Council subsequently decides to join the WMCA as a constituent member, this will commit the whole of Warwickshire to an elected Mayor who would be able to raise a precept, which would apply to all Warwickshire residents and potentially (subject to appropriate stakeholder approval) raise a supplementary business rate;
- clearly, if this were to happen, an elected mayor would potentially have a significant influence on Rugby, which this Council would not be able to influence if it were not part of the WMCA.

4. POTENTIAL RISKS AND BENEFITS OF JOINING THE WMCA

These risks apply whether the Council chooses to join in June 2016 or waits until May 2017.

4.1 Risks of not Joining

- Affected by decisions made by the WMCA in which we have had no direct say, particularly around planning and economic development
- Unable to benefit from being part of the West Midlands Business Rate Pool
- Unable to input into decisions relating to the development of the West Midlands Economy on the back of HS2
- Likely to be excluded from work streams on public sector reform as they develop under the current and any future Devolution Deals

- If Growth money is largely channelled through the WMCA, it may be more problematic to get external resources for any infrastructure improvements
- Rugby may become increasingly isolated as it is one of only two Warwickshire districts yet to join the WMCA
- As a standalone Council, we may find it more difficult to resource engagement around the 'Midlands Engine' as it develops

4.2 Risks of Joining

- Potential increasing commitment of finance and other resources (the £25,000 fee is only for 2016/17 – future contributions have not yet been determined)
- There is likely to be significant Member and officer involvement in the WMCA and developing Devolution arrangements
- Potential peer pressure in relation to how Rugby is developed (but bear in mind that the Duty to Co-operate applies whether or not the Council is in the WMCA).

5. CONCLUSIONS

5.1 There is still some lack of clarity around many of the potential benefits and risks associated with the WMCA, so in deciding how the Council wishes to proceed, Members may wish to take account of the following:

- A Combined Authority is about allowing local authorities to collaborate efforts to better deliver economic development, achieve more effective transport planning and more community regeneration
- Through Devolution Deals, Combined Authorities are being given the opportunity to expand their remits and take on funding and some decisions from Central Government
- The key issue then is whether membership of the WMCA will benefit (or not) local businesses and communities and the objectives/priorities of the Council
- It is likely that the influence of WMCA will be particularly relevant in relation to economic development and planning (particularly housing) issues. This will include its impact on the Council's ability to deliver on capital investment issues, particularly around infrastructure
- It is understood that the Devolution Deal will lead to an investment pool of around £8 billion over 30 years and further Devolution Deals may follow. Will it be possible to obtain benefits for Rugby from this pool and what growth money will be available for those outside the WMCA? As there really are no clear answers to this question, Members will need to consider what is most likely.

- 5.2 A key consideration for Councillors will potentially be around any alternatives. Other than the WMCA there is currently no alternative on the table. There is now no possibility of a Coventry and Warwickshire Combined Authority or a stand-alone Warwickshire County Council. The only other Warwickshire district not yet in the WMCA is Warwick District Council, so is the Council likely to lose influence if it stays outside the WMCA and without a seat at the table?
- 5.3 The Council could choose not to make a decision now and miss the 10 June “deadline”. The door to joining the WMCA does not close permanently on this date and there are likely to be further opportunities. These opportunities will, however, arise when a Mayor has been elected, the Combined Authority is much more established than it is at this stage and the opportunity to negotiate terms may have reduced. Finally, there is no absolute guarantee that the Council’s future will not become decided for it further down the line, although there has been no suggestion of this to date.
- 5.4 Members therefore need to make a decision at this meeting if they wish to join the WMCA prior to May 2017 as the deadline for entry this time around is 10 June 2016, i.e. tomorrow. It will not then be possible to join again until some time after May 2017, which is when the WMCA Mayor is due to be elected. A full time line for the creation of the Combined Authority and Mayoral Combined Authority is shown at Appendix 3.

6. RECOMMENDATION

- 6.1 Council decides whether or not to join the West Midlands Combined Authority as a non-constituent member based on the information contained in this report and Appendices.

SPECIAL COUNCIL – 8 OCTOBER 2015

REPORT OF THE EXECUTIVE DIRECTOR

WEST MIDLANDS COMBINED AUTHORITY

The 7 Metropolitan Councils in the West Midlands (Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton) intend to form a Combined Authority. They wish that Combined Authority to be based on the 3 Local Enterprise Partnerships (LEPs) of which they are members. Those 3 LEPs include not just the 7 Metropolitan Councils but also includes areas covered by local authorities in the south of Staffordshire, the north of Worcestershire and all of Warwickshire.

This report looks at the issues around Combined Authorities in order that Members can decide on how Rugby Borough Council will respond to the invitation to join the West Midlands Combined Authority.

1. BACKGROUND

- 1.1. A Combined Authority can be formed under the terms of the Local Government, Economic Development and Construction Act 2009. A Combined Authority is a public body but it is not a council. Currently it can only hold powers relevant to transport and economic regeneration.
- 1.2. The Government has announced that it intends to pursue a policy of economic growth through devolution of powers from Whitehall. It has published the Cities and Local Government Bill as part of this process.
- 1.3. The Chancellor has emphasised the role of cities and their hinterlands in driving improved productivity and rebalancing the national economy away from London. There is evidence globally that innovation and productivity is much higher in bigger cities than elsewhere. In the UK only London is big enough to feature in any league table of global major cities. The other conurbations in the UK tend to have fragmented local government (10 Councils in Greater Manchester, 7 in the West Midlands and so on). If those conurbations form Combined Authorities which collaborate on economic development and transport then the theory is that they will start to function as single units and thus benefit from the agglomeration of scale.
- 1.4. The offer from the Chancellor is, therefore, that those areas which form Combined Authorities can bid for greater powers and autonomy in pursuit of inward investment, particularly if they have an elected Mayor.
- 1.5. Combined Authorities will not, therefore, replace existing Councils – this is about local government working together across boundaries in pursuit of agreed objectives, it is not about local government reorganisation. Member Councils will continue to deliver services to their residents and to retain their civic identity.

- 1.6. Combined Authorities will also not replace Local Enterprise Partnerships which are formed of local authorities and business. These would operate in partnership with Combined Authorities, in pursuit of those shared objectives around inward investment.

2. WHAT RELEVANT BODIES IS THE COUNCIL CURRENTLY A MEMBER OF?

- 2.1. The Council is a member of the Coventry and Warwickshire Local Enterprise Partnership, along with Coventry, the 5 Warwickshire Districts, Warwickshire County Council and businesses.
- 2.2. The Council is a member of the Shadow Economic Prosperity Board for Coventry, Warwickshire and South West Leicestershire. This was formed in 2014 as a result of the commitment that the constituent Councils gave in signing up to the Coventry and Warwickshire City Deal in 2013.
- 2.3. As has been said, there is no direct reason for the Coventry and Warwickshire LEP to be prejudiced by the West Midlands Combined Authority, however the same cannot necessarily be said about the Economic Prosperity Board and City Deal given Coventry City Council's intention to be a constituent member of the Combined Authority.
- 2.4. There are currently no alternative models of Combined Authorities for this Council to consider. The Government's Communities and Local Government Department (DCLG) has confirmed that as Coventry has opted to be part of the West Midlands Combined Authority it cannot be a part of any other Combined Authority proposal.

3. GOVERNANCE

- 3.1. The West Midlands Combined Authority will comprise of the 7 Metropolitan Councils. Only those Councils that a Combined Authority geographically covers can be full members. They are styled Constituent Members and form the core of the decision making body of the Combined Authority. By law, the Constituent Members of the Combined Authority have to form the majority.
- 3.2. Associate membership is available for those other Councils within the 3 LEP area but outside the metropolitan core. This includes the areas covered by the following Councils – in Staffordshire Cannock Chase, Lichfield, Tamworth, East Staffs; in Worcestershire Wyre Forest, Bromsgrove and Redditch; in Warwickshire all Districts and Boroughs.
- 3.3. This associate membership is called Non-Constituent Membership. These Councils are outside the Combined Authority but closely associated with it and their role is defined by local agreement with the Constituent Members. Non-Constituent Members will attend Combined Authority Meetings, share in a strategic approach to policy development and take advantage of any future devolution of powers from Government.
- 3.4. It is the intention of the Constituent Members of the Combined Authority that the Non-Constituent Members (District Councils and the 3 LEPs) will have

voting rights. At present, this is not allowed under law but can be agreed locally under the Constitution.

- 3.5. The Combined Authority will also be forming a Joint Committee to incorporate a wider community of interest. A District Council that is not a Non-Constituent Member could still be a member of this Joint Committee, but could not have any voting rights.
- 3.6. As mentioned at Paragraph 3.1 above, within current legislation it is not permissible for Non-Constituent Members to outnumber Constituent Members. Clarification is being sought by the 7 Constituent Members as to whether this requires a numeric majority or if it can be achieved by weighting. The current proposal for voting rights being favoured by the 7 Metropolitan Leaders is as follows. It is believed that anywhere between 3-10 District and Borough Councils will accept the invitation to join the West Midlands Combined Authority (see Appendix 2 for decisions of other councils to date). Together with the 3 LEPs that have already agreed to join this makes a maximum of 13 Non-Constituent Members and a maximum of 13 Non-Constituent votes. This would mean that each of the 7 Constituent Members would simply require 2 votes each or 2 representatives to achieve a majority and comply with current legislation.
- 3.7. Reference was made in Paragraph 1.4 to the devolution of powers to Combined Authorities with a directly-elected Mayor. In the case of the West Midlands the powers of such a Mayor (who would also function as the Police and Crime Commissioner) would only extend to the 7 Metropolitan Council core and not to across the areas of any Non-Constituent Members.

4. HOW MIGHT A NON-CONSTITUENT MEMBER BENEFIT?

- 4.1. There is a cost to the membership of this club – it is being suggested that the subscription for a District Council should be £10,000 for the remainder of 2015/16 and £25,000 in 2016/17 onwards. What might the returns be?
- 4.2. The whole intention of a Combined Authority is to grow the economy of its area and any proposed Combined Authority has to be able to demonstrate that it would operate across an area with a functional economic geography. On 5th March 2015 Members were invited to a presentation on the (then) emerging West Midlands Combined Authority which, amongst other things, illustrated the economic geography binding the West Midlands. It also showed that degree of self-containment was increased if the wider West Midlands (i.e. the Non-Constituent Member areas) beyond the urban core was included. That is principally why the 7 Metropolitan Councils want to extend the reach of the Combined Authority to cover the 3 LEPs – the functional geographic ties are that much stronger.
- 4.3. Of course Rugby has economic links to other parts of the country, indeed the world, but there is no doubt that it has strong ties to the West Midlands. Members have previously received copies of the Launch Statement (issued on 6th July 2015) for the West Midlands Combined Authority which sets out its broad objectives. A further copy is attached as Appendix 1. It might

reasonably be concluded that the realisation of these objectives would be of benefit to Rugby residents and businesses.

- 4.4. The precise terms of devolution from Whitehall to a Combined Authority are achieved by negotiations with Government. The West Midlands Combined Authority has submitted its “ask” to Government and it is understood that negotiations on it are continuing. This “Draft for Negotiations” was subject to strict confidentiality which this Council has scrupulously observed. However, it has been leaked to the press and is now “in the public domain”. Negotiations on the draft were supposed to have been concluded by 19th September but appear to be ongoing – a situation that is bound to give rise to some conjecture.
- 4.5. It looks at the powers that would be devolved to a Mayor (covering the 7 Metropolitan Councils), powers to the Combined Authority itself and powers and benefits to the wider 3 LEP area. Due to that confidentiality these cannot be replicated here, but the following precis has been authorised:
- Securing greater local control of funding;
 - Transforming growth through HS2 and enhanced connectivity;
 - Transforming land supply;
 - Revitalising the housing market;
 - Transforming the education, employment and skills system;
 - Transforming business support and inward investment;
 - A national pathfinder for innovation;
 - Creating a Midlands Magnet, investing in quality of life; and
 - Transforming public services and closing the public funding gap.
- 4.6. It is difficult to set down costs and benefits that might accrue to a Non-Constituent (or, indeed, a Constituent) Member of a Combined Authority at this stage because the precise terms of the devolved relationship with Government are not yet known. Furthermore, much will depend on the appetite of the private sector to invest over time which will be determined in part by the state of the national and international economy. In relation to long term benefits it is probably fair to say that a leap of faith is required. It may seem that benefits will accrue from councils in an area of functional economic geography working together in terms of joined-up inward investment and transport and enjoying devolved powers and funding from Government – but those benefits cannot be mapped in advance with absolute certainty.
- 4.7. One area where there is becoming a bit more certainty is Business Rates. Rugby Borough Council is currently a member of the Coventry and Warwickshire Business Rates Pool. The financial benefit of a business rates pool is to reduce or eliminate the levy payable to Government on locally-generated business rate growth. Given that both Coventry City Council and Nuneaton and Bedworth Borough Council have already expressed their intention to accept the invitation to join the West Midlands Combined Authority, it can reasonably be assumed that both will exit the current pool in favour of a larger West Midlands Business Rates Pool. It is not yet clear whether this would happen in time for 2016/17 or would need to wait until the 2017/18 financial year. This will have financial implications for the remaining

councils in the current pool as the pool would not be able to reduce the levy payable to Government to the same extent as it would with Coventry in it. Based on 2015/16 estimates, it has been estimated that this could leave Rugby around £186k per annum worse off due to the reduced benefit of being in a part Warwickshire-only pool.

- 4.8. Recent detailed business rate modelling across all of the authorities involved in discussions to join the West Midlands Combined Authority has shown that there could be significant benefit in forming a West Midlands Combined Authority Business Rates Pool. Many options for allocating business rate growth have been considered, but the one which seems to have become most favoured across the partners would result in Rugby being around £300k per annum better off than under the current Coventry and Warwickshire Business Rates Pool arrangements.

5. WHAT HAPPENS NEXT?

- 5.1. The Constituent Members of the proposed West Midlands Combined Authority need to approve “the scheme” at a full Council meeting prior to 20th October 2015.
- 5.2. Bodies (District Councils and LEPs) that wish to be named as Non Constituent Members need to make such a decision prior to 12th October 2015.
- 5.3. The Secretary of State will then consider the application having regard to issues such as its economic geography, its “asks” and “offers” and the governance arrangements.
- 5.4. The Council has contacted DCLG about a potential exit strategy prior to the formal designation of a combined authority. This could be if the current negotiations and the potential benefits of joining the West Midlands Combined Authority do not prove compelling enough for the Council to wish to continue on this course. Following conclusion of the negotiations with Government, and the Secretary of State subsequently putting a scheme for the West Midlands Combined Authority out to formal public consultation, there would still be the opportunity for non-constituent members to exit prior to the laying of the Order to designate the West Midlands Combined Authority by the Secretary of State. This is a key point as it means that the decision taken by Council tonight could allow us to remain at the table while negotiations are being concluded and the potential benefits for the Borough become clearer.

6. CONCLUSIONS

- 6.1. The Government is clearly supportive of the principle of combined authorities, it has made clear its intention to devolve powers away from Whitehall and to local government, but only where there is an appropriate combined authority in place.
- 6.2. The metropolitan authorities within the West Midlands have confirmed their intention to form such a combined authority. They will be its constitutional

members and they will be required to have a directly-elected Mayor if government is to delegate powers to them.

- 6.3. The 7 metropolitan authorities are in 3 different LEPs and they wish to create a combined authority based on those 3 LEPs. They have therefore invited the relevant District and Borough Councils in those LEPs to join the combined authority. Any District that joins on this basis will be a non-constituent member and will be outside of the jurisdiction of the elected Mayor. The leaders of the metropolitan authorities have said that they wish to see the Districts as equal partners however under the legislation as it currently stands this is not possible in governance terms. For instance the Government is clear that it will not sanction an arrangement where non-constituent members could out vote the constituent members. It is possible that this could change over time – the mets. have signalled their intention to seek a change in the legislation – but at the present time that is the basis on which Districts would “join” the combined authority.
- 6.4. Many of the organisational structures of which this Council is currently a member also include Coventry. As Coventry will be joining the new combined authority the continuation of some of those structures is questionable. Of particular relevance is the business rates pool – and the financial implications of its demise consequent upon Coventry’s and Nuneaton and Bedworth’s withdrawals are discussed in the report at Paragraphs 4.7 and 4.8.
- 6.5. There are many unanswered questions at the present time around potential membership. Some of these arise because the legislation around combined authorities clearly envisaged membership being restricted to metropolitan authorities and it is not always easy to fit Districts into this architecture. Additionally membership of a combined authority does require a leap of faith; the advantages accruing from the devolution of powers from central government cannot be quantified with certainty in advance, indeed some may only become apparent (if at all) over a period of a considerable number of years. There is, perhaps, more certainty around the financial dis-benefits of not joining from a business rate perspective.
- 6.6. Clearly there remains considerable uncertainty around the proposed West Midlands Combined Authority. There is uncertainty about internal functions, there is uncertainty around what the Government will be prepared to devolve to it and, given the protracted negotiations with the Government, there may even be uncertainty about the project itself coming to fruition.
- 6.7. It is difficult at this stage to describe with certainty what benefits membership would bring to Rugby Borough Council and the residents and businesses that it serves. Some of these benefits may only become apparent over a considerable period of years, though there is arguably more certainty around the shorter term financial advantages that would accrue from membership of the Business Rate Pool (as described in Paragraphs 4.7 and 4.8 of this report).

- 6.8. The West Midlands Combined Authority has made it clear that any councils that resolve to not become members will be excluded from subsequent discussions – a not unreasonable stance to take.
- 6.9. DCLG has also been clear in advising that a Council which resolves to join on the basis of information currently available as a Non-Constituent member can exit the Combined Authority if it subsequently determines that the final form that Combined Authority takes is not in its best interest.
- 6.10. On balance, it is considered that having a seat at the table and being in a position to seek to influence the shape of the emerging Combined Authority would be more likely to be in the Council's interest than resolving now to have no further part in it.

7. RECOMMENDATIONS

- 7.1. The Council will continue to engage constructively in the discussions and negotiations that will lead to the final shaping of the West Midlands Combined Authority in terms of both its internal governance and external devolution of powers from Government, whilst also continuing to look at any other opportunities which may arise.
- 7.2. The Council will then review its decision when the final form of the Combined Authority is known and reserves the right to withdraw from discussions if it considers that continuation would not be in the best interests of the Council or the residents and businesses that it serves.

WARWICKSHIRE COUNTY COUNCIL

17 MAY 2016

WEST MIDLANDS COMBINED AUTHORITY

REPORT OF THE STRATEGIC DIRECTORS FOR COMMUNITIES AND RESOURCES

Recommendation(s)

1. That the Warwickshire County Council becomes a non-constituent member of the West Midlands Combined Authority with a view to negotiating the basis of an acceptable deal on which Warwickshire could become a constituent member;
2. That the Leader of the Council be nominated as the County Council's representative on the West Midlands Combined Authority;
3. That the Strategic Directors for Communities and for Resources are authorised to take any action that they consider necessary to implement the Council's decision;
4. That the budgetary provision for non-constituent membership of £25,000 be met for 2016/17 from the Capacity Building Reserve and that for subsequent years be included as part of the budget making proposals for 2017/18 onwards; and
5. That a further report is brought to a future Council meeting clarifying the position reached and the planned next steps.

1.0 Key Issues

- 1.1 On 23rd February 2016, Council considered a notice of motion regarding the West Midlands Combined Authority. At the conclusion of the debate, the Council resolved;

'That the Council should now explore fully the option of joining the WMCA as a constituent member. Officers should be tasked with developing a full business case, bringing it to Council within a period not exceeding six months and with a target of three months'.

- 1.2 The work to explore the option of joining the WMCA as a constituent member is ongoing and a devolution officer team led by the Strategic Director for Communities and the Strategic Director for Resources has been established and is meeting regularly. The two lead Strategic Directors have also been engaging in dialogue with WMCA Chief Executive leads to help understand what becoming a member of the WMCA would mean for Warwickshire. This has included meetings with the following WMCA Chief Executive leads and other lead officers:

- Mark Rogers, Birmingham City Council - Lead Devolution Negotiator for WMCA
- Keith Ireland, Wolverhampton City Council - Governance Lead and Monitoring Officer
- Martin Reeves, Coventry City Council - CEO ,WMCA SEP & Long Term Vision Lead
- Jan Britton, Sandwell MBC COO, Finance and Constitutionality Lead
- Paul Dransfield - Birmingham City Council, Strategic Director Major Projects and Programmes
- Chris Tunstall, City of Wolverhampton Council - Adviser to the WMCA
- Richard Parker and James Daly, PWC – Lead advisers to the WMCA

There has also been a meeting between the Council's Head of Finance and Birmingham City Council's Director of Major Projects and Programmes.

- 1.3 The WMCA devolution deal is part of the first wave of devolution deals following the 38 bids received by the Government in September 2015. The first phase for the West Midlands is the non-mayoral arrangement. The deal for this phase ('Devo 1') was agreed on 17th November 2015 and has three main strands:
 - 1.3.1 The additional £36.5m pa over 30 years allocated to the WMCA to support investment and contribute towards a £8bn investment programme;
 - 1.3.2 Devolved budgets from Government to the WMCA for transport of circa £100m pa of existing money largely from the West Midlands Integrated Transport Authority and constituent member maintenance budgets which will be consolidated to enable local decisions to be made around maintenance and infrastructure schemes; and
 - 1.3.3 New powers enabling the WMCA Mayor, with the agreement of the relevant LEP Boards, to raise income by creating supplementary business rates up to a cap within the mayoral geography and through the power of the mayor to precept for mayoral functions and within the mayoral geography only.
- 1.4 Appendix 1 is a WMCA document which sets out the key points of the devolution agreement. The agreement is subject to ratification by all 7 constituent members and the appropriate Order being approved by both Houses of Parliament under the Cities and Local Government Devolution Act 2016 (which came into force on 28th March 2016) and then the Order formally being made by the Secretary of State. Upon the signing of the Order by the Secretary of State, the new combined authority will formally come into existence.
- 1.5 We understand that the constituent member Councils will all have approved the WMCA devolution deal within the coming weeks. This will enable the Order to be laid before Parliament during May to enable the WMCA to be in place from 1st June 2016, which is the WMCA's published launch date. This

Order will not include provision for the agreed elected mayor. This will be the subject of further negotiation between Government and the WMCA and will be implemented via a further Order at a later date with a view to mayoral elections taking place in May 2017.

- 1.6 The second part of the statutory process relates to the mayoral arrangements. We understand that a draft scheme for a mayoral WMCA is being worked up now and this will be the subject of consultation by the DCLG over the summer period. The scheme sets out the functions and powers of the mayor and will ultimately require approval of both Houses of Parliament. All constituent and non-constituent members of the WMCA will be named in the mayoral scheme. The introduction of a mayoral model will also require formal approval of the Mayoral Order by both Houses of Parliament in due course and for the Secretary of State to sign the Order. This enables the mayoral elections to take place and must be done at least 6 months before the elections which are expected in May 2017.
- 1.7 We have been told that as a result of this timeframe, 10th June 2016 is the deadline which has been given for the WMCA Shadow Board to consider additional membership prior to the mayoral scheme going out to consultation. A decision after this date would be too late to enable the membership details in the draft scheme to be amended in time for the consultation. The timeframe the WMCA is working to is based on the expectation that all relevant approvals (of the scheme and the mayoral order) by both the Government and the constituent members will be in place before the end of 2016 to enable the mayoral elections to take place in May 2017.
- 1.8 As set out above, Devo 1 has been already agreed. However the devolution agenda is moving at a fast pace and with its increasing membership and Devo 1 implementation plans in progress, the WMCA has been invited by HM Treasury to plan for and prepare its Devo 2 requirements, including what additional elements of devolution, potentially involving greater fiscal powers, could be negotiated with Government. The Government's expectation is that each 'Devo Deal' will generate further 'deals' over time, each building on the last one as a progressive process. The Government has already indicated its commitment to continue working with the West Midlands into the future on other aspects of devolution (including policing, mental health, troubled individuals and youth justice); the intention being that these would be included in any Devo 2 negotiations. Consideration of Devo 2 is running in tandem with the statutory process to create a mayoral combined authority.
- 1.9 This effectively means that the Council now has a short window of opportunity to be included in the draft scheme, enabling us to take part in Devo 2 negotiations, if the Council chooses to do so (noting that the full benefit of any Devo 2 agreement will largely accrue to constituent members in the first instance). Joining as a non-constituent member would mean that the next opportunity for the Council to join as a constituent member would not arise until after the mayoral elections in 2017 at the earliest. Joining in this capacity would be subject to the outcome of any ongoing work which would be needed to explore the business case and negotiate any terms of a deal and the governance arrangements for Warwickshire's admission on a constituent member basis, should that be the preferred way forward in the future.

2.0 Options and Proposal

2.1 As set out in previous reports, the Combined Authority's area covers the whole of the seven constituent authority areas. This is despite the non-constituent membership extending beyond this geographical area. These areas are:

- Birmingham City Council
- City of Wolverhampton Council
- Coventry City Council
- Dudley Metropolitan Borough Council
- Sandwell Metropolitan Borough Council
- Solihull Metropolitan Borough Council
- Walsall Council

Appendix 2 contains summary information of each constituent member.

2.2 At the time of drafting the constitutional documents, the Combined Authority consisted of 15 members. This was comprised of 7 constituent authorities (listed above) and the following 8 non-constituent authorities/bodies:

- Cannock Chase District Council
- Nuneaton and Bedworth Borough Council
- Redditch Borough Council
- Tamworth Borough Council
- Telford and Wrekin Council
- Black Country LEP
- Coventry and Warwickshire LEP
- Greater Birmingham and Solihull LEP

2.3 Since that time, Stratford-on-Avon District Council on 25th January 2016 decided to join the WMCA as a non-constituent member, and on 6th April 2016, Shropshire Council voted similarly. This would bring the potential number of non-constituent members to 10. We understand the West Midlands Police and Crime Commissioner and the West Midlands Fire Service hold observer status.

2.4 There are 4 possible avenues open to the Council at this stage. These are:

- Option 1 Not to pursue membership of the WMCA on any basis
- Option 2 To seek non-constituent membership
- Option 3 To seek non-constituent membership with a view to negotiating the basis of an acceptable deal on which Warwickshire could become a constituent member
- Option 4 To seek constituent membership

2.5 *Option 1* - As the next stage of the process formalises the mayoral arrangements, we understand that a decision not to pursue membership on any basis at this stage would mean that we would not be included in the draft mayoral scheme currently being drawn up. As a result, we understand that this would defer any possibility of Warwickshire's admission as a constituent or non-constituent body until after the mayoral elections in May 2017 at the

earliest. Warwickshire would therefore not play a part in (or benefit from) the negotiations with Government around Devo 2 which are expected to take place over the summer and into the autumn. Nor would Warwickshire be able to exert an influence over decisions which the WMCA will likely take following its establishment in June, such as the setting of the WMCA strategic economic plan and the wider investment strategy. This may negatively impact on the ability for Warwickshire to secure Local Growth Funding, and engage in wider activities covering the “three-LEP” area contained within Devo 1. Should Warwickshire wish to join after May 2017, this would rely upon the willingness of the WMCA, the Mayor and Government for existing deals and governance arrangements (including the timing of our admission) to be opened up and renegotiated to include Warwickshire and any provisions which it would be important for Warwickshire to secure as a non-metropolitan area. It is likely that by this stage Devo 2 will have been agreed.

2.6 *Option 2* - The Council could seek membership of the WMCA as a non-constituent member at this point without any commitment being made as to whether its future membership status would alter. Joining as a non-constituent member would give the Council a seat around the table, an opportunity for its voice to be heard and the needs of its own area to be considered alongside those of other authorities and the right to vote on certain specified matters (see para 3.3 below). These include the allocation of growth funding by the WMCA, the super strategic economic plan, any land activity undertaken by the WMCA within the area of a non-constituent authority and the grant to the WMCA of further powers from government or other local public bodies (such as the Police and Crime Commissioner). A decision to become a non-constituent member now would also give Warwickshire a voice in the second round of negotiation relating to Devo 2 expected over the summer and into the autumn, albeit it would be expected that the full benefit of any devo 2 agreement will largely accrue to constituent members. We have been told that if we pursue this option, we would be given rights as a non-constituent member immediately (there is precedent for this) upon our decision, even though Warwickshire would only be formally named as a non-constituent member on the mayoral Order expected in January 2017. This would also apply to Option 3.

2.7 *Option 3* – seeking membership as a non-constituent member (which as stated above, we have been told would give us rights as a non-constituent member immediately) with a view to negotiating the basis of an acceptable deal on which Warwickshire could join as a constituent member is a further option. This option would not commit the Council to ultimately becoming a constituent member, but it would be a ‘statement of intent’. It would signal to the WMCA Warwickshire’s intention to explore this option seriously. We anticipate that such a decision would secure a commitment on the part of the WMCA to negotiate and agree terms for an acceptable deal for Warwickshire, particularly given the additional weight that (both we and the WMCA lead officers have suggested) Warwickshire as a full participant could bring to further negotiations with Government around Devo 2. This option would also provide the opportunity for there to be local engagement on any proposal for Warwickshire to move to constituent member status following negotiation of the terms of admission, agreement with the WMCA and Government around the governance arrangements including the timing of any such admission and

following completion of our own due diligence exercise. The timing and detail of any future application for constituent membership would be dependent on the agreement of the existing WMCA members, the mayor (upon election) and central government. In any event it would not be possible until May 2017 at the earliest. In a very recent conversation with the Chief Executive, a lead civil servant has indicated that were Warwickshire not to be included as a constituent member in the current mayoral scheme, which will be the subject of consultation over summer 2016, then the next earliest opportunity for Warwickshire to join as a constituent member would be 2020. We understand this would be the date of the next mayoral elections after 2017. Albeit local agreement may be reached on this, our admission as a constituent member would need to be the subject of a statutory order agreed by all parties concerned.

- 2.8 For both options 2 and 3, a non-constituent membership fee of £25k per annum is payable. We have also had verbal commitment from the WMCA that should WCC decide to become a non-constituent member we would be given rights of membership immediately. The weight and influence which Warwickshire County Council would bring to the WMCA is recognised and we would be given opportunity to play a full role. The WMCA has indicated that there will be a range of thematic streams each led by a constituent member examples include *Skills and Employability; Criminal Justice; Transport Delivery*. Warwickshire would be invited to lead on one or more of these themes.
- 2.9 *Option 4* – The Council could seek constituent membership now. This would require the Council to make a greater financial commitment (£500,000 is currently paid by constituent members upon joining). Warwickshire would be named in the draft WMCA mayoral scheme, in the same way as it would be as a non-constituent member. As a constituent member Warwickshire would have full voting rights on all matters under discussion. Joining as a constituent member would extend the area of the combined authority to include Warwickshire and would be committing Warwickshire to a mayor whose remit would extend to Warwickshire, subject to what was negotiated as part of our admission. As a constituent member, the Mayor would also be able to raise a precept which would apply to Warwickshire residents and, subject to appropriate stakeholder approval, levy a business rate supplement. At present there is insufficient detail to evaluate whether joining as a constituent member would be in Warwickshire's best interests. Given the timescales planned for consultation on the mayoral scheme this option would likely mean Warwickshire signing up to constituent membership without having had the opportunity to engage in full negotiations to secure the best deal possible for Warwickshire (especially around areas such as skills and transport - for example maximising Warwickshire's position in relation to the Government's Highways Incentive funding) and without having had the necessary time to undertake its own due diligence exercise. It is of note that all of the current constituent members of the WMCA are Metropolitan councils with very different demographics and a different economic profile to that of Warwickshire. It is also important to note that the seven Metropolitan Council constituent members have been working together on the creation of the WMCA for over 12 months. If Warwickshire were to join as a constituent member, as far as we are aware, it would be the only non-unitary county

council to join in this capacity in the country. This suggests that a 'one size fits all' deal would not be appropriate for a shire county and that a different type of deal would need to be negotiated to respect these differences. We understand that this has been the case in the North East Combined Authority (NECA) where Durham, a unitary county council and constituent member, has negotiated different arrangements in respect of transport and where the Durham Police and Crime Commissioner is not part of the devolution agreement. Moving immediately to a decision in favour of constituent membership would also severely limit and inhibit the extent of local engagement that would be possible within the timescale available before making a formal commitment to constituent membership status.

- 2.10 Warwickshire is uniquely placed. Our economy is strong, diverse and prosperous. The county is strong in the fields of research & development (particularly in relation to advanced manufacturing and high performance technologies); digital and creative industries, and innovative cross-over sectors such as intelligent mobility and low carbon technologies. Warwickshire has above the national average rates of GVA per head of population (one of just three local authority areas in the Midlands) and we were identified as the strongest performing area of the West Midlands in a recent Amion Economic Growth & Competitiveness Index. Warwickshire's economy and geography are different to those of the Metropolitan areas. We would bring a very different dimension to the WMCA, in particular Warwickshire's GVA per head (£26,003) is materially higher (22% -74%) than existing constituent members except Solihull (£27,245), our JSA claimant rate is lower (0.6% to 3%) and our employment rate materially higher (6% to 17%) (see Appendix 2). Joining now as a non-constituent member would enable Warwickshire to play a full part in negotiations around Devo 2 and the potential for that to bring benefits to our area. Our clear impression is that the WMCA members recognise the benefits and the additional weight that Warwickshire could bring in terms of negotiating the next phase of devolution for the West Midlands and this could also be persuasive for Government. Not pursuing membership at this stage would deny Warwickshire a presence in those negotiations and would defer any future membership aspirations for at least 12 months and potentially longer. For these reasons, option 3 above is recommended by officers.

3.0 Implications of becoming a non-constituent member

- 3.1 There would be ongoing financial implications of becoming a non-constituent member; these are not significant. As we understand it, a contribution of £25,000 is paid by non-constituent members upon joining. The current transitional contribution rate for constituent members upon joining is £500,000. Ongoing future annual payments have not yet been fixed.
- 3.2 Joining as a non-constituent member does not mean that the Combined Authority area is extended to include the areas of the non-constituent councils. Therefore the extent of the Combined Authority's powers remains limited to the area of the 7 constituent members and, if Warwickshire became a non-constituent member, the Council would remain independent retaining all of its current powers. The WMCA would not be able to impose decisions on the Warwickshire area and would not be able to take decisions in relation to

any functions for which the County Council is responsible. Nor, as a non-constituent member, would the Council's functions come under the remit of the future West Midlands Mayor (due to be elected in May 2017).

- 3.3 The WMCA's current draft constitution (Version 4) sets out the voting arrangements. In summary:
- (i) Each constituent authority has the right to appoint 2 members (14 in total)
 - (ii) Each non-constituent authority has the right to appoint 1 member (currently 8)
 - (iii) All members have one vote each (where they are eligible to vote)
 - (iv) The quorum for WMCA meetings is at least one member from 5 separate constituent councils
 - (v) There is no casting vote
 - (vi) All WMCA decisions require a 2/3 majority of the constituent members present and voting. The intention however is for consensus.
 - (vii) Some decisions require the unanimous consent of the constituent members present and voting (SO19.5) – set out in Appendix 3.
 - (viii) The matters on which the WMCA has decided the non-constituent members will be able to vote are set out in Appendix 4
 - (ix) Decisions of the WMCA can be called-in by 5 constituent members (from 5 different councils) of the overview and scrutiny committee.
- 3.4 The requirement for a 2/3 majority of the constituent members would still apply to those matters on which the non-constituent members can vote. The non-constituent members would not be eligible to vote on other matters outside of this list however there are speaking rights for all members on all matters at WMCA meetings. This provides non-constituent members with the ability to influence, if not vote, on all matters under discussion. (SO18.1).
- 3.5 Under the WMCA constitution, each non-constituent authority has the right to be represented by at least one member on any overview and scrutiny committee established as part of the WMCA governance arrangements. The majority of members of the overview and scrutiny committees must come from the constituent authorities.
- 3.6 The WMCA's audit committee also provides for non-constituent representation on the audit committee which will comprise 4 constituent member representatives and 3 non-constituent representatives.

4.0 Future Issues

- 4.1 The current WMCA devolution deal proposes a number of areas for further exploration, which are not part of the current deal, i.e.
- 4.1.1 Proposals for an appropriate relationship between the functions of a Mayor and future role of the Police and Crime Commissioner (PCC), including in relation to fire services, subject to local consent and a business case developed jointly by the PCC and council leaders, and in consultation with the Fire and Rescue Authority. For the WMCA this involves the West Midlands Police and Crime Commissioner and (subject

- to appropriate legislation being passed) the West Midlands Fire Authority.
- 4.1.2 The Government's review of the youth justice system will work with the Combined Authority Shadow Board to consider scope for further devolution of youth justice services to the region, and will look for opportunities to work with the region to test the review's proposals.
- 4.1.3 The Government will engage with the Combined Authority Shadow Board to discuss the outcomes of their Mental Health Commission (which is expected in July 2016).
- 4.1.4 The Government and the West Midlands Combined Authority will work with the East Midlands to take forward the Midlands Engine project to secure wider transport investment and growth.
- 4.2 The draft mayoral scheme will need to be considered in due course to determine how the proposed mayoral combined authority arrangements may impact on the current constitutional arrangements.
- 4.3 A further report will be brought to the Council to provide an update on the progress made and planned next steps.

- Appendix 1 Summary of WMCA devolution agreement
Appendix 2 Summary of WMCA constituent councils
Appendix 3 Decisions requiring unanimous consent of the Constituent Authorities
Appendix 4 Matters on which non-constituent members may vote

APPENDIX 1 - SUMMARY OF WMCA DEAL

WMCA Devolution Agreement

Key Points

The proposed agreement takes forward the founding principles set out in the WMCA launch document published in July 2015:

- It confirms and endorses our commitment to work together across a three-LEP geography to secure our objectives
- It focuses on the issues that really matter to the people and businesses of the West Midlands: growth, jobs, skills, transport and home
- It recognises that economic growth for the West Midlands is part of the wider Midlands Engine
- It gives us the ability to create a substantial investment programme and to make the investments that we decide will have the biggest benefit for the West Midlands
- It enables us to start work with government on our public service reform agenda
- It supports and strengthens our commitment to partnership with the private sector

The agreement is the first step towards:

- Local control of investment plans and funds for West Midlands priorities (transport and land reclamation for housing and employment)
- Local control of adult skills provision
- A local employment service
- The development of new devolved approaches to mental health, troubled individuals and youth justice services
- Control over a more integrated local public transport system and influence over strategic road network planning
- A devolved business support and inward investment system
- An integrated locally-led approach to public sector land and property – One Public Estate.

It will support an £8bn ten year investment plan to get the West Midlands moving and drive local growth.

The £8bn investment plan will be funded from a 30 year revenue stream from government, specific devolved funding streams such as local transport, private sector investment and locally generated funds, for example from business rate retention, our enterprise zones, borrowing and private sector investment. This is in addition to any future Local Growth Fund allocation to the three LEPs, which will not be affected by this agreement.

The agreement provides for a contribution to our investment fund of £36.5m per year over a 30 year period from government and grant support for the £97m Adderley Park Metro extension (which is equivalent to an additional £4.3m per year over the period – making an overall contribution worth over £40m per year). In addition the agreement includes other devolved funding streams.

Expansion of our enterprise zones and creation of new zones will provide further investment funding across the region. Government will finalise decisions at the Spending Review but the agreement contains a commitment to expand the Birmingham City Centre Enterprise Zone to take in the Curzon regeneration area.

Benefits for every part of the area:

Our local investment priorities - devolution means we will get the power to make our own decisions about investment in the West Midlands. This will ensure balance and region-wide benefits for communities and businesses alongside effective targeting of resources on strategic priorities. All areas will benefit, be they areas for new employment, those that will benefit from new jobs or skills training, areas for new homes or places that will be better connected.

□ The £4.4bn HS2 Growth Strategy to ensure maximum economic benefit from the HS2 investment. This will include the Curzon Masterplan, our priority for expansion of the metro network east and west, from Brierley Hill to the HS2 Interchange station, the UK Central infrastructure package, including new transport links to Coventry and enhancing the HS2 supply chain. The 20 HS2 Connectivity schemes will ensure that nowhere in the WM is more than 40 mins from an HS2 station

□ The UK Central-Coventry scheme will provide a road and public transport link from the HS2 Interchange station to Coventry as well as further specific

investment of £150m in the regeneration of Coventry city centre

- A £200m land remediation fund. This will enable brownfield land to be brought back into use for housing and employment, and will particularly benefit the Black Country through the redevelopment of brownfield sites
- A £500m housing investment fund (mainly locally funded). This will be brought forward to support the development of new homes.
- A £1bn Collective Investment Vehicle (locally funded) to help companies invest and grow
- A £30m employment, education and skills programme for the three LEP area

Half a million new jobs:

- The deal will enable the delivery of the Super SEP across all three LEPs, which has the potential to help support the creation of up to 500,000 new jobs.
- The power to make HS2 benefit the people of the West Midlands. The HS2 Growth Strategy alone will create an additional 100,000 new jobs. Better training and improved skills – enabling local people to get the jobs on offer
- Better skills planning and a local strategy – identifying the skills that local people need for the jobs that local businesses need to fill
- Local control of public funding for adult skills training by 2018/19 – meaning local decisions about what training to invest in
- Better employment support – working with a range of government departments, including DWP to co-commission the Work Programme, building on the expertise of local councils. The deal is also the first stage in the development of a better, locally run system of support for people who find it the hardest to get back into work.

Better public services – helping people into the labour market and reducing the public finance gap

- Pioneering a new approach to mental health for the whole country – a new Mental Health Commission, chaired by Norman Lamb MP and supported by NHS England and Public Health England
- A new approach to troubled individuals – working with DWP to design a new system for people with complex dependencies and then piloting new ideas in 2016
- Reforming the youth justice system – building on the nationally recognised work of West Midlands Police, designating the West Midlands as an accelerator site for testing and developing youth justice reform.

Better business support services to accelerate innovation and growth:

- Government will work with the 3 LEPs to develop an integrated business support system linked to the Growth Hubs that joins national and locally funded activity in a seamless manner, making it simpler for business to access and benefit from services
- A devolved approach to delivering national business support schemes will be in place by 2017, linked to support for start-ups, growth companies, and those needing access to finance
- Developing an integrated national and local support structure for businesses wanting to invest in the WMCA area, focused on sectors of national strength such as advanced engineering linked to auto, rail and aerospace. This will be supported by the joint planning and promotion of a portfolio of regeneration sites for future investment
- A jointly agreed West Midlands Export support plan. A devolved approach to business support from 2017, including start-ups and business finance.

More and better homes:

- Devolved compulsory purchase powers, to help drive housing delivery
- A Land Commission to develop ways to make more land available for employment and housing use
- A locally managed housing investment fund

Faster, more convenient and affordable transport:

- A bigger and more certain budget – over £5bn of investment over ten years, integrated and locally controlled
- Getting back control over buses - controlling fares and ensuring they run when and where people need them
- One smart ticket, allowing passengers to use any combination of bus and rail across the region and an integrated travel information service
- Better integration between local and national transport networks through joint working with Highways England and Network Rail. This includes working with the government to examine ways to reduce congestion on the strategic road network
- Powers to regulate freight vehicles to improve safety and to create Clean Air Zones to achieve Air Quality Plan objectives

APPENDIX 2 – SUMMARY OF CONSTITUENT MEMBERS

(Not included)

APPENDIX 3 - DECISIONS REQUIRING UNANIMOUS CONSENT OF THE CONSTITUENT AUTHORITY MEMBERS PRESENT AND VOTING

- (i) approval of land use plans;
- (ii) such other plans and strategies as determined by the Combined Authority;
- (iii) financial matters which may have significant implications on Constituent Authorities' budgets;
- (iv) approval of borrowing limits, treasury management strategy including reserves, investment strategy and capital budget of the Combined Authority;
- (v) agreement of functions transferred by the Constituent Authorities to the Combined Authority;
- (vi) any change of voting rights to all or any Member appointed by a Non-Constituent Authority;
- (vii) approval of specific proposals for individual co-optees to the Combined Authority;
- (viii) use of general power of competence within the Local Democracy Economic Development and Construction Act 2009, including in relation to spatial strategy, housing numbers and the exercise of any compulsory purchase powers;
- (ix) establishment of arms-length companies;
- (x) approval to seek such other powers as may be appropriate and any new powers granted by central government and imposed on the Combined Authority;
- (xi) material amendments to the Constitution;
- (xii) changes to transport matters undertaken by the Combined Authority. For the avoidance of doubt unanimous will be construed to mean that all Members appointed by Constituent Authorities present and voting, vote in favour of the relevant decision.

APPENDIX 4 - MATTERS ON WHICH NON-CONSTITUENT AUTHORITIES MAY VOTE

Subject to standing order 19.4, Members appointed by Non-Constituent Authorities may vote on the following matters:

- (i) adoption of growth plan and investment strategy and allocation of funding by the Combined Authority;

- (ii) the super Strategic Economic Plan strategy along with its implementation plans and associated investment activity being undertaken using funding provided to the Combined Authority;
- (iii) the grant of further powers from central government and/or local public bodies that impacts on the area of Non-Constituent Authority;
- (iv) land and/or spatial activity undertaken by the Combined Authority within the area of a Non-Constituent Authority;
- (v) public service reform which affects the areas of Non-Constituent Authorities;
- (vi) areas of LEP activity relevant to the Non-Constituent Authorities through geographical location or as part of a joint committee;
- (vii) all Combined Authority matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;
- (viii) future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;
- (ix) specific decisions to bid for and allocate revenue and capital funding provided to the Combined Authority for use in economic development activities;
- (x) investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks

Standing Order 19.4 requires a 2/3rds majority of the Constituent members present and voting for a decision to be made.

TIMELINE FOR ESTABLISHING THE WMCA

The current timeline for establishing the Combined Authority and then the proposed Mayoral Combined Authority (which would be required for the Devolution Deal) is shown below:

October 2015	Combined Authority Scheme submitted to Secretary of State for Communities and Local Government and DCLG
Jan – Feb 2016	Constituent Councils undertake consultation and send summary of responses to Secretary of State, to inform his decision to establish the Combined Authority
Feb – March 2016	Combined Authority establishment draft Order is provided to Councils for consent
March 2016	Draft Order to establish the Combined Authority is laid in Parliament
March – May 2016	Approval of devolution deal sought in Constituent Councils
May – 1 June 2016	Constituent Councils and Combined Authority approval sought for Mayoral Order (to be laid in Parliament) and Mayoral Powers Scheme (for consultation)
1 June 2016	West Midlands Combined Authority is established
10 June 2016	Final date (prior to May 2017) for new membership applications
June/July 2016	Mayoral Order laid in Parliament (prior Council consent required – no changes in membership)
27 June – 22 Aug 2016	Consultation on Mayoral Combined Authority Powers Scheme
5 Sept 2016	Consultation summary submitted to Secretary of State and DCLG
Sept – Oct 2016	Mayoral Powers Order drafted by DCLG
Oct – Nov 2016	Mayoral Powers Order provided to Constituent Councils for approval and laid in Parliament
Dec 2016	Mayoral powers incorporated into Combined Authority
May 2017	Mayoral election - full Mayoral Combined Authority comes into force