



Overview & Scrutiny Committee

Date: Friday 2 March 2018

Time: 10.00 am **Public meeting** Yes

Venue: Room 116, 16 Summer Lane, Birmingham, B19 3SD

Membership

Councillor Peter Hughes (Chair)
Paul Brown
Councillor Richard Brown
Councillor Rose Burley
Councillor Dean Carroll
Councillor Peter Douglas Osborn
Councillor John Glass
Councillor Rachel Harris
Councillor Diana Holl-Allen
Councillor Angus Lees

Mike Lyons

Councillor Yvonne Mosquito
Councillor John Mutton
Councillor Simon People
Councillor Ian Shires (Vice-Chair)

Councillor Stephen Simkins
Councillor Claire Spencer (Vice-Chair)
Sarah Windrum

Councillor Nina Wood-Ford

Sandwell Metropolitan Borough Council
Black Country Local Enterprise Partnership
Joint Coventry / Solihull Representative
Walsall Metropolitan Borough Council
Shropshire Council
Birmingham City Council
Nuneaton & Bedworth Borough Council
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Dudley, Sandwell, Walsall and Wolverhampton
Councils
Greater Birmingham & Solihull Local Enterprise
Partnership
Birmingham City Council
Coventry City Council
Staffordshire Non-Constituent Authorities
Dudley, Sandwell, Walsall and Wolverhampton
Councils
City of Wolverhampton Council
Birmingham City Council
Coventry & Warwickshire Local Enterprise
Partnership
Redditch Borough Council

Quorum for this meeting shall be 13 members

If you have any queries about this meeting, please contact:

Contact Lyndsey Roberts, Governance Services Officer
Telephone 0121 214 7501
Email Lyndsey.Roberts@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Meeting Business Items			
1.	Apologies for Absence		None
2.	Declarations of Interests Members are reminded of the need to declare any disclosable pecuniary interests they have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).		None
3.	Minutes of the meeting held on 30 January 2018	Chair	1 - 4
4.	Scrutiny of Local Enterprise Partnerships	Sarah Sprung	5 - 8
5.	Local Enterprise Partnerships - Presentations (a) Black Country Consortium (b) Greater Birmingham & Solihull LEP (c) Coventry & Warwickshire LEP	Paul Brown Mike Lyons Sarah Windrum	None
6.	Activities of the Task & Finish Groups (a) Budget (b) Governance (c) Inclusive Growth and Social Value (d) Land Commission (meeting on 26 February to discuss the following issues relating to the West Midlands Spatial Strategy): <ul style="list-style-type: none"> - Where is development needed and what sites are available? Where are they and what challenges do they present? - Consider available brown field sites. What level of remediation is required? What is the social impact on investing and developing such sites, with particular emphasis on the infrastructure to support an increase in homes? - How do first two bullet points link to areas of need and deprivation across the WMCA region? - Non-constituent areas only, consider if there is a need to develop in the Green Belt? 	Councillor Hughes Councillor McNicholas Councillor Spencer Councillor Shires	9 - 12

	<ul style="list-style-type: none"> - How do we develop a community focus through strategic planning? <p>(e) Mental Health Commission (meeting on 2 March)</p> <p>(f) Skills & Productivity Commission</p>	<p>Councillor Harris</p> <p>Councillor Spencer</p>	
7.	Forward Plan	Chair	13 - 14

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WEST MIDLANDS COMBINED AUTHORITY

Overview & Scrutiny Committee

Tuesday 30 January 2018 at 11.00 am

Minutes

Present

Councillor Peter Hughes (Chair)
Councillor Richard Brown
Councillor Rose Burley
Councillor Dean Carroll
Councillor Peter Douglas Osborn
Councillor John Glass
Councillor Rachel Harris
Councillor Diana Holl-Allen
Councillor Angus Lees

Councillor Simon People
Councillor Ian Shires (Vice-Chair)

Councillor Stephen Simkins
Councillor Claire Spencer (Vice-Chair)

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Dudley, Sandwell, Walsall and
Wolverhampton Councils
Staffordshire Non-Constituent Authorities
Dudley, Sandwell, Walsall and
Wolverhampton Councils
City of Wolverhampton Council
Birmingham City Council

In Attendance

Councillor Dan Barker

Councillor John McNicholas
Tim Martin
Sean Pearce
Sarah Sprung
Councillor Izzi Seccombe
Councillor Richard Worrall

Dudley, Sandwell, Walsall and
Wolverhampton Councils
Coventry City Council
West Midlands Combined Authority
West Midlands Combined Authority
Sandwell MBC
Warwickshire County Council
Walsall Metropolitan Borough Council

Item Title

No.

10. Apologies for Absence

Apologies for absence were received from Dr Chris Handy (Black Country LEP) Mike Lyons (Greater Birmingham & Solihull LEP), Councillor Yvonne Mosquito (Birmingham City Council), Councillor John Mutton (Coventry City Council), Councillor John O'Shea (Birmingham City Council) and Sarah Windrum (Coventry & Warwickshire LEP).

11. Declarations of Interests

Councillor Stephen Simkins declared a personal interest in respect of agenda item no. 4 'Findings of the Overview & Scrutiny Committee in relation to the WMCA Draft Budget and Mayoral Council Tax Precept for 2018/19', as a student at Wolverhampton University.

12. Minutes of the meeting held on 21 November 2017

The minutes of the meeting held on 21 November 2017 were confirmed and signed as a correct record.

13. Budget Report - Recommendations and Outcomes

The committee considered a report of the Scrutiny Lead Officer, West Midlands Combined Authority on the findings of the scrutiny process and recommendations for the WMCA Board to consider both in terms of this year's budget and suggestions for ways in which the process could be improved for next financial year. The WMCA Board considered the draft budget on 12 January 2018. At this meeting, the Board was minded not to support the Mayor's proposed precept.

Overview & Scrutiny Committee held the first Question Time with the Mayor on 24 January 2018 and were able to question him on the Mayoral Precept and other elements of the proposed budget. A report on the findings of the committee would be submitted to the WMCA Board on 9 February 2018 for consideration.

Following the Mayors Question Time, the committee requested additional information in relation to the Funding for Growth Programme (full membership, the project team supporting the programme and dates of meetings together with attendance, minutes and decisions made), which would help it to form its recommendations to the WMCA Board.

The committee noted the late submission of this information, which might otherwise have supported the justification for a Mayoral precept. The process in which constituent authorities had been consulted and the route in which it was agreed to have a Mayoral precept was considered by the committee to be lacking the proper levels of openness and transparency.

Councillor Izzy Secombe provided an overview of the budget and the ambitions of the West Midlands Combined Authority. She shared the concerns of colleagues in respect of the late submission of information and noted that there were a number of lessons to be learned about the process and how it could be improved in future years.

Councillor Izzy Secombe explained how the Funding for Growth Panel had been established, its membership and how this had been formed. The Panel had investigated a number of alternative funding sources, however there was an issue in respect of time constraints and the decision to have a Mayoral precept was the very last option considered.

Councillor Izzy Seccombe commented that the ability to come together as a West Midlands Combined Authority had already proved to be beneficial for the region and asked colleagues to recognise the benefits and ambitions of the WMCA Board.

As the committee considered that the budget process this year was unsatisfactory, it was proposed that Overview & Scrutiny Committee commission a lessons learnt report and establish a Task & Finish group to review the process.

The committee considered a response to transport queries that were raised at the Overview & Scrutiny Budget Task & Finish Group on 15 January. In respect of Transport for West Midlands (TfWM) branding and the capital investment of £1.8m that had been set-aside, Councillor Steve Simkins questioned whether this expenditure was a key priority for the citizens of the West Midlands.

The Director of Finance confirmed that the purpose of the £1.8m was for the future rebranding of TfWM and the money had been placed in reserves to be drawn down as and when required. He indicated that the amount expected to be used for the rebranding of TfWM was approx. £1m and the balance was to be used for future investment opportunities as they arise.

With regards to Brexit, it was considered that there was a need to understand the effect of Brexit on the West Midlands economy. The committee sought assurances that sufficient work had been undertaken on the risks of Brexit, and their impact on the work and ambitions of the West Midlands Combined Authority.

The committee also expressed concern at the level of resource to support the scrutiny function within the West Midlands Authority. A dedicated Scrutiny Officer post for the Authority had been incorporated into the draft budget for 2018/19, although it was considered that this level of resource was inadequate to undertake effective scrutiny. Councillor Richard Worrall considered that there should be a review of members' allowances and officer support to the Transport Delivery Committee, which included looking at member workloads, and possible re-distribution of staff support.

Resolved

- (1) The WMCA Board be recommended to commence budget discussions with Constituent Authorities much earlier in future financial years to allow sufficient time for open discussion and the development of proposals, with a suggestion, that these discussions commence in September of each year;
- (2) That the Chair and Vice-Chairs of the committee be delegated authority to review the information received from the Mayoral Office and agree the substantive report and recommendations to be submitted to WMCA Board on 9 February 2018.

14. Devolution Deal 2 Update

The committee received a verbal update from the Head of Governance on the progress being made in respect of Devolution 2.

The committee considered a short written submission received from the Police and Crime Commissioner for the West Midlands Police that expressed his concerns on the implications of the devolution deal and highlighted the importance of his involvement in the consultation process on the future policing governance across the West Midlands.

The Head of Governance provided an update on his recent telephone conference with officials from the Home Office and confirmed that the Office of the Police & Crime Commissioner would be involved in discussions. He noted the proposed way forward in respect of consulting with the Police and Crime Commissioner for the West Midlands.

The committee noted the submission received from the Police & Crime Commissioner and asked the Chair of their Governance Task & Finish Group, Councillor John McNicholas, to meet with the Chair of the Police & Crime Panel to discuss this matter further.

Resolved

- (1) That the update be noted.
- (2) The Chair of the Governance Task & Finish Group, Councillor John McNicholas to meet with the Chair of the Police & Crime Panel to discuss the future governance of policing in the West Midlands.

15. General Data Protection Regulation (GDPR) Update

The committee agreed for this item of business to be deferred to its next meeting.

Resolved

- (1) The Head of Governance to provide an update on General Data Protection Regulation at the next meeting of the committee.

16. Forward Plan

The items of business for consideration at future meetings of the Overview & Scrutiny Committee were noted.

The meeting ended at 1.30 pm.



WEST MIDLANDS
COMBINED AUTHORITY

Briefing Note

Meeting: Overview & Scrutiny Committee
2 March 2018

Title: Scrutiny of Local Enterprise Partnerships

Prepared by: Sarah Sprung
Email: sarah_sprung@sandwell.gov.uk
Tel No: 07824694220

1.0 Recommendation

To consider the ongoing scrutiny of the Local Enterprise Partnerships within the West Midlands Combined Authority area.

2.0 Purpose

To apprise members of the background in relation to the governance of Local Enterprise Partnerships.

3.0 Background

1. Local Enterprise Partnerships (LEPs) were established as locally-derived business-led partnerships between the private and public sectors that would drive economic growth. There are currently 38 LEPs in the country, with responsibility for £12bn of public funding. Each LEP has the flexibility to determine its own governance and accountability arrangements, inevitably meaning that there are a variety of models in operation throughout the country. There are three LEPs within the Combined Authority area (Black Country, Greater Birmingham and Solihull and Coventry and Warwickshire) with a fourth LEP having observer status awaiting progression (the Marches).
2. In order to establish minimum standards of governance, transparency and assurance within LEPs, the Government publishes a National Assurance Framework. In addition, the Department for Communities & Local Government conducts an annual performance review with each LEP to discuss matters including delivery performance, governance and transparency.
3. Following concerns expressed about governance and transparency arrangements within LEPs, the Public Affairs Committee recommended DCLG to undertake an internal review as to whether the current systems provided sufficient assurance that LEPs were fully implementing existing governance requirements, and to consider whether these current requirements were themselves sufficient. The

review was undertaken by Mary Ney, Non-Executive Director of the DCLG Board and its findings were published in October 2017.

Findings of the Review

4. The review made a series of recommendations relating to eight separate areas of LEP governance. These are summarised below:

(i) Culture and Accountability

- An annual assurance statement, signed by the Chair of the LEP and the Chief Executive Officer of the LEP, confirming that standards were being met should be published online, giving these post holders direct responsibility for matters of good governance.
- The code of conduct for all LEP board members should explicitly require the Nolan Principles of public life to be followed.

(ii) Structure and Decision-Making

- The National Assurance Framework should be amended to draw explicit attention to the importance of LEP decision-making structures meeting seven key requirements that provided for assurance on good governance:
 - Clear strategic vision and priorities set by LEP Board and subject to wide consultation.
 - Open advertising of funding opportunities.
 - A sub-committee with responsibility for assessing bids.
 - Independent due diligence and assessment of business cases.
 - Arrangements for funding decisions to be signed off by a panel including local authority members (with the power of veto)
 - Section 151 officer to have sight of all decisions.
 - Use of scrutiny arrangements to monitor decision-making.
- The National Assurance Framework should be further amended to confirm that *all* decisions (including urgent decisions and decisions in the absence of a formal meeting) must be subject to the normal business case, evaluation and scrutiny arrangements, and that they should be recorded and published in the normal way.

(iii) Conflicts of Interest

- The National Assurance Framework should set out the specific requirements on the principles which each LEP must incorporate into its conflict of interests policy, along with how it is to be implemented, so as to establish a country-wide minimum standard for dealing with conflicts of interest for each LEP board member.
- LEPs should be required to include within its conflicts of interest policy how scenarios of potential conflicts of interest involving councillors, private sector and other board members would be managed.

(iv) Complaints

- LEPs should be required to publish a whistleblowing policy and arrangements for the confidential reporting of allegations by third parties/public.

(v) Section 151 Officer

- Clarity should be provided within the National Assurance Framework on the role of Section 151 Officers, and that Section 151 Officers should provide a report as part of the LEP's annual performance review with DCLG on their work for the LEP and any issues of concern on governance and transparency.

(vi) Transparency

- The National Assurance Framework should provide additional guidance on expectations as to the publication of meeting agendas, meeting papers and decisions.
- LEPs should publish online a rolling schedule of the projects it has funded, giving a brief description of the project, names of recipients and the total funding provided.

(vii) Government Oversight and Enforcement

- The annual governance review should undertake a specific review of the annual assurance statement (*see recommendation (i)*).
- A risk based approach should be adopted to identify LEPs where a 'deep dive' review of governance and transparency would be of assistance, to be undertaken by someone with no direct involvement with the LEP concerned.
- The National Assurance Framework should provide more clarity to LEPs on the implications of non-compliance by LEPs with regard to governance and transparency requirements.

(viii) Best Practice

- The Government should continue to support the work of the LEP Network and look at how it might be strengthened so that it can better promote best practice.

Conclusions

5. The review found that there was clear recognition within LEPs that strong and proportionate governance arrangements can be pursued without becoming overly bureaucratic. The recommendations were intended to strengthen the improvement journey to date, and should be looked to be taken forward in partnership with the LEPs.

In addition, the recent report published by the Communities and Local Government Parliamentary Select Committee into Overview and Scrutiny recommended that the scrutiny committees of combined authorities have a role in monitoring the performance of Local Enterprise Partnerships.

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Briefing Note

Meeting: Overview and Scrutiny Committee

Title: Budget Task and Finish Group - Progress

Prepared by: Councillors Peter Hughes and Claire Spencer (Lead Members)
Martin Stevens
Tel No: 01902 550947
Email: martin.stevens@wolverhampton.gov.uk

1.0 Recommendation

1.1 To note the activity of the Budget Task & Finish Group.

2.0 Purpose

2.1 To update the Overview and Scrutiny Committee of developments and progress in relation to the work of the Budget Task and Finish Group.

3.0 Background

- 3.1 On the 22 November 2017 several members of the Budget Task and Finish Group attended a meeting of the London General Assembly – Budget and Performance Committee. This helped to set out the challenges and issues Members face scrutinising the budget process. Members of the Task and Finish Group met the Chair of the Committee informally after the meeting had completed.
- 3.2 On the 24 November 2017 the Budget Task and Finish Group attended a briefing session regarding the Budget setting process. This was given by WMCA Finance Officers, Louise Cowen and Linda Horne.
- 3.3 On the 6 December 2017, Cllr Claire Spencer, a Member of the WMCA Budget Task and Finish Group, spoke about the WMCA at the Centre for Public Scrutiny Annual Conference held in London. The presentation was well received by attendees.
- 3.4 The Task and Finish Group met on the 16 January 2018 to prepare for the Mayor's Budget Question Time. The group developed a number of questions to ask the Mayor which were themed into categories.

- 3.5 The Mayor's Budget Question Time took place on 24 January 2018 and lasted two hours and was the first meeting where the Mayor, Andy Street, was questioned directly about the finances of the organisation and budget for 2018/19 and proposals for funding his office. The event was streamed live through the WMCA Twitter account @WestMids_CA. All Scrutiny Panel Members and substitutes were invited to be present for the session. The responses the Mayor gave during Question Time helped to formulate a Scrutiny response to the draft budget which was submitted to the WMCA Board for their meeting on the 9 February 2018.
- 3.6 A Centre for Public Scrutiny Conference was held on 31 January 2018 at the University of Birmingham on Scrutiny at Combined Authorities in England. Several Members of the Budget Task and Finish Group attended along with Officers. The conference helped to develop some ideas for scrutiny of the WMCA moving forward.



Briefing Note

Meeting: Overview and Scrutiny Committee

Title: Governance Task and Finish Group - Progress

Prepared by: Councillor John McNicholas (Lead Member)
Gennie Holmes
Email: gennie.holmes@coventry.gov.uk
Tel No: 024 7683 1172

1.0 Recommendation

- 1.1 To agree the next piece of work will be a review of the governance of transport within the WMCA.
- 1.2 To agree an extra meeting in April to consider the outcomes from that review and the options and models available.

2.0 Purpose

- 2.1 To apprise the Overview and Scrutiny Committee of developments and progress in relation to the work of the Governance Task and Finish Group, following the meeting of the group on 9th February 2018

3.0 Background

- 3.1 The Task and Finish Group met for the first time on 17 November 2017 to consider its terms of reference and the scope for its initial piece of work in relation to the transition of West Midlands Fire and Rescue Authority (WMFRA).
- 3.2 Recommendations from this work were considered by the West Midlands Combined Authority Board at their meeting on 8th December 2018.
- 3.3 From that meeting it was agreed that the WMFRA governance review would be undertaken collaboratively with the Overview & Scrutiny Committee so as to ensure that the views of that committee were considered as part of the development of the final governance model for the West Midlands Fire Service

- 3.4 The next stage in the work of the task and finish group is to consider the governance of transport within the West Midlands Combined Authority
- 3.5 Members of the task and finish group met on 9th February to update the scope of the task and finish group to incorporate the transport element.
- 3.6 As part of the scoping exercise, Members of the task and finish group discussed possible models of governance for the transport aspect of the combined authority. Members also discussed the Disparity of SRA's across the governance structure of the WMCA which needs to be addressed by the Combined Authority and the Mayor.
- 3.7 Members of the Governance Task and Finish Group request a further meeting of the Overview and Scrutiny Committee to consider the outcome of the review and recommendations to the Combined Authority Board.

WMCA Overview & Scrutiny Committee - Forward Plan

Title of Report	Description of Purpose	Date of Meeting	Lead Officer/Member
HR Report – WMCA Staff and Capability Resource	To receive an update on capability resource	20 March 2018	Rita Rais
LEP Presentations	To receive a presentation from each of the three LEPs	20 March 2018	Sarah Windrum Mike Lyons Paul Brown
Integrated Plan	Consideration of the Integrated Plan & Budget	20 March 2018	Louise Cowen
Mental Health Commission Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor Rachel Harris
Land Commission Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor Ian Shires
Skills and Productivity Commission Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor Claire Spencer
Budget Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor Peter Hughes and Claire Spencer
Governance Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor John McNicholas

Title of Report	Description of Purpose	Date of Meeting	Lead Officer/Member
Inclusive Growth and Social Value Task & Finish Group	To provide a progress update on the work of the Task and Finish Group	20 March 2018	Councillor Claire Spencer
WMCA Wellbeing Board - Cross-focused review in respect of air quality issues to incorporate housing and manufacturing emissions	To receive an update on the cross-focused review	20 March 2018	Councillor Rachel Harris
Strategic Risk Register	To receive an overview of the Strategic Risk Register	20 March 2018	Tim Martin Loraine Quibell