

 <b>Council – 24 June 2015</b>		<b>Agenda Item No. 13</b>
<b>Title</b>	Devolution and Economic Growth – options for a combined authority	
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<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive 11 March 2015	
<b>Background Papers</b>	Cities and Local Government Devolution Bill	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No
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<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executives	15.06.15	Bill Hunt, Andy Jones
Heads of Service	15.06.15	Mike Snow, Tracy Darke, Andy Thompson, Rose Winship, Robert Hoof, Richard Hall
CMT	15.06.15	Chris Elliott, Andrew Jones, Bill Hunt
Section 151 Officer	15.06.15	Mike Snow
Monitoring Officer	15.06.15	Andy Jones
Finance	15.06.15	Mike Snow
Portfolio Holder(s)	15.06.15	Cllr. Mobbs
<b>Consultation &amp; Community Engagement</b>		
N/A at this stage but if the matter were to be progressed, there are statutory consultation processes that would need to be undertaken. Consultation on proposals for a West Midlands Combined Authority is expected to take place over the summer.		
<b>Final Decision?</b>	No	
<b>Suggested next steps (if not final decision please set out below)</b>		
That the Leader and the Chief Executive report back on the outcome of discussions to the Council.		

## **1. SUMMARY**

- 1.1 This report sets out information about the new Government's developing policy on devolution, growth and combined authorities and current proposals for the West Midlands. The report proposes responding to this rapidly moving agenda by entering into discussions with other local authorities and the Government to establish how the Council's objectives might be achieved through membership of a combined authority; requiring the Council Leader and Chief Executive to feedback on these discussions to Council.

## **2. RECOMMENDATIONS**

- 2.1 That Council endorse the statement on combined authorities previously agreed under delegated authority by all 4 Group Leaders, including the Council's agreed objectives for entering a combined authority and devolution discussions and its preferred option of a combined authority for the city deal area of Coventry and Warwickshire (with Hinckley and Bosworth), set out in Appendix 1.
- 2.2 That the Council continues to explore the opportunity to deliver its objectives set out in Appendix 1 through the potential membership of a combined authority and that its objectives are used as the basis for the evaluation of any option before it.
- 2.3 That as its preferred option the Council is willing to enter discussions on forming a Combined Authority and entering devolution discussions for Coventry and Warwickshire.
- 2.4 However, the Council should respond to the proposal to develop a combined authority for the three Local Enterprise Partnership (LEP) areas of Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire, by taking part in discussions and investigating with the other authorities included in that proposal and with the Government on the devolution proposals that could be associated with it.
- 2.5 That the Council should delegate authority to the Leader and Chief Executive to enter into discussions on behalf of the Council on a possible combined authority and devolution options so that proposals can be considered by the Council at the earliest opportunity.
- 2.6 That it be noted that the £50,000 previously agreed by the Executive to be allocated from the contingency budget to support this work will be retained for this purpose.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 There are two elements to this issue – one is the creation of a Combined Authority (a legal entity) and the other is the devolution package that may be negotiated with the Government on the back of creating a Combined Authority. The creation of a Combined Authority has to follow a number of steps including wide consultation. This is summarised at Appendix 2.

- 3.2 The new Government has quickly announced that it intends to pursue its policy of economic growth through devolution and has published the Cities and Local Government Devolution Bill to assist with this process. The first speech given by the Chancellor of the Exchequer after the election focused on the Northern Powerhouse and devolution.
- 3.3 In his speech the Chancellor stressed on the importance of the cities and their areas in the north to improve productivity and to rebalance the UK economy,. This policy is based on the economic theory that significant increase in productivity requires areas to work together at scale i.e. that there are real benefits to be had from economic agglomeration where places collaborate on key economic initiatives. The Chancellor promised greater powers and autonomy through devolution deals to cities with ambition elsewhere in the UK, particularly to those who choose to have an elected Metro mayor.
- 3.4 This offer from the Chancellor, along with the publication of the Cities and Local Government Devolution Bill, has added further impetus to the development locally of a combined authority for the West Midlands which is now the only metropolitan area in England that does not have a combined authority.
- 3.5 Combined authorities can be set up by one or more local authorities who wish to so come together to promote economic growth on a sub-regional basis for their area so that they can address issues including transport, skills and economic regeneration. A combined authority must reflect the area's economic geography and provide a collective voice and enable collective decision making by the local authorities that make up the combined authority. Combined authorities increasingly became the body of choice for the devolution of powers and funding from Government during the last Parliament.
- 3.6 Combined authorities are not intended to replace existing local authorities. Member councils continue to deliver local services and retain civic responsibility for their areas. Nor are combined authorities a replacement for Local Enterprise Partnerships which are made up of local businesses and local authority representatives and which would continue to operate alongside combined authorities. Greater Manchester, regarded as the most advanced combined authority, is to be given powers over health and social care – although this is being linked to the creation of a metro mayor for the area.
- 3.7 Initially seen as predominantly a vehicle for metropolitan areas for the city deals negotiated with the last Government, the last year has seen many areas looking to create a combined authority for a variety of city, county, district council or a mixture of these in areas across England.
- 3.8 Warwick District Council, the other Warwickshire Districts, Warwickshire County Council, Hinckley and Bosworth Borough Council and Coventry City Council are members of the Joint Committee for Coventry, Warwickshire and South West Leicestershire. This was formed early in 2014 as the first stage in the commitment that all of the local authorities in the sub region gave as part of the sign up to the Coventry and Warwickshire City Deal in 2013.
- 3.9 The City Deal area, along with Coventry and Warwickshire Local Enterprise Partnership, reflects the economic geography and functional market area of our sub-region. Economic analysis shows Warwick District has particularly close economic links with Coventry, Stratford and Rugby and to an extent Solihull

and Birmingham. Slides shown at Member presentations showing the economic linkages have been previously circulated.

- 3.10 Last November Birmingham City Council and the four metropolitan district local authorities that make up the Black Country announced that they intended to create a combined authority for their area and invited other neighbouring authorities to consider joining them in a combined authority for the West Midlands. This precipitated discussions in the Coventry and Warwickshire sub-region which have taken place during the last six months.
- 3.11 Coventry City Council is currently a member of the West Midlands Joint Committee which has responsibilities for the oversight of the Police and Fire services for the West Midlands and is also a member of the West Midlands Independent Transport Authority (WMITA) which is responsible for the provision of public transport. This means for Coventry there is not a status quo option.
- 3.12 As the West Midlands is the only metropolitan area in England without a combined authority it is viewed as being behind other areas of the country. It is also perceived that the Midlands is at risk at missing out on the Government's devolution agenda – particularly as the Northern Powerhouse concept is developed and supported by Government including specific provision in the last budget and the creation of a minister responsible for the Northern Powerhouse in the new Government. In their recent visit to Birmingham on 1<sup>st</sup> June 2015, the Chancellor, along with Greg Clark, the Secretary of State for Communities and Local Government, and Lord Heseltine made it clear that there was an opportunity for the West Midlands to respond to the Government's devolution agenda but this required a speedy and ambitious response from local councils. They urged engagement with the wider adjoining area including district councils.
- 3.13 Economic analysis undertaken by the metropolitan authorities has now led them to propose that a combined authority should be created for the West Midlands base on three Local Enterprise Partnership areas of Coventry and Warwickshire, Greater Birmingham and Solihull and the Black Country. It is proposed these three functioning economic areas working together could provide fresh opportunities for businesses, job creation, transport improvements, skills programmes and housing investment.
- 3.14 Solihull Metropolitan Council has recently indicated that it is likely to join a West Midlands Combined Authority. Coventry City Council's Cabinet has agreed in principle to join a combined authority with a preferred option of councils from Coventry and Warwickshire (with Hinckley and Bosworth), Greater Birmingham and Solihull and the Black Country. However, it is highly likely that should the Warwickshire authorities decide not to participate that Coventry would proceed with the West Midlands in any event. Consequently whilst the clear preference for this Council is for a Coventry and Warwickshire approach there is presently no such proposal on the table to consider, the only one on the table to consider is for the wider West Midlands area.
- 3.15 The area proposed would be the biggest combined authority area in the country with a population of 4 million and would run from northern Worcestershire (Redditch and Bromsgrove) in the south to southern Staffordshire (including Tamworth, Burton on Trent) in the north. This would be a new West Midlands larger than the metropolitan area itself and considerably bigger than Greater

Manchester (see Appendix 3). The Local Authorities that could be involved and their political control are listed at Appendix 4.

- 3.16 The issues and relative merits of a combined authority were previously considered by the Executive at its meeting on 11 March 2015. To respond to discussions that were taking place at that time locally, it was agreed that feedback would be sought from the Council's political groups to enable the Leader and Chief Executive to discuss with other local authorities options for potential membership of a combined authority.
- 3.17 Following feedback from the Council's political groups a statement on combined authorities was drawn up which is set out at Appendix 1. The statement sets out the objectives that Warwick District Council would want to achieve by working together with other local authorities through a combined authority; and preferred governance arrangements, with a first preference for a combined authority based on the city deal area to include all the councils of Coventry, Warwickshire and Hinckley and Bosworth.
- 3.18 As the discussions around the creation of a combined authority are continuing it is recommended that this statement is endorsed by Council as Warwick District to continue to provide the basis and direction for future discussions and negotiations.
- 3.19 The additional impetus provided by the election of a new Government keen to promote economic growth and devolution through devolution deals means that the Council will need to be able to respond quickly to a rapidly moving agenda and so it is recommended that the Council continues to explore whether joining a combined authority would enable it to achieve its objectives.
- 3.20 In particular, it is recommended that the Council responds to the proposal from the West Midlands Metropolitan Councils to consider creating a combined authority for the West Midlands covering three Local Enterprise Partnerships which includes Warwick District. Although this is not the Council's preferred option it is important to establish what the benefits of such an authority and subsequent devolution deal might be for Warwick District's communities and whether or not it is a viable option for the Council to consider.
- 3.21 Devolution discussions with the Government about what is best for the West Midlands are now beginning and it is recommended that Warwick District Council should look to take an active part in these to enable the Council to decide what the benefits to the businesses and residents of Warwick District might be from joining a combined authority and taking part in any devolution deal. For information, the initial detail received is that the Government is looking for the Combined Authority to start at the beginning of next financial year meaning that consultation may begin at the end of this summer.
- 3.22 Clearly then this agenda is moving at pace it is recommended that authority should be delegated to the Leader and Chief Executive to take part in discussions so that these can reported back to the Council so that any proposals can be considered and determined at the earliest opportunity. Other Officer and Executive Councillor time may also be required as is appropriate.

#### 4. **POLICY FRAMEWORK**

4.1 The Council's Sustainable Community Strategy (SCS) seeks to help make Warwick District a great place to live, work and visit; and it has 5 priority policy areas – Prosperity, Housing, Sustainability, Health and Well Being and Community Safety. A Combined Authority and the devolution deal that goes with it could assist in furthering that vision by enabling the local economy to grow even stronger (Prosperity), aiding further affordable housing investment (Housing) and securing infrastructure funding (Prosperity, Housing, Sustainability, Health and Well Being). A package could also be supportive of the Local Plan and the accompanying Infrastructure Development Plan.

4.2 In relation to the Council's Fit for the Future Programme (FFF), the Combined Authority and Devolution package could assist 2 of the 3 strands:

**Services** – by improving or maintaining a range of the Council's services;  
**Money** – by attracting additional financial resources to help address the forecast budget deficit and helping to bring in investment in necessary infrastructure.

The impact on the **People** strand is at this stage anticipated to be neutral but could change.

#### 5. **BUDGETARY FRAMEWORK**

5.1 At this stage the cost of participating in the discussions is minimal although the previous Executive decision had allowed for the sum of £50,000 to be used to assist in this work should it necessary. It will continue to be used to support this area of work. It has so far extended to jointly commissioning of some research. If the concept were to go further then there may well be costs associated with officer time, legal advice and undertaking consultation. It is very difficult to estimate with any precision at this stage the full cost to the authority of such participation. However, if the matter were to proceed to a more detailed stage then a further report to the Executive would in any case be required. Equally, at this stage it is difficult to be precise about the potential gain to the Council of participating. In a very real sense, it is not possible to clarify costs or benefits unless the Council does participate further in discussions.

#### 6. **RISKS**

6.1 At this stage the most identifiable risk is about participation in what may be termed the "talking stage" of setting up a CA. Participating in discussion raises little direct risk to the Council other than the time potentially wasted by Officers and Councillors if the discussion leads nowhere. On the other side, the risk of not participating is greater in that an agenda will be set out without this Council's input or agreement; funding and powers may be awarded to those that do participate and not to those who did not. On balance the risk is greater in relation to non-participation at this stage.

- 6.2 However, it is not clear at this stage that all the other Warwickshire Councils will agree to participate in the same discussions and there may be reputational and relationship risks to all concerned should there be a divergence. This risk can best be mitigated by making sure of continuous communication between all of the sub regional authorities potentially involved but this Council will need to be alert to signals of fall out and any consequences.
- 6.3 Given that no final decision is sought at this stage, it is again difficult to be precise about the risks of particular elements of a devolution deal. All of this requires more discussion and negotiation in order to be clearer about the respective risk and rewards. In any event another decision would be required of the Council before it formally enters a Combined Authority and agrees a devolution deal.

## 7. **ALTERNATIVE OPTION(S) CONSIDERED**

- 7.1 The option of not participating is not recommended for the reasons set out in Section 6. However, should the Council so decide it would need to consider the wider risks raised such none participation in addition to those set out in Section 6.
- 7.2 Coventry City Council at this stage has made it clear that it will pursue the negotiations as part of the wider West Midlands proposal even if the Warwickshire authorities do not participate, thus reducing the opportunity for this Council's preferred option to come to the fore. Members would then need to consider what would happen to the existing LEP, the existing Business Rates Pooling arrangement for the sub region and whether the Government would offer any form of a worthwhile devolution deal for a County area only.
- 7.3 So far although there has been reference from the Government in respect of shire areas, it appears only to be a version of the Growth Deal that the sub region has currently benefited from which is very minimal compared to the devolution deals being offered and agreed elsewhere. Members may wish to note at Appendix 5 the explanatory notes relating to Clause 10 of the present Cities and Devolution Bill, referencing to streamlining of Local Government structures.

## **Appendix 1 Warwick District Council's Statement on Combined Authorities**

Warwick District Council supports in principle the emerging proposal for a Combined Authority as the constitutional basis for securing the devolution of funding and powers from Central Government and its various departments and agencies.

This support is based on the recognition that many decisions over significant areas of public expenditure and policy would be better, and more timely, if made locally, and so would better serve our local communities.

A. Objectives - i.e. why would want to do this?

1. We note that on the 19th March 2015, the CW Shadow EPB is to be commission a group of officers to develop proposals for a Combined Authority, to help inform that work and to answer the question more broadly of why WDC would want to enter a Combined Authority, our priorities for our communities are as follows:

2. The initial priority areas that we would want to see devolved are based on the current areas of joint work in the CW LEP; CW City Deal and the Shadow EPB (Please note that for the sake of brevity references to CW will always include Hinckley and Bosworth), i.e. strategic economic development and regeneration; skills development; strategic transport; strategic land use planning; and, strategic housing matters. Whilst recognising that this process will require the need for the Local Authorities to pool their existing powers and resources, the emphasis of such work should be at the larger than local level. WDC recognises however, that alongside this work greater freedom financially also has to granted.

3. More specifically, though this is not an exhaustive list by any means, WDC would hope to see as part of any devolutionary agreement, the following:

- \* The provision of a large capital investment which can be used on a revolving basis to forward fund infrastructure to support employment and housing growth but also to deliver social elements, such as, schools, leisure, open space and health, and transport solutions;
- \* An amendment to the New Towns Act to enable Councils to better capture any enhanced land values in order to be able to invest in long term infrastructure and promote development in appropriate locations;
- \* The removal of the borrowing cap on Council's Housing Revenue Accounts in order to allow them to be able to invest in more affordable housing;
- \* Devolved control over key HCA's capital investment programmes and its local assets;
- \* Devolved control over the Highways Agency and Network Rail capital investment programmes and their surplus local assets;
- \* A duty to co-operate requirement on all other Government departments and agencies to co-ordinate their capital investment and service delivery programmes locally with the Combined Authority;
- \* Local control over the Work Programme and similar programmes to enhance and better tailor apprenticeships and job opportunities for our local communities;
- \* Local control over any BIS programmes to support local businesses and to attract inward investment;
- \* A range of financial instruments, such as retention of all of business rate growth and Tax Increment Financing (TIF) to both enable Councils to become more self-supporting financially but also to be able to both fund and obtain a return on infrastructure and economic development;



- \* The ability to set regulatory fees and charges at levels that allow for full cost recovery to ensure that Councils can maintain the services that will aid economic recovery;
- \* Multi-year financial settlements to help provide stability for service provision.

WDC considers that a package along these lines would unleash the latent growth potential of the local economy leading to a better business environment; more and better jobs, more security for such jobs; more housing for families of all incomes; and, put a supportive economic and social infrastructure in place. It would also enable Councils, communities and families to be more financially self-supporting and therefore independent.

4. WDC considers that this approach could also translate into a reduced welfare bill by enabling more local, working age people to enter well paid jobs and so be less reliant on welfare payments. However, to maximise this latter potential WDC believes that a second priority area for the Combined Authority would be to seek from Government, the local management of Job Centres and national welfare payments systems to allow a local integration of all benefit systems but also to allow for the integration of job creation activities (economic development) with job filling activities (getting more local people into local and better jobs).

5. WDC believes that if the Combined Authority can demonstrate success in the areas above it would then be well placed to then seek further devolution in the fields of Health and Social Care; and in Policing and Community Safety leading ultimately to the brief for a complete Whole Place budgeting over all public policy areas that can be localised.

#### B. Governance - how do we want to manage it?

1. WDC realises that all of the above represents a tremendous "Ask" and will no doubt be accompanied by "Asks from Government". It understands that such trading is part of the discussions the Combined Authority will have to enter into with the Government. However, at this stage it does not consider that an "Ask from Government" for an elected Mayor is an acceptable "Ask". Another tier of authority and decision making in an already complicated field is not the approach our communities are seeking nor that they deserve.

2. In terms of Governance WDC seeks a Combined Authority in which all participating authorities are present at the decision making table with equal voting rights. Each authority should have equal standing, responsibility and contribute towards its cost.

3. The matter of what "geography" a Combined Authority relates to, is an important issue but a complicated one. It is clear from the economic analysis that Coventry and Warwickshire work as an economic entity and for them to be in separate Combined Authority areas would be not be in the interests of anyone, certainly not the local communities who do not live their lives according to local authority boundaries.

4. WDC's first preference is that a Combined Authority should be based on the CW City Deal area (including Hinckley and Bosworth) although WDC would also welcome Solihull Council's membership in this grouping. Further afield, WDC sees little benefit of a Combined Authority that also includes Worcestershire, Northamptonshire or Oxfordshire. Economic links with these areas are relatively weak and it is noted that Northamptonshire and Oxfordshire are in any case promoting their own Combined Authority with Buckinghamshire.

5. WDC recognises that overall, if not for the WDC area itself, that there may well be merits in a CW Combined Authority which also extends to Leicester and Leicestershire.

6. Involvement with a Combined Authority that involves the Greater Birmingham, Solihull and Black Country (GBSBC) presents an especially difficult problem. WDC understands the arguments about economic scale and in particular that a CW Combined Authority may from some vantage points be seen as too small to secure a significant deal or to have an appropriate voice but it does not necessarily agree that being part of a larger body is always better. There can be diseconomies of scale. The critical element is effectiveness and WDC believes that a CW Combined Authority can be more effective.

7. WDC understands that some other parts of the CW area do have stronger links with Birmingham and Solihull than WDC's area and may be attracted to a GBSBC/CW City Deal sized proposition. However, if a Combined Authority based on the real economic footprint of a GBSBC plus the CW City Deal area were to be put in place then the Combined Authority would have 24 Councils as members (this includes all of the District Councils in Worcestershire (3) and Staffordshire (4) that are presently part of the Greater Birmingham and Solihull LEP, Worcestershire and Staffordshire County Councils, plus South Staffordshire District Council which shares an Enterprise Zone with Wolverhampton City Council). Inclusion of Telford would take membership to 25 Councils. Even a Combined Authority for GBS only plus CW City Deal area would involve 14 Councils. By comparison, Greater Manchester, the oft quoted example of Combined Authorities, has only 10 participating Councils; the North East only has 7; West Yorkshire 9 (if one includes the 3 non-voting Districts); Sheffield 9 (if one includes the 5 non-voting Districts); and Merseyside 6. A GBSBC plus CW City Deal area may represent a significant economic scale but it is impossible to see how all participating Councils could be equally and positively involved in such a large scale venture. Equal participation is a key value for WDC and consequently there is no appetite to be part of a large body effectively the same size as AWM with all the bureaucracy that it engendered as it is unlikely to be very effective.

8. However, it may be the case that the benefits of scale and the necessity for equal participation could be reconciled over the whole Midlands area if instead of the creation of one large Combined Authority, that a different approach is considered, perhaps a coalition of Combined Authorities for particular matters as and when needed.

## **Appendix 2 - Process for setting up a combined authority**

Combined authorities are a type of authority which may be set up by the Secretary of State, at the request of local authorities in a specified area. Their purpose is to undertake joint functions through a body with its own legal personality. They were introduced in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009. This applies in England only.

Local authorities must trigger a review process in advance of setting a combined authority up, but the power to actually create a combined authority lies with the Secretary of State, via a statutory instrument.

The statutory process begins with two or more councils undertaking a review of their area specifically in relation to the effectiveness and efficiency of transport and arrangements to promote economic development and regeneration within the area covered by the review. The review may recommend the established authority for their area, or including their area.

As part of this review, there will be a consultation to seek the views of local residents, councils; business and other local organisations across the area that is subject to the review so that these can be considered by the councils before they decide to proceed.

The local authorities then publish their "scheme" for a proposed combined authority which is submitted to the Secretary of State. Publication of the scheme requires the consent of the local authorities covered by it.

The scheme is then considered by the Secretary of State who undertakes a further formal process of consultation and must consult the authorities that would be covered by it. There are no powers for public bodies other than local authorities to join a combined authority.

Under current legislation the areas within a combined authority must be contiguous. The Secretary of State must consider whether a combined authority will improve the exercise of statutory functions relating to transport and economic development in that area and the economic conditions in the area. The Secretary of State also must have regard to the need to reflect the identities and interests of local communities and to secure effective and convenient local government.

The Secretary of State then makes an order for a combined authority to be approved before Parliament. This whole process usually takes 9-12 months.

### **Changes to legislation on setting up a combined authority**

The Government has published a draft order which will change the current regulations and allow non-contiguous areas to become part of a combined authority and will also permit part but not all of a county council area to become a member of combined authority which is not currently the case (and has led to the concept of associate membership being developed). The Secretary of State would still have to be convinced that the proposed area was a functional economic area and would be required to take into account the possible effects of establishing a combined authority on adjoining areas.

Local authorities may not be full members of more than one combined authority. However there is no such thing in law as "associate member" of a combined authority, and a district council is free to be an "associate member" of more than one combined authority, or an "associate member" of one and a full member of another.

### Appendix 3 - Relative size of LEP areas

LEP area	Population 2013 (million)	Total GVA (£ billion)	GVA per head (£ million)
Coventry and Warwickshire	0.87*	19.7	22,443
Black Country	1.15	19.5	16,958
Greater Birmingham and Solihull	1.96	41.3	20,969
3 LEP areas	3.98	80.6	**
Greater Manchester	2.70	56.2	20,724

Source: ONS analysis for LEP partnerships (published February 2015)

\*Population is c.1m with Hinckley and Bosworth

\*\*official figure not available roughly calculates to £20,248

## **Appendix 4 Potential Local Authority members of a West Midlands Combined Authority**

### Coventry and Warwickshire (including Hinckley and Bosworth) LEP area

Warwick District Council	Conservative
Stratford District Council	Conservative
Rugby Borough Council	Conservative
Nuneaton and Bosworth Borough Council	Labour
North Warwickshire Borough Council	Conservative
Hinckley and Bosworth Borough Council	Conservative
Coventry City Council	Labour
Warwickshire County Council	Conservative led

### Greater Birmingham and Solihull LEP area

Redditch Borough Council	Labour
Bromsgrove District Council	Conservative
Wyre Forest District Council	Conservative
Worcestershire County Council	Conservative
Birmingham City Council	Labour
Solihull Borough Council	Conservative
Lichfield District Council	Conservative
Tamworth Borough Council	Conservative
East Staffordshire Borough Council	Conservative
Cannock Chase Borough Council	Labour
Staffordshire County Council	Conservative

### Black Country LEP area

Dudley Borough Council	Labour
Walsall Borough Council	Conservative led coalition
Wolverhampton City Council	Labour
Sandwell Borough Council	Labour

15 Conservative or Conservative led

7 Labour

7 Unitary Councils

3 County Councils

13 Borough/District Councils

## **Appendix 5 – Exert from Explanatory Notes on Clause 10 of the Cities and Devolution Bill**

### **Local authorities: governance and constitution**

Clause 10: Governance arrangements etc of local authorities in England

26 Clause 10 provides for the Secretary of State to make regulations making provisions about local authorities' governance arrangements, their constitution and membership, and structural and boundary arrangements. For these purposes a local authority is a county council in England, a district council or a London Borough.

27 Governance arrangements mean the arrangements an authority operates for taking decisions - executive arrangements, the committee system, or prescribed arrangements as provided for under Part 1A of the Local Government Act 2000.

28 For structural, boundary, or other changes, the context in which this power could be used is where Devolution Deals, conferring powers and budgets on an area, are agreed by Government with areas where it may not be appropriate simply for the existing councils to establish a combined authority, or indeed where a combined authority is not appropriate.

29 An example may be where a single county, which may or may not be a unitary authority, covers a functional economic area which may be the basis for a Devolution Deal, and all the constituent councils involved agree that the strong and accountable governance needed for the new powers and budgets to be conferred on the area necessitates simplifying the local government structures for the area. That may involve mergers of councils, moves to unitary structures, or changing the democratic representation of the area with different electoral cycles and fewer councillors.

30 This power is intended to enable the Secretary of State to effect those changes simply and efficiently. Regulations under this clause are to be made only with the consent of the local authorities to which the regulations apply. Such regulations would be subject to the affirmative procedure in Parliament and may include transitional, transitory or saving provision.