



## **WEST MIDLANDS** COMBINED AUTHORITY

### **Board Meeting**

**Date:** 3 March 2017

**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

#### **Co-optees**

Trade Union Congress (West Midlands)

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.kaur2@wolverhampton.gov.uk](mailto:jaswinder.kaur2@wolverhampton.gov.uk)  
**Address** Combined Authority, Civic Centre, 1st floor, St Peter's Square,  
Wolverhampton WV1 1RL

# Agenda

Item No. Title

## Part 1 – Matters Open to the Public and Press

No.	Item	Presenting/ Cabinet Member or officer	Papers
<b>1.</b>	<b>Meeting Business Items</b>		
1.1	Apologies for absence	Councillor Bob Sleigh	None
1.2	Declarations of Interest (if any)	Councillor Bob Sleigh	None
1.3	Minutes of the WMCA Meeting held 17 February 2017	Councillor Bob Sleigh	Attached
1.4	Forward Plan	Councillor Bob Sleigh	Attached
1.5	Chairs Remarks	Councillor Bob Sleigh	None
<b>2.</b>	<b>Chair of West Midlands Combined Authority</b>		
2.1	Independent Review Panel – Mayoral Remuneration	Councillor Bob Sleigh / Professor Steven Leach	Attached
2.2	Protocol for communications with the candidates for Mayor of the West Midlands	Councillor Bob Sleigh	To Follow
<b>3.</b>	<b>Health and Wellbeing</b>		
3.1	West Midlands on the Move 2017-30 – Physical Activity Strategy	Councillor Pete Lowe	Verbal Update
<b>4.</b>	<b>Public Service Reform</b>		
4.1	Public Service Reform Update	Councillor Steve Eling	Verbal Update
<b>5.</b>	<b>West Midlands Fire and Rescue Authority</b>		
5.1	Route Map to Mayoral WMCA Governance	Councillor John Edwards	Attached
<b>6.</b>	<b>Any Other Business</b>		
6.1	None Notified		

<b>7.</b>	<b>Date of Next Meeting</b>		
7.1	Friday 17 March 2017, 11:00 – 13:00		
<b>8.</b>	<b>Exclusion of the Press and Public</b> [To pass the following resolution: That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information relating to any individual, information which is likely to reveal the identity of an individual and/or information relating to the business affairs of any particular person (including the authority holding that information)]  <b>Part 2 – Matters Not Open to the Public and Press</b>		
8.1	Creating a West Midlands Growth Company	Councillor John Clancy	To Follow
8.2	Appointment of Chief Executive for the WMCA	Councillor Bob Sleight	To Follow
8.3	Appointment of two Director Posts for the WMCA	Councillor Bob Sleight	To Follow

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# WEST MIDLANDS COMBINED AUTHORITY

## Board Meeting

Friday 17 February 2017

### Minutes

#### Members

Birmingham City Council	Councillor Ian Ward
City of Wolverhampton Council	Councillor Roger Lawrence
Coventry City Council	Councillor George Duggins
Coventry City Council	Councillor Abdul Khan
Dudley Metropolitan Borough Council	Councillor Pete Lowe – Vice Chair
Solihull Metropolitan Borough Council	Councillor Bob Sleigh – Chair
Solihull Metropolitan Borough Council	Councillor Ian Courts
Walsall Metropolitan Borough Council	Councillor Sean Coughlan
Nuneaton and Bedworth Council	Councillor Julie Jackson
Tamworth Borough Council	Councillor Steven Claymore
North Warwickshire Borough Council	Councillor David Humphreys
Rugby Borough Council	Councillor Michael Stokes
Stratford –on- Avon District Council	Councillor Chris Saint
Shropshire Council	Councillor Malcolm Pate
Warwickshire County Council	Councillor Izzi Seccombe
Herefordshire Council	Councillor Tony Johnson

#### Observers

Police & Crime Commissioner	David Jamieson
West Midlands Fire & Rescue Service	Councillor John Edwards

#### Officers In Attendance

Birmingham City Council	Tony Smith
City of Wolverhampton Council	Keith Ireland
Coventry City Council	Martin Reeves
Dudley Metropolitan Borough Council	Sarah Norman
Sandwell Metropolitan Borough Council	Jan Britton
Solihull Metropolitan Borough Council	Nick Page
Walsall Metropolitan Borough Council	Paul Sheehan
Black Country Consortium	Sarah Middleton
Coventry and Warwickshire LEP	Paula Deas
Greater Birmingham and Solihull LEP	Katie Trout
Nuneaton and Bedworth Council	Alan Franks
Redditch Bromsgrove Council	Kevin Dicks
North Warwickshire Borough Council	Steve Maxey

Rugby Borough Council  
Stratford-on-Avon District Council  
Warwickshire County Council  
Shropshire Council  
Police & Crime Commissioner Office  
West Midlands Fire Service  
Transport for West Midlands  
West Midlands Combined Authority  
West Midlands Combined Authority  
West Midlands Combined Authority  
City of Wolverhampton Council  
City of Wolverhampton Council  
City of Wolverhampton Council  
Solihull Metropolitan Borough Council  
Sandwell Metropolitan Borough Council  
Chair of Transport Delivery Committee  
Paul Marcuse  
Bruce Mann  
Bill Oliver  
Mike Emmerich  
Louisa Guyon

Adam Norburn  
Dave Webb  
Mark Ryder  
Gemma Davies  
Jonathan Jardine  
Phil Loach  
Laura Shoaf  
James Aspinall  
Jan Jennings  
Richard Kenny  
Rachel Ratcliffe  
Chris Tunstall  
Jaswinder Kaur  
Andrew Kinsey  
Peter Yeoman  
Councillor Richard Worrall  
Chair, West Midlands Land Commission  
Commissioner, West Midlands Land Commission  
Commissioner, West Midlands Land Commission  
Metro Dynamics  
Metro Dynamics

Item Title  
No.

1. **Meeting Business Items**

1.1 **Apologies for absence**

Apologies for absence were received from Councillor John Clancy (substituted by Councillor Ian Ward), Councillor Steve Eling, Councillor Lee Jeavons, Stewart Towe, Steve Hollis, Jonathan Browning, Councillor Shaun Davies, Councillor George Adamson, Councillor Dennis Harvey (substituted by Councillor Julie Jackson), Councillor Bill Hartnett and Graham Wynn.

Councillor Bob Sleigh welcomed Paul Marcuse (Chair of West Midlands Land Commission), Bruce Mann (Commissioner, West Midlands Land Commission), Bill Oliver (Commissioner, West Midlands Land Commission), Mike Emmerich (Founding Director, Metro Dynamics) and Louisa Guyon (Research Consultant, Metro Dynamics).

1.2 **Declarations of Interest (if any)**

There were no declarations of interest.

1.3 **Minutes of the WMCA Meeting held 20 January 2017**

The West Midlands Police and Crime Commissioner clarified that in relation to section 3.2 in the minutes a summit had taken place on Friday

10 February 2017 on the impact of traveller's in the region.

That the minutes of the meeting held on the 20 January 2017 be approved as an accurate record.

#### **1.4 Forward Plan**

Resolved:

1. That the Mayoral budget be discussed at the March 2017 meeting.
2. That the forward plan be agreed.

#### **1.5 Chairs Remarks**

Councillor Bob Sleight advised he had received a number of correspondences from the West Midlands universities in support of the proposals for the growth company proposals and would share the details with board members through Keith Ireland.

Councillor Bob Sleight advised he had attended a Land Infrastructure Commission, chaired by Lord Adonis.

### **2. Housing and Land**

#### **2.1 West Midlands Land Commission**

Councillor Sean Coughlan introduced the report from the West Midlands Land Commission. The report sets out challenging targets however ones which would bring economic prosperity to the region. The report was supportive of the WMCA SEP and addresses how land targets can be met. The content of the report would need to be carefully considered and recommendations addressed separately. At this stage the report was to be received and noted.

Paul Marcuse (Chair of the West Midlands Land Commission) introduced fellow commissioners Bruce Mann and Bill Oliver and Mike Emmerich and Louisa Guyon from Metro Dynamics.

Paul Marcuse stated the recommendations within the report were based on four overarching principles. These were:

- That all parts of the WMCA should benefit, though not necessarily at the same time or in the same way, the recommendations focus on the need for prioritisation.
- The need for the WMCA to add value to the existing development and delivery activities of the individual local authorities, and not to displace those activities. The WMCA would therefore only intervene where its intervention added value beyond the actions of its individual members, and recognising that the WMCA is not a Planning authority.
- The combination of the setting-up of the WMCA and the devolution

deal mean that there has been a step change in the powers and funding available to the WMCA. The WMCA should consider how it can make full and holistic use of both the new powers (including the enhanced borrowing powers announced in the Autumn Statement 2016) and the funding provided by the devolution deal and any future agreements with central government.

- Aligning development and infrastructure – ensuring that infrastructure investment, especially in strategic transport and the provision of utilities, and the development of housing and employment sites were closely aligned.

Paul Marcuse and Bruce May presented the following six recommendations:

- The development of a single agreed spatial vision for the West Midlands, expressed in a non-statutory Spatial Framework, supported by collective processes and resources which underpin its delivery with a strong bias to collective action. The Commission believes that the proposed Spatial Framework would need to cover within a mixed land use strategy, the whole range of options for delivering sites for employment and housing uses, including brownfield remediation (see further below), densification, estate renewal, infill development, and new settlements and urban extensions.
- Key amongst these is the designation of a prioritised list of Action Zones wherein significant employment and housing space can be accommodated, underpinned by a Delivery Plan and a Financial Plan for each such Zone; use of the WMCA's embedded capacity to create a Project Delivery Team to apply the human and financial resources available from both local and national sources to identifying the way in which strategic transport investment schemes might be leveraged to secure more, and more productive, employment and housing land than might otherwise be the case; and identifying the potential for siting strategic employment sites and large concentrations of new homes in strategic transport corridors.
- The continued development of a visible unity of purpose in delivering that agreed spatial vision, seen in the arrangements that underpin it, especially in local and national bodies collaboratively using the full range of existing and emerging planning powers; and in the creation of new collaborative delivery models to allow a joined-up approach to the delivery of key sites. The Commission considers that there is a great deal to be gained from further and wider collaboration across the public and private sectors in delivering the SEP's ambitions and targets. It also believes that there would be value in the WMCA implementing measures to strengthen the region's identity in a manner appropriate to its role as the UK's second city region, and using the proposed Growth Company as the 'front door' to global investors, developers and occupiers.



- A radically expanded programme of regeneration and remediation of brownfield sites across the West Midlands, engaging both local and national organisations. The Commission believes that central government, especially the HCA, has a significant role and responsibility in this area. Associated with this would be the expansion of existing collaborative arrangements to allow a collective review of the utilisation by central and local public sector bodies of their land and property assets, to establish whether through more efficient shared use it would be possible to release under-utilised public sector sites for redevelopment.
- A strategic review of the Green Belt in the geographical areas covered by the WMCA. The Commission believes that even an effective, well-funded brownfield remediation programme is unlikely to provide a sufficient supply of developable land to meet the SEP's ambitions and targets on its own within the timescale, therefore a mixed land use strategy would need to be adopted encompassing the use of densification, estate renewal and infill development as well as new settlements and urban extensions. The review should pick up from and, where appropriate, supersede the reviews which a significant number of local authorities had underway, where the Commission has heard from a number of respondents that individual local reviews risk a piecemeal and unsustainable 'chipping away' of the Green Belt.
- Building on steps already taken, the further development of governance arrangements to provide shared leadership and oversight of the implementation of the measures described in this report.

Paul Marcuse closed by thanking Jan Britton and his team, Councillor Sean Coughlan for the support received. He also placed thanks to the all the commissioners Bridget Rosewell, Jerome Frost, Bruce Mann, Bill Oliver and Metro Dynamics (Mike Emmerich and Louisa Guyon). He thanked the WMCA for getting involved in the engagement process and wished the WMCA well on the opportunities ahead. There was sincere hope that the report would be of benefit to this great region.

The West Midlands Police and Crime Commissioner welcomed the report in particular reference to action zones. He went onto to add his Action Plan had a strand on growing the economy and highlighted the police had a small intricate role to play. A Summit on unauthorised traveller camps had taken place on Friday 11 February 2017 which was a multi-agency event. As a result an action plan had been produced to tackle the region wide issues. A report would be circulated to all board members once finalised. Going forward there would be collaborative approach to tackling the issue.

Councillor Michael Stokes welcomed the report however had a small criticism that the report only acknowledged Warwickshire County Council had given evidence and not the districts. When in fact districts had also contributed to the call for evidence. With some of the Non-Constituent

members in a two tier system clarification was required on how it affected everyone in the geographical area.

Councillor Izzi Seccombe added the emerging national policy also needed to be understood and how that would interlink to this piece of work e.g. the government white paper on housing. She clarified that for district councils there was a two tier system however the sovereignty for local land plans was the responsibility of the districts. Going forward all areas needed to be interlinked at local level, WMCA Level, LEP and SEP level.

Councillor Roger Lawrence welcomed the report and the prioritisation for the Black Country by way of development and remediation of brownfield sites. He recognised going forward there would be a challenge in linking housing, employment sites and transport needs together. He also thanked the West Midlands Police and Crime Commissioner on the traveller initiative and welcomed the initiative to work in collaboration with partners to tackle the issue.

Councillor Ian Courts welcomed the political solution on the traveller issue. Going forward strong political engagement was required with Constituent and Non-Constituent members. The recommendations also needed to reflect the government white paper on policy areas such as brownfield sites and greenfield land.

Councillor Chris Saint was concerned that engagement did not take place at district level and highlighted that districts were responsible for their own statutory land plans and was concerned a final report had been put forward without sign off from individual Councils.

Councillor Bob Sleigh emphasised the report at this stage was for noting.

Councillor David Humphreys sought clarification on the allocation figures within the report which was 5-10% higher than the current housing figures for his Council. Jan Britton clarified the WMCA SEP had higher development targets which would require more land. The figures would not be enforced onto members.

Councillor Malcolm Pate welcomed the report, Shropshire had several brownfield sites and would welcome on-going dialogue on the remediation of brownfield sites.

Councillor Julie Jackson welcomed that individual sovereignty would be respected.

Councillor Tony Johnson highlighted that there was a risk the Land Commission Report would become a policy document without sign off from individual Councils.

Councillor Sean Coughlan responded that districts did have an opportunity to engage into the process and would check that was the case. He also acknowledged everyone had different political challenges to face and that governance structures would need to be developed around housing and

land.

Councillor Bob Sleigh thanked the commissioners for their work and Jan Britton. Councillor Sean Coughlan also commended the work of Jan Britton.

Councillor Sean Coughlan moved two additional recommendations at the meeting as detailed at point five and six below.

Resolved:

1. That the West Midlands Land Commission Final report be received.
2. That the Chair of the Commission, Paul Marcuse, and the other Commissioners be thanked for their diligent work in the preparation of the Final report.
3. That the Final Report be received and in so doing acknowledge that it is not a material consideration in the determination of planning applications or the formulation of planning policies.
4. That it be noted, that Councillor Sean Coughlan shall take responsibility for a programme of work to determine the WMCA response to the independent Land Commission report in due course.
5. That it be noted, the relationship between the recommendations of the Land Commission and the HS2 Connectivity package and ensure this was considered as proposals developed for consideration by the WMCA Board.
6. That it be noted, the government's white paper on housing be considered alongside the work of the Land Commission as proposals were developed for the consideration by the WMCA Board.

### **3. Combined Authority Governance**

#### **3.1 Minutes of the Overview and Scrutiny Committee held on 16 December 2016**

Resolved:

That the minutes of the Overview and Scrutiny Committee held on 16 December 2016 be noted.

#### **3.2 Minutes of the Transport Delivery Committee held on the 9 January 2017**

Resolved:

That the minutes of the Transport Delivery Committee held on the 9 January 2017 be noted.

**3.3 Minutes of the Audit, Risk & Assurance Committee held on the 27 January 2017**

Resolved:

That the minutes of the Audit, Risk & Assurance Committee held on the 27 January 2017 be noted.

**4. Chair of West Midlands Combined Authority**

**4.1 Mayoral Combined Authority 'Functions' Order Update**

Chris Tunstall advised that the final version of the Order from DCLG had been received and consent would be sought from Constituent Councils shortly to lay the Order in Parliament. DCLG had requested that Constituent members consent to the order by the 22 February 2017 but due to some Constituent members not being able to meet this deadline it was proposed that Constituent Members respond by the 2 March 2017.

Resolved:

That Chris Tunstall to write back to DCLG to advise that Constituent Members would consent to the Order by the 2 March 2017.

**4.2 Devolution Update**

Katie Trout provided an update on devolution. Further discussions at official level had taken place with Treasury and Cities Local Growth Unit and a separate briefing session would take place with board members.

**4.3 Trade Union Congress Engagement with the Combined Authority**

Councillor Pete Lowe presented a report for the Trade Union Congress (TUC) to be co-opted onto the WMCA Board. He highlighted the importance of working in partnership with key stakeholders and the benefits the TUC can bring to the WMCA.

Resolved:

1. That the Trade Union Congress (TUC) be co-opted (one seat) onto the WMCA Board be approved with effect from 1 March 2017 (first meeting 3 March 2017).
2. That in principle the TUC had a seat on relevant working groups within the WMCA structure be agreed, subject to the approval of the WMCA Board on 7 April 2017.
3. That it be agreed, that a new section be added to the Constitution of the

WMCA regarding co-optees.

4. That it be agreed, that the Constitution changes would include the ability for the WMCA Board to both select co-optees and de-select co-optees by approval of the WMCA Board voting members.

## **5. Transport**

### **5.1 Network Resilience - Preliminary Report**

Councillor Roger Lawrence presented a report on the work undertaken to understand the scale of the challenge of managing and securing a resilient and robust transport network during a period of major infrastructure work across the West Midlands. The report also highlighted a number of actions which were recommended in order to mitigate potential adverse impacts of any resulting poor network resilience (the ability of the system to cope with planned change and incidents).

A multi-agency approach was required to tackle network resilience, a further report would be provided in due course. Funding needed to be secured to develop a highways monitoring system.

Councillor Chris Saint and Councillor Malcolm Pate highlighted that there region had been excluded from the core area, which would leave both regions isolated from the HS2 links. Laura Shoaf agreed to meet with Councillor Chris Saint and Councillor Malcolm Pate separately to discuss further.

Councillor Izzi Seccombe welcomed the focus of the report and highlighted the key trading network routes in the Warwickshire footprint. She emphasised the importance in the ability of businesses to move goods around the network and the need for this to be right long term not just medium term. The key to success was the viability for businesses and alternate routes for resilience.

The West Midlands Police and Crime Commissioner added a regional command centre to coordinate highways activity of Highways England, Police and Local Authorities could save money by bringing the activity together and that the notion be tested. A system which would allow drivers to make informed decisions and change their route before they were stuck in traffic was critical for network resilience.

Councillor Michael Stokes welcomed the report and acknowledged there was an opportunity for a global footprint to work with companies on developing a system to assist with network resilience.

Councillor Roger Lawrence welcomed the comments and would liaise with all going forward and a further detail would be provided in due course.

Resolved:

1. That the progression of a number of immediate priorities for managing network resilience during the next 5-10 years of major transport works across the WMCA area:
  - i. Form a formal and fully empowered multi-agency partnership with robust governance to work together to tackle the issues;
  - ii. Define and agree clear objectives for the partnership, to be based around ensuring the economic activity is able to continue to operate and grow, whilst existing transport system capacity issues were addressed and new growth sites were unlocked;
  - iii. Undertake a more detailed evidence analysis and develop firm mitigation strategies and schemes, including detailed feasibility and costs for these; and
  - iv. Secure funding for and undertake enabling and preparatory actions to consider the principles and benefits to partners in sharing data, and managing the network in an integrated and co-ordinated way. This includes exploring options around a West Midlands Regional Integrated Command Centre to bring together all stakeholders with all the relevant information to direct both the strategic and operational activity, for delivery by all partners.
2. That the immediate implementation of a multi-agency Network Resilience Partnership and Governance Structure led by TfWM, the principles of which were set out in Section 6 of the report. This is to be refined and developed in collaboration with partners concurrently with establishing and mobilisation it.
3. That the formation of a coordinated joint communications and public relations plan encompassing all WMCA partners, HS2 Limited, Highways England and Network Rail, to be agreed by the Heads of Communication of the WMCA and the Constituent Authorities.
4. That the discussion between Sandwell MBC and Highways England regarding the M5 Oldbury Viaduct major maintenance works and the concerns regarding the need for both physical mitigation works on the local highway network and a robust public communications plan. Sandwell MBC is seeking to agree proposals with Highways England, along with a commitment to implement a contingency relief plan in the event of excessive disruption be noted.

## 5.2 HS2 Connectivity Package

Councillor Roger Lawrence presented a report which sets out a revised HS2 Connectivity Package following a review of scheme viability. Many schemes would be revisited in the future as part of future devolution asks. A prioritisation list was brought forward at this stage.

Councillor Chris Saint sought clarification on the connectivity package from Solihull to the Interchange. Councillor Lawrence clarified that it had been joined up with the Hall Green Scheme. He went on to add that

everyone would benefit but not at the same time or same way.

Councillor Izzi Seccombe was disappointed the Colehills Parkway was not further up the scheme as Colehills would be significantly affected by HS2 and the development village. But noted that the report recognised the route required improvement long-term.

Councillor Ian Court noted that Hall Green was in the core proposal but requested that the WMCA be mindful of emerging housing development needs in rural areas.

Councillor Roger Lawrence welcomed the comments and recognised the WMCA needed to be agile in making decisions in the region.

Resolved:

1. That the principles for reallocating HS2 Connectivity Package funding as set out in Section 5 of the report be noted.
2. That the criteria that has been used to assess the HS2 Connectivity Package in Section 6 of the report be noted.
3. That the revised HS2 Connectivity Package as set out in Section 7 of the report be agreed.
4. That it be agreed the Government was lobbied to ensure that dependent national programmes were delivered by Network Rail.

### 5.3 **Swift Programme 2017**

Councillor Roger Lawrence presented a report on the detailed Swift Programme to the West Midlands Combined Authority; and to outline an opportunity to accelerate a number of projects within the programme as determined by the Smart Programme Board.

Resolved:

1. That the Swift programme as set out in the report be reviewed.
2. That the acceleration of the rail based projects be agreed.

### 5.4 **West Midlands Bus Alliance Annual Report**

Councillor Roger Lawrence presented a report from the Transport Delivery Committee on West Midlands Bus Alliance Annual Report. He provided an update on the work and effectiveness of the five-year West Midlands Bus

Alliance after its first full year. He went on to thank the Transport Delivery Committee for the work undertaken in this area.

Resolved:

1. That the progress made during the first 12 months of the West Midlands Bus Alliance, in particular successes in reducing emissions, developing smartcard ticketing, on-going improvements in vehicle quality and the delivery of a number of successful schemes to improve journey times and reliability be noted.
2. That the challenges presented by increasing congestion, the impact this has on punctuality and journey times, and the knock-on impact on passenger satisfaction and patronage be noted.
3. That the proposal for a formal Alliance partnership delivery agreement to support the delivery of further initiatives over the next three years be agreed.

## **5.5 Movement for Growth and Transport Monitoring**

Councillor Roger Lawrence presented a report on the development and delivery of the Movement for Growth strategic transport plan; the tracking of progress of the Strategic Economic Plan and the WMCA Performance Framework. Monitoring was needed to see whether the overall delivery of schemes and measures was achieving our vision and objectives and evaluation to understand what is work best. The report highlighted how we would measure our success against headline and supporting measures and how, through on-going research and evidence gathering, we would inform and shape the policies and programmes.

Resolved:

1. That the Movement for Growth strategic transport plan monitoring process be approved, which is compatible with the West Midlands Combined Authority's performance management framework, as set out in the report.
2. That the on-going monitoring to support the themes within the Movement for Growth strategic transport plan be approved.

## **6. Economic Growth**

### **6.1 Economic Growth Portfolio Update**

The item to be deferred to a future board meeting.



6.2 WMCA Growth Company

Keith Ireland advised that this item would be discussed in private as the presentation detailed information relating to the affairs of an organisation.

**7. Health and Wellbeing**

**7.1 Health and Wellbeing Portfolio Update**

Councillor Pete Lowe provided an update on the Health and Wellbeing Portfolio. The launch of the Wellbeing Action Plan on the 31 January 2017 had been a successful event and was well attended.

Councillor Pete Lowe advised that a representative had not been nominated for the Wellbeing Board for a district Non-Constituent member and advised that the next meeting was taking place on the 22 February 2017.

The West Midlands Police and Crime Commissioner advised that Superintendent Sean Russell (Implementation Director for the West Midlands Mental Health Commission) had received an award for showing outstanding bravery whilst off duty.

**8. Productivity and Skills**

**8.1 Employment Support Pilot**

Councillor George Duggins presented a report on employment support pilot. The pilot needed to be submitted by the 24 February and an outcome should be received by the end of March 2017. The good news was government was minded to open the pilot to Constituent and Non-Constituent members.

Councillor Izzi Seccombe queried whether the pilot would be rolled out to the self-employed and that in Warwickshire there had been success in rolling out support to the self-employed and was happy to share good practice.

Councillor George Duggins noted the comments made.

Resolved:

1. That the submission of a business case for an employment support pilot be agreed as outlined within the report.
2. That comments on the basis upon which pilot sites should be selected.

3. That the principle of aligning devolved Adult Education Budget to delivery of the pilot be agreed.
4. That authority for sign off of the business case be delegated to the Portfolio Lead for Productivity & Skills prior to submission on 24<sup>th</sup> February 2017.

## **9. Finance and Investment**

### **9.1 2017/18 Combined Authority Operational Budget**

Councillor Izzi Seccombe presented a report on the Combined Authority Operating Budget for the 2017/18 financial year. The operational budget was outlined with detail provided on income and the expenditure for portfolios. Total expenditure was short of £4.3 million.

Resolved:

1. That the revenue requirements for the 2017/18 Combined Authority Operational Budget be reviewed and approved.
2. That the 2017/18 Combined Authority Annual Membership fee be approved, and that discount is available for payment before 31st March 2017 after which date the full fee would be required.

### **9.2 2017/18 Combined Authority Consolidated Budget**

Councillor Izzi Seccombe presented a report on the Combined Authority Investment Programme and overall consolidated budget for the 2017/18 financial year. The current position on the mayoral budget requirements were outlined and that a further report approving a fully funded budget would be reported in due course.

The consolidated budget detailed the operating budget, emerging mayoral budget requirements, investment programme and transport revenue budget.

The proposed general reserve balance was significantly below the recommended level.

The West Midlands Police and Crime Commissioner observed that the mayoral budget was not noted in the Forward Plan for the March meeting. He added that the mayoral budget report was to be brought forward by Finance and Investment portfolio lead that was outside the mayoral area.

Councillor Izzi Seccombe responded that that mayoral budget would be presented at the March meeting; the mayoral candidates had been consulted on the budget. As a Non-Constituent member she was able to provide a degree of independence and was aware the mayoral budget

was a decision for the Constituent Members to agree upon.

Keith Ireland added that Councillor Izzi Seccombe would present the mayoral budget report at the WMCA March meeting as the portfolio lead of finance and investment. The mayoral budget needed to be considered by Constituent Members and discussions were taking place with mayoral candidates, who had differing visions for the mayoral budget.

Resolved:

1. That the balanced summary 2017/18 consolidated revenue budget for West Midlands Combined Authority detailed in section 3 of the report be approved.
2. That the budget for the May mayoral elections set out in section 4 of the report be approved.
3. That the 2017/18 Investment Programme detailed in section 5 of the report be approved, subject to individual schemes complying with the assurance framework requirements.
4. That the use of the gainshare government grant be approved, noting that this is primarily a funding source for the Investment programme.
5. That the three year advance payment of the transport deficit pension contribution as detailed in section 6 in the report be approved.
6. That the Combined Authority forecast available reserves position as at 31 March 2017 of only £1.58m be noted.

### 9.3 **2017/18 WMCA Treasury Management Strategy**

Councillor Izzi Seccombe presented a report on the West Midlands Combined Authority's (WMCA) Treasury Management and Investment Strategy for 2017/18. The report sets out the approved prudential and treasury management indicators for the period to 31 March 2020 and sets out the expected treasury operations for this period. The treasury management strategy detailed the expected activities of the treasury function in the forthcoming year 2017/18. The publication of the strategy was a statutory requirement.

Resolved:

1. That the Minimum Revenue Provision (MRP) Statement set out in Section 11 of the report be approved.
2. That authority be delegated to the West Midlands Combined Authority Section 151 Officer to undertake borrowing in accordance

with this Strategy.

3. That the West Midlands Combined Authority Treasury Management and Investment Strategy for 2017/18 as set out in the report be approved.
4. That the West Midlands Combined Authority Treasury Management and Investment Strategy for 2017/18 be endorsed and noted.
5. That the prudential and treasury management indicators and limits described in section 13 and as detailed in Appendix 3 of the report be endorsed and noted.

#### 9.4 **Land Remediation Fund**

Councillor Izzi Seccombe presented a report and sought final agreement on the establishment of the Land Remediation Fund (LRF), and the arrangements for operating the LRF, now that the devolution deal has been approved by Government. The LRF would have a total value of £200 million, with £150 million for strategic developments and £50 million for individual developments. The City of Wolverhampton Council would undertake borrowing relating to the LRF until the WMCA had power to borrow.

Councillor Ian Courts stated that governance process had not been touched upon. The Black Country would benefit the most from the LRF and if more brownfield sites were remediated there would be less reliance on greenfield sites.

Councillor Sean Coughlan added that the Land Commission report points the WMCA in the right direction in relation to land. The WMCA needed to ensure that brownfield sites were remediated and that greenfield sites were used strategically.

Councillor Izzi Seccombe clarified the governance process for Land Remediation proposals, proposals would initially be discussed by the Investment Board and then submitted to the WMCA Board for agreement. A £150 million would be earmarked for Black Country brownfield sites and £50 million for other projects. The WMCA would have an opportunity to learn from Black Country sites and reconsider the fund in future.

Resolved:

The establishment of a Land Remediation Fund (LRF), which would be a fund of investments made by the CA itself, with a total value of £200 million, with 75% of the LRF being earmarked for programmes of strategic developments and 25% being set aside to support individual strategic developments and to complement the Collective Investment Fund (CIF).

2. That the maximum LRF grant awarded to any individual project, from the 25% set aside to support individual strategic developments, would

not typically exceed 20% of that element of the LRF.

3. That consistent with the principles of balance and fairness the LRF would be focussed on securing a broader economic return across the West Midlands region.
4. That the LRF would be available to support projects within the geographical areas of those constituent and non-constituent members of the CA named in the recent Parliamentary Order. Noting that the special circumstances of the Black Country, in relation to derelict and contaminated, would be recognised and prioritised within the Dynamic Economic Investment Model, along with the principles of balance and fairness.
5. That the LRF is operated in a flexible manner, primarily providing grant and gap funding, however, equity instruments may be used where developer super profit is anticipated, noting that the investment strategy and parameters would be set by the CA and not Finance Birmingham and that Finance Birmingham would work closely with member Councils and LEPs on the pipeline of investment opportunities.
6. That a set of target outcomes would be developed, that align to the Strategic Economic Plan, in order that the success and value for money of the LRF can be closely monitored.
7. That Finance Birmingham were appointed Fund Manager for the 25% of the LRF set aside to support individual strategic developments and to compliment the CIF.
8. That the CA funds Finance Birmingham's management fee for operating the LRF, this would be based on the incremental costs over and above those required to operate the CIF, with delegation to Jan Britton as lead Chief Executive of the Finance workstream of the CA to agree the actual level of those fees.
9. That the Information Memorandum for the LRF, provided at Appendix A, is approved, with delegation to Jan Britton as lead Chief Executive of the Finance workstream of the CA to agree minor amendments if required to bring the LRF into operation.
10. That until such time as the CA has the power to borrow:
  - a. The City of Wolverhampton Council would undertake the borrowing relating to the LRF.
  - b. That the CA would pay an annual revenue grant to the City of Wolverhampton Council to cover the cost associated with the LRF borrowing.
  - c. The City of Wolverhampton would enter into a formal written agreement with the CA that sets out the detail of this arrangement, with authority being delegated to Jan Britton as lead Chief Executive of the Finance workstream of the CA to approve this agreement.
11. That when the CA has the power to borrow, the balance of any borrowing undertaken by the City of Wolverhampton Council relating to the LRF would be 'purchased' by the CA.
12. That an Investment Management Agreement (IMA) for the operation of the CIF is entered into by the CA and Finance Birmingham, with authority being delegated to Jan Britton as lead Chief Executive of the Finance workstream of the CA to approve this IMA.
13. That final approval of any further LRF related documentation be

delegated to Jan Britton as lead Chief Executive of the Finance workstream of the WMCA.

14. That it noted, the arrangement and monitoring fees would be paid directly to Finance Birmingham by LRF applicants.

15. That it be noted, the fund management arrangements for the 75% set aside for programmes of the LRF would be considered on a case by case basis as and when bids come forward.

**10. Any Other Business**

10.1 None Notified

**11. Date of Next Meeting**

11.1 Friday 3 March 2017, 11:00 – 13:00

Resolved:

That the date and time of the next meeting be noted.

**12. Exclusion of the Press and Public**

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information relating to any individual, information which is likely to reveal the identity of an individual and/or information relating to the business affairs of any particular person (including the authority holding that information).

**12.1 WMCA Growth Company**

Keith Ireland made a presentation on the progress in developing a WMCA Growth Company. A further report would be presented at the next Board meeting.

Resolved:

That the presentation be noted.

## Forward Plan of the West Midlands Combined Authority Board

Date	Title	Lead Member	Lead Officer	Aim
17 March 2017	<b>Governance</b>			
	Membership Update	Cllr Bob Sleigh	Keith Ireland	
	West Midlands Fire Service Future Governance	Cllr Bob Sleigh	Phil Loach	
	Overview & Scrutiny Access to Information and Audit Order 2016	Cllr Bob Sleigh	Keith Ireland	
	<b>Devolution</b>			
	Devolution Deal Update/Agreement	Cllr Bob Sleigh	Martin Reeves	
	<b>Finance</b>			
	Mayoral Budget	Cllr Izzi Seccombe	James Aspinall	
	WMCA Investment Programme	Cllr Izzi Seccombe	James Aspinall	
	Black Country Land Remediation Fund	Cllr Sean Coughlin	Jan Britton	
	<b>Commissions</b>			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	<b>Strategic Framework</b>			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Midlands Engine	TBC		
	Public Sector Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	Embedding the Universities	Cllr Bob Sleigh	Martin Reeves	
	<b>Delivery</b>			
	'Thrive West Midlands' Mental Health Implementation Plan	Cllr Pete Lowe	Sarah Norman	
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Transport	Cllr Roger Lawrence	Keith Ireland	
	<ul style="list-style-type: none"> <li>Birmingham Eastside Metro Extension - Transport &amp; Works Act Order</li> <li>Birmingham Edgbaston/Centenary Square Extension - Transport &amp; Works Act Approval</li> <li>SWIFT Card rebranding</li> </ul>			

Date	Title	Lead Member	Lead Officer	Aim
7 April 2017	<b>Governance</b>			
	Membership Update	Cllr Bob Sleigh	Keith Ireland	
	Membership of TUC on Working Groups	Cllr Bob Sleigh	Keith Ireland	
	<b>Devolution</b>			
	Devolution Update	Cllr Bob Sleigh	Martin Reeves	
	<b>Finance</b>			
	Collective Investment Fund Update	Cllr Izzi Seccombe	James Aspinall	
	Preston Bus Pension Guarantee	Cllr Izzi Seccombe	James Aspinall	
	2016/17 Budget Monitoring	Cllr Izzi Seccombe	James Aspinall	
	<b>Commissions</b>			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	Commission on Gangs and Violence	PCC David Jamieson	Jonathan Jardine	
	<b>Strategic Framework</b>			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Midlands Engine	TBC		
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	<b>Delivery</b>			
	'Thrive West Midlands' Mental Health Implementation Plan	Cllr Pete Lowe	Sarah Norman	
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Transport <ul style="list-style-type: none"> <li>Streetworks and Permit Scheme for the Key Route Network</li> <li>Connected &amp; Autonomous Vehicles</li> </ul>	Cllr Roger Lawrence	Keith Ireland	
21 April 2017	<i>Provisional Board meeting, if required – hold</i>			



Date	Title	Lead Member	Lead Officer	Aim
<b>12 May 2017</b>	<b>Governance</b>			
	Membership update – if required	Cllr Bob Sleigh	Keith Ireland	
	WMCA Mayoral Order Update	Cllr Bob Sleigh	Keith Ireland	
	<b>Devolution</b>			
	Devolution Update	Cllr Bob Sleigh	Martin Reeves	
	<b>Commissions</b>			
	Land Commission	Cllr Sean Coughlan	Jan Britton	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	<b>Strategic Framework</b>			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlan	Jan Britton	
	Midlands Engine	TBA	TBA	
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	<b>Delivery</b>			
	‘Thrive West Midlands’ Mental Health Implementation Plan	Cllr Pete Lowe	Sarah Norman	
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Transport	Cllr Roger Lawrence	Keith Ireland	
<b>26 May 2017</b>	<b><i>Provisional Board meeting, if required - hold</i></b>			
<b>9 June 2017 (AGM)</b>	<b>Governance</b>			
	Membership update – if required	Cllr Bob Sleigh	Keith Ireland	
	WMCA Mayoral Order Update	Cllr Bob Sleigh	Keith Ireland	
	<b>Devolution</b>			
	Devolution Update	Cllr Bob Sleigh	Martin Reeves	
	<b>Commissions</b>			
	Land Commission	Cllr Sean Coughlin	Jan Britton	
	Productivity and Skills Commission	Cllr George Duggins	Nick Page	
	<b>Strategic Framework</b>			
	Chair of the WMCA	Cllr Bob Sleigh	Martin Reeves	
	Economic Growth	Cllr John Clancy	Martin Reeves	
	Finance and Investments	Cllr Izzi Seccombe	James Aspinall	
	Health and Wellbeing	Cllr Pete Lowe	Sarah Norman	
	Housing and Land	Cllr Sean Coughlin	Jan Britton	

Date	Title	Lead Member	Lead Officer	Aim
	Midlands Engine	TBC		
	Public Service Reform	Cllr Steve Eling	Phil Loach	
	Skills and Productivity	Cllr George Duggins	Nick Page	
	<b>Delivery</b>			
	'Thrive West Midlands' Mental Health Implementation Plan	Cllr Pete Lowe	Sarah Norman	
	Investment Propositions	Cllr Izzi Seccombe	James Aspinall	
	Transport	Cllr Roger Lawrence	Keith Ireland	



**WEST MIDLANDS**  
COMBINED AUTHORITY

Agenda Item No: 21

## Board Meeting

<b>Date</b>	3 March 2017
<b>Report title</b>	Independent Review Panel – Mayoral Remuneration
<b>Cabinet Member Portfolio Lead</b>	Councillor Bob Sleight – Chair of the WMCA
<b>Accountable Chief Executive</b>	Keith Ireland, Managing Director, City of Wolverhampton, Monitoring Officer and Clerk, WMCA. Email: keith.ireland@wolverhampton.gov.uk Tel: 01902554500
<b>Accountable Employee</b>	Chris Tunstall, WMCA Programme Team, Wolverhampton Email: <a href="mailto:chris.tunstall@wolverhampton.gov.uk">chris.tunstall@wolverhampton.gov.uk</a> Tel: 07595303904
<b>Report to be/has been considered by</b>	Circulated to Programme Board Members for information week commencing 20 February 2017

### The Combined Authority Board is recommended to:

1. Note the Report of the Independent Review Panel on Mayoral Remuneration.
2. Determine the appropriate level of remuneration and associated allowances for the Mayor/ Deputy Mayor as outlined in paragraph 3.3.
3. Agree that if substantial changes occur to the Mayors role/ responsibilities the Independent Remuneration Panel be reconvened.

## **1.0 Purpose**

- 1.1 To receive the Report from the Independent Review Panel, IRP, regarding the recommended level of remuneration and associated allowances for the Mayor/ Deputy Mayor.
- 1.2 Following on from the Report to determine the appropriate level of remuneration and allowances for the Mayor/ Deputy Mayor.

## **2.0 Background**

- 2.1 The West Midlands Combined Authority (Functions and Amendment) Order 2017 which is to be laid in Parliament shortly enables the remuneration of the Mayor/ Deputy Mayor.
- 2.2 At the Boards Meeting of the 18 November 2016 it was agreed that an Independent Review Panel be established, comprising Independent persons from each of the Constituent Authorities and the CA, to consider the appropriate level of Mayoral Remuneration associated allowances, and to subsequently to report back early in the New Year.
- 2.3 Whilst the Panel will make a recommendation it is for the Board to determine what should be paid.
- 2.4 It is also the case that whilst the payment determined cannot be exceeded the successful Mayoral Candidate and the deputy Mayor may determine to waive some or all of the payment.
- 2.5 It should also be noted that Sandwell Council at its Extraordinary Meeting of the 14 June 2016 resolved that the following in respect of allowances for the position of elected mayor should be drawn to the attention of the Chair of the Combined Authority:  
'The Council supported the view that the salary/ allowance for the elected mayor should be set at a level of no more than £40,000 so as to attract genuine candidates who understand the needs of the area and role of the mayor in the regeneration of the area rather than individuals who may be attracted by a high salary and the public prominence of the role.'

## **3.0 Information**

- 3.1 The Report of the IRP is attached as Appendix A. The Report provides detail of the panel's membership, terms of reference, the analysis undertaken in determining the level of remuneration and associated allowances and subsequent recommendations.
- 3.2 Professor Steven Leach of De Montfort University chaired the panel and will be in attendance at the meeting to present the Report.
- 3.3 Whilst the recommendations are laid out in the Report they are as follows:
  - The Mayoral remuneration should be in the range £77,000 to £81,000 with the panels best estimate of an appropriate allowance being £79,000;
  - There be no deputy Mayors remuneration at this stage;
  - The index used to review the remuneration should be linked to local government officers increase;
  - Travel and subsistence allowances should be those that apply within the CA.

- Carers allowance be set at the level paid to home care assistants (Birmingham) £8.73 per hour.

3.4 Whilst the Report provides recommendations in respect of the level of remuneration and allowances it is for the guidance of the Board. The Board determines the payments to be made.

#### **4.0 Financial implications**

4.1 The mayor's salary will be included within the budget which is being assembled to cover the costs of the first 11 months of the Mayor's office. This is yet to be finalised but will be brought to this committee in March 2017. The 2017/18 Mayoral office costs will be funded from the gainshare contribution but for future years, under the devolution proposals, the Mayor will raise a precept on the constituent members in order to fund their office. If approved, the salary and additional costs as outlined within this report will be used to assemble the 2017/18 Mayoral budget

#### **5.0 Legal implications**

5.1 There are no direct legal implications arising from this report.

#### **6.0 Equalities implications**

6.1 Not applicable

#### **7.0 Other implications**

7.1 Not Applicable

#### **8.0 Schedule of background papers**

8.1 Report to the 18 November 2016 Board: Establishment of an Independent Review Panel – Mayoral Remuneration

#### **9.0 Appendices**

Appendix A – Report of the Independent Review Panel on Mayoral Remuneration

## **Appendix A**

### **WEST MIDLANDS COMBINED AUTHORITY**

#### **REPORT OF THE INDEPENDENT REVIEW PANEL ON MAYORAL REMUNERATION**

##### **Context**

- 1.1 The West Midlands Combined Authority (WMCA) was formally established in 2016, and was assigned powers relating to economic development, regeneration and transport in the city region. It comprises as 'constituent members' the leaders of all seven city/metropolitan district councils within the West Midlands city region. Membership also includes the three Local Enterprise Partnerships (LEPs) and ten 'non-constituent' authorities on the borders of the city region, five of which are already members, and five of which will join when the Mayoral Order is issued. All the non-constituent members will have reduced voting rights.
- 1.2 The West Midlands Devolution Agreement (November 2015) sets out in detail the powers to be allocated to the WMCA and includes provision for a new post of elected mayor, who will take up duties following the election on 4 May. The Agreement also specifies the division of powers and responsibilities between the mayor as an individual and the CA as collectively. It also includes the provision for the mayor to appoint a deputy from amongst the seven council leaders on the CA.
- 1.3 There was also a requirement that an Independent Remuneration Panel be set up to advise the CA on the allowances that should be paid to the elected mayor and deputy. This was established in November 2016. Professor Steve Leach of De Montfort University was appointed as chair. Its other eight members are representatives from the seven constituent authorities: Mike Ager (Wolverhampton), Fred Bell (Dudley), David Grainger (Birmingham), David Lane (West Midlands Combined Authority), Sylvia Parkin (Sandwell), Arko Sen (Walsall), Nerys Williams (Solihull) and Peter Wiseman (Birmingham). The work of the panel was supported by Chris Tunstall (WMCA advisor) and Dan Essex (WMCA Governance Services Manager).
- 1.4 The terms of reference provided for the Panel were as follows:
  - to undertake a review which would ensure the remuneration paid to the mayor is commensurate with the responsibility of the position;
  - to subsequently report to and advise the WMCA on the appropriate indicative level of mayoral remuneration and allowances;
  - to consider a possible appropriate level of remuneration of the deputy mayor, appointed by the mayor;
  - to consider whether the allowance should be indexed, and if so what the appropriate index should be;
  - to advise as to whether the mayoral allowance should be abated, where the appointee receives remuneration from holding another public office.
- 1.5 Later, it was requested that the Panel should also consider an appropriate level of carer's allowance, should the mayor qualify for such.

- 1.6 A briefing paper was helpfully provided for the Panel, which set out the respective responsibilities of elected mayor and CA. Given the relevance of mayoral powers in developing recommendations regarding an appropriate level of remuneration, it is important to record them below:
- responsibility for a consolidated, devolved transport budget, with a multi-year settlement to be agreed at the Spending Review;
  - responsibility for franchised bus services, including support for WMCA's delivery of smart and integrated ticketing across the city region;
  - responsibility for co-ordinating a new Key Route Network of local authority roads, which will be managed and maintained by the WMCA;
  - compulsory purchase powers to drive housing delivery and improvements in the housing stock;
  - champion West Midlands's priorities with government and other stakeholders and act as a credible case-maker for the West Midlands;
  - provide strong and visible leadership, while promoting the West Midlands to local and national audience;
  - maintaining strategic oversight across WMCA, ensuring that the region's residents and businesses are able to share in the benefits of increased prosperity.
- 1.7 The Panel met on three occasions. It is grateful to Councillor Bob Sleight (Solihull), who gave evidence to the panel regarding his views on the nature of the mayoral role and appropriate remuneration levels. Further contributions were received from Councillors Pete Lowe (Dudley) and Roger Lawrence (Wolverhampton). It also much appreciated the support provided by Chris Tunstall and Dan Essex, including their readiness to source information requested by the panel at short notice. The report and the recommendations contained therein have the unanimous support of the Panel.

## **Mayoral Remuneration**

- 2.1 The Panel recognised that it was moving into unknown territory. No other Combined Authority had yet published (or, in some cases, even commissioned) a report recommending the allowance that should be paid to the elected mayor. Although 16 local authorities currently operate with elected mayors, whose levels of remuneration are known, the roles and responsibilities of elected mayors in local authorities and combined authorities differ significantly. In this exercise, the range of relevant comparative data that would be available to an independent remuneration panel in a local authority did not exist. However the Panel throughout its discussions recognised the importance of the mayoral role for the future development and success of the West Midlands region and the Combined Authority.
- 2.2 The Panel began by agreeing a number of principles on which it would base its analysis and its recommendations. These were as follows:
- the 'Democratic Discount' Principle: it is customary in all exercises of this nature to accept that individuals standing for election to local authorities do so on the basis of a commitment to 'public service'. As a result, any remuneration they receive would not be

expected to relate to the whole of the time they devote to their role. 50% is the discount figure typically used. It should be noted that the elected mayor of WMCA is expected to be a full-time post

- the mayoral allowance should be justifiable when compared with allowances received by other elected public sector position-holders with similar roles and responsibilities;
- the recommended allowance should reflect the nature and scope of the executive responsibilities attached to the position;
- it should also take into account the longer-term transformational expectations attached to the mayor's job description.

- 2.3 It is clear from the mayor's job description that the executive responsibilities involved are limited in comparison with those of local authority elected mayors (including the Mayor of Greater London). Terms such as 'strategic oversight', 'co-ordination' and 'championing' dominate the mayor's role specification. The mayor will have only limited responsibilities for executive decisions. Several of the powers allocated to him or her are subject to government approval, or constrained in other ways.
- 2.4 However, although elected mayors of local authorities would also see themselves as having outward-looking ambassadorial roles, that of the Combined Authority elected mayor is considerably more demanding and wide-ranging. It involves a responsibility for the entire West Midlands city region, with a population approaching three million (if one includes the non-constituent members of the combined authority). The mayor will be a major player on the national and indeed international stage, in a way which is similar to the role played by the elected mayor for Greater London. He or she will be expected to play a transformational role in strengthening the economy of the West Midlands.
- 2.5 The Panel reviewed what might be the most relevant comparators that could be identified. Appendix One sets out a list of those considered. Salaried officers in the public sector were excluded, as they are not subject to the 'democratic discount' principle, nor are they vulnerable to having to stand for election/re-election. Positions in national government, and, in particular, local government were seen as more relevant comparators.
- 2.6 The Panel noted the allowance paid to the Mayor of London (£144,000), and concluded that this figure was far in excess of what would be appropriate for his West Midlands counterpart. The London mayor's responsibilities cover a capital city and an area with a population in excess of eight million. He has a major role in relation to London Underground and the Metropolitan Police Force, and has a key on-going relationship with national government. None of these responsibilities are mirrored in the job description of the West Midlands mayor.
- 2.7 Should the salary of MPs (currently just under £75,000) be regarded as an appropriate benchmark for the WMCA mayor? The Panel had some sympathy with this view, on the grounds that the status of the two roles could be seen as broadly comparable, despite the very different range of responsibilities involved. However it recognised the importance of the mayor's ambassadorial role, which MPs do not share. Parallels were also drawn between the role of junior ministers (whose salaries are in the £90,000-£104,000 range in England, and average at £74,000 across the four UK countries). Police and Crime Commissioners of the largest provincial forces, including West Midlands and Greater Manchester receive £100,000, a figure which has been laid down by government. The panel concluded that the



most helpful comparators were the allowances received by elected mayors in local authorities, and the leaders of the core cities.

- 2.8 As noted earlier, local authority elected mayors have a formidable range of personal responsibilities. They may choose to delegate some of these responsibilities to cabinet colleagues (who are selected by the mayor) but they are not required to do so, and in a very real sense 'the buck stops with them'. Following the Local Government Act 2007, non-mayoral leaders of local authorities were allocated a range of powers very close to those enjoyed by elected mayors. They can select the members of their cabinet, decide on and allocate the portfolios covered by the cabinet, and decide who will make the executive decisions for which the cabinet is responsible. The only major difference is that non-mayoral leaders are elected by the council, not the local population. Discussion in the panel focused on the roles and responsibilities of these three different models of local leadership: elected mayors, non-mayoral leaders of big cities and the elected mayor of the West Midlands CA.
- 2.9 Excluding elected mayors in shire districts, which have a relatively limited range of functional responsibilities, the allowances paid to elected mayor's range from £60,000 to £79,500, with a mean of £69,000. For leaders of the core cities (excluding elected mayors), the total allowances package (including basic allowance) ranges from £25,000 to £67,000, with a mean of £46,000.
- 2.10 The Panel, after much discussion, came to the conclusion that the allowance paid to the elected mayor of the West Midlands should be pitched at around £79,000, the top end of the range paid to elected mayors in English local authorities (excluding shire districts). Given the size of population served (circa 3 million), the high profile ambassadorial component of the role, and the importance of emphasising to public, private and voluntary sector organisations in the area the status of this new position in the government of the city region, it would not be appropriate for it to be much less than this figure. But there are good reasons why it would be equally inappropriate for the allowance to be significantly higher, in particular the relatively limited nature of the executive powers of the West Midlands mayor, compared with his or her local authority elected mayors, and indeed with the leaders of the larger city councils. This situation is likely to change in the future as additional powers are allocated by central government to CA mayors (and all the indications are that it will be the mayor, rather than the CA, to whom such powers will be given). But the Panel was clear that its recommendations should reflect the current situation, not speculation about future developments of the role.
- 2.11 The Panel also came to the conclusion that it would be helpful to recommend an acceptable range around the benchmark figure of £79,000. To do so would acknowledge the legitimate differences which emerged during the panel's deliberations, the most significant of which was the different weight that should be given to the importance of the ambassadorial role and the limited range of executive powers currently allocated to the West Midlands CA respectively. Some Panel members emphasised the former, and would ideally have wanted to see a higher allowances figure recommended. Others placed more emphasis on the latter, and would have preferred a figure below the benchmark, perhaps one closer to the salary of MPs. As noted in 2.1 above, the panel was operating in unknown territory, in which there were few precedents or close comparators. To opt for a single figure, in these circumstances, would imply a level of certainty and an arbitrary degree of precision which could not be justified. Accordingly, the Panel recommends that the mayoral allowance should not be below £77,000 and not above £81,000 to reflect the different weights which could legitimately be placed on the ambassadorial and executive elements of the mayor's role. The figure of £79,000 should be regarded as the panel's 'best estimate'. The Panel has been advised that the mayor would not be eligible to join the Local Government

pension scheme, and took this into account in considering the appropriate level of allowance.

## Other Recommendations

- 3.1 The West Midlands mayor, once elected, will be required to appoint a deputy mayor from amongst the seven leaders of the constituent authorities. There has been no guidance as to what the deputy role might involve; that will presumably be up to the mayor, although there is an expectation that the deputy would retain a portfolio, as would each of the other leaders on the CA. All the leaders have made it clear that if a deputy's allowance were specified, they would not claim it. In these circumstances, the Panel decided that there was little point in recommending an allowance, particularly given that there was an almost total absence of guidance as to what the position might involve. If and when the mayor is empowered to appoint a deputy from outside the CA membership, for example to act as Police and Crime Commissioner, as in Greater Manchester, then the Panel should be reconvened to consider what allowance would be appropriate. The only other circumstance in which the reconvening of the panel might be necessary is if the elected mayor were unable to carry out his or her duties, as a result of a long-term illness.
- 3.2 It is customary that independent review panels make a recommendation regarding the index which should be used to adjust allowances each year. In the past, cost-of-living based indices, such as the retail price index, have typically been used, but since 2010, by far the most common index has been equivalence with the annual level of increase in officers' salaries which has been permitted by central government, which has varied between 0% and 2% over the seven years in question. The justification for the use of this index is that it would be unfair if elected members were to enjoy a bigger annual increase than their officer counterparts (or indeed vice versa). In the current circumstances, this member/officer equivalence is the option which the Panel would recommend. If and when the government ceased to specify a permitted level of increase in officers' salaries, the panel would need to look at the issue again.
- 3.3 Most authorities have also brought into line the travel and subsistence allowances which can be claimed by officers and members respectively. The Panel endorses this approach and recommends that the schedule of such expenses currently in operation in the West Midlands CA should be applicable to the elected mayor. If there is no provision for international travel (including long-haul flights) in the Combined Authority's allowances scheme, then there should be at least an equivalence in the mayoral allowance with what West Midlands council leaders can claim in such circumstances. It is also important that the mayor should not have to subsidise out of his or her own pocket any reasonable expenses incurred in carrying out their duties.
- 3.4 All local authorities are required to specify a carer's allowance which can be claimed by councillors with dependent family members for whom they have a care responsibility, when using a paid carer. Different methods are deployed, including the specification of a maximum figure (typically around £1,000) which can be claimed within a municipal year. The Panel preferred the option which is used in Birmingham and Solihull, whereby an hourly rate is specified equivalent to what an authority pays to its home care assistants (currently £8.73 in Birmingham).
- 3.5 The Panel discussed whether it would be appropriate to include an element of performance-related pay (PRP) in the mayor's allowance. Whilst it was felt that this would be very difficult at the present time, without knowing their priorities are, the principle of some form of performance assessment of the mayor, once this became feasible, was supported. The

mayor will be held to account periodically by the electorate, but that does not negate the value of some form of internal performance assessment. Increasing numbers of local authority leaders are now assessed in this way. It would be possible, in due course, to examine the mayor's manifesto (or strategic plan) and assess to what extent he or she had succeeded in bringing new jobs into the area, if that were a priority, or alternatively, to what extent the incumbent had succeeded in reducing inequality, if that were a key element in his/her agenda. There would also be value in seeking DCLG's views on the issue of performance assessment for such roles

- 3.6 As noted in 2.10 above, it is likely that over time the mayor will be allocated further responsibilities by central government. The Panel's recommendation is that it should be reconvened in late 2019/early 2020, before the mayoral election in May, to review the extent to which this has happened, and to consider whether the mayoral allowance should be increased to reflect the changes involved. If major changes of responsibility occurred within the 2017-19 period, the Combined Authority may wish to reconvene the panel at an earlier date.

### **Summary of Recommendations**

- The panel's best estimate of an appropriate allowance for the WMCA elected mayor is £79,000.
- The allowance should not be above £81,000 nor below £77,000.
- There should at present be no allowance paid to the deputy mayor. This allowance should be assessed in 2/3 years' time when the responsibilities of the role have become clearer.
- The index which should be used to review the mayor's allowance on an annual basis should, for the time being, be the annual permitted increase in officers' salaries. If the government ceases to impose a cap of this nature, the index should be re-assessed.
- The travel and subsistence allowances paid to the mayor should be the same as those which apply to officers of the Combined Authority.
- The carer's allowance to be paid to the mayor (if appropriate) should be equal to the rate paid to home care assistants (currently £8.73 per hour).
- The panel should be reconvened in late-2019/early 2020, to assess whether the mayoral allowance needs to be adjusted in the light of any new responsibilities that have accrued.
- The case for introducing some form of assessment of the mayor's performance should be examined at the panel's meeting in 2019/2020.

## **Appendix: Summary of allowances paid in comparable public sector positions**

### **Central and devolved government**

M.P.s	£75,000
MEPs	£85,000 (allowance higher than previously because of exchange rate)
Junior ministers (England)	£90,000 - £104,000
“ “ (Scotland)	£86,000
“ “ (Wales)	£67,000
“ “ (Northern Ireland)	£60,000

### **Local government**

Elected mayors (excluding shire districts) £60,000 - £79,500 (mean £69,000)  
Leaders of Core Cities £25,000 - £67,000 (mean £46,000) (includes basic allowance)  
Leaders of West Midlands Metropolitan District Councils £31,000 - £66,000 (mean £39,000) (includes basic allowance)  
Mayor of Greater London £144,000

### **Other public sector positions**

Police and Crime Commissioners (West Midlands and Greater Manchester) - (elsewhere £70,000- £85,000)	£100,000
Interim Mayor of Greater Manchester CA	£56,000
Chair of Housing Trusts (part-time)	c. £40,000
Chair of Hospital Trusts (part-time)	c. £50 - 55,000



**WEST MIDLANDS**  
COMBINED AUTHORITY

Agenda Item No: 51

## Board Meeting

<b>Date</b>	3 March 2017
<b>Report title</b>	Route Map to Mayoral WMCA Governance
<b>Cabinet Member Portfolio Lead</b>	Councillor John Edwards – Chair of West Midlands Fire and Rescue Service
<b>Accountable Chief Executive</b>	Phil Loach, Chief Fire Officer, West Midlands Fire Service
<b>Accountable Employee</b>	Email: <a href="mailto:phil.loach@wmfs.net">phil.loach@wmfs.net</a> Tel: 0121 380 6909 Karen Gowreesunker Email: <a href="mailto:Karen.Gowreesunker@wmfs.net">Karen.Gowreesunker@wmfs.net</a> Tel: 0121 380 6678 Programme Board
<b>Report to be/has been considered by</b>	

### The Combined Authority Board is recommended to:

1. Support the strategy proposed in this paper concerning the reform of the West Midlands Fire and Rescue Authority (the Authority), namely the route required for the Mayoral West Midlands Combined Authority (WMCA) to assume governance of West Midlands Fire and Rescue Service (the Service) from the Authority.
2. Support the outcomes, purpose, approach and timeline as set out in this paper.

## **1.0 Purpose**

### **1.1 This report proposes that:**

- 1) The route and approach required for the Mayoral WMCA to assume governance of the Service is supported and incorporated into any further devolution discussions.

This will accord with Home Office expectations regarding accountability and improved scrutiny in governance arrangements, as well as measuring the outcome of current and future service delivery to the communities of the West Midlands and beyond.

- 2) Consultation with the WMCA and the elected Mayor will be commenced to reform the Authority, to provide a more streamlined and flexible arrangement as an interim measure, until such date as is reasonably practicable for the functions exercisable by the Authority to become functions of the Mayoral WMCA.

## **2.0 Background**

### **2.1 The Service's Approach to Service Transformation**

- 2.2 The Authority has fully supported service wide transformation and has embraced plans to meet the circa 50% (£38m) reduction in central government grant (core) over the course of the Comprehensive Spending Review (CSR) covering the period 2011/12 to 2019/20.

- 2.3 Ongoing transformation over the past 6 years has impacted on both service support and service delivery functions. The Service has met the required reductions in funding through exploring and implementing more challenging and innovative approaches to the delivery of internal and external community facing services. Whilst the Service has had to make decisions that have increased risk in some areas of response, prevention and protection, these have been assessed through an evidence based approach, using Integrated Risk Management Plan (IRMP) analysis to minimise the impact on services to the community.

- 2.4 Service transformation in this way reinforces the Services' priorities and outcomes as set out in its 3 year rolling corporate strategy, The Plan 2016-19 (the Plan). The Service Delivery Model (SDM) sits at the heart of The Plan, underpinned by planning and analysis that determines the level of resources needed to be able to respond to high risk (life and property) incidents, within a risk based 5-minute attendance standard. This attendance standard evidentially enables the Service to reduce risk to firefighting and increase the survivability of the victim, as well as reducing the impact of fire on the local community and economy.

- 2.5 The SDM, underpinned by analysis and planning and is pivotal to supporting an integrated approach to the delivery of the Service's prevention, protection and response services to the communities of the West Midlands. Amidst the challenges that the CSR presents to the Service, the SDM cannot be compromised.

### **2.6 Delivering Service Transformation**

- 2.7 Since the beginning of the CSR the Service has worked alongside staff, representative bodies, partners and communities to implement changes which have delivered public service transformation. Through innovation and reform new concepts and ways of working

have been introduced. This has led to efficiencies and just as importantly, to the maintenance and improvement of services to the communities especially the most vulnerable.

- 2.8 Management reviews of the corporate team have enabled the Service to downsize and reorganise its management structure, whilst creating a much leaner and more accountable approach to leadership. As a result, the Service has realised savings of approximately £1.5 million per year.
- 2.9 Across service delivery the Service will have reduced its whole-time front line firefighting staff by 25% by May 2017, to 1433 since the CSR began. The SDM and the delivery of a 5-minute attendance standard relies on a front line resource of 1322 firefighters. This reduction in resources, driven by the need to meet reducing budgets, presents a risk to the delivery of services to the community. This has been met through more innovative approaches to the flexible deployment of front line resources, such as introducing a blended fleet of vehicles crewed at different levels, a new staffing model designed to address the gap in numbers of fire fighters and the use of dual staffing to crew specialist vehicles.
- 2.10 Such flexibility comes attached with additional risks in relation to the impact on services to communities, partner relationships and employee engagement. The Service has managed, controlled, mitigated and where possible removed these risks through effective and robust planning, change management, leadership and communication.
- 2.11 Service Support functions have and continue to undergo rigorous review to improve efficiency and effectiveness whilst seeking opportunities to develop collaborative working with other partners. The number of service support staff has reduced by circa 20% by January 2017 since the CSR began to 442.
- 2.12 The Authority is set to undergo further cuts to core funding of approximately £10 million over the four-year period 2016/17 to 2019/20. This means that by 2019/20, core funding will have reduced by approximately £38 million since the cuts began in 2011/12. This represents an unprecedented reduction, taking total cuts in core funding to circa 50% in this nine-year period.
- 2.13 **Delivering Services Differently**
- 2.14 By garnering a deep understanding of risk and vulnerability the Service has sought to tackle the 'causes of the causes' and integrated the findings of Sir Michael Marmot's Review and the six Marmot policy objectives, as a baseline for delivering all community services and protecting the most vulnerable communities and individuals.
- 2.15 Over the past 18 months the Service has developed a 'commissioned' approach to maintaining the SDM whilst delivering wider prevention based services. This approach has seen the implementation of two Falls Response services across Coventry and Wolverhampton, with services extending to Dudley in the near future. In addition, the Service is currently providing a Hospital Discharges trial in Coventry. By extending its prevention based services to support the wider priorities of the 7 WMCA Constituent Local Authorities and the NHS, not only supports the maintenance and improvement of the SDM; but also supports its priorities in: Making the West Midlands Safer, Stronger and Healthier.
- 2.16 Collaboration across a range of partners is at the heart of services delivered both nationally and to local communities. The Service benefits from positive collaborative relationships with

a number of emergency and public sector services. Some examples include: Joint Emergency Services Interoperability Programme (JESIP), West Midlands Police (WMP) – Fire Investigation and a joint Fire Control with Staffordshire Fire and Rescue Service. This particular area of collaboration has resulted in £1.5 million joint savings per year, with a joint saving of £11.6 million projected to 2020.

- 2.17 The Service is committed to collaboration which extends wider across the emergency services and other agencies (such as the NHS, Local Authority and the third sector). This will enable the achievement of better joint outcomes aligned to The Plan, designed to improve outcomes for local communities in a more efficient and effective way, such as, enhancing independent living for the most vulnerable and supporting economic growth through strategic regulation.
- 2.18 This commitment can be seen in how the Chief Fire Officer (CFO) and other officers have engaged, as key stakeholders and service delivery providers to 7 Local Authority Constituent Members, with the WMCA from its shadow stages through to inception. Initially this was through the Public Sector Leadership Board and more recently by establishing the Authority as an 'Observer' through the WMCA Board and the Programme Board.
- 2.19 This engagement has provided the Authority and the Service with an invaluable opportunity to develop the understanding of the WMCA, around the merits of a 21st century metropolitan fire and rescue service and the benefit it's integrated, flexible, service delivery model has on the wider footprint and priorities of the WMCA.
- 2.20 On behalf of the WMCA the CFO leads on the Public Service Reform (PSR) and Multiple Complex Needs Individuals (MCN) work programme. This represents a clear signal and acknowledgement that through its experience, brand and skills, WMFS can lead and support these wider agendas.
- 2.21 **Improving Performance**
- 2.22 Despite these challenges there has been improvement in the performance of the Category 1 (5 minute) attendance standard for the highest risk incidents (life and property). During 2015/2016 achievement of this attendance standard performed positively throughout the year, with a median attendance of 4 minutes 42 seconds in the last two quarters of the year. This is the best performance seen in several years.
- 2.23 **The Future for Fire**
- 2.24 It is clear there have been significant challenges for the Fire Service over the last 10 years, both financially throughout the CSR period and policy making with reviews such as those conducted by Sir Ken Knight, (Facing the Future 2013), and Adrian Thomas (Independent review of conditions of service for fire and rescue staff in England February 2015). These reviews continue to set the backdrop for the reform of the Fire and Rescue sector as is reflected in the Home Office's policy development. However, they have been less challenging for the Service because it has and remains a public service committed to efficient and effective delivery.
- 2.25 On the 11th September 2015 the Government released a consultation entitled 'Enabling Closer Working between the Emergency Services'. This was followed by a move of government department for the Fire and Rescue Service on the 5th January 2016, from the Department of Communities and Local Government to the Home Office. The fire reform



programme has also encapsulated the Chief Fire Officers' Association (CFOA) with the Home Office steering its priorities. The outcomes to the above consultation introduced the Policing and Crime Bill, which received Royal Assent in January 2017 (the Act 2017) and proposes a new duty to collaborate on each of the blue light emergency services, as well as new powers for Mayors and PCCs to take on the governance of Fire and Rescue Services.

- 2.26 The statement by the then Home Secretary, Theresa May, on the 24th May 2016 outlined a clear desire from central government to affect a change, which will create an impetus for further reform wider than the delivery of services - reform for Fire and Rescue Authorities. The government and Home Office are committed to implementing governance structures which provide more scrutiny, transparency and accountability of decision making.

## **2.27 Changing Governance and Future Opportunities**

- 2.28 In view of the national policy developments the Authority recognised that staying the same was not an option. The Authority recognised that there are four possible routes for potential future governance structures for the Service:

- A Reformed Fire Authority (RFA),
- A Police and Crime Commissioner (PCC),
- A Mayor as part of the WMCA and and/or
- A Combination of regional Fire Services.

A more detailed description of each of these governance models is provided in Appendix 1.

- 2.29 Governance through a PCC or a Mayor as part of a Combined Authority are the main options being proposed by Government through the PACA 2017. However, the Home Office and the former Minister of State for Policing and the Fire Service, Mike Penning, confirmed there would not be a single governance approach for all Fire and Rescue Services and that a combination of regional fire services would be considered as a possible structure, as would the continuation of Fire Authorities.

## **2.30 WMFRA commitment to future governance**

- 2.31 In view of Home Office expectations around the reform of the Fire Service developing apace, the Authority has considered how it works with, responds to, and influences the changes. As the Government pushes forward local devolution and public sector reform, the Authority has acknowledged that failure to address this could cause the Service to lose relevance, credibility and impact public confidence (an emerging corporate risk) from the uncertainty around the future governance of the Service, with the potential to impact on the priorities in The Plan.

- 2.32 The Authority committed itself to exploring an evidence based approach to understanding how each of the future governance options (in light of the changing external influences highlighted in this report), may support the delivery of services to local communities, whilst incorporating increased scrutiny, transparency and accountability of decisions; in a value for money way.

- 2.33 For this purpose, the Authority commissioned a Future Governance Working Group (the Group). The outcomes of the Group were to provide an options appraisal for the Authority, to be able to make an evidence based decision, on the best option for governance for the Service in the future and the best approach to achieving this.

**2.34 The approach to assessment:**

- 2.35 Initially the Group considered how collaboration currently exists as well as the potential for the provision of future collaborative services across blue light emergency services, Local Authorities, WMCA and NHS. A critical part to this was the impact this would have on the community and the ability to deliver public service priorities across the West Midlands.
- 2.36 As a result of this work the Group agreed a set of high level community outcomes against which each of the governance models were assessed. The Group undertook an options appraisal to assess the achievability of these outcomes, against the merits of each of the four governance options. This provided an evidence base to the Group's conclusions and a way of provoking debate about the relative merits of the options. (The Group conclusions can be found in Appendix 2).

**2.37 The Direction for the Future Governance of the Service**

- 2.38 The Authority has been clear in its intention to seek alignment to a Mayoral WMCA governance model. The Authority believes that this route provides the best approach for the future delivery of the services delivered to the communities of the West Midlands.
- 2.39 The options appraisal undertaken by the Group together with the outcome of the recent WMFRA public consultation, the current and future strategic directions of the Service, the WMCA and the overall direction set by the Government (both policy and legislation), reinforces the overall direction the Authority seeks for the future governance of the Service through the Mayor as part of the WMCA. All these provide an evidence base for the recommendations within this report.
- 2.40 There are emerging models in London and Manchester as to potential pathways. The Authority maintains its belief that given that the Service is the largest and most complex Fire and Rescue Service outside of London. Direction through a Mayoral WMCA arrangement as part of devolution represents the most logical and efficient route to achieve sustainability of and improvements in the SDM, whilst also seeking to support and deliver against wider public service priorities. These complexities were recognised by Adrian Thomas, who was commissioned by Government to review the conditions of service for fire and rescue staff (Independent review of conditions of service for fire and rescue staff in England, February 2015).
- 2.41 Public safety in its widest context can be enhanced through better collaboration delivering better integrated services in a value for money way across the West Midlands area, without adding pressure to the public purse. The Service leading on PSR and MCN as key elements of the WMCA devolution deal highlights the clear benefits a 21st century professional, flexible, integrated SDM can bring to the wider public services.
- 2.42 A critical element to a change in governance to a Mayoral WMCA will be the interim governance arrangements in continuing to provide the highest levels of public safety, supporting increased collaboration, without the associated costs an unnecessary change governance option would incur; as well as the risk of impact on engagement with staff, community and trust. The Authority believes that a Reformed Fire Authority (RFA) option can provide a more robust interim approach to governance. A RFA was a key consideration of the Group. In its conclusions the Group determined that, 'the Authority should consider

how its own governance should change, to enhance opportunities for further reform and collaboration’.

2.43 The proposals within this paper include the reform of the Authority to enable a more streamlined and flexible arrangement to a Mayoral WMCA. A RFA would maintain proportionality across the West Midlands, reflect changing approaches to governance and include invitations for non-executive membership to enhance collaboration, scrutiny, accountability and transparency to improve outcomes for the community.

2.44 The Mayoral WMCA provides a governance option for the Authority that converges with government policy regarding governance and accountability. Despite this, the Chair and CFO maintain regular discussion with all partners, which enables a continued approach to collaboration with partners.

**2.45 The IRMP Consultation:**

The Services’ engagement with the community as part of the Integrated Risk Management Consultation (the Consultation) revealed the route to a Mayoral WMCA to be amongst the popular options, as was a RFA (‘highly desirable’) and Combined Fire Services for best supporting the delivery of its prevention, protection and response services to the communities of the West Midlands.

**3.0 THE WAY FORWARD:**

**3.1 Legislation enables a change in governance**

3.2 The main pieces of legislation (and draft legislation) enabling the Mayoral WMCA to enact a change in governance have been captured in this report and can be listed as follows:

- The Local Democracy, Economic Development and Construction Act 2009
- The Cities and Local Government Devolution Act 2016, and
- The Policing and Crime Act 2017 (PACA)

3.3 This translates into 3 possible routes of governance:

- 1) The Cities and Devolution Act 2016 enables the WMCA and Mayor to take on additional functions which may be either local authority or other public authority functions.
- 2) The PACA enables the PCC to make a business case to take on the governance of the Service where this can be locally agreed.
- 3) The PACA also enables the Mayor to take on the governance of the Fire Service, again where locally agreed.

3.4 As referenced earlier in this report the Authority has been clear in its intention to seek alignment to a Mayoral WMCA governance model. The route to a Mayoral WMCA will impact a number of pieces of legislation affecting both governance and services delivered.

**3.5 The impact of the change on the Constitution and the liabilities for the Mayoral WMCA:**

3.6 With the proposed changes in governance for the Service, the current Authority will cease to exist and a new model will be enabled. Currently there are two Mayoral governance models emerging such as:

- the London Mayor and the London Fire Commissioner (LFC) and
- Greater Manchester Combined Authority (GMCA) and Mayor

Each model will represent different approaches to the discharge of statutory responsibilities and liabilities.

The categories below are amongst the most pertinent responsibilities and liabilities and their discharge will be dependent on the governance model adopted in the West Midlands:

- functions relating to statutory plans (the IRMP),
- the budget and the setting of the council tax precept
- People
- Assets, and
- Procurement

The responsibilities as set out in the following pieces of legislation will need to be transferred on abolition of the Authority.

- **Local Government Act 1985**

The Authority as it stands was legally created under the LGA 1985, which created joint fire authorities and stipulated the number of Members appointed from constituent councils to the Fire Authority (27). Section 34 also sets out the annual appointment of the Chair, Vice Chair and Clerk. The responsibilities as set out in this Act including their transfer will depend on the governance model adopted for the future provision of community services.

- **The Local Government Act 1972**

This Act requires the appointment of a Chief Finance Officer (section 151 Officer) in addition to the appointment of such officers as the Authority thinks necessary for the proper discharge of its functions. Under this Act the Authority may also acquire, appropriate or dispose of land/and or premises. Further, the Authority is permitted to make standing orders in respect to the making of contracts by them or on their behalf (subject to relevant procurement legislation). The responsibilities set out in this Act will depend on the governance model adopted.

- **Local Government and Housing Act 1989**

This Act requires the designation of one of WMFS's officers as Head of Paid Service (the Chief Fire Officer) and outlines the specific responsibilities of this role. It also stipulates the requirement to appoint a Monitoring Officer. The responsibilities for the appointment of the Head of Paid Service will be transferred to the Mayoral WMCA for discharge, subject to the detail set in the Scheme and the WMCA's Constitution. The requirement to appoint a Monitoring Officer will depend on the governance model adopted.

### 3.7 **Impact on services:**

3.8 There are a number of core service activities delivered by the Service that are prescribed under legislation, assurance for which is provided through the Authority. These responsibilities will need to be transferred to the Mayoral WMCA for discharge. The most pertinent legislative provisions are:

- **Fire and Rescue National Framework for England**

As a requirement of the Fire and Rescue Services Act 2004, the Government published the Fire and Rescue National Framework setting out the priorities and objectives for Fire and Rescue Authorities in England. FRA's must have regard to it in carrying out their duties. The Framework places responsibility on Fire and Rescue Services to prepare an Integrated Risk Management Plan (IRMP). The plan must include targets and objectives for reducing risks, balancing prevention and intervention, and determining response standards and resource allocation. In West Midlands this is called The Community Safety Strategy. The CFO will manage and advise the Mayoral WMCA on the IRMP, the Mayoral WMCA will approve plans.

- **The Fire and Rescue Services (Emergencies) (England) Order 2007**

Section 58 of the FRS Act 2004 specifies other emergencies for which fire and rescue authorities must make provision. These are set out in the above Order 2007 and specifies functions in connection with emergencies involving chemical, biological, or radio-active contaminants, structural collapse or a train, tram or aircraft ("transport emergencies"), but does not apply in relation to transport emergencies, unless the incident is likely to require a Fire and Rescue Authority to use resources beyond the scope of its normal day to day operations.

In addition, where a Fire and Rescue Authority has specialist resources, including specialist trained personnel, to enable it to deal with emergencies of a kind described in this Order, and such an emergency occurs or is likely to occur in the area of another Authority; this Order requires the Authority with the specialist resources, if asked to do so, to use those resources in that other Authority's area so far as is reasonable for the purpose of dealing with the emergency. The CFO will manage the configuration of the resources as part of day to day business, however, the Mayoral WMCA will retain oversight and be able to provide time critical resilience to emergencies on a regional and national scale.

- **Regulatory Reform (Fire Safety Order) 2005**

This places emphasis on business continuity and containing and preventing the spread of small fires. It provides a minimum fire safety standard in all non-domestic premises. It designates a person (e.g. employer, manager or owner) as a responsible person who is then required to carry out certain fire safety duties, which include ensuring that general fire precautions are satisfactory and that fire risk assessments are conducted.

Fire Authorities are the primary enforcing agencies for all fire legislation in non-domestic use. The Authority has delegated the power to prosecute to the Chief Fire Officer. However, the Mayoral WMCA will retain oversight.

- **Civil Contingencies Act 2004**

The Civil Contingencies Act 2004 delivers a framework for civil protection. It establishes a statutory framework of roles and responsibilities for local responders; of which the Authority is one, and on emergency powers, establishing a framework for the use of special legislative measures that might be necessary to deal with the effects of the most serious emergencies. The Act also divides local responders into two categories. The Fire Authority is a Category 1 responder. This means that it is at the core of emergency response. Upon transfer of governance the CFO will continue to manage operational handling and the Mayoral WMCA will retain oversight.

### **3.9 The process and timeline:**

- 3.10 The Home Office have clearly stated the intentions around Fire Service reform. Whilst accepting that a great deal of self-initiated reform has already taken place, the expectation has been set that change will impact on fire services, as well as their governing bodies.
- 3.11 In support of these expectations the introduction of the Act 2017 and developing approaches to devolution across the country, has set the vehicle for change.
- 3.12 On the 4th May 2017 the West Midlands will be electing a Mayor to the WMCA, which presents an opportunity for the Authority to work with the WMCA to determine the future approach to governance of the Service.
- 3.13 The Authority seeks to move under the Mayoral WMCA model at the earliest possible opportunity. It is anticipated that following the election of a Mayor the earliest opportunity for the Mayoral WMCA to assume governance of the Service would be around May 2018. It is also anticipated that this change would be enabled through the inclusion of the Service in the second devolution deal, which is due to be presented to Government at the end of March 2017. A change in governance to a Mayoral WMCA model would follow a period of government consultation and decision making, local consultation as well as the development of a scheme to enable this change to be affected.
- 3.14 There will be an initial three year term for the Mayor from May 2017 to May 2020 at which point Mayoral elections will take place. The PCC also has a mandate until 2020.
- 3.15 The Authority believes that enabling this change in governance at the earliest opportunity is necessary, to ensure that outcomes for local communities can be delivered in the most efficient and effective way, whilst simultaneously enhancing public safety and delivering improved collaboration across public services within the West Midlands.
- 3.16 A key point to consider, as highlighted earlier, is the introduction of the new PACA 2017, which enables the PCC to develop a business case for the Service.
- 3.17 Proposed changes in governance to a Mayoral WMCA will need to or will have navigated through some key milestones:
  - i) **The Authority's approval – 20th February 2017**  
The Authority has approved the strategy to pursue the route to a WMCA Mayoral model for future governance of the Service and has approved the instigation of the process to reform itself.
  - ii) **WMCA Board – 3rd March 2017**

The Authority will need to secure the approval of the WMCA Board in order to form part of the formal discussions for further devolution deals.

**iii) Further Devolution – March 2017**

Once the WMCA Board has confirmed its intent to include the transfer of the Service as part of its devolution discussions, the WMCA will need to begin discussions with HM Government over further devolution in March 2017 and if agreed, it will form part of the second devolution deal. The inclusion of the Fire Service in the second devolution deal will be critical to enabling the required change in governance to a Mayoral WMCA at the earliest opportunity (May 2018).

**iv) Governance Review, Scheme and Consultation – July to September 2017**

A Governance Review, Scheme and Consultation would enable the transfer of governance for the Service to the Mayoral WMCA by way of an Order. The Scheme would set out how the Mayoral WMCA's powers are to be exercised in relation to the Service.

It is envisaged that the public consultation would begin in July 2017 and last for up to eight weeks, after which time it will proceed to the Secretary of State, who will draft the required Order based on the above. The draft Order will require approval by all Constituent WMCA Councils. It is envisaged that the transfer of powers would take 12 months to complete from the signing of the second devolution deal. It is estimated that this would take us to March 2018. At this point the responsibilities and liabilities of the Authority would transfer in accordance with the governance model adopted.

- v)** The Service would then become incorporated into the WMCA and this would warrant a review of its current Observer membership status to reflect its engagement.

3.18 The RFA will be enabled irrespective of a timeline to a Mayoral WMCA. The proposed changes will need to navigate through some key milestones:

**i) The Authority's approval for a Reformed Fire Authority**

The Authority has approved the commencement of the dialogue around the process to reform the Authority.

**ii) Consultation**

The Authority will begin consultation with the WMCA who will be asked to commence this reform process with a view to introducing the Mayor to the dialogue following his/her election, this will be achieved via a report to the WMCA Board on 3rd March 2017. Consultees will also include the Home Office and other key stakeholders. It is envisaged that the public consultation would last for up to eight weeks.

**iii) Secretary of State Order**

On the conclusion of the consultation the matter will proceed to the Government, who will draft the Order based on the above reform of the Authority. The Authority's Constitution, subject to amendments, would set out how the Authority's power is to be exercised in relation to the Service.

- iv)** The Service would then become incorporated into the WMCA at the earliest possible time and in line with Mayoral milestones.

#### **4.0 Financial implications**

- 4.1 There are no direct financial implications at this early stage, however, it is recognised that further reports will be required as this proposal evolves which will highlight any financial implications if and when identified.
- 4.2 It is important to note that should the West Midlands Fire and Rescue Service be incorporated into the governance of the WMCA, the ability to set council tax precept relating to the Fire service should transfer to the Mayor.

#### **5.0 Legal implications**

- 5.1 The legal implications are set out in the body of this report. Further legal resources will be required to manage the work required around the drafting of the Order to be undertaken in consultation with the Secretary of State and in relation to the amendments required to the Constitution of WMCA.

#### **6.0 Equalities implications**

- 6.1 There are no direct equalities implications at this stage, however, it is recognised that further reports will be required which will highlight any implications if and when identified.

#### **7.0 Other implications**

- 7.1 There are no other direct implications at this early stage, however, it is recognised that further reports will be required which will highlight any implications if and when identified.

#### **8.0 Schedule of background papers**

- 8.1 West Midlands Fire and Rescue Authority: Route Map To A West Midlands Combined Authority Mayoral Governance Report, 20.02.17

West Midlands Fire and Rescue Authority: Future Governance of West Midlands Fire Service, 27.06.16

West Midlands Fire and Rescue Authority: WMFRA Response to the Enabling Closer Working Consultation between Emergency Services, 23.10.15

#### **9.0 Appendices**

Appendix 1: The Governance Models

Appendix 2: The Group's Conclusions



## **APPENDIX 1: The Governance Models**

### **A Fire Authority**

Currently all Fire and Rescue Services (excluding Scotland and London) whether Metropolitan, Combined or County Council, are governed through an Authority and Committees. These provide democratic accountability and governance of Fire Services to the communities they serve.

A Fire Authority is a statutory body. The Local Government Act 1985 and Local Government and Housing Act 1989, provides the basis for these arrangements. More specifically, for West Midlands Fire Service as a Metropolitan Service schedule 10 of the 85' Act sets out the number of Members that should sit on the Authority, apportioning this amongst each of the 7 West Midlands Local Authorities.

The purpose of a Fire Authority is to provide policy and political direction to the Service and to approve the Authority budget.

### **A Police and Crime Commissioner (PCC):**

The introduction of the Act 2017 as an outcome of the 'Enabling Closer Working' consultation, introduces two key proposals:

It places a duty on each of the emergency services to consider collaboration. The Act 2017 also enables for the governance of the Fire and Rescue Services to be provided for through a single elected accountable person, a PCC, where this is locally determined or following recent amendments a Mayor. PCC's now have the ability to submit a business case to the Secretary of State, to take over the governance of Fire and Rescue Services in their areas.

Any business case must be able to demonstrate the benefits of this change against the delivery of improved efficiency, effectiveness, economy and public safety.

The Act 2017 provides two options for the future governance and management of both organisations (Police and Fire).

The first is where the PCC provides the governance for both the Police and Fire, with Chief Officers from both organisations reporting in through their separate management structures. This would lead to the disbanding of the Authority and the transference of the Employer status for fire and rescue staff to the PCC.

The second also enables the PCC to provide governance for both Services but appoints a 'single employer', a Chief Officer, to oversee both organisations (Police and Fire). In this option the Chief Constable becomes the employer of fire and rescue staff.

The Act 2017 also makes provision for differing arrangements in London where the London Fire and Emergency Planning Authority (LFEPA) will be abolished and the London Fire Service will be brought under the direction of the Mayor of London, who will set its budgets and strategic direction. The London Fire Commissioner will become a 'corporation sole', with the functions of the abolished LFEPA being transferred to the Commissioner. The Commissioner will have the functions of the Fire and Rescue Authority for Greater London.

A Fire and Emergency committee will be formed with the purpose of scrutinising the Commissioner, Fire Service and Mayor.

### **West Midlands Combined Authority and the Mayor:**

As part of public sector reform, handing down power and money from central government to local authorities through devolution deals, means that decisions and spend can be made locally for the benefit of the region. This can be achieved through the joining of services to deliver better outcomes for the community. Devolution is a critical agenda for central government and through the Cities and Devolution Act 2016, will be delivered through a Mayor as the single accountable leader of a Combined Authority.

Mayoral elections for WMCA are due to take place on the 4<sup>th</sup> May 2017, which provides an opportunity through engaging as part of the WMCA (as we currently are) to influence the route that the Service can take.

Following amendments to the Act at Bill stage, provisions have been made for the Mayor to have the direct power to “exercise the functions of Fire and Rescue Services”. This will require further amendments to the Local Democracy, Economic Development and Construction Act 2009. Therefore, there exists the possibility that governance of the Service can move to the Mayor as part of the WMCA and be provided for through this structure.

### **Combination of Fire:**

Governance as part of the WMCA and Mayoral structure provides an opportunity for greater collaboration and possibly of the combination of neighbouring Fire Services within the WMCA footprint. Both Warwickshire and Shropshire County Councils are non-constituent members of the WMCA. These Councils cover two of the four neighbouring Fire Services and as such, this could provide a basis for exploring further the case for combination. Research undertaken during 2015 led by the Service, highlighted that the combination of neighbouring Fire Services has the potential to deliver wider efficiencies whilst delivering the same or improved performance standards within each Fire Service.

This change could be instigated by the Mayoral WMCA initially taking over the governance of the Service, as enabled by the Act 2017 and proceed to bring into focus the regional fire services through the footprint of the WMCA, which stretches across the wider west midlands regional geography to incorporate the regional fire services. The power to combine fire services rests with the Secretary of State.

The Act 2017 enables the West Midlands PCC and a Mayor, once elected, to make a case for the governance of West Midlands Fire Service. Mayoral elections are scheduled to take place in May 2017 with campaigns under way.

## Appendix 2: The Group's Conclusions

1. There is no "stand out" option, but the analysis suggests that a two-stage process increases costs, risk and reduces benefits and as such should be avoided. There is considerable potential change in the next year or so:

- PCC business cases
- The development of the Combined Authority model in Manchester and London
- The programme of the Mayor and the WMCA
- Additional Devolution deals

The WMFRA needs to ensure it continues to engage with stakeholders to ensure it can fully consider its position and the options available to it.

2. The Working Group found that there was enthusiasm and commitment from other organisations for collaboration. The Service has made great progress over recent years, and the working group felt that the Authority would benefit from considering its constitution and structure and how it might change enable further collaboration.
3. The Mayoral and WMCA model is just emerging and the first Mayor is yet to be appointed, so there is as yet lack of clarity about its programme. However, change with a new Mayor will happen and this will create opportunity in improving public services. The WMFRA need to ensure that they remain engaged in this to ensure the best opportunity for delivery of outcomes for future.
4. If a mayoral option is not available in the medium term for police or fire, then the options would need re appraised to ensure the benefits of collaboration across the emergency services and wider public services are realised.
5. The Bill does not enable governance changes with the Ambulance Service which may prevent full collaboration to be realised as well as the benefits from this.
6. Ambulance sits outside of governance analysis however the opportunities for collaboration are significant.
7. A Fire/Fire combination would realise significant benefits at lower risk than other options. This would require local consensus and a formal business case, approved by the Home Office. The associated Council tax consequences, and any boundary issues would need to be considered.
8. The PCC model is relatively new but is having an impact on Police effectiveness. Although there would be some risk associated with the Fire/Police combination, there could be significant cost benefits.

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