



WEST MIDLANDS COMBINED AUTHORITY

Board Meeting

Date: 9 December 2016

Time: 11.00 am

Public Meeting? YES

Venue: Mosedale Suite, West Midlands Fire Service Headquarters, 99 Vauxhall Road, Birmingham, B7 4HW

Membership

Constituent Members

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

Non-Constituent Members

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

Observers Awaiting Membership

North Warwickshire Borough Council
Rugby Borough Council
Shropshire Council
Stratford on Avon District Council
Warwickshire County Council
The Marches LEP
Herefordshire Council

Observers

West Midlands Police and Crime Commissioner
West Midlands Fire and Rescue Authority

Quorum for this meeting shall be at least one member from five separate constituent councils.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

Contact Jaswinder Kaur
Tel/Email 01902 550320 jaswinder.kaur@wolverhampton.gov.uk
Address Combined Authority, Civic Centre, 1st floor, St Peter's Square,
Wolverhampton WV1 1RL

Agenda

<i>Item No.</i>	<i>Title</i>
42	Revised Constitution (Pages 3 - 6)
91	Public Service Reform Update (Pages 7 - 16)

[PUBLIC]



WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date	9 December 2016
Report title	Approval and adoption of the revised Constitution, including new modular structure and minor amendments
Accountable Chief Executive	Keith Ireland, Clerk to the Combined Authority Tel 01902 55 4500 Email Keith.Ireland@wolverhampton.gov.uk
Accountable Employee	Andre Bromfield, Solicitor, West Midlands Combined Authority Tel 0121 214 7463 Email andrebromfield@centro.gov.uk
Report to be/has been considered by	None

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Approve and adopt the revised Constitution and structure including minor amendments.
2. Approve the revised Scheme of Delegations for the Metro Programme in order to facilitate effective and efficient operational and procurement arrangements for onward programme delivery
3. Approve and adopt the draft amendments to the Financial Regulation so as to incorporate a process for dealing with Virements following recommendation of West Midlands Combined Authority's Internal Auditor
4. Delegate responsibility for making minor amendments to the constitution to the Chair, in consultation with the Clerk to the Authority.
5. Approve the name change for Audit and Standards Committee to Audit, Risk and Assurance Committee including amendment to the associated Terms of Reference.

1.0 Purpose

- 1.1 To provide the Board with revised version of the Constitution including the draft amendments for consideration and approval by the Board.
- 1.2 To seek Board approval and to request that the revised constitution be adopted.
- 1.3 To seek approval for the amendment to the Scheme of Delegation relating to Metro.
- 1.4 To seek delegation to the Chair, in consultation with the Clerk to the Authority for the purposes of authorising minor amendments to the Constitution as required.

2.0 Background

- 2.1 As a statutory organisation, the West Midlands Combined Authority (WMCA) requires a Constitution to be in place to describe how it will operate its functions. This has been developed and revised by Legal officers from member authorities. The Constitution has been endorsed by all Constituent Councils at meetings in February/March 2016 and adopted by the WMCA board on the 29 June 2016.
- 2.2 Following the establishment of the WMCA in June 2016, the WMCA Authority's legal group have been tasked with updating the constitution to make it more easily accessible and user friendly.

3.0 Revision to the WMCA Constitution

- 3.1 In addition to the formatting changes, the following areas of the Constitution have been updated:
 - Master Module (to reflect the change of name of the Audit committee);
 - Module 2 - Audit Risk and Assurance Committee & The Terms of Reference which will be inserted at the end of module 2 at 23.3;
 - Module 12a – Scheme of Delegations;
 - Module 14 – Contract Procedure Rules; and
 - Module 15 Financial Regulations.
- 3.2 Should the Board approve and adopt the revised Constitution, further revision of the Constitution will be required in anticipation of the conferral of functions on the Mayoral Combined Authority, in order to deliver the devolution deal, subject to the making of the Mayoral WMCA (functions and amendment Order 2016 by Parliament in due course.

4.0 Next Steps

4.1 It is recommended that the Monitoring Officer keep the Constitution under review moving forward, especially in light of the anticipated imminent Mayoral developments in order to make amendments as required, in consultation with the Chair.

5.0 Financial implications

5.1 There are no financial implications flowing from the contents of this report

6.0 Legal implications

6.1 There are no further legal implications flowing from the contents of this report.

7.0 Equalities implications

7.1 An initial equalities analysis has been carried out on the related documents to the establishment of the Combined Authority, having due regard to the equalities implications and there are no specific implications linked to the recommendations in this report.

8.0 Appendices

8.1 The Constitution is available via the following link as a draft for consideration of the Board:

[Draft Constitution – Modular version](#)

[Draft Constitution – Whole Document](#)

This page is intentionally left blank



WEST MIDLANDS
COMBINED AUTHORITY

Board Meeting

Date	9 December 2016
Report title	Public Service Reform
Cabinet Member Portfolio Lead	Councillor Steve Eling – Public Service Reform
Accountable Chief Executive	Phil Loach Email phil.loach@wmfs.net Tel: 0121 380 6909
Accountable employee(s)	Phil Loach Email phil.loach@wmfs.net Tel: 0121 380 6909
Report to be/has been considered by	WMCA Programme Board

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Agree the Public Service Reform future governance structure (section 3).
2. Support work to develop proposals for savings through collaborative working and economies of scale (section 6).

1.0 Purpose

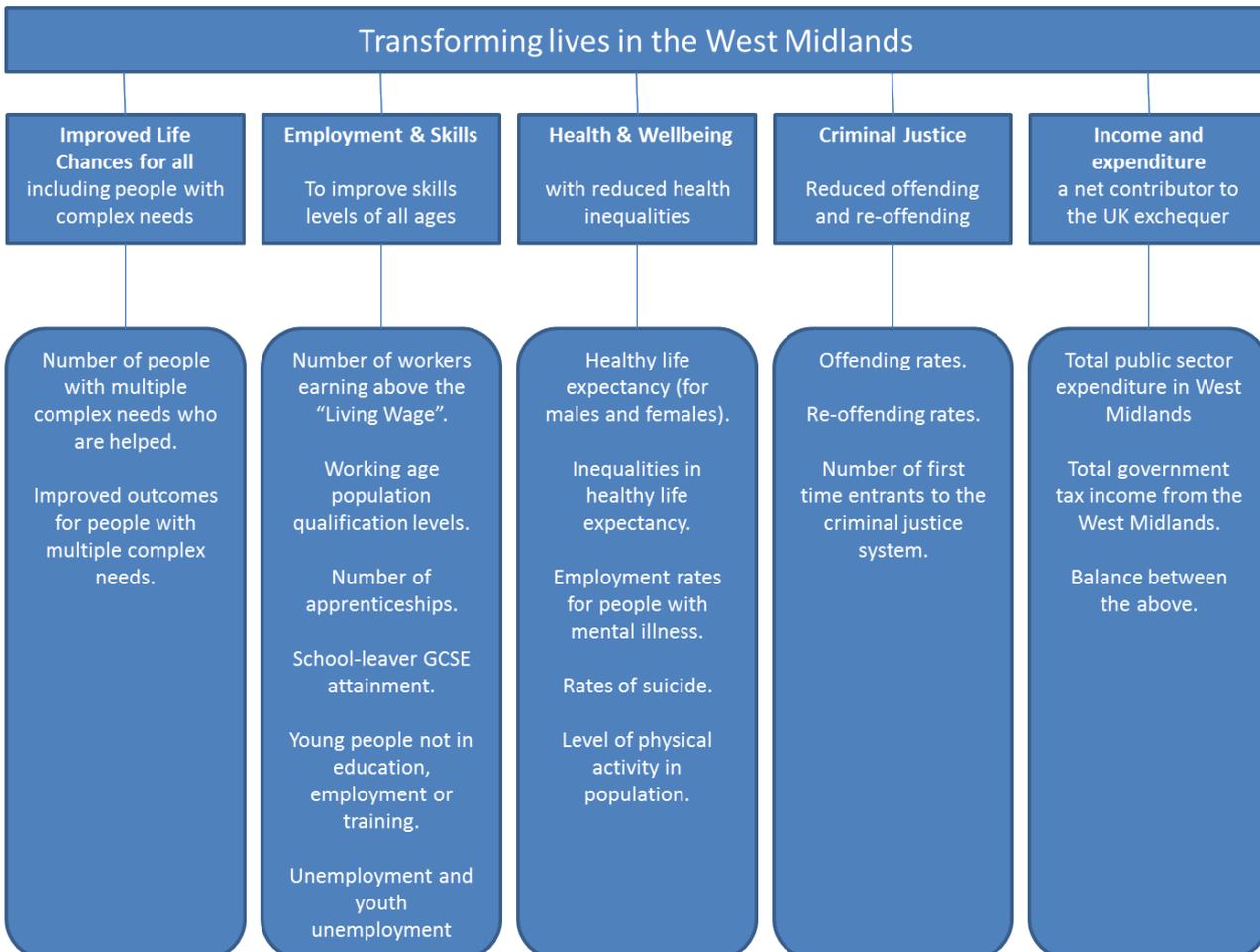
- 1.1 To agree the future governance structure for the WMCA Public Service Reform Programme and support work to develop proposals for savings through collaborative working and economies of scale
- 1.2 To agree the future governance structure for the WMCA Public Service Reform Programme enabling an integrated programme approach to accelerate momentum.

2.0 Background

Long Term Vision

- 2.1 The Strategic Economic Plan refers to PSR as “transforming lives in the West Midlands” and sets out a clear vision and set of outcomes to be achieved.
- 2.2 The overall vision is to improve the life chances of WM residents. The four areas of initial focus are: people with multiple complex needs, employment & skills, health & wellbeing, and criminal justice (Diagram 1). These themes were selected because they relate to important social outcomes, major areas of public investment, and improvements are likely to require innovative ways of working across organisations in the region.

Diagram 1: WMCA Public Service Reform Vision and Outcomes



Economic Case

2.3 Another important ambition of the PSR programme is to eliminate the gap between the costs of local public services and the tax generated by the local economy. This gap currently stands at around £4 billion per year. There are three proposed complementary approaches to delivery of this ambition:

- Increased tax revenue through growth in the economy. The SEP sets out clear targets for growth in GVA, which will be associated with significant net increases in employment and non-employment related tax income for the region.
- Early intervention and reduced dependency leading to lower overall public service costs. By taking a “whole place” approach to public service reform, built on joint investment, shared outcomes and preventative interventions, we will reduce the overall cost of public services.
- Leveraging social value from procurement. By taking a more systematic approach to social value across the procurement of the CA partners, we will access significant new resources to improve social outcomes in the region.

Progress in 2016

2.4 During the year CA partners have made important early steps in taking forward its reform ambitions. In summary:

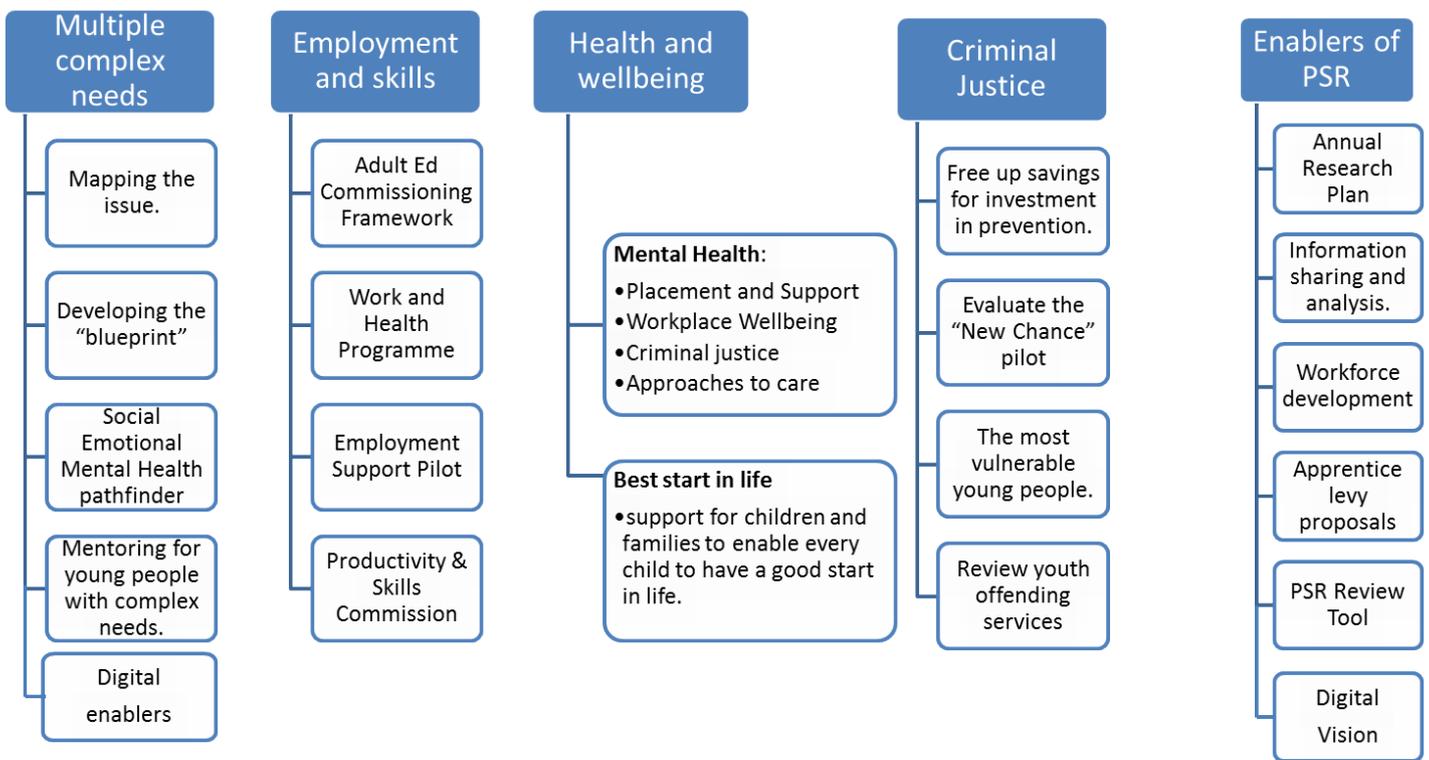
- **People with multiple complex needs:** Initial fieldwork focussed on understanding current services and user experiences has identified issues around over-complicated systems of services focused on single problems, poor information sharing, and limited emphasis on building resilience. A pilot of intensive support to particularly vulnerable children in five schools is in preparation.
- **Employment and skills:** The focus has been on setting up the Productivity & Skills Commission and delivering commitments outlined within the Devolution Agreement: preparing for devolution of the Adult Education Budget and co-design of the DWP Work & Health Programme.
- **Health and wellbeing:** The Mental Health Commission will report soon. We are also starting to work on a cross-cutting agenda which will focus local government, health, police, third and private sector organisations and other resources to design new support and services to support the “best start in life” for young people in the region.
- **Criminal Justice:** The focus for the criminal justice work is on reducing repeat offending by those with particular vulnerabilities – specifically young people and women offenders. There are clear ways to reduce re-offending in these groups (e.g. through accommodation and employment) but we need to find ways to fund these additional interventions through re-cycling savings generated for the wider criminal justice system. A pilot of new support to prevent re-offending by female offenders is underway in two areas.

2.5 In addition the PSR programme is working on the “enablers” of reform including financial arrangements (arguing for devolution of national transformation funding to the region, and virtual pooled budgets for the criminal justice system), workforce development (with an externally funded secondment of the lead academic behind the University of Birmingham’s “21st Century Public Servant” model), and robust evaluation of proposed innovations (using the “PSR Review Tool” to test business cases and manage risks).

Deliverables for the next year

2.6 The planned deliverables from the PSR Programme in 2017-18 are shown in the diagram below.

Diagram 2: Public Service Reform planned deliverables in 2017-18



3.0 Governance Structure

3.1 Governance arrangements for the programme now need to be agreed and implemented. The WMCA governance arrangements include a (member) PSR Board and (officer) PSR Executive and a PSR Working Group (Diagram 3).

Diagram 3: Public Service Reform Governance



- 3.2 The (member) PSR Board is expected to meet bi-monthly with a membership including councillors, LEP representatives and public service partners. Its purposes are to:
- advise the Combined Authority Board on Public Service Reform strategy and policy.
 - co-ordinate strategy and working group activity and work programmes.
 - present PSR models and proposals to the Combined Authority Board.
- 3.3 The (officer) PSR Executive is responsible for coordination of the PSR portfolio, together with leading design and implementation of the PSR strategy under the direction of the PSR Board. The PSR Executive will be chaired by the sponsoring Chief Executive and supported by the PSR Working Group.
- 3.4 Some areas of public service reform are governed by existing CA arrangements, for example work around mental health (reporting to the Health & Wellbeing Board) and employment & skills (reporting to SEP Board). The PSR Board will not duplicate these functions but will ensure a coherent reform strategy to deliver the agreed SEP outcomes, and ensure co-ordination across the various work programmes.
- 3.5 The Public Service Board has provided valuable guidance and support to the PSR programme and its future role will need to be considered alongside the above governance changes.
- 3.6 The PSR governance arrangements may be varied by the Lead Member as appropriate following its establishment.

4.0 Information Sharing

- 4.1 Many areas of Public Service Reform will require a step-change in the effectiveness of information sharing between WMCA partners. For example, an early deliverable for the Multiple Complex Needs (MCN) workstream is “mapping the issue” - developing a detailed understanding of the current position of the MCN cohort in the region including their location, needs, current services accessed and current service / social costs. This will enable the development of a robust business case and early support arrangements for people with MCN.
- 4.2 The WMCA research review (which will be reported to Programme Board in January) has found that CA partners need to get much better at sharing information. Further work is planned in the next few months to address the critical technical and cultural barriers across the WMCA partners, leading to a new approach to information sharing across the CA starting in 2017-18.
- 4.3 In parallel with this work, we will explore how far the CA requirements can be delivered using existing information sharing arrangements. This will include information around the MCN cohort (eg incidences of ‘Adverse Childhood Experiences’ (ACEs), improved identification of “troubled individuals”, together with “quick wins” using non-personal data, for example around housing (tenants), environmental issues (such as flytipping), health issues (such as violence-linked A&E admissions), or procurement (enabling bulk savings).

5.0 Evaluation

- 5.1 The SEP Performance Management Framework includes a commitment for all PSR activity to be robustly evaluated both in advance (through the PSR Review Tool to ensure a robust business case and effective risk management) and after implementation (to test whether anticipated benefits have been delivered in practice).
- 5.2 The evaluation of public service reform interventions can be difficult because of the complexity of the intervention and/or the wider context. For example, there are multiple state interventions designed to support disabled people into work – making it difficult to attribute impact to each individual intervention.
- 5.3 We are committed to working with leading academics with expertise in evaluation in order to develop robust methodologies to test (and adapt) public service reform initiatives. We have kindly been offered a “civil service fast track” secondee from the Cities and Local Growth Unit to help develop this work over the next few months.
- 5.4 This will contribute to the development of the WMCA Global Institute for Public Service Reform, including longitudinal tracking of outcomes and costs to enable evaluation of the cost-effectiveness of the interventions.
- 5.5 We will explore collaboration with other CAs and Devo areas to develop systematic programming of evaluations to build a “cumulative” understanding of what works in particular areas such as early action and supporting people with multiple complex needs.

6.0 Collaborative working

6.1 Leaders are asked to support their Chief Executive's engagement in early PSR work to develop proposals for savings through collaborative working and economies of scale over the next few months.

7.0 Financial implications

7.1 The WMCA budget for 2016/17 includes £500k for the first year of the PSR programme. Some programme roles are provided by key partners, supporting the delivery of respective organisational objectives whilst adding value to CA objectives. The budget has been updated and is sufficient for the programme's needs in the current financial year.

7.2 The main resource requirements to take the programme forward are:

- Staff to lead and deliver the programme
- Specialist support for specialist work around information sharing, cost-benefit modelling and business case development.
- Funding for pilot projects and evaluations, IT systems and software.

7.3 The next stage of the programme will require a co-located, multi-disciplinary team to lead and undertake the review programme. It is likely that this will need to include the following roles and capabilities on a full-time basis:

- Programme Director
- Programme Manager
- Lead(s) for strategy, research and intelligence
- Lead officer(s) for each of the PSR workstreams

7.4 In addition the programme will need access to these capabilities on a part-time basis as required:

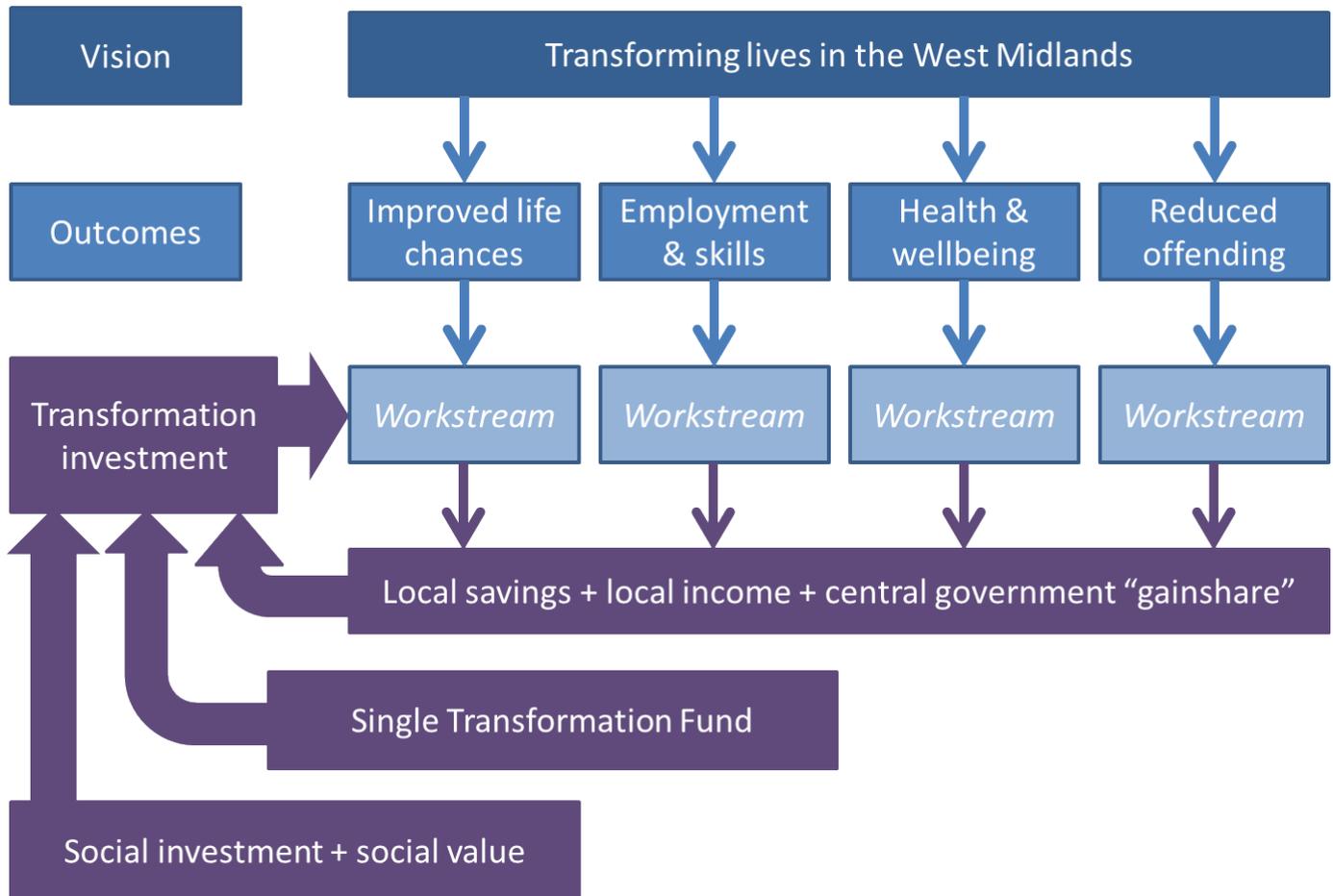
- Commissioning and procurement
- Communication and engagement
- Digital / ICT
- Data, analysis and research
- Finance
- Varied service expertise (including public health, NHS and criminal justice)
- Workforce development

7.6 The detailed budget requirements to progress the PSR Programme in 2017/18 have been included in the draft Combined Authority Governance Budget.

7.7 In addition to partners' own resources, the PSR programme is exploring potential transformation funding from central government, social investment and social value initiatives.

7.8 The resource flow for public service reform is illustrated in Diagram 4. Innovative projects and approaches will deliver improved outcomes for WM residents, contributing to our vision of transforming lives in the West Midlands. Local savings, increased tax income and central government savings will be used, alongside social value and social investment initiatives, to deliver further transformation funding leading to further improved outcomes.

Diagram 4: PSR resource flow



8.0 Legal implications

8.1 Various aspects of the PSR programme will have legal implications, for example increased sharing of personal data between agencies will be in line with the Data Protection Act. The legal implications will be considered as part of planning for each element of the programme.

8.2 Any potential issues or risks relating to partners' statutory duties from CA PSR plans and activities will be identified and mitigated in liaison with the relevant partners as far as possible.

9.0 Equalities implications

9.1 The PSR programme is in line with the WMCA equalities objectives.

10.0 Other implications

10.1 The PSR programme is a major element of the WMCA Devolution Agreements with central government.

10.2 The PSR programme has interactions with the NHS Sustainability and Transformation Plans, and work is underway to ensure that these developments are aligned and mutually supportive.

11.0 Schedule of background papers

11.1 WMCA Strategic Economic Plan

11.2 WMCA Devolution Agreement

11.3 WMCA Governance Arrangements

11.4 WMCA Budget 2016-17

This page is intentionally left blank