



Council

Thu 8 Oct
2015
7.00 pm

Council Chamber
Town Hall
Redditch

REDDITCH BOROUGH COUNCIL

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Democratic Services**

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Council

Thursday, 8th October, 2015

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Pattie Hill (Mayor)	Gay Hopkins
	Joe Baker (Deputy Mayor)	Wanda King
	Tom Baker-Price	Jane Potter
	Roger Bennett	Gareth Prosser
	Natalie Brookes	Antonia Pulsford
	Juliet Brunner	Mark Shurmer
	David Bush	Rachael Smith
	Michael Chalk	Yvonne Smith
	Greg Chance	Paul Swansborough
	Anita Clayton	Debbie Taylor
	Brandon Clayton	David Thain
	Matthew Dormer	Jennifer Wheeler
	John Fisher	Pat Witherspoon
	Andrew Fry	Nina Wood-Ford
	Bill Hartnett	

1. Welcome	The Mayor will open the meeting and welcome all present.
2. Apologies	To receive any apologies for absence on behalf of Council members.
3. Declarations of Interest	To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
4. Minutes (Pages 1 - 8)	To confirm as a correct record the minutes of the meeting of the Council held on 21 st September 2015.

<p>5. Announcements</p>	<p>To consider any exceptional Announcements under Procedure Rule 10:</p> <ul style="list-style-type: none">a) Mayor's Announcementsb) Leader's Announcementsc) Chief Executive's Announcements. <p>(Oral report)</p>
<p>6. Proposals for a West Midlands Combined Authority (Pages 9 - 140)</p>	<p>To consider the enclosed report prepared by the Chief Executive, setting out key issues relating to the Government's devolution agenda and asking the Council to decide its response to an invitation to join the proposed West Midlands Combined Authority.</p>
<p>7. Urgent Business - general (if any)</p>	<p>To consider any additional items exceptionally agreed by the Mayor as Urgent Business in accordance with the powers vested in her by virtue of Section 100(B)(4)(b) of the Local Government Act 1972.</p> <p>(This power should be exercised only in cases where there are genuinely special circumstances which require consideration of an item which has not previously been published on the Order of Business for the meeting.)</p>



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Monday, 21 September
2015

MINUTES

Present:

Councillor Pattie Hill (Mayor), Councillor Joe Baker (Deputy Mayor) and Councillors Tom Baker-Price, Roger Bennett, Natalie Brookes, Juliet Brunner, David Bush, Michael Chalk, Greg Chance, Anita Clayton, Brandon Clayton, Matthew Dormer, John Fisher, Andrew Fry, Bill Hartnett, Gay Hopkins, Wanda King, Jane Potter, Gareth Prosser, Mark Shurmer, Rachael Smith, Yvonne Smith, Paul Swansborough, Debbie Taylor, David Thain, Jennifer Wheeler, Pat Witherspoon and Nina Wood-Ford

Also Present:

Mr D Newman

Officers:

Sheena Jones, Kevin Dicks, Claire Felton and Jayne Pickering

Democratic Services Officer:

Jess Bayley

40. APOLOGIES

An apology for absence was received on behalf of Councillor Antonia Pulsford.

41. DECLARATIONS OF INTEREST

Councillor David Bush declared an interest in respect of Minute No. 46 with regard to the Council's response to the Stratford-on-Avon Core Strategy Proposed Modifications. He left the room during consideration of this issue and did not participate in the discussions or vote on this matter.

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Chair

Council

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42. MINUTES

RESOLVED that

the minutes of the meeting of Council held on 27th July 2015 be agreed as a correct record and signed by the Chair.

43. ANNOUNCEMENTS

a) The Mayor

The Mayor announced that she had attended the Community Festival at the Redditch Bandstand on Saturday 19th September. The event had been well attended with lots of food and community activities. The Mayor thanked staff for their hard work organising this event.

b) The Leader

The Leader delivered a number of announcements:

- Concerns were raised about the Alexandra Hospital following recent announcements that Worcestershire Acute NHS Hospitals Trust would potentially have a deficit of £48 million by the end of the financial year and news that Redditch patients were being referred to hospitals outside the Borough.
- The Leader had attended Morton Stanley Festival in August where there had been a number of new community stands.
- The Onam celebration hosted by the Redditch Kerala Cultural Association had also been attended by the Leader in August 2015.
- In September the Leader had attended the Community Festival at the Redditch Bandstand alongside the Mayor. He thanked staff and Ms Sue Yeng for their hard work organising the event.
- The Leader had also attended a fund raising event in Abbeydale to help Syrian refugees.
- Leaders from Councils across Worcestershire had recently met to discuss the refugee crisis. Agreement had been reached in principle about an appropriate local response, though this would be subject to further clarification about the resources available to support refugees.

44. QUESTIONS ON NOTICE

The Leader responded to three questions that had been submitted in accordance with Procedure Rule 9.2 from Mr D. Newman, Councillor Baker-Price and Councillor Brunner as detailed below.

a) Parking in Mount Pleasant

Mr D Newman asked the following question:

Can the Council update regarding parking in Mount Pleasant? When the TV cameras were on the estate we were promised a resolution in the next couple of weeks. This has never materialised and we are in the same position.

The residents demand a resolution to the issue and I for one would welcome residents' parking permits.

It is noted adjoining roads to Mount Pleasant, such as Oakly Road, have double sided parking, and the only assumption for Mount Pleasant not having double sided parking for residents is the amount of traffic we take.

I feel the road would benefit from a trial of becoming a one way road, as the bottom of Mount Pleasant is a no entry for cars anyway.

What can the Council do to canvas opinion of residents about the future of the road going forward, or if required, I would canvas the estate for proposals.

The problem cannot go on indefinitely, and this road was not made for the amount of traffic going up and down it. If a resolution is not forthcoming the residents will have to look to take objection to the Council's lack of support, by blocking the entrances to the estate.

The Leader replied as follows:

Whilst I sympathise with you and your neighbours, regarding the parking situation in your area, Redditch Borough Council, through our partnership with Wychavon District Council, is only responsible for enforcing the lines and signs that are designated under the traffic regulation order (TRO), which must be done fairly and consistently across the Borough.

Responsibility for making changes to the TRO or carrying out works to the highway sit with the County Council's Highways Department. However, I have asked Councillor Greg Chance, the Deputy Leader and Portfolio Holder who covers transport

issues, to arrange to meet with you and other residents in the area, along with the two County Councillors for the area to gain their support and develop a proposal that can be put to the County Council Highways Team.

b) Business Booster Grant Scheme

Councillor Baker-Price asked the following question:

Would the leader please state the amount of money the Council has given to businesses through the 'businesses booster grants' scheme this year?

The Leader responded as follows:

The 'Business Booster' grants scheme and funding is now administered by the North Worcestershire Economic Development and Regeneration (NWEDR) shared service. I can confirm that for the 2015/16 financial year to date, £19,409 has been awarded to businesses in Redditch through the 'Booster' grant scheme and that six businesses from Redditch have benefitted from support.

A supplementary question was raised by Councillor Baker-Price concerning start-up costs for businesses. He explained that he had checked the British Chamber of Commerce's website which indicated that start-up costs for new businesses were high. He suggested it might be more useful to direct funding to support a new officer post, which would be responsible for signposting and supporting new businesses applying for grant funding. Councillor Baker-Price also noted that he had visited the Birmingham and Solihull Local Enterprise Partnership (LEP) website and that this did not make reference to Redditch in relation to grants to businesses.

The Leader responded by suggesting that, due to the level of detail, the supplementary question should be sent to him in writing so that a written response, addressing all of Councillor Baker-Price's points, could be provided.

c) Devolved Powers – Worcestershire

Councillor Brunner asked the following question:

Given that a recent poll undertaken by Worcestershire County Council states that 88% of Worcestershire residents want devolved powers from Westminster kept locally, when will the Labour group allow Redditch residents a say on whether they wish to support devolved powers to Worcestershire?

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The Leader explained that, as detailed during recent briefings delivered by the Chief Executive, the Council was in the process of exploring a potential devolution deal. Discussions about the devolution deal were not as advanced as discussions about the potential for the Council to enter into a combined authority. Following further consideration alongside other local authority Leaders the Leader would report back to the Council.

A supplementary question was raised by Councillor Brunner as to whether the Leader agreed that Redditch residents should be consulted about devolving powers in Worcestershire.

The Leader responded by explaining that the Council would potentially consult at the appropriate time depending on the circumstances and the offer available.

45. MOTIONS ON NOTICE

No motions had been submitted.

46. EXECUTIVE COMMITTEE

Members considered the minutes of the meeting of the Executive Committee held on 8th September 2015. The following key points were raised during consideration of this item:

a) Equal Opportunity Policy

Concerns were raised that the Equal Opportunity Policy was phrased in a manner that suggested that elected Councillors were employed by the Council. However, Officers clarified that as Councillors had a responsibility to staff and individual Equality duties within the context of various Equalities enactments they needed to be aware of and agree to the contents of the policy; however, Councillors were not regarded as staff or treated as such within Council policies.

b) Voluntary and Community Sector Grants Programme

The following points were raised whilst considering this item:

- The proposal that any underspend in the grants at the end of the financial year should be put back into balances; it was suggested that if any funds remained unallocated at the end of the evaluation process, a further opportunity for applications should be made available. However, the view was also expressed that every effort was made to publicise the availability of grants and the appropriate deadlines and

the take-up of funding reflected the demand from within the sector.

- The three rounds of community grants and the need for clarification concerning the potential for any unspent funds in early rounds to be allocated to Voluntary and Community Sector groups in later rounds.
- The work of the Grants Panel which operated in an apolitical manner.
- The positive contributions made by the Voluntary and Community Sector to the community in Redditch.
- The value of the support provided by Council staff to local Voluntary and Community Sector organisations and the potential impact this could have on the success of a bid.
- The work of the Voluntary and Community Sector Task Group in 2013/14 and improvements that had subsequently been made to the Council's grants process.
- Alterations that had been made to the grant themes for 2016/17 and amendments to the Grants Policy and scoring matrix which were designed to further enhance the process.

c) Consolidated Revenue and Capital Outturn and Financial Reserves Statement

A number of issues were raised during consideration of this matter:

- The assessment of the Council's accounts by the Council's external auditors; Grant Thornton.
- The level of funds held by the Council in balances.
- The level of unplanned savings and whether this enabled accurate budget forecasts to be made.
- Overall savings of £819,000 secured in 2014/15.
- Cuts to the local government grant received by the Council of 49 per cent over the previous five year period and the impact this had had on the Council's finances.

RESOLVED that

the minutes of the meeting of the Executive Committee held on 8th September 2015 be received and all recommendations adopted subject to, in relation to Minute 33 (Voluntary and Community Sector Grants Programme) Community Grant Fund, it being noted that there would be some latitude in the allocation of the grants across the three rounds to maximise the potential for the £16k allocation to be used..

(During consideration of this item Councillor David Bush declared an interest in respect of the Council's response to the Stratford-on-Avon Core Strategy Proposed Modifications. He left the room

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during consideration of this issue and did not take part in the discussions or vote on this subject).

47. REGULATORY COMMITTEES

The Council received the minutes from meetings of the Licensing and Planning Committees.

RESOLVED that

- 1) the minutes of the meeting of the Licensing Committee held on 20th July 2015 be received and adopted; and
- 2) the minutes of the meeting of the Planning Committee held on 12th August 2015 be received and adopted.

48. PLACE PARTNERSHIP LIMITED - APPOINTMENT OF SHAREHOLDER REPRESENTATIVES**RESOLVED that**

- 1) Councillor John Fisher, Portfolio Holder for Corporate Management, and Kevin Dicks, Chief Executive, be appointed as shareholders to the Shareholder meetings of the Place Partnership; and
- 2) in future appointments to the Shareholder meetings be by office; the Chief Executive and the Portfolio Holder for the function which includes corporate property management, both being able to nominate substitutes for when they are unable to attend a meeting.

49. URGENT BUSINESS - RECORD OF DECISIONS

There were no urgent decisions to note.

50. URGENT BUSINESS - GENERAL (IF ANY)

There were no separate items of urgent business to consider at this meeting.

The Meeting commenced at 7.00 pm
and closed at 7.50 pm

COUNCIL

8TH OCTOBER 2015

THE GOVERNMENT'S DEVOLUTION AGENDA – PROPOSALS FOR A WEST MIDLANDS COMBINED AUTHORITY

Relevant Portfolio Holder	Cllr Bill Hartnett
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Ward(s) Affected	All
Ward Councillor(s) Consulted	None Specific
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 To set out key issues relating to the Government's devolution agenda.
- 1.2 To update the Council on the proposals to establish a West Midlands Combined Authority by 1 April 2016 and the development of a devolution 'deal'.
- 1.3 To determine the position of the Council in respect of the invitation to join the emerging West Midlands Combined Authority; subject to this decision, to consider the Governance Review and draft Scheme.
- 1.4 To update Council on discussions in Worcestershire about the Government's devolution agenda.

2. RECOMMENDATIONS

Council is asked to:

- 2.1 Consider its response to the invitation to become a non-constituent member of the proposed West Midlands Combined Authority (WMCA).
- 2.2 Decide whether to accept or decline the invitation to become a non-constituent member of the proposed WMCA.
- 2.3 Subject to decisions made on 2.1 and 2.2, to approve the Governance Review and Scheme and request that further reports are brought back to Council on governance arrangements and a devolution 'deal' for WMCA and any proposals for devolution in Worcestershire.
- 2.4 If the Council decide to accept the invitation to become a non-constituent member of the proposed WMCA, to approve the release of balances of £10,000 for this Council's contribution to the WMCA set up costs in the 2015/16 financial year and for the inclusion of £25,000 in the medium term financial plan for an ongoing financial contribution.

3. KEY ISSUES**Financial Implications**

- 3.1 The £10,000 contribution to set up costs in 2015/16 will need to be met from balances.
- 3.2 Subject to the decisions of the Council, further financial contributions that may be required from 2016/17 onwards will need to be considered as part of the Council's annual Budget process. Initial discussions are that these should be in the sum of approximately £25,000 per authority.

Legal Implications

- 3.3 The legal implications are set out in the report.

Service / Operational Implications

- 3.4 Combined Authorities and Economic Prosperity Boards are the primary mechanism identified by central government for the devolution of further powers and funding to local areas. They were introduced in the Local Democracy, Economic Development and Construction Act 2009, (sections 103-113). The power to set them up extends to England only. Local authorities must trigger a review process in advance of setting a combined authority up, but the power actually to create a combined authority lies with the Secretary of State, via statutory instrument. The membership and functions of the combined authority are to be specified in the Order setting it up. Local authorities are included in the Combined Authority by consent.
- 3.5 The seven Metropolitan Councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have made a commitment in principle to develop a proposal to establish a West Midlands Combined Authority by 1 April 2016. A Statement of Intent was published on 5 July 2015 setting out how a proposed West Midlands Combined Authority (WMCA) would work across the three existing Local Enterprise Partnerships of Greater Birmingham & Solihull, Black Country and Coventry & Warwickshire to deliver conditions for business to flourish, creating more skilled and better paid jobs, bringing more investment into the area, improving health outcomes and reforming public services. It sets out key objectives to increase competitiveness and productivity and be a driver for growth nationally.
- 3.6 Redditch Borough Council has been invited to join the proposed West Midlands Combined Authority along with all other District and Borough Councils in the Greater Birmingham and Solihull Local Enterprise Partnership and the Coventry & Warwickshire Local Enterprise Partnership (including Hinckley & Bosworth Borough Council in Leicestershire). This report sets out the key issues for Members to consider in considering this invitation including any financial

implications. Discussions about devolution involving the seven local authorities in Worcestershire have also taken place and the report updates on the status of this.

Functions of a Combined Authority / Economic Prosperity Boards

- 3.7 A combined authority is a type of local government institution introduced in England outside Greater London by Section 6 of the Local Democracy, Economic Development and Construction Act 2009. Combined authorities are created voluntarily and allow a group of local authorities to pool appropriate responsibility and receive certain delegated functions from central government in order to deliver transport and economic policy more effectively over a wider area.
- 3.8 The Act also introduced the power to set up Economic Prosperity Boards (EPB) which are also legal entities and can have devolved powers and hold funding but with more limited scope than combined authorities e.g. there is no provision in the Act for EPBs to be given borrowing or tax raising powers, nor to have the power to issue a levy to constituent authorities, nor to retain business rates.
- 3.9 Any proposal to establish a Combined Authority or Economic Prosperity Board must meet the statutory tests set out in part 6 of the Local Democracy, Economic Development and Construction Act 2009. These tests are that a combined authority is likely to improve
- the exercise of statutory functions relating to transport in the area;
 - the effectiveness and efficiency of transport in the area;
 - the exercise of statutory functions relating to economic development and regeneration in the area;
 - economic conditions in the area.

The Secretary of State will also have regard to the need:

- to reflect the identities and interests of local communities;
 - to secure effective and convenient local government
- 3.10 The Secretary of State should normally undertake formal public consultation lasting 8 weeks on any Scheme to establish a combined authority unless he considers that no further consultation is necessary. Subject to Ministerial agreement, a draft Order to establish the combined authority would then be laid before Parliament.
- 3.11 Once established, a combined authority is a legally recognised entity able to assume the role of an integrated transport authority and economic prosperity board. This gives the combined authority the power to exercise any function of its constituent councils that relates to economic development and regeneration, and any of the functions that are available to integrated transport authorities. For

transport purposes, combined authorities are able to borrow money and can levy constituent authorities. The draft Cities and Local Government Devolution Bill proposes to confer additional powers on combined authorities (see below).

- 3.12 Combined authorities should consist of two or more contiguous English local government areas. The creation of a combined authority is voluntary and all local authorities within the area must give their consent before it can be created. The geographical footprint for a combined authority should be based on a coherent functional economic area.
- 3.13 The Cities and Local Government Devolution Bill was introduced in the House of Lords on 28 May 2015 and had its third Reading on 21 July before it passes to the House of Commons. It covers England and Wales and is proposing the following key changes:
- Makes provision for elected mayor (and chair) of a Combined Authority and appointment by the elected mayor of a deputy mayor (drawn from one of the constituent council leaders).
 - Power for elected mayor to exercise the powers of a Police and Crime Commissioner in the CA area.
 - Makes provision for the CA to be responsible for any local authority function or functions of public bodies outside of local government
 - Makes provision for the CA to exercise general power of competence (Localism Act 2011) with consent of constituent councils.
 - Granting powers to a mayoral CA to levy a precept.
 - Power for elected Mayor to approve any subsequent change to the combined authority boundary.
 - Makes provision for CA's to have Overview and Scrutiny Committees and Audit Committees.
 - Removal of geographical restrictions in relation to CA's;
 - Enables the Secretary of State to devolve certain health service functions subject to meeting various conditions.

The Act is expected to receive Royal Assent in December 2015.

The Mayor would only cover the geography of the Constituent Authorities (i.e., the 7 metropolitan borough councils) and as such the power to levy a precept are only relevant to this area. There will be no influence over non constituent authorities therefore the districts sovereignty is maintained.

Membership, Governance and Two Tier Arrangements

- 3.14 The 2009 Act enables the Secretary of State to make an order establishing a combined authority for an area which meets specified geographic conditions that:
- the area is contiguous and forms a continuous area;

- consists of the whole of an authority. In the case of a County, this would require the agreement of the County Council and all the District / Borough Councils in the county area.

These Councils become the constituent members of the combined authority. There is also the possibility of non-constituent membership. This is relevant to District / Borough councils (if the County Council has decided not to join) and Local Enterprise Partnerships. At present, a district may only be a constituent member if the county within which it sits, and all of the districts in that county, are also constituent members. However, not all Districts are members of the Greater Birmingham & Solihull LEP and so have not been invited to join the WMCA – therefore, this District cannot become a constituent member via this option. There is a restriction at the current time about part of a County Council area joining a CA outside of its administrative boundaries.

- 3.15 The Government proposes to remove this geographical restriction and allow local authorities that are in the same Functional Economic Area without contiguous boundaries to form or join a CA or EPB. Draft legislation was published in March 2015. This would also allow part of a County to join a combined authority if the County Council and District Council(s) for that area agreed. This issue is now included in the Cities and Local Government Devolution Bill.
- 3.16 The legislation at present also requires that there is no local government area that is surrounded by local government areas that are within the CA or EPBs, but the ‘surrounded’ local government area is not within the CA or EPB, preventing a ‘doughnut shape’ CA or EPB being formed. This restriction is removed by the Bill.
- 3.17 A local authority can be a member of multiple combined authorities but can only become a constituent member of one combined authority. Even if the draft legislation comes into force, Redditch Borough Council can only become a constituent member of the West Midlands CA if Worcestershire County Council agreed to join and transfer certain functions to the Combined Authority e.g. transport. If that does not occur, the Borough Council can only join the WMCA on a non-constituent basis as a result of its existing powers.
- 3.18 Although it would not be set out in the Order it is open to the combined authority to determine locally how the non-constituent members are involved in decision making via the CA constitution. It is also open to authorities to delegate functions to other authorities, which includes a combined authority or EPB, under s101 of the Local Government Act 1972. This could be in the form of a Joint Committee.

Functional Economic Area

- 3.19 The Heseltine Review of economic growth in the UK outlined a policy agenda that put increased emphasis on the role of Functional Economic Areas (FEAs) in securing increased economic productivity and prosperity. To strengthen FEAs,

Lord Heseltine recommended that Government should 'remove all legislative barriers that are preventing local authorities from collaborating within FEAs' including legislation relating to CAs and EPBs as part of a wider agenda on local growth and fiscal devolution'.

- 3.20 In its White Paper response to the Heseltine review, the Government set out a "view of a future where local authorities put economic development at the heart of all they do; collaborating, including with private sector partners across a FEA". This consultation outlines that the Government regard the amendment of legislation relating to CAs and EPBs as a key policy in enabling local authorities within FEAs to create 'opportunities for greater collaboration and increased economic development'.
- 3.21 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.
- 3.22 Attached at Appendix 2 is the statutory governance review that needed to be undertaken in order to prove that a Combined Authority should be formed for the West Midlands Combined Authority. The study analysed 3 areas:
- Travel to work areas (TTWA) as an effective definition of the local labour market;
 - Migration data as a tool for analysing the local housing market, and;
 - Industrial specialization.
- 3.23 With regard to travel to work patterns if the WMCA covers the geographic footprint of the 3 LEP's the self containment ratio rises to 90% from 85% (if focused purely on the 7 metropolitan areas). The migration data broadly replicated the pattern of the Travel to Work Analysis. The industrial specialisation data demonstrated that the area has a particularly strong representation in the manufacturing, wholesaling and automotive sectors. There is therefore more than a compelling case for forming a CA over the geographic footprint of the 3 LEP's.
- 3.24 Attached at Appendix 4 shows the detailed Functional Economic Market Analysis (FEMA). Contained within that document are the detailed travel to work patterns for Redditch which show that there is a net outflow of 3,876 commuters. This is made up of 13,747 inflow with the top 3 areas being Bromsgrove, Birmingham and Stratford upon Avon. The outflow of commuters totals 17,623 with again the same top 3 areas in the same order.
- 3.25 Also contained within the FEMA at Appendix 4 is the migration figures which show 2,933 inflow – primarily from outside the UK and secondly from Birmingham. The outflow of 2,777 is primarily to Birmingham.

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- 3.26 There is therefore more than a compelling case for forming a CA over the geographic footprint of the 3 LEP's and for Redditch being part of it.

Proposal to establish a West Midlands Combined Authority (WMCA)

- 3.27 The seven metropolitan authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have made a commitment in principle to develop a proposal to establish a West Midlands Combined Authority by 1 April 2016. The seven metropolitan authorities published a Statement of Intent on 5 July 2015. The Statement identifies an ambition for the WMCA to encompass a much wider and important geography across the three Local Enterprise Partnership areas (Greater Birmingham and Solihull; Black Country; and Coventry & Warwickshire). The WMCA would also incorporate the functions of the existing West Midlands Integrated Transport Authority.
- 3.28 The rationale for a 3 LEP combined authority covering some 20 local authorities is that it is a much more coherent functional economic market area. Evidence to support this includes a much higher self-containment ratio across the 3 LEP area than any individual LEP. Self-containment ratio means the percentage of people who live and work in a given geography. The self-containment ratio for the proposed WMCA (3 LEP area) is 90% whereas the same measure for each LEP is as follows: Black Country LEP (71%), Coventry & Warwickshire LEP (77%) and Greater Birmingham & Solihull LEP (77%). 90% is at the higher end of most proposed or established combined authorities to date. What this means is that if the 3 LEP's join the proposed WMCA, then this body could directly relate to 90% of the resident working population.
- 3.29 Delivering the 3 LEP area ambition means that 13 Councils within the LEP areas have been invited to join and all are considering their position. The 12 October 2015 is the deadline for any District / Borough council to be named in the Scheme which sets up the proposed WMCA.
- 3.30 The Statement of Intent has identified five early delivery priorities for the WMCA:
- Developing an overarching Strategic Plan for the West Midlands
 - Access to a Finance and Collective Investment Vehicle
 - Getting the transport offer right for the long term
 - Creation of an economic policy and intelligence capacity
 - A joint programme on skills
- 3.31 The Statement also proposes to establish three major new independent commissions to help shape the future of the Combined Authority. It will be seeking support from government to deliver these commissions. They are:
- The West Midlands Productivity Commission
 - The West Midlands Land Commission

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- The West Midlands Commission on Mental Health and Public Services

Additional details regarding the early delivery priorities and commissions can be found within the Statement of Intent (see Background Papers below).

3.32 The three key steps for the creation of a combined authority are:

- A review of existing governance arrangements for the delivery of economic development, regeneration and transport. The conclusion based on evidence must be that there is a case for change as it will bring about real improvement that could not otherwise be delivered.
- Drafting a Scheme which sets up the WMCA and contain issues such as membership, funding, functions and executive arrangements.
- The Secretary of State will consider the scheme and undertake formal consultation lasting 8 weeks. If he is satisfied with the outcome and persuaded that the improvements are likely to be delivered, a draft Order will be laid before both Houses of Parliament for adoption.

Any changes to the membership of a CA need to undergo the same process of consultation by the Secretary of State. If Council agree to join the WMCA as a non-constituent member, then it should also recommend approval of the Governance Review and draft Scheme which are attached as Appendix 2 and 3.

Relationship with existing Local Economic Partnerships

- 3.33 Local Enterprise Partnerships will continue to operate alongside any combined authority that is established. The Chairs of the Greater Birmingham & Solihull LEP, the Black Country LEP and the Coventry & Warwickshire LEP have written in support of the proposal to establish a WMCA and look forward to jointly creating “.. an economy that is the strongest outside London and contributes fully to the Government’s vision of a wider Midlands Engine for Growth”.
- 3.34 If the Council determine not to join the emerging West Midlands CA, it still remains as a full and proactive member of the Greater Birmingham and Solihull LEP and also of the Worcestershire LEP. It is anticipated that the three LEP’s identified above intend to join the WMCA as non-constituent members. If that occurs, it does not mean that District / Borough Councils who are part of a LEP would be automatically committed to non-constituent membership through LEP membership of the CA. Similar to District / Borough Councils, LEPs can only be non-constituent members of a combined authority. The longer term role of the three LEPs may need to be reviewed in light of any approval given to establish a West Midlands CA.

Devolution ‘Deal’ & Public Sector Reform

- 3.35 Establishing the legal entity of a combined authority does not guarantee any devolution of powers or responsibilities from Government. A set of devolution

proposals have been submitted to Government from the emerging CA and these will be subject to negotiation prior to final agreement. The combined authority needs to demonstrate the case for 'added value' – in other words, if the same level of activity or outcomes will be delivered as the relevant Government department then devolution is unlikely to be agreed for that specific function or area. The combined authority has to present a compelling case for devolution and reach agreement with Government that it will deliver more.

- 3.36 Alongside the negotiation over devolution, the Government will also require clear accountability mechanisms to hold the combined authority to account. It has already become clear from various meetings and statements by senior national politicians that any substantial devolution of powers from central to local government will only occur if the combined authority accepts the need for an elected mayor. If it does not, it may still be able to agree some limited devolution of powers, responsibilities and / or resources but these will generally be at a lower level than a mayor led combined authority. A mayoral CA is likely to have substantially more powers than a CA that does not have an elected mayor if the Cities and Local Government Devolution Bill is passed as currently proposed. An elected mayor would be elected by and responsible for only the area of the constituent members of the combined authority i.e. as things stand, this would not include Redditch. There is no agreement or decision at this time about whether the WMCA will have an elected mayor.
- 3.37 As part of any devolution agreement with Government, the combined authority will need to make a commitment to public service reform which would result in reducing and managing demand for services in a period when financial pressures on local government will be immense. This will require new ways of looking at old problems. The proposed WMCA has set up a Public Services Board co-chaired with West Midlands Police to look at reform and system change which could include issues such as re-offending rates. Part of the challenge of public sector reform will be to re-engineer services within a substantially reduced financial envelope as local government funding reductions are applied during the course of this parliament to 2020.
- 3.38 Detailed proposals for a devolution package to be negotiated with Government have been developed and submitted on 4 September 2015 to HM Treasury. The general areas included are:
- Securing greater local control of funding
 - Transforming growth through HS2 and enhanced connectivity
 - Transforming land supply
 - Revitalising the housing market
 - Transforming the education, employment and skills system
 - Transforming business support and inward investment
 - A National Pathfinder for Innovation
 - Creating a Midlands Magnet – investing in quality of life

- Transforming public services and closing the public funding gap

The WMCA proposal has been identified for an accelerated devolution deal. It is unfortunately impossible to provide any more detail of the proposed devolution deal at this time as it is highly confidential. If members decide to join the WMCA a separate report will be brought back to the Council in the future on the devolution detail – this is especially important given the potential devolution deal for Worcestershire.

- 3.39 In order to enable joint working across a 3 LEP geography, it is proposed that a Joint Committee is established between District / Borough Councils and the proposed WMCA using the Local Government Act 1972. The details of how the Joint Committee would work are not yet available. A separate issue that needs to be resolved is that the legislation appears to suggest that there cannot be a greater number of non-constituent members (Districts / LEPs) than constituent (metropolitan councils) on the CA Board. Detailed discussions are ongoing with DCLG legal advisers to clarify this point.
- 3.40 It is likely that the initial devolution ‘deal’ agreed with Whitehall will relate primarily to the functions exercised by Metropolitan authorities. However, there are specific proposals intended to cover the 3 LEP geography which have been included in the devolution submission to Whitehall. It should also be noted that lessons from other areas such as Manchester indicate that devolution is an ongoing process and the first ‘deal’ is a foundation for other devolution to be agreed over a period of time. It is also likely that when District / Borough Councils have made their decisions about membership of the ‘first wave’ WMCA, a greater focus on how non constituent members can benefit from devolution can be progressed over time.

How could Redditch / Redditch Borough Council benefit from membership of the WMCA?

- 3.41 The current and proposed legislation on combined authorities restrict District / Borough Councils role in combined authorities to non-constituent membership only unless the relevant County Council joins the CA in parallel with all its District / Boroughs. The legislative framework does not therefore facilitate District / Borough Councils playing a full part in combined authorities. However, it is expected that the Leader of any Council who decides to join as a constituent or non-constituent member of the WMCA would sit on the board of the combined authority. The voting rights for District / Borough Councils will need to be agreed locally by the constituent members. As the devolution deal is not agreed with Government yet, it is not possible to describe with any precision what the benefits might be for Redditch. If the Council determine to join the WMCA as a non-constituent member, it will need to receive further reports on the detail of the governance arrangements and the benefits arising from any devolution. It is hoped that more detail on these will be available by the time of full Council.

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- 3.42 However, notwithstanding the current uncertainty about governance and the detail of devolution, Council are aware that the Borough has significant economic linkages and interdependencies as part of the city region area and has a significant outflow of its working residents to Birmingham. The economic future of the conurbation and its ability to compete in global markets such as automotive is directly relevant to the economic prospects of the Borough. Redditch and its businesses have benefitted from membership of the Greater Birmingham & Solihull LEP. The proposed combined authority can be seen as a further development building on the achievements and relationships built up over the last five years. The ambition of the proposals is to work across the functional economic area of the 3 LEPs. The economic geography of the Borough goes beyond the administrative boundaries of local government and it is these factors that should be central to any Council decision to join WMCA as a non-constituent member or not. Whilst the ambition of the WMCA is to work across the three LEP areas as a proven functional economic area, it is unfortunate that neither the current or proposed legislation on combined authorities facilitates this strategic aim particularly effectively.

Survey

- 3.43 In order to seek the views of the general public with regard to the possibility of joining the WMCA a simple survey was conducted with the question:

Would you support the idea of our area joining a combined authority?

This was a simple yes / no answer with the ability to add free text comments.

The survey closed on Sunday 27th September with 90 people responding as follows:

	Number	%
Yes	40	44.44%
No	44	48.89%
Don't know	6	6.67%
Resident	87	96.67%
Non-resident	3	3.33%

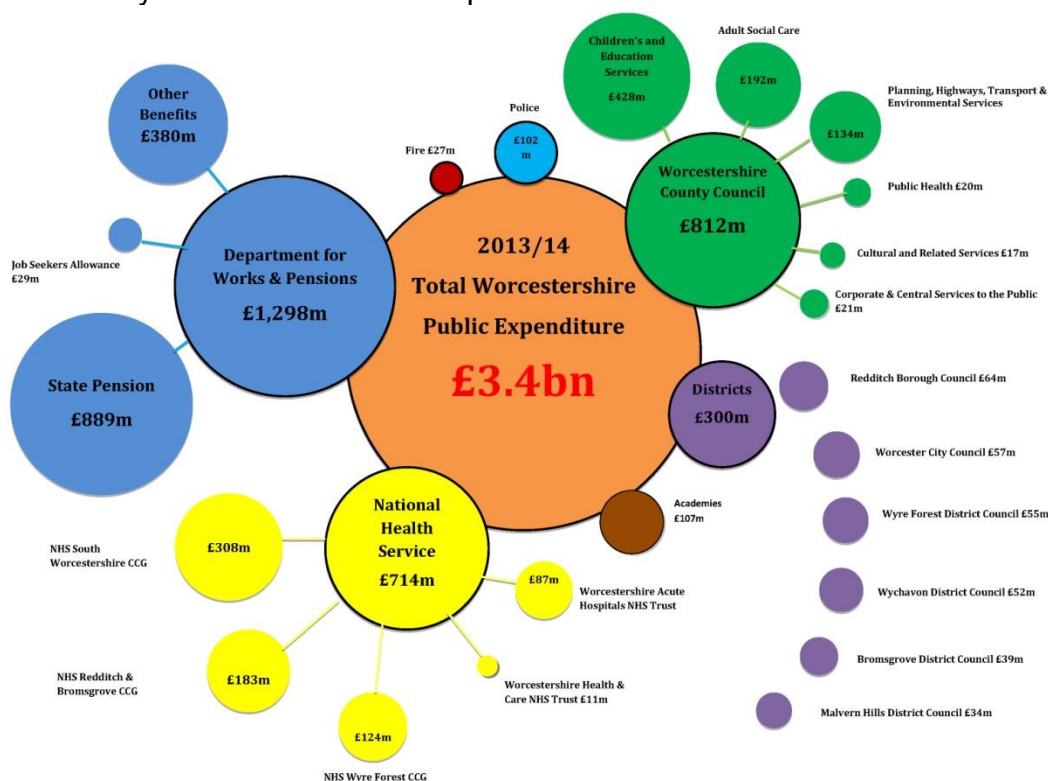
An analysis of the survey is attached at Appendix 5

- 3.44 It is understood that there is some concern that the survey didn't ask about or reference Worcestershire however the survey is solely in relation to Combined Authorities and as there is no discussion with regard to the forming of a CA in Worcestershire it was not appropriate to ask the question. There are ongoing and positive discussions in both Worcestershire and WMCA over potential devolution deals but these are entirely separate but related matters.

Devolution discussions in Worcestershire

3.45 As members are aware ongoing and positive discussions have been held between the 7 local authorities and partners in Worcestershire with regard to a possible devolution deal. Initially consideration was being given to the forming of a Combined Authority for Worcestershire however very strong feedback from central government officials made it clear that Government were very unlikely to allow a CA to be formed on a single County footprint. Therefore discussions have focussed on a potential devolution deal for Worcestershire.

3.46 As a starter it is helpful to know and map what the total public spend is within the county. The ‘Worcestershire pound’ as it is known is shown below:



3.47 The local authority Leaders came to a consensus view that how we use this spend to facilitate public sector reform should be a high priority in addition to the shared ambition to improve the economy of Worcestershire. All leaders are committed to delivery of the Strategic Economic Plan (the SEP) which was published by the Worcestershire LEP and supported by all local authorities.

3.48 As a working assumption the vision for Worcestershire could be encapsulated into the following two goals:

- We want to lead the way in driving economic growth and develop a reputation at home and overseas for innovation and opportunity
- We want to reform our public services so that we are able to deliver the very best for our residents

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- 3.49 The Leaders have discussed what are 'red lines' for our local context. The first one would be that there is no appetite for a 'metro' mayor for Worcestershire. Secondly, that this is not unitary by the 'back door'.
- 3.50 All seven local authority Leaders commissioned KPMG during the summer to work alongside the 7 Councils and their partner organisations to look at the case for devolution as a single county geography and what priorities would be important to us locally. The attached letter to Greg Clark (Appendix 6) , was sent, on a without prejudice basis, to advise the Minister that we are looking at a number of potential areas, as follows:
- Public Estates
 - Connecting People
 - Health and Social Care Reform
 - Infrastructure and Investment
 - Skills and Innovation
 - Environment
- 3.51 Each one of these areas has a discrete set of initial 'asks' and 'offers' drafted to discuss with central government ranging from support from the Information Commissioner to support data sharing and thereby better outcomes for our residents, through to support for long term infrastructure projects through greater business rate retention.
- 3.52 Any governance model would need to be proportionate to the 'deal' if and when agreed. The current proposal would be for a Public Sector Leadership Board with votes for those publicly democratically elected but the principle of proportionality means this could change.
- 3.53 It is intended that the proposed devolution deal would be brought before each Council for consideration before being submitted.

Customer / Equalities and Diversity Implications

- 3.54 None at this stage

4. RISK MANAGEMENT

- 4.1 There are some risks posed by the legislative framework for combined authorities as it does not facilitate full involvement for Districts; and a risk that the decision on membership needs to be taken in advance of the details of governance arrangements and benefits of devolution deal are known but further reports will be provided on these matters.
- 4.2 As Council is aware from the previous report to Executive on Combined Authorities, member briefings and briefing notes and indeed this report there are

active discussions in which the Leader and Chief Executive of this Council are actively involved – in both Worcestershire and WMCA. Unfortunately whilst there has been significant progress in both areas the WMCA are in active discussions with Central Government and are likely to announce a deal in the not too distant future. Within Worcestershire it is likely that the proposed devolution deal will be brought through each council's democratic process before Christmas however it is unclear when central government will be willing / able to negotiate the deal in detail. Further reports will need to be brought before the Council to determine which elements of any devolution deal they may be interested in as there will undoubtedly be overlap and conflict.

- 4.3 Given the sensitivities around the ongoing involvement of the Council in the WMCA there may be reputational and relationship risks to all concerned as a result. 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.

5. APPENDICES

Appendix 1	Scale of WMCA
Appendix 2	WMCA Statutory Governance Review
Appendix 3	Draft Scheme
Appendix 4	Functional Economic Market Area
Appendix 5	Analysis of survey
Appendix 6	Letter to Greg Clark from Worcestershire Leaders

6. BACKGROUND PAPERS

Cities and Local Government Devolution Bill
Executive Committee Report 14th July – Devolution and Economic Growth –
Options for a Combined Authority

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Appendix 1: Scale of proposed West Midlands Combined AuthorityGreater Birmingham and Solihull LEP area

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

Black Country LEP area

Dudley Borough Council
 Walsall Borough Council
 Wolverhampton City Council
 Sandwell Borough Council

Coventry and Warwickshire (including Hinckley and Bosworth) LEP area

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

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

West Midlands authorities' statutory governance review

Undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 and section 82 of the Local Transport Act 2008

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Executive summary

The region will benefit from improving governance.

A Combined Authority would be the most appropriate governance model for the local authorities to act together to deliver their economic development, regeneration and transport functions. This stronger governance will deliver a more joined up strategic approach. It will bring together policy interventions in transport and in respect of the key economic drivers that will deliver enhanced growth. By working this way, members of a Combined Authority can deliver shared strategic priorities that are best addressed at a scale above local boundaries.

The area has a good track record of collaboration between local authorities and with the Local Enterprise Partnerships on issues that affect the area covered by the local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton – referred to as the “West Midlands”. However, the governance needs to change if the West Midlands is to demonstrate stronger, more efficient and more effective delivery of economic development, regeneration and transport responsibilities.

To do this, a Combined Authority needs the means and flexibilities to tailor the delivery of national scale interventions to address local issues. To support this there needs to be clear and effective governance arrangements in place with a long term strategic focus.

There are a number of alternative models of governance that could be adopted.

The following options have been considered:

Option 1 – status quo;

Option 2 – establish an Economic Prosperity Board; and

Option 3 – establish a Combined Authority.

This review examines the options above and concludes that the most appropriate option for the West Midlands is to establish a Combined Authority. Stakeholder engagement will be undertaken and views reflected in the final version of this Governance Review.

The West Midlands is a functional economic market area.

There is compelling evidence that the area covered by the contiguous local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton (for the

purposes of this review this area is defined as the “West Midlands”) forms a functional economic market area. This is one of the statutory requirements under proposals to change governance requirements under section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA). A review of the evidence detailing the economic structure of the region shows high levels of economic integration, in terms of the labour market, travel to work areas and a number of the area’s key sectors.

Furthermore, the West Midlands sits within a broader and even better defined functional economic market area covered by three Local Enterprise Partnerships.

The broader area covered by the three Local Enterprise Partnerships (LEPs), Black Country, Greater Birmingham and Solihull and Coventry and Warwickshire (“the three LEP area”), is in fact a stronger functional economic market area. The Leaders of the seven local Authorities of the West Midlands agree that a Combined Authority collaborating across the much wider and important geography across the three LEPs is crucial.

The challenge for the West Midlands is to address the complex and inter-related issues which have held back its growth.

The three LEP area annually contributes more than £80bn of Gross Value Added (GVA) to the UK economy. In 2012/13, the region’s output grew by more than 4%, one of the fastest growth rates in any region of the UK, demonstrating the impact of our growing public and private sector collaboration. However there are a numbers of challenges to be addressed that if successfully addressed could accelerate this growth further.

These include a skills deficit at the lower and higher ends of the skills spectrum which has led to high levels of unemployment in the region and low levels of productivity. If unemployment rates moved into line with the England average, there would be 14,500 fewer claimants resulting in a benefits saving in excess of £35 million per annum.

The pressure on public services is becoming more complex. Current ways of running services do not appear to help people out of dependency. There is a need to tackle the hard issues on a collective, collaborative and jointly funded basis, for example in areas such as complex dependency, mental health and the challenges of aging well.

The region does not yet have an effective fully integrated public transport network. It needs quick and frequent services that connect people to employment opportunities and effective freight transport and business travel options to connect businesses to supply chains, key markets and strategic gateways.

Addressing the West Midlands contribution to the country's prosperity is a driver for enhancing the governance of the area.

The West Midlands' aim is to lead the national effort to rebalance the British economy. This would see the region closing the gap between its current performance and national output. This currently stands at £4,000 per head less than the national average.

The West Midlands intends to create the most effective Combined Authority in the country, in order to propel the economy to further growth than can be achieved at present. The region's leaders are committed to delivering growth, prosperity and well-being for the benefit of all residents. Collaboration will enable the creation of a wider regional economy that aims to be the strongest outside of London and which contributes fully to the vision of a wider Midlands Engine for Growth.

National and international evidence suggests that dealing with regional issues is best achieved at a regional level.

In a recent speech the Chancellor of the Exchequer, George Osborne MP stated that "the old model of trying to run everything in our country from the centre of London is broken". Furthermore, economic analysis from the Organisation for Economic Co-operation and Development ("OECD") demonstrates that strategy integration across key policy areas can deliver economic benefits at the regional scale in terms of sustainable economic growth and employment. For example, dealing with regional skills shortages with locally developed policies.

The research emphasised the importance of having governance capacity at the level at which the local economy functions, this is a level which would be consistent with the proposed West Midlands Combined Authority area. A Combined Authority, with appropriate resources, offers the most beneficial option to enhance the region's ability to address its underlying economic challenges.

The Combined Authority will have a strategic focus and will not be bureaucratic.

The Combined Authority will not be another layer of politicians. It is a way of bringing together existing activities to create greater coherence. It will be a streamlined and strategically focussed body, appropriately resourced to ensure more effective and efficient delivery of economic growth, skills and transport functions across the West Midlands.

It will be underpinned by strong research, intelligence and advocacy functions. It will deliver area-wide functions around the co-ordination of funding streams, seeking investment and collective resourcing and other responsibilities devolved from central government and other agencies. This will lead to greater self-reliance as the West Midlands will have the means to unlock its economic potential.

Although the consultation draft statutory guidance states that Combined Authorities are not primarily aimed at producing efficiencies, it is recognised that such a body will need to operate in an environment of reducing public sector budgets. There is a potential for a Combined Authority to be cost neutral and it will not create more levels of bureaucracy.

The Combined Authority will be democratic, accountable, transparent and effective.

A Combined Authority that reflects the functional economic market area, would enable decisions to be made by the democratically elected Leaders from the seven local authorities, together with the Chairs of the LEPs and other non-constituent members. This joint accountability and leadership would increase collective responsibility. It would create a transparent and effective decision making process. The Combined Authority would provide a visible, stable and statutory body which could act as an Accountable Body to attract further funding to the West Midlands. It would be a vehicle capable of seeking additional powers which can be devolved from Government.

Collaboration will continue and improve.

The Combined Authority would build on and give legal form to successful public and private sector partnerships established through the working of the LEPs. It will enhance the close working relationships that already exist between the local authorities, LEPs and the West Midlands Integrated Transport Authority (“WMITA”) to make them more effective and efficient. A Combined Authority would bring together the strategic decision making powers relating to economic development, regeneration and transport. By creating a sub-regional body with legal personality and a governance mechanism that collaborates across the region, the prospects for improvements in the economic conditions of the area are most likely to be maximised. The need for issues to be considered at various bodies will be significantly streamlined through the strengthened governance process.

The partnerships between the private and public sectors will be central to the ambition of the West Midlands.

The Combined Authority will bring together authorities from the three LEP areas. There is a shared recognition of the importance of enabling further economic growth at a faster pace whilst undertaking necessary public sector reform. The private sector Chairs of the LEPs will have a place on the Combined Authority board. This will ensure that the partnerships between the private and public sectors will be central to the considerations of the decisions that will affect the region. Existing enduring partnerships can be built upon through the Combined Authority and offering an opportunity to show how public and private sectors working together can deliver jobs and growth.

The creation of a Combined Authority is the best way forward.

The Combined Authority will operate across a broad area and will be able to achieve a greater impact than the sum of its parts as a result of more effective and efficient governance.

The Combined Authority option brings together the governance of economic development, regeneration and transport. It therefore affords the area the best possible chance of addressing the issues that have held the region back. Working together across geographic boundaries and sectors and recognising the crucial role the private sector has to play will deliver conditions for growing businesses, more skilled and better paid jobs, increased investment, improving health outcomes and reducing the region's welfare bill.

Review Conclusions

In order to deliver the identified improvements in the efficiency and effectiveness of governance of economic development, regeneration and transport in the West Midlands, a Combined Authority should be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009. The Leaders of the seven Metropolitan authorities of the West Midlands are all committed to a Combined Authority for their area. They agree that a Combined Authority collaborating across the much wider and important geography across the three LEPs is crucial and that LEP representation on the board will be key to the area's success and aligned priorities. Additionally, the West Midlands Integrated Transport Authority shall be dissolved pursuant to Section 91 of the Local Transport Act 2008 and its functions transferred to the Combined Authority.

The statutory process of the governance review

Introduction

This report has been prepared by the seven West Midlands Chief Executives; Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton, on behalf of their Leaders. It sets out the findings of the governance review undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) and Section 82 of the Local Transport Act 2008.

Purpose of the review

The purpose of the review is to determine:

- Whether the area covered by the local authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton can properly be seen as constituting a functional economic area for the purpose under consideration under the review;
- Whether the existing governance arrangements for economic development, regeneration and transport are effective or would benefit from changes;
- The options available and in relation to each option, to evaluate the likely improvement in:
 - The exercise of statutory functions relating to economic development, regeneration and transport in the area
 - The effectiveness and efficiency of transport in the area; and
 - The economic conditions in the area

Having examined these questions the report draws conclusions on what is considered to be the most effective form of governance.

Legal context

Part 6 of the LDEDCA enables the creation of economic prosperity boards (EPBs) or combined authorities (CAs). These sub-national structures have a separate legal personality to the local authorities who come together to create them. The bodies are available to support the effective delivery of sustainable economic development and regeneration and in the case of CAs, transport.

Delegation of additional powers from Central Government

The Localism Act 2011 contains powers for the Secretary of State to transfer certain powers between authorities (including Combined Authorities) and also to transfer ministerial functions to such authorities. Property, assets and liabilities relating to those functions can also be transferred. Notably, transfers and delegations of additional functions under this legislation can

be made at any time and independently from the procedure to create EPBs or Combined Authorities.

Transport

A Combined Authority is differentiated from an EPB due to the inclusion of transport functions. There are intended similarities between Part 6 of the 2009 Act and part 5 of the Local Transport Act 2008 (the LTA) which provides for Integrated Transport Authorities (ITAs). When a Combined Authority is established in an area where an ITA already exists, the ITA is dissolved and the Combined Authority assumes all the functions of the ITA for the area.

Whilst there are differences, the process for review is broadly similar under both Acts. In preparing a scheme under the 2009 Act, regard must be had to the provisions of the LTA as well as any guidance published by the Government relating to both pieces of legislation.

The Four Steps to Creation of a Combined Authority or Economic Prosperity Board

The process for creating an Economic Prosperity Board or Combined Authority involves four main steps:

1. A review of existing governance arrangements for the delivery of economic development, regeneration and transport. This must lead to a conclusion that there is a case for changing these arrangements based on improvements;
2. A period of engagement with stakeholders to ascertain their views. This is not a statutory requirement, but to ensure views are understood engagement will be undertaken;
3. Drafting a Scheme for the Combined Authority. The Scheme will be the basis for the creation of the new body and should contain information on the area it will cover; its membership, voting and any executive arrangements; its functions and the way in which it will be funded. All constituent councils are required to approve the Scheme and governance review for submission to the Secretary of State for Communities and Local Government.
4. Finally, the Secretary of State will consider the Scheme and undertake a formal consultation. If he is satisfied with the proposals a draft Order will be laid before both

Houses of Parliament for adoption by affirmative resolution. To approve a Scheme the Secretary of State must be satisfied that (in accordance with section 91(5) (for Economic Prosperity Boards) or 110(1) (for Combined Authorities) of the 2009 Act) that improvements are 'likely' if the Scheme proposed is adopted.

Flexibility and Control

A Combined Authority or an Economic Prosperity Board is not a merger or a takeover of existing local authority functions. Instead they seek to complement local authority functions and enhance the effectiveness of the way they are discharged. In particular, it is the enhancement of collaboration, strength of decisions and accelerating growth across the region at a strategic level.

Once established both Combined Authorities and Economic Prosperity Boards have wide general powers. However, the mechanisms by which those powers can be exercised, the functions to be discharged and the resources available will be determined by the members through the drafting of the constitution.

Creating the right governance arrangements for growth

The further purpose of this governance review is to consider ways to secure greater influence over key levers and resources affecting local growth that are currently in the control of central government.

The Growth Deals that have been agreed in the region have sought to capitalise on the region's strengths to attract investment into the area and create additional jobs. However, other areas have shown that in order to maximise opportunity to enhance local growth a strengthened governance model is required.

In the absence of improved governance, the West Midlands risks lagging behind areas which have taken this step and will not meet its ambition to support the re-balancing of the UK economy. The establishment of the region's ITA demonstrated the desire to work together on strategic issues. However, this does not provide a legal link between decisions made in relation to economic development/regeneration and transport. By joining up governance in a more transparent and effective decision making process, decisions will be made in a more effective and efficient way. Any new governance arrangements must eliminate time consuming bureaucracy in the making of strategic decisions for the benefit of the region.

The West Midlands

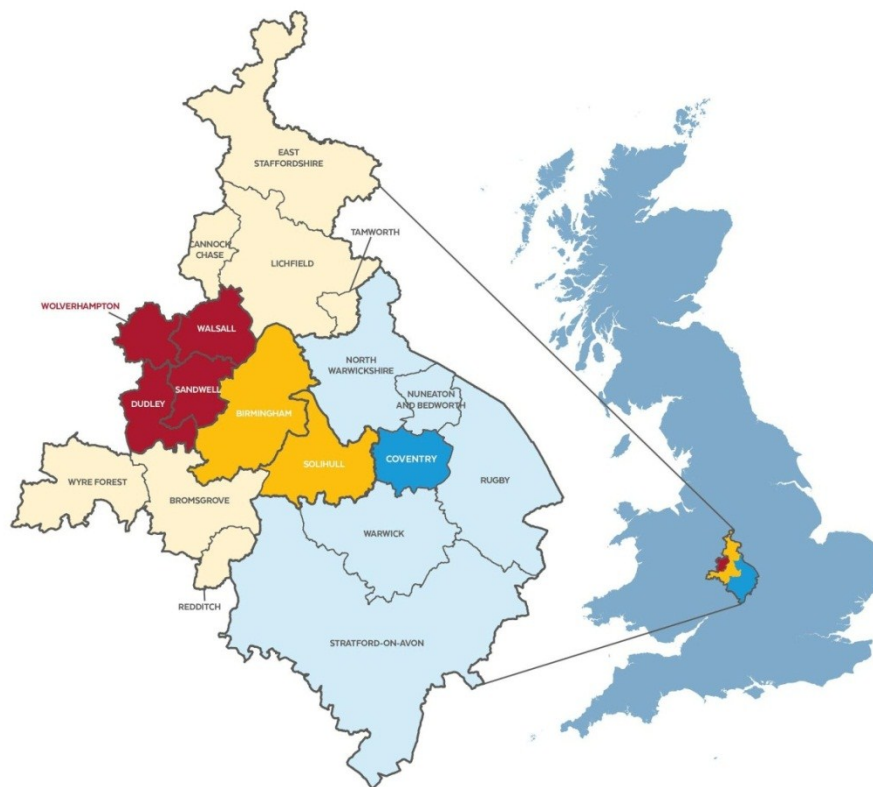
Geography

This governance review covers the seven local authority areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton ('the West Midlands').

Leaders of all the seven Metropolitan Councils are committed to collaboration across the West Midlands. In addition, they agree that collaboration over a much wider and important geography across the three Local Enterprise Partnerships area is crucial. This could involve thirteen more local authorities.

The Local Enterprise Partnerships are partnerships between public and private sector. This collaboration has been responsible for the setting of strategic objectives and the development of innovative and cost effective delivery models, leading to growth and job creation in the area.

The three LEP area is shown on the map below:



Local context

The three LEP area shown in the map above make up a major economy of national significance with an annual Gross Value Added (GVA) of £80bn. GVA measures a specific area's contribution to the national economy, and is a measure of the value of goods and services produced in that region. In 2012/13, the area's output grew by more than 4%; one of the fastest growth rates in any region of the UK, demonstrating the impact of our growing public and private sector collaboration. The area has 1.7 million jobs and over 130,000 businesses. The region houses just 6% of the UK population but provides 10.5% of its exports. While 40% of the area's exports are to the EU, the top international markets for the area are China and the USA. There were 172 inward investment projects in 2013/14 (74% rise), creating over 9,000 jobs.

There is a world class higher education and further education offer with eight Universities across the area. The Universities have particular strengths in digital technology and computer science, healthcare, business administration, engineering and technology, and education. Additionally, the area has a range of internationally recognised research institutions. These specialise in fields such as automotive design and development, polymer research, ceramics and science and technology.

The area is England's manufacturing heart, home to a critical cluster of the UK's most important and biggest manufacturing businesses and leading centres of advanced engineering research. There are 300,000 jobs in high value manufacturing in the area. It is also home to one of the largest professional and financial centres outside of London, burgeoning creative and cultural industries and is the location of choice for world leading companies such as Cadbury, Deutsche Bank, Jaguar Land Rover, JCB, Aston Martin, BMW, Eon, Rolls Royce and Carillion PLC.

The area lies at the heart of the nation's transport network. The location at the centre of the UK's motorway and rail network means that it is within four hours travel time of 90% of the UK's population and business.

There are ambitious plans to build on the strong foundations, as the largest infrastructure project in Europe, high speed 2 (HS2) will be an economic catalyst for the West Midlands. Complemented by a local connectivity programme to ensure its benefits ripple out across the region, HS2 will attract and develop new skills, generate new jobs, reshape the region's road and rail networks and stimulate significant growth in supply chains.

Challenges to address in the West Midlands

Despite the many positive features highlighted above, the West Midlands is not maximizing its potential to grow output and productivity. There are a number of challenges that will need to be overcome. These are summarised below.

A Skills Deficit

The West Midlands suffers from a significant shortage of skills both at the lower and higher ends of the skills spectrum. The region's share of people with no qualifications is higher than the national average. The percentage of the population with skills training at or above level 4 is only 21% of the population, significantly worse than the average across England and Wales at 27%. The skills deficit across the region is reflected in the high level of unemployment (9.3%) across the seven Metropolitan Authorities.

If unemployment across the West Midlands was to fall to match the England average there would be some 14,500 less claimants resulting in a saving in excess of £35 million per annum in benefit spending. If the skills profile of the West Midlands was to match just the England average, so that an additional 19,000 people were qualified to level 4, GVA would increase by an estimated 1.7%. Furthermore, raising the skills levels to be best in class would increase GVA by 9.9%.

Addressing the region's skills deficit is a priority. The proposed establishment of the West Midlands Productivity Commission indicates the dedication to tackling the relatively low levels of productivity in the area and the causes for them. Innovative work aimed at tackling low skills levels is already being conducted by the Greater Birmingham and Solihull LEP and there is an ambition to spread this best practice more widely across the region.

A Legacy of Worklessness

The region has an economic activity rate of 74.1% compared to a national average of 77.2%, meaning that there are 77,700 people out of the labour market. There are encouraging signs of improvement with the unemployment claimant count across the West Midlands falling to 67,078 in May 2015 from a high of 146,160 in 2010.

There are excellent examples of innovative employment initiatives in operation across the West Midlands, such as the recently announced Work Coaches programme. However, the area has not recovered at the rate of comparable locations and more needs to be done to address the issue. There is a need to collaborate regionally on the underlying causes of worklessness, which

are often inter-related and wide ranging. Driving economic growth and increasing the understanding of these issues will move more West Midlands residents into work permanently.

A Public Service Challenge

Financial pressures are mounting. Traditional ways of running services seem not to help people out of dependency and reducing budgets create the need to look again at how costs can be reduced and outcomes improved. That means tackling the hard issues: complex dependency, mental health and the challenges of ageing well.

The seven Metropolitan Leaders propose to deliver the West Midlands Commission on Mental Health. It will take an innovative approach to Public Services to tackle the issues which give rise to a number of social and employment challenges. Collaboratively, it will examine best practice and pilot new ways of working to test effectiveness of interventions, as well as advising on how to best use public sector reform to make real change.

A Connectivity Challenge

The region does not have an effective fully integrated rail and rapid transport network that connects its main centres with quick frequent services, and that increases the number of people who can readily access HS2 stations and main centres. By delivering this, there will be a reduced impact on the environment, improved air quality, reduced carbon emissions and improved road safety. The resulting network will enable the efficient movement of goods to support businesses to connect to supply chains, key markets and strategic gateways.

Review of the economic evidence

Overview

The initial step for the governance review was to underpin the case for change with the preparation of a detailed review of economic evidence. This section summarises this evidence which addresses the following key question:

- Can the geography be understood as a ‘functional economic market area’?

Analysis of functional economic market areas (FEMAs)

Introduction

The Department for Communities and Local Government (DCLG) define FEMAs as, “the area over which the local economy and its key markets operate”. They vary in size and boundary, depending on the issue under consideration (e.g. labour market, housing markets) and the criteria used to define them.

FEMAs reflect the real world in which the economy operates; they do not respect the boundaries of administrative areas. Collaboration across these borders is therefore essential to deliver transport and economic development and regeneration in the most effective way.

The seven Metropolitan authorities commissioned a study¹ to consider whether the following geographies could be considered to be FEMAs:

- The seven authorities that make up the West Midlands (Coventry, Solihull, Birmingham, Wolverhampton, Sandwell, Dudley and Walsall);
- Each of the Black Country, Coventry & Warwickshire, and Greater Birmingham & Solihull LEPs individually and on a combined basis. On a combined basis, this comprised the seven unitary authorities noted above, and 13 other local authorities.

The study analysed three separate metrics:

- Travel to work areas (TTWA) as an effective definition of the local labour market;
- Migration data as a tool for analysing the local housing market, and;
- Industrial specialization.

¹ Functional Economic Market Area (FEMA) study – initial findings can be found at http://www.westmidlandscombinedauthority.org.uk/pages/wmca_docs.aspx

Each of these is discussed in more detail below.

Travel to Work Areas

A TTWA is a collection of areas for which "at least 75% of the resident economically active population work in the area, and also, that of everyone working in the area, at least 75% live in the area". The ratio of the population who live and work in the area is known as the self-containment ratio.

Our work considered whether (a) the areas of the seven Metropolitan authorities, (b) each of the individual LEP areas of the Black Country LEP, Coventry & Warwickshire LEP and Greater Birmingham & Solihull LEP, and (c) the three LEP areas combined are a TTWA. The results of this work is shown in the table below:

Area	Resident in-work population working with the area	Total resident in-work population	Self-containment ratio
Black Country LEP	298,000	419,000	71%
Greater Birmingham & Solihull LEP	514,000	677,000	77%
Coventry & Warwickshire LEP	263,000	341,000	77%
7 metropolitan authorities	837,000	976,000	85%
3 LEPs combined	1.29m	1.44m	90%

Each of the three LEPs broadly meets the definition of a TTWA, with self-containment ratios varying between 71-77%. However, the self-containment ratio rises considerably when the seven metropolitan areas are considered as a TTWA to 85%, and to 90% when the three LEP areas are combined.

The table below shows how these self-containment figures compare with established Combined Authorities:

Area	Self-containment ratio
North East CA	93%
West Yorkshire CA	91%
West Midlands 3 LEPs	90%
Greater Manchester CA	89%

West Midlands 7 Metropolitan authorities	85%
Sheffield CA	85%
Liverpool CA	83%

The conclusions drawn from this work is that TTWAs exist at all three levels considered in this study – at LEP level, at seven Metropolitan authority level, and at the three LEP combined level. The three LEP geography has the highest rate of self-containment.

The travel to work relationships between Birmingham and the Black Country, and between Birmingham and Solihull, are particularly strong and so form the basis of any consideration of a functional economic market area. Whilst Coventry’s travel to work relationship with the Greater Birmingham & Solihull and Black Country LEPs areas is less strong, there are important commuting routes into and out of both Birmingham and Solihull which are evidence of the shared labour markets between these areas. Almost 10,000 commuters travel daily between Birmingham and Coventry, and more than 7,000 people commute daily between Coventry and Solihull.

It is evident from the analysis of individual travel to work patterns that there is a high level of inter-connectivity across the seven metropolitan authorities and a higher level of connectivity across the three LEP area. It is precisely this level of interconnectivity that provides the evidence of employers in one area accessing labour pools in a connected area, and is the basis for the conclusion in respect of the existence of TTWAs across our area.

Migration data

Migration data is derived from an analysis of where individuals were moving to and from in the year preceding the 2011 Census. It broadly replicated the pattern of the TTWA data, although with a considerably smaller number of transactions. Again, there was a very strong linkage evident between the Black Country and Greater Birmingham & Solihull. Coventry’s principal relationship was with Warwick, but again there were important linkages between Birmingham and Solihull with Birmingham being the third most popular destination for Coventry residents to relocate to.

Industrial specialisation data

In order to look at industrial specialisation a data set called “location quotients” is considered. These compare the number of people employed in a particular industry in an area to the national average. The industrial specialisation data demonstrated that the area has a particularly strong representation in the manufacturing, wholesaling and automotive sectors.

To put this into context, there are 60,000 more people employed in the manufacturing sector than would be expected from a comparison with the UK average. In addition, the three LEP area employs 25% of all Great Britain's automotive manufacturing workforce.

All three LEP areas are particularly closely linked in these three sectors, showing Location Quotients well in excess of 1, indicating there is a significantly above average employment level across the sector compared to the rest of the country. These Location Quotients are evidence of both the clustering effect evident in these industrial sectors and the impact of the supply chains for many of the end user manufacturers which extend across all three LEP areas.

Conclusion

A FEMA exists at the level of the seven unitary authorities. This gives a positive rationale for collaborative working in a stronger governance arrangement in this area. The strongest self-containment figure in the region comprises of the three LEP area.

Under the current legislation relating to Combined Authorities and Economic Prosperity Boards, not all local authorities are able to join as constituent members. However, since the three LEP area can be seen as a stronger FEMA, if an alternative model of governance is chosen as the way forward, there is an ambition to collaborate across this boarder area.

In some instances, economic markets extend beyond the three LEP boundaries, and in formulating its economic strategy, these linkages and markets will need to be taken into account.

The current governance arrangements and the case for change

Introduction

This chapter sets out the current arrangements in relation to the local government functions that are the subject of this review and seeks to establish if an alternative model of governance is likely to improve:

- (a) the exercise of the statutory functions relating to transport in the area;
- (b) the effectiveness and efficiency of transport in the area;
- (c) the exercise of statutory functions relating to economic development and regeneration in the area; and
- (d) the economic conditions in the area.

The alternative models of governance considered were as follows:

- Option 1 – status quo;
- Option 2 – establish an Economic Prosperity Board; and
- Option 3 – establish a Combined Authority.

Current governance in relation to transport

Integrated Transport Authorities (previously Passenger Transport Authorities) are a type of joint authority established with responsibilities for transport strategy and passenger transport across metropolitan areas. It is worth noting that the original ITAs in Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear and West Yorkshire have been dissolved as part of the move to Combined Authority status in those areas, with the Combined Authorities taking on the role of the ITA. The West Midlands Integrated Transport Authority (“WMITA”) is the only remaining ITA.

The WMITA, (formerly the West Midlands Passenger Transport Authority), was established in 1986. The WMITA comprises the Leaders of the seven Metropolitan Authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. It also includes a non-voting representative from each of the LEPs. The ITA is currently chaired by the leader of the City of Wolverhampton Council, Councillor Roger Lawrence.

The ITA is responsible for formulating the transport strategy and policy for the Metropolitan Area, incorporating strategic highways, freight, rail, bus and rapid transit networks. The ITA is directly supported by the Policy and Strategy Team, who are producing a new Strategic

Transport Plan which will align with LEPs Strategic Economic Plans, to connect people and places and support economic growth and jobs. The ITA has an important role as the Local Transport Authority for the West Midlands.

Following a review of the transport governance in November 2013, an improved set of governance arrangements were established for the ITA.

The changes were specifically designed to improve the co-ordination and delivery of transport in the West Midlands, and the integration of policy on economic development, planning and transport priorities. The ITA, with the Leaders as its members, has a:

- Stronger focus on the role of transport in supporting economic development and regeneration, through effective collaboration between the Leaders, supported by a Secretariat with resources to provide expert advice;
- Strong interfaces with the LEPs: the seven Leaders are active on the Boards of the three LEPs and, alongside the LEP private sector representatives, are central to ensuring that the LEPs' growth priorities are fully reflected in the planning, commissioning and delivery of transport in the West Midlands.
- Stronger focus by Leaders on the whole of the West Midlands transport network, including roads, to ensure effective connectivity to address the needs of our future economy, whilst connecting communities in greatest need with future opportunities;
- Proven expertise of the Leaders in taking strategic decisions to drive transport forward in the West Midlands;
- Streamlining of decision-making facilitating more rapid and efficient decision-making;
- Strong shared commitment from the Leaders in working together to deliver the best outcomes for the West Midlands.

As part of the November 2013 governance review the establishment of a Combined Authority, with a strong focus on transport functions, was considered. The Combined Authority option was not pursued at that point as it did not have the necessary stakeholder support to ensure that the option was deliverable. This position has now changed and the Combined Authority receives broad support, which in turn removes the barrier in terms of deliverability. The next logical step now is to formally cooperate on strategic transport, economic development and regeneration to support economic growth and job creation in the West Midlands.

The option pursued in November 2013 (in respect of transport responsibilities) was to change the membership structure of the ITA. The seven councils appointed a single member to the ITA

in accordance with the provisions of schedule 10 of the Local Government Act 1985 (as amended). This also included three non-voting members from the Greater Birmingham & Solihull, Black Country and the Coventry & Warwickshire LEPs. The Secretary of State for Transport made a Parliamentary Order in exercise of the powers conferred by section 29(2) of the Local Government Act 1985(a) with the West Midlands Integrated Transport Authority (Decrease in Number of Members) Order 2014 coming into force on 4 June 2014.

Current governance in relation to economic development and regeneration

Currently, there is no overarching body which deals with economic development and regeneration across the region. However, there is already successful collaboration on this issue across the region, examples of which are detailed below.

The West Midlands Joint Committee

A joint committee for the West Midlands comprising the seven Metropolitan councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton was established in 1986 following the abolition of the West Midlands County Council. The Committee is a joint committee for the purposes of Part VI of the Local Government Act 1972. The Constitution was updated to reflect changes as set out in the Localism Act 2011 in relation to strategic planning and cross boundary infrastructure matters which must now be dealt with via the Duty to Cooperate.

The overall objective of the joint committee is to co-ordinate actions on important issues affecting the local authorities in the West Midlands. Key functions have focused on collaborative working with the West Midlands Joint Authorities for example the WMITA and Police and Fire & Rescue Authority. Following the creation of the Police & Crime Panel in 2012 (established under the Police Reform & Social Responsibility Act 2011) and the establishment of the new ITA in June 2014, the Council Leaders as the voting members of joint committee have maintained their close relationship through membership on both these bodies. The joint committee makes nominations or appointments to key partner bodies i.e. appointing to the five balancing places of both the West Midlands Police & Crime Panel and ITA Overview and Scrutiny Joint Committee.

More recently, the focus of the joint committee has been closer collaboration on social policy activities/issues affecting the conurbation. For instance, the protection of vulnerable children and adults, preventing Child Sexual Exploitation as well as health and social welfare issues. The joint committee provides a vehicle for communicating these joint actions and their needs to Government and other influential bodies.

Other functions of the joint committee relate to the exercise of the Metropolitan councils' powers and rights as shareholders of Birmingham Airport Company Ltd as well as making nominations/appointments to other bodies.

The current joint committee has been set up as a formally constituted body with some delegated powers and can agree its level of delegated responsibilities as it sees fit with the agreement of the seven metropolitan districts. However, it is not a 'body corporate', but is an arrangement for collaborative working. These arrangements have not been set up on a permanent nor binding basis and could, in theory, be wound up by the members. As such, the Joint Committee cannot hold funding in its own right, nor can it take on devolved powers from Government. It is not an accountable body within the definitions of the LDEDC and as a result, any decisions, outside of the functions in the joint committee constitution, still need to be taken through individual, constituent local authorities.

Accordingly, the Leaders of the authorities considering changing governance arrangements do not believe that the joint committee governance provides them with the opportunity to respond to the potential freedoms and flexibilities offered through devolution.

The Local Enterprise Partnerships (LEPs)

The seven Metropolitan councils sit within three LEPs: the Black Country, Greater Birmingham and Solihull, and Coventry and Warwickshire LEP. Although three separate growth deals have been agreed, the LEPs have worked collaboratively across the region on issues such as transport, access to finance, supply chains, business growth hubs, housing, inward investment, skills, and enterprise zones.

The Chairs of the three LEPs meet with other regional LEP Chairs on a quarterly basis to drive forward shared agendas. These working relationships are key to effective collaboration across the region. The senior LEP Executives also meet on a bi-monthly basis to support cross-working. There are West Midlands' wide groups for Transport and Finance. These groups have respectively developed a joint Transport Statement, working with the East Midland LEPs in support of the broader Midland's transport strategy, "Midland Connect" and are taking forward Joint European Resources for Micro to Medium Enterprises proposals having already collaborated on an Advanced Manufacturing Supply Chain funding initiative.

The Greater Birmingham and Solihull Supervisory Board

The nine Local Authority Leaders that form the Greater Birmingham and Solihull LEP have established a Supervisory Board to ensure there is effective decision-making and clear political accountability for the management of significant funding streams such as the Local Growth Fund and business rates retained through the Enterprise Zone.

The Supervisory Board is a Joint Committee and each local authority has delegated to it the economic development functions covered by the general power of competence contained in Section 1 of the Localism Act 2013. The GBSLEP Chair is a member of the Board (using the power to co-opt non-authority members on to a committee contained in Section 102(3) of the Local Government Act 1972) but is non-voting.

The Black Country Joint Executive Committee

The Black Country Joint Executive Committee was established by Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Metropolitan Borough Council and City of Wolverhampton Council. It acts as a strategic body in relation to the City Deal and Growth Deal – with full delegated authority from each of the four applicable Local Authority Cabinets to make decisions on setting and reviewing objectives for strategic investment across the Black Country. It provides a coherent single position on the major strategic City Deal and Growth Deal issues, agreeing the allocation of spending and major priorities. The four local authorities and Black Country Consortium Limited have entered into a Collaboration Agreement that establishes a legal framework for joint working in relation to the functions of the Joint Committee. This agreement places equal responsibility on all four Black Country Local Authorities and the Black Country Consortium for the underwriting of the Joint Committee programme.

Joint Committee for Growth and Prosperity

A formal Joint Committee for Growth and Prosperity was created in Coventry and Warwickshire as part of the City Deal process and now operates closely with the Coventry and Warwickshire Local Enterprise Partnership. This Joint Committee is made up of Coventry City Council; Warwickshire County Council, North Warwickshire Borough Council, Nuneaton and Bedworth Borough Council, Rugby Borough Council, Stratford-on-Avon District Council, Warwick District Council and Hinckley and Bosworth Borough Council. This reflects the geography of the Coventry and Warwickshire Local Enterprise Partnership and the Coventry and Warwickshire Growth Deal.

The Coventry and Warwickshire City Deal was signed with central government in January 2014 and covers the area of Coventry and Warwickshire and also the adjacent district of Hinckley and Bosworth (in Leicestershire) to reflect the close economic links and innovation assets across this area in advanced manufacturing and engineering, particularly in the automotive sector.

The City Deal also committed these councils to work together to form an Economic Prosperity Board with an ultimate aim of creating a Combined Authority for this geography – recognising that this was difficult because Coventry City Council was part of the West Midlands Integrated Transport Authority.

The functional economic market assessment has made the case that the wider area covered by the three LEP area would give greater economic self-containment and that working together at this scale would yield greater benefits from agglomeration.

Regardless of the final membership arrangements of the Combined Authority, a close working relationship will be maintained between the members of the Joint Committee for Growth and Prosperity.

Options analysis

Preservation of the status quo

The leaders of the seven Metropolitan authorities are committed to the pursuit of collaborative working. Under the status quo there is not strong enough governance arrangements in place for the more ambitious agenda for the region. This option would leave the region without a single strategic transport and economic development decision-making body at the West Midlands level. The region would miss out on the benefits of working collaboratively on economic regeneration/development and transport issues which are inherently closely linked.

Maintaining the status quo would leave the region behind a number of other parts of the country who have already, or are in the process of, strengthening and aligning their decision making process in relation to transport and economic development/regeneration.

The deficiencies of the current joint committee i.e. the fact that it is not a body corporate nor can it hold funding in its own right would remain. The lack of a formal link between development, regeneration and transport would also continue.

The current arrangements are insufficient to take advantage of the move towards greater devolution from central government to the regions.

Establishing an economic prosperity board

An economic prosperity board would be a statutory body and would share many of the features of a Combined Authority. It would be a basis for taking on devolved powers and funding relating to economic development and regeneration. However the integrated transport authority would remain as a separate entity and the benefits of bringing economic development/regeneration and transport together would not be realised.

This does not align with the aspiration held across the region to fully exploit the potential to unite economic development/regeneration and transport and reap the benefits of a joined up approach to transport strategy.

Establishing a Combined Authority

The existing governance arrangements in the West Midlands can be improved. The governance structures in the West Midlands have worked well to date through a series of ad-hoc and informal arrangements. However, the ambition set out in this document and those reflected in the 'launch statement' requires stronger governance to deliver the agenda. Specifically, there is not a single strategic transport and economic development decision making body at the West Midlands level. These benefits would be best realised through the creation of a Combined Authority.

A Combined Authority governance model would ensure long-term effective engagement with the business and other sectors. Engagement and integration with the three LEPs in a statutory body is likely to lead to more effective interventions and an improvement in the realisation of economic objectives. A Combined Authority would be an integral part of a 'Midlands Engine' which would build on the strong foundations which have been laid in the region over the past 20 years, and help to rebalance the UK economy.

A Combined Authority would bring together, in a single legally recognised body, the key decision making powers for strategic transport and economic development. The Combined Authority could act as the Accountable Body for funding to support economic development and regeneration. The relevant legislation allows the Combined Authority to take on devolved powers from Government. This would enable the Combined Authority to engage with Central Government to discuss the powers that will best serve the people of the West Midlands if they are held locally.

A Combined Authority would help maximise growth in output and jobs. A region-wide focus on productivity, competitiveness and raising skill levels would put the region in the best position to achieve its economic vision and economic goals. The three commissions proposed by the seven metropolitan Leaders, (Productivity, Land, and Mental Health and Public Services) will seek to address the underlying causes of some of the most challenging societal and economic issues in the area, on a collaborative and regional basis. In addition, a strong and effective West Midlands Combined Authority would seek to address misperceptions about public sector collaboration in the West Midlands and help in engagement with national agencies. It would also create the opportunity for various types of collaborative effort. Creating a Combined Authority would enable the former 'workshop of the world' to be reinvigorated to become part

of the wider Midlands Engine, driving economic growth in the region and developing the strongest economy outside London

Overview of the options

The following table sets out the assessment of the potential options considered.

Option	Evaluation	Rationale
Maintain status quo	✗	The current structures leave space for ambiguity and overlap between the various roles and functions of the sub-regional bodies. The opportunity to address the deficiencies highlight in this review would be missed.
Establish an economic prosperity board	✗	The downside of this option is that it misses out on the opportunity to fully achieve coordinated transport and economic benefits.
Form a Combined Authority	✓	A Combined Authority affords the area the best opportunity to address its underlying economic needs. This is as a result of the creation of a legally independent and accountable body that combines powers in respect of economic development/regeneration and transport. In addition it provides for the potential for powers to be devolved from central government.

Conclusions

In conclusion, the recommendation of this review is that the functional economic area of the West Midlands will be best served by a Combined Authority model of governance, bringing together local authorities, LEPs and other partners to drive growth.

Coordination of economic development and transport is a central rationale for the statutory basis for a Combined Authority, and therefore fundamental to its creation in the area. The CA will be ideally placed to provide leadership and area-wide voice on key strategic transport issues. A Strategic Transport Plan integrated within economic strategy, will allow strong representation from the area on topics such as High Speed Rail 2 ('HS2'), the West Coast Main Line, franchising of local rail services, aviation connectivity, the development of the rail and rapid transport network and the strategic road system, the heart of which is in the West Midlands.

Transport is recognised as key to affecting real improvements and changes at a strategic level and will be a core function of a Combined Authority in the West Midlands. The seven local authorities are in a unique position in bringing together the existing West Midlands ITA. As an aid to long term integration, key transport powers transferred to the Combined Authority could be exercised through a carefully designed integrated governance model by constituent authorities on certain key issues.

The skills of the workforce of the West Midlands will need to improve in order to benefit from the opportunities that arise. There is an opportunity to up-skill the region's workforce to take advantage of the existing job opportunities and those that will be created in the future. The West Midlands has some of the most deprived areas in the country. Nationally-led initiatives have found it difficult to allow certain areas to share in wealth creation. Unemployment rates across the region currently stand at 9.3% and only 21% of residents have qualifications level 4 and higher, significantly less than the national average. Therefore a key focus of the Combined Authority will be to address this issue at a more manageable local scale. Up-skilling the workforce in the West Midlands will be a priority in order that residents share in the growth that strengthened governance will lay the foundations for. The Combined Authority will ensure that the benefits of economic progress are distributed broadly across the West Midlands.

The Combined Authority Area

The Combined Authority Area will be the area of the seven Local Authorities of the West Midlands (Birmingham, Coventry, Dudley, Sandwell, Solihull Walsall and Wolverhampton). The broader three LEP area described earlier in this review covers an additional thirteen local authorities. These local authorities can be non-constituent members of the Combined Authority and can be engaged in the strategy for delivering growth in the three LEP area.

Many of the local authorities outside of the metropolitan area are considering their position at this time. The aspiration is for collaboration across the three LEP area.

Governance model

In order to maximise the use of available resources to the benefit of the whole of the West Midlands a new governance structure is required. The challenges of the region in respect of skills, job creation, and attractiveness of inward investment are not being tackled as effectively as they could be.

The Combined Authority option would afford the West Midlands the best prospect of improving the efficiency and effectiveness of economic development, economic regeneration and transport.

Summary of benefits

The Combined Authority will:

- facilitate closer partnership working;
- increase the effectiveness and efficiency of the relevant functions and improve outcomes for local people through a co-ordinated approach to tackling the area's priorities;
- improve the exercise of statutory functions through stronger centralised evidence collection and analysis function;
- lead to an improvement in the economic conditions of the area;
- bring together the Integrated Transport Authority functions with Economic Development and Regeneration.

Scheme for the establishment of a Combined Authority for the West Midlands

Introduction - Engagement with the three Local Enterprise Partnerships (“LEPs”) and the wider business community

The establishment of a Combined Authority represents a major opportunity to have a strong, shared voice for the region and to make a step change in our collective efforts to drive the economic prosperity of the area. Effective engagement with the LEPs and the wider business community is critical to the delivery of this ambition.

The relationship between the LEPs and the Combined Authority will be seamless and will engage the wider business community, ensuring that all partners play to their strengths in contributing to a wider ambition for more and better jobs.

The Leaders of the seven constituent authorities are members of the LEPs and the Chair of the LEPs will have non-constituent status in respect of the Combined Authority.

A shared economic strategy will be developed and agreed. This will build on the findings of the economic evidence commissioned to support the establishment of the Combined Authority.

Investment decisions taken by the Combined Authority will reflect business views. These views, both in terms of shaping prioritisation and scheme design will ensure that public investment is targeted to maximise business benefit, which is key to economic growth.

The Combined Authority and the LEPs will ensure that executive and staff resources are used in the most effective way to deliver the shared economic strategy. Underpinned by the principle that all communities benefit, but not at the same time and not in the same way. The Combined Authority would seek to achieve this by using objective means by which to assess interventions, or the design of interventions, so that these are aligned to our balanced economic outcomes for the West Midlands Combined Authority area.

Section 1 – Intention to establish a Combined Authority

Establishment of the Combined Authority

1. A Combined Authority will be established pursuant to section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“LDEDCA”). It shall come into existence on 1 April 2016.

Area of the Combined Authority

2. The Combined Authority's area shall be the whole of the following seven constituent authority areas:-

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

Each of the above authorities will be the Combined Authority's constituent members.

Within this scheme “West Midlands” refers to the area covered by the seven local authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

Name of the Authority

3. The name of the Combined Authority will be the West Midlands Combined Authority.

Membership of the Authority

4. The Combined Authority shall consist of [] members as set out below:-

- Seven members of the Combined Authority shall be elected members of the constituent authorities, referred to as “constituent members”.
- Non-constituent members will be appointed, one each from the following Councils and LEPs:
 - Greater Birmingham and Solihull LEP
 - Black Country LEP,
 - Coventry and Warwickshire LEP
 - []

Comment [RR1]: This will be the total of 7 constituent authorities, the three LEPs and the Councils that confirm they want to be a non-constituent member by

Comment [RR2]: All districts/counties that commit to non-constituent membership by the end of October will be listed here.

5. Each constituent authority, non-constituent authority and LEP will also appoint two other people ("substitute members") to act as members of the Combined Authority in the absence of the named member.
6. Each member will act in the best interests of the West Midlands as a whole, taking into account all relevant matters. Any substitute member will have the same decision-making authority and voting rights as the person whose place they are taking.
7. Where a member, or substitute member, of the Combined Authority ceases (for whatever reason) to be a member of the constituent or non-constituent authority/LEP which appointed them, the member will cease to be a member of the Combined Authority, and the constituent or non-constituent authority/LEP will appoint a replacement member as soon as possible.
8. Each constituent authority, non constituent authority and LEP may at any time terminate the appointment of a member or a substitute member appointed by it to the Combined Authority.
9. The Combined Authority may co-opt additional non-voting representatives to the Combined Authority by majority vote
10. The Chair and Vice Chair are appointed from its constituent members by majority and appointed annually.
11. No Basic or Special Responsibility Allowance will be payable by the Combined Authority to its members.
12. The reimbursement of travel and subsistence expenses will be the responsibility of the member's authority/body.

Voting

13. All constituent members of the Combined Authority will have one vote. The Chair and Vice Chair will not have a second or casting vote.
14. Non-constituent members in accordance with section 85(4) LTA2008, shall be non-voting members of the Combined Authority. The constituent members may, in accordance with section 85(5) LTA2008, resolve to extend voting rights to all or any non-constituent members.
15. Subject to the provisions of any enactment the Combined Authority will aim to reach decisions by consensus. If, exceptionally, it is not possible to reach consensus on any matter on which it is necessary to reach a decision, the matter will be put to a vote which will be decided in accordance with paragraph 16 below.

16. Decisions will be made by simple majority of the constituent members present and voting apart from the following matters which will require a 2/3 majority vote of members of the Combined Authority, present and voting:

- Adoption of growth plan and investment strategy and allocation of funding
- Approval of land use plans
- Adoption of the local transport plan
- Such other plans and strategies as determined by the Combined Authority
- Use of the general power of competence beyond the powers provided within the Local Democracy Economic Development and Construction Act 2009
- Approval of the Combined Authority's annual budget
- Setting of the transport levy
- Allocation of local transport plan funding to the individual constituent authorities
- Financial matters which may have significant implications on constituent members budgets
- Approval of borrowing limits, treasury management strategy including reserves, investment strategy and capital budget of the Combined Authority
- Agreement of functions transferred to the Combined Authority
- Extension of voting right to all or any non-constituent member
- Approval of specific proposals for individual co-optees to the Combined Authority
- Establishment of arms-length companies
- Establishment of committees and sub committees

17. It is a requirement of the Local Transport 2008 85(1)(a) that the majority of members of the Combined Authority are appointed by the Combined Authority's constituent Councils. Therefore, [] additional representatives will be appointed from each constituent member authorities.

Comment [RR3]: This approach is to be agreed and is subject to change

Alternative options are:

- a simple majority
- A simple majority with identified matters 2/3 (as listed)
- A simple majority with identified matters unanimous
- A simple majority with identified matters 2/3 and a select few

Comment [RR4]:

This number will depend on how many non constituent members are named in the scheme: constituents must be the majority of members.*

*This may not be required in the scheme dependant on how many non-constituents join in October
*There are on-going discussions with DCLG to understand the scope for changing this

Executive Arrangements

18. Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the Combined Authority. However, the discharge of the functions of the Combined Authority will be subject to scrutiny arrangements set out in paragraph 21 and 22 below.

Dissolution of West Midlands Integrated Transport Authority

19. The West Midlands Integrated Transport Authority (WMITA) will be dissolved pursuant to section 91 of the Local Transport Act 2008 (LTA). Upon the abolition of the WMITA the functions powers and duties, and the properties, rights and liabilities of the WMITA shall be transferred to the Combined Authority.

Passenger Transport Executive and ancillary functions

20. The West Midlands Passenger Transport Executive (“Centro”) shall be dissolved and the functions, powers and duties and the properties, rights and liabilities of Centro shall be transferred to the Combined Authority.

21. The Combined Authority will fulfil the role of a Transport Authority for each of the seven constituent members, replacing the existing West Midlands Integrated Transport Authority (WMITA). Individual constituent members will also continue to exercise some delivery functions, for example in respect of highways management, but will operate within an agreed framework and plan established through the Combined Authority.

Scrutiny Arrangements

22. The constituent authorities of the Combined Authority will establish joint overview and scrutiny arrangements to exercise scrutiny functions over the Combined Authority and any sub-boards and structures.

23. The Combined Authority may co-opt additional non-voting representatives to the joint overview and scrutiny arrangements as necessary.

Section 2 - Functions, Powers and Duties of the CA

24. The Combined Authority's ambition will be to help to increase competitiveness and productivity, create more skilled and better paid jobs, bring more investment into the area, reform public services and reduce the regions welfare bill.

25. The Combined Authority will drive these ambitions through its primary focus to improve the effectiveness and efficiency of transport in the area, the exercise of statutory functions relating to economic development and regeneration in the area, and economic conditions in the area.

26. The Combined Authority will manage a significant programme of investment in transport and economic infrastructure, and influence and align with government investment, in order to boost economic development and regeneration.

27. The related interventions will have differential spatial impacts across the Combined Authority area - Underpinned by the principle that all communities benefit, but not at the same time and not in the same way. The Combined Authority would seek to achieve this by using objective means by which to assess interventions, or the design of interventions, so that these are aligned to our balanced economic outcomes for the West Midlands Combined Authority area.

Functions – Economic Growth

28. By virtue of sections 99 and 102A of the Local Transport Act 2008 (LTA) the Combined Authority will have broad well-being powers to promote economic growth which can be exercised in conjunction with the general powers granted to it by section 113A of the LDEDCA (as amended by the Localism Act 2011).

It is proposed that the Combined Authority will be focused on strategic Combined Authority wide economic growth issues that could include, but are not restricted to, functions such as:

- Setting the Combined Authority wide strategic growth plan and investment strategy, in conjunction with the LEPs for the West Midlands.
- Ensuring effective alignment between decision making on transport and decisions on other areas of policy such as land use, economic development and wider regeneration.
- Using Combined Authority wide economic intelligence and analysis as a basis for strategic planning and coordination.
- Acting as an accountable body for a range of devolved funding.

- Strategic decision-making on the skills agenda across the West Midlands.
- Enabling the Combined Authority to act as the forum for local authorities to exercise the Duty to Cooperate, in respect of strategic planning matters.
- Coordinating inward investment activity through the development of a range of investment mechanisms.

29. The General Power of Competence under Section 1 of the Localism Act 2011 will enable maximum flexibility in dealing with economic development and regeneration issues. Accordingly the Combined Authority requests that the Secretary of State exercises his power and to provide that the Combined Authority has been delegated General Power of Competence under section 1 of the Localism Act 2011.

30. In addition to the above, the Combined Authority will have the following specific powers. These are viewed as complementary to the broader powers to address economic development and regeneration identified above:

- The duties under section 15ZA, 15ZB, 15ZC, 17A, 18A (1)(b), of the Education Act 1996 and the power under sections 514A and 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age).
- It is considered appropriate that the Combined Authority is designated a local authority for purposes of section 84(2) of The Apprenticeships, Skills, Children and Learning Act 2009 (duty of the Chief Executive of Skills Funding to co-operate with local authorities in relation to apprenticeship training).
- The Power under section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities).
- The duty under section 69 of the Local Democracy, Economic Development and Construction Act 2009 (duty to prepare an assessment of the economic conditions of the local authority's area).
- Such other powers as may be appropriate and any new powers granted by government.

31. Unless otherwise stated, these powers will be exercised by the Combined Authority on a concurrent basis i.e. no powers have been ceded to the Combined Authority from the constituent members.

Functions - Transport

32. All functions powers and duties of the WMITA and the WMPTE (Centro) shall be transferred to the Combined Authority and shall be functions exercisable by the Combined Authority. Specific powers required for bus franchising or similar and the prioritisation, assessment, allocation of funding, and the monitoring and evaluation of major schemes (currently a LEP function) are exercisable by the Combined Authority.

33. In the application of s101 of the Local Government Act 1972 any other transport functions delegated to the Combined Authority from time to time by the constituent councils (or any of them) shall be functions of the Combined Authority. Any functions which the constituent authorities might subsequently choose to delegate to the Combined Authority eg management of the road network to improve the flow of freight across the area. The Combined Authority to have concurrent street, highways and transport powers with the constituent authorities.

34. The Power of Wellbeing under chapter 3 of the LTA 2008 will apply to the Combined Authority by virtue of that Act.

35. The Combined Authority will have ancillary general powers pursuant to section 113A of the LDEDC 2009.

36. The Combined Authority will exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State pursuant to section 86 of the Local Transport Act 2008 (LTA) and section 104(1)(b) LDEDC. Such functions will be exercised subject to any condition imposed by the order.

Incidental Provisions

37. The Combined Authority shall exercise any function of the Secretary of State delegated to the Combined Authority by order of the Secretary of State pursuant to Section 86 of the LTA 2008 AND Section 104(1) (b) of the LDEDC 2009. Such functions shall be exercised subject to any condition imposed by the order.

Section 3 - Funding, Transfer of Property, rights and liabilities.

38. The Combined Authority as a levying body under section 74 of the Local Government Finance Act 1988 shall have the power to issue a levy to its constituent authorities in respect of the expenses and liabilities of the Combined Authority which are reasonably attributable to the exercise of its functions relating to transport.

39. The costs of the Combined Authority that are reasonably attributable to the exercise of its functions will be met by its constituent members. Such costs shall be apportioned between the constituent members in proportion to the total resident

population. The Combined Authority will agree an annual budget for the purpose of expenditure.

40. On the abolition of the WMITA and the WMPTE (Centro) their property, rights, assets and liabilities will be transferred to the Combined Authority, including any rights and liabilities (if any) in relation to contracts of employment.

Section 4 – Substructures and Internal Scheme of Delegation

41. The Combined Authority will take over responsibility for the local transport authority and local transport executive for the Combined Authority area and act as the strategic decision making body. Therefore, in order to fulfil the significant range of operational duties, powers and functions transferred, which are currently delivered by the local transport authority and executive, the CA and the constituent councils will establish a committee under section 101(5) of the Local Government Act 1972 to be called the Transport Delivery Committee. The Transport Delivery Committee will be a sub-committee of the CA providing oversight of operational delivery and as requested advice on transport policy matters and will be responsible for the discharge of specified transport functions delegated by the Combined Authority.

42. The Combined Authority may establish further joint committees or sub-committees and delegate powers and functions as considered by it to be appropriate.

West Midlands Functional Economic Market Area Study

Headline Findings

26 June 2015

FEMA Terms of Reference

The geographies examined in the study are those of the Black Country, Coventry & Warwickshire and Greater Birmingham & Solihull LEPs. These areas encompass 19 local authorities in total (7 unitaries and 12 districts).

For each of the three study topics (travel to work, migration and industrial specialisation) the study examined the relationships and similarity between all of the 19 authorities and between the 7 unitaries.

Travel to Work Areas

The ONS defines a Travel to Work Area (TTWA) as an area where at least 75% of the resident working population also work. This is known as the **self-containment percentage**.

Analysis was undertaken of the 19 authorities within the 3 LEP areas to establish where the strongest travel to work relationships existed and the size of the self-containment percentage of a number of functional market areas.

For the purposes of analysis those working at home and those with work without a fixed location were excluded as these do not constitute a 'travel to work' relationship.

Travel to work relationships and self-containment percentages are explored overleaf.

Travel to Work Areas

The self-containment percentage for the three LEP areas are:

Black Country LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 71%
298,000		419,000	

Coventry and Warwickshire LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 77%
263,000		341,000	

Greater Birmingham and Solihull LEP

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment 77%
514,000		677,000	

Travel to Work Areas

The self-containment percentage for the three LEP areas combined is:

Black Country, C&W and GBS LEPs

Resident in-work population working within LEP areas	of	Total resident in-work population	Self containment
1.29 million		1.44 million	90%

The self-containment percentage for the 7 West Midlands unitary authorities is:

7 WM Unitary Authorities

Resident in-work population working within area	of	Total resident in-work population	Self containment
837,000		976,000	85%

Travel to Work Areas

The self-containment percentage for combinations of the LEPs are:

Black Country & GBS LEPs

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment
944,000		1.1 million	87%

Black Country & Coventry and Warwickshire LEPs

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment
569,000		760,000	75%

GBS & Coventry and Warwickshire LEPs

Resident in-work population working within LEP area	of	Total resident in- work population	Self containment
882,000		1.05 million	84%

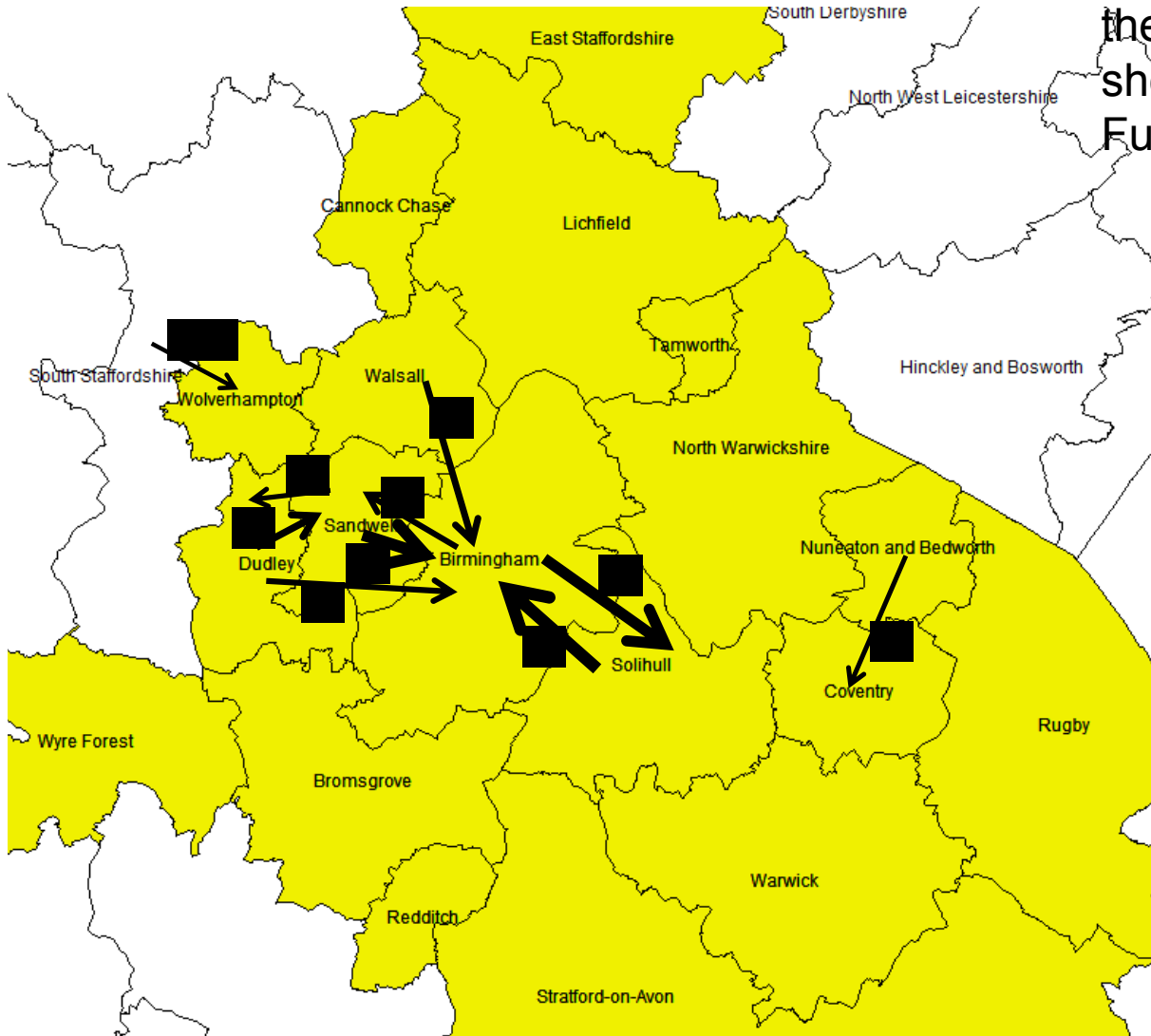
Travel to Work Areas – Other CAs

The self-containment percentages for England's other combined authority areas are:

Combined authority	Self Containment Percentage
North East	93%
West Yorkshire	91%
Greater Manchester	89%
Sheffield	85%
Liverpool	83%

Travel to Work Flows

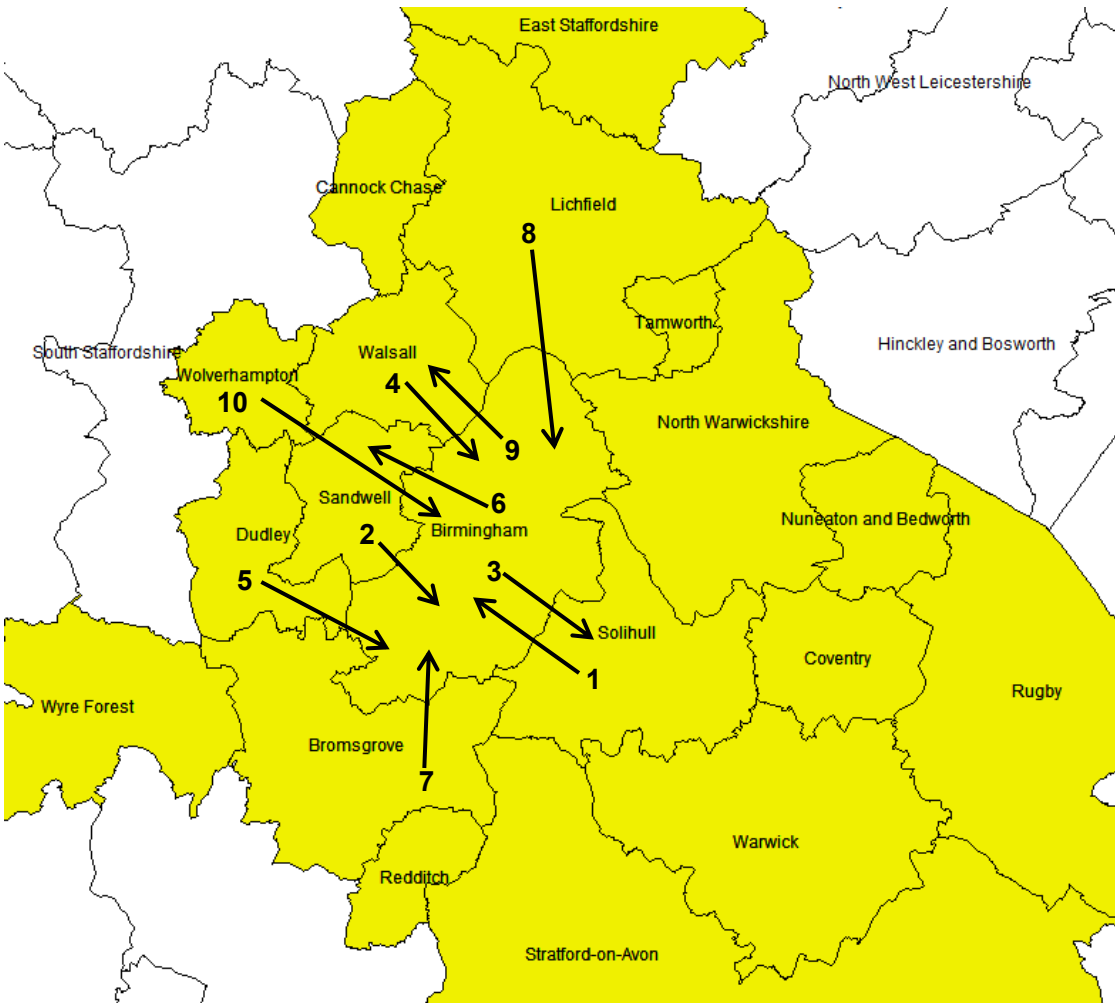
We examined the 10 largest travel to work flows between the 19 authorities which are shown on the map opposite. Full details are in Appendix 1



No	Volume of Commuters
1	29,458
2	28,088
3	26,479
4	16,877
5	16,037
6	14,057
7	13,661
8	11,739
9	11,392
10	10,381

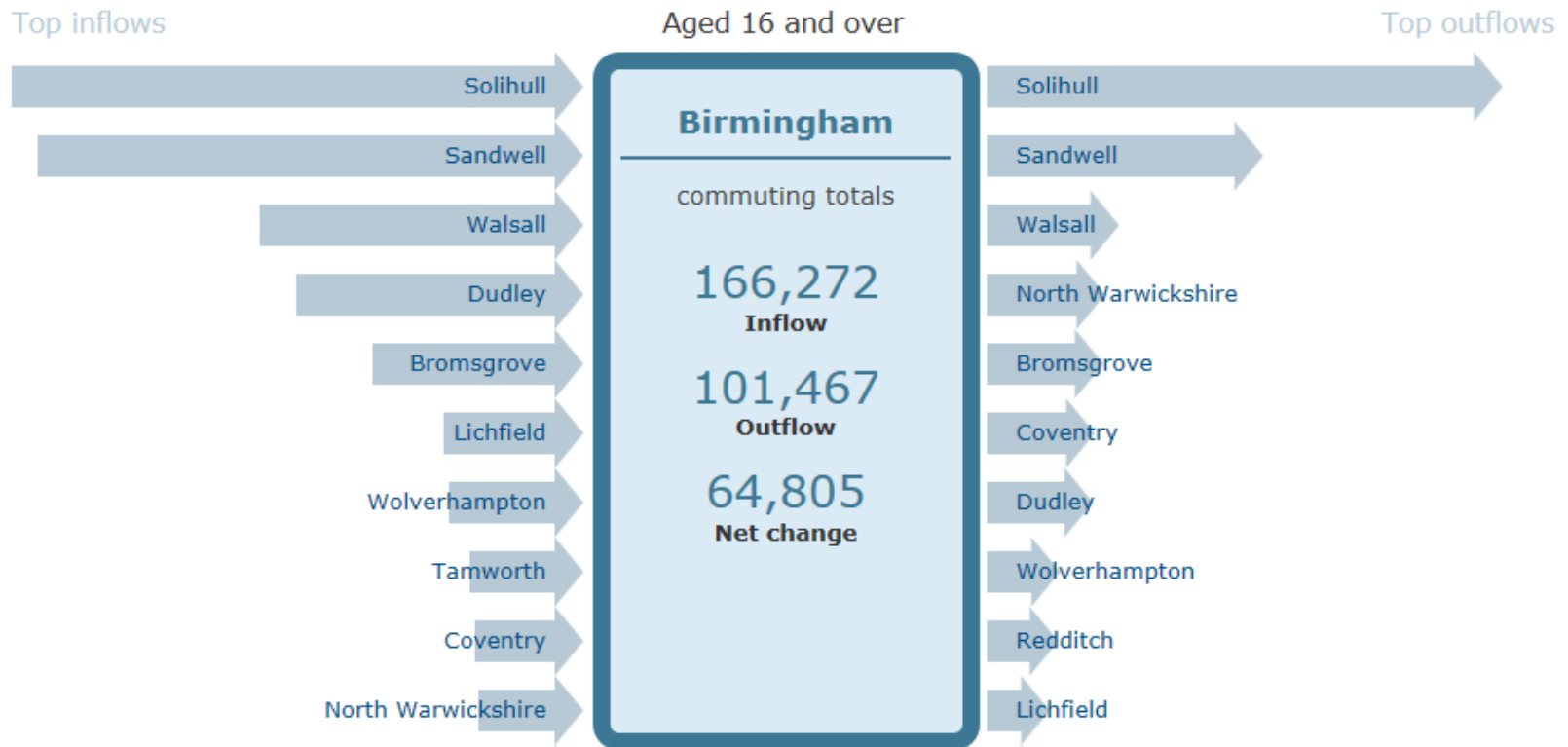
Travel to Work Flows - Birmingham

We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	29,458
2	28,088
3	26,479
4	16,037
5	14,057
6	13,661
7	9,996
8	6,076
9	5,872
10	5,842

Travel to Work Flows - Birmingham

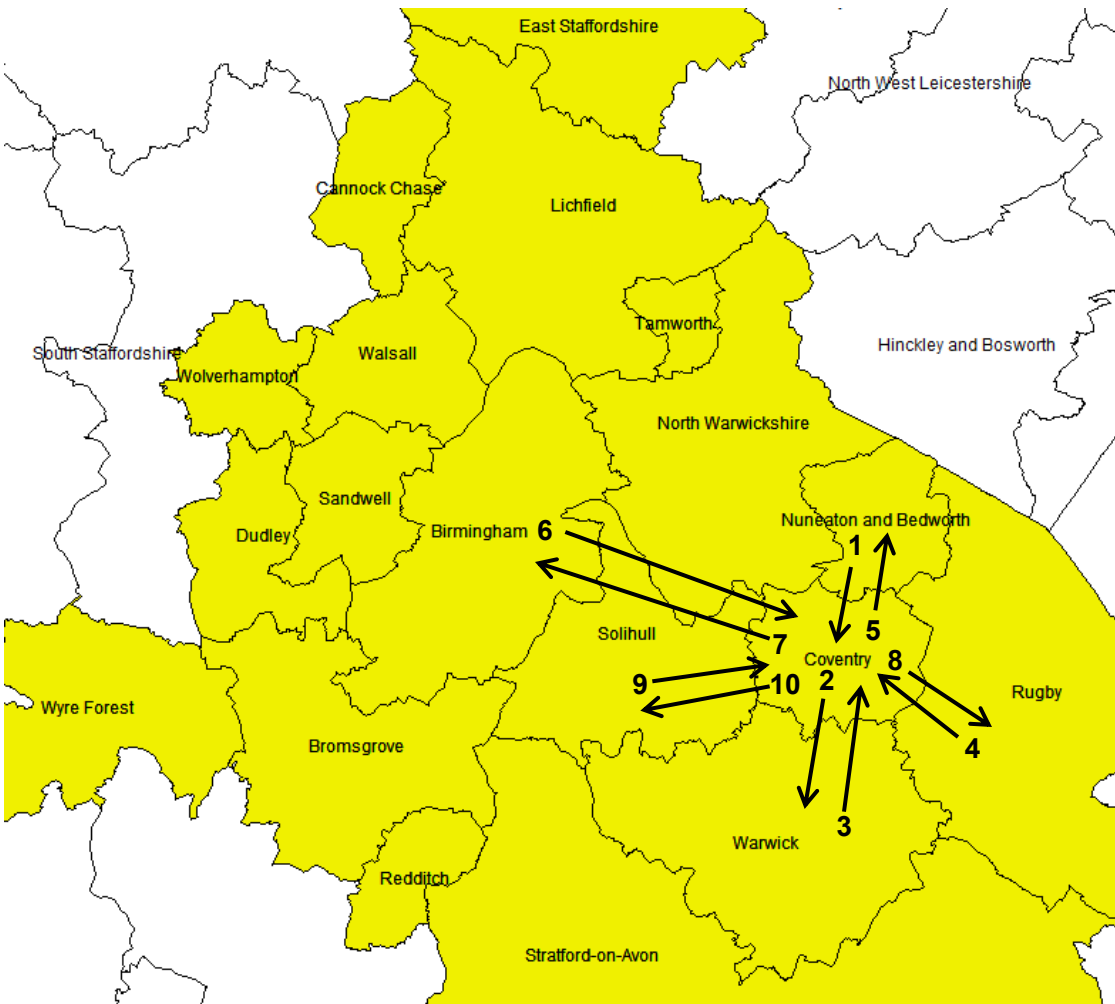


Commuting totals for Birmingham:

- Inflow: **166,272** aged 16 and over commute into Birmingham from other local authorities in the UK.
- Outflow: **101,467** aged 16 and over commute out of Birmingham to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **64,805** aged 16 and over in Birmingham.

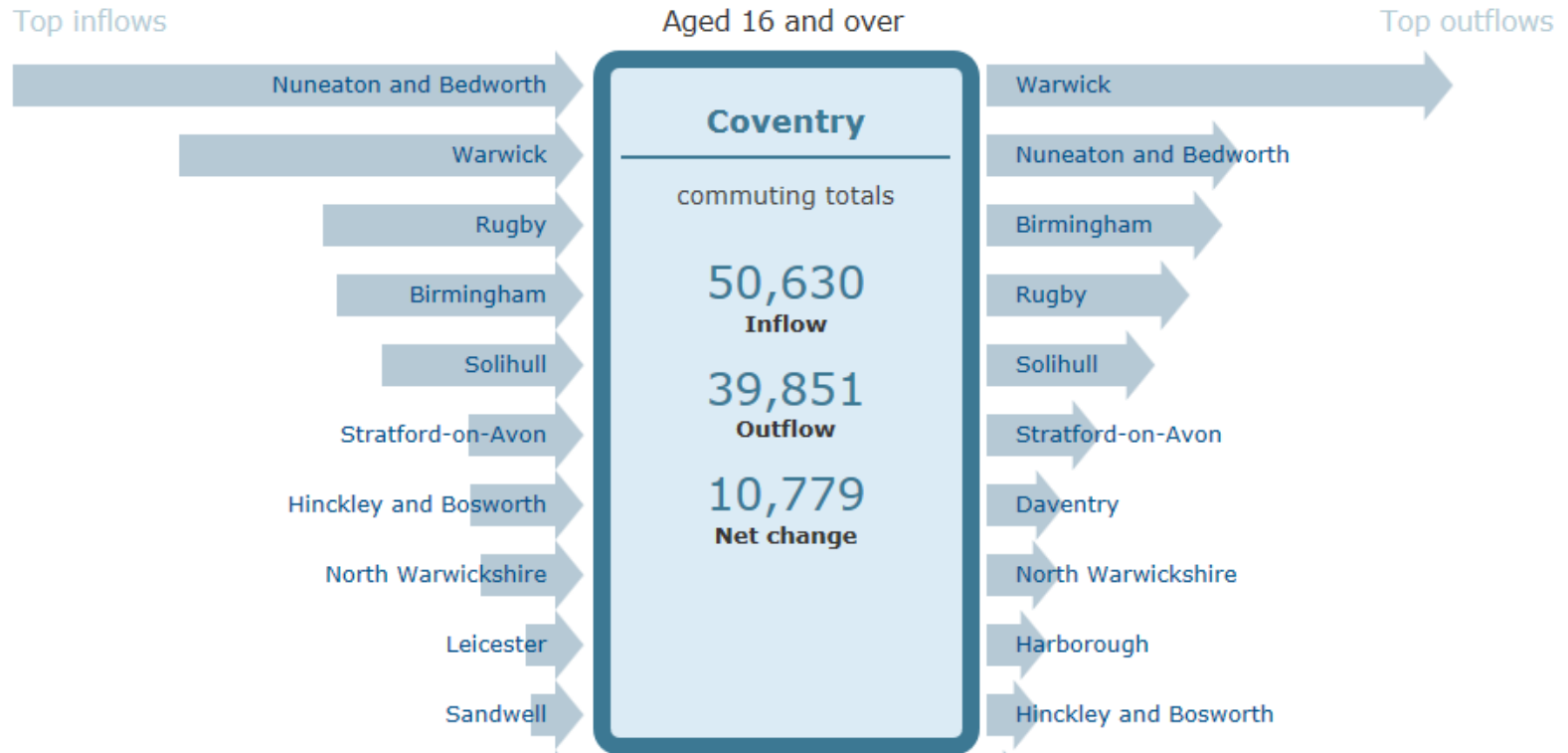
Travel to Work Flows - Coventry

We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	11,392
2	9,249
3	7,903
4	4,909
5	4,878
6	4,596
7	4,472
8	3,805
9	3,654
10	3,072

Travel to Work Flows - Coventry



Commuting totals for Coventry:

- Inflow: **50,630** aged 16 and over commute into Coventry from other local authorities in the UK.
- Outflow: **39,851** aged 16 and over commute out of Coventry to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **10,779** aged 16 and over in Coventry.

Migration

Similar analysis to that undertaken for Travel to Work was mirrored for patterns of internal migration between areas. This examined the volume of individuals that moved home between areas in the year preceding the 2011 Census. The analysis presents the 10 strongest relationships across the area.

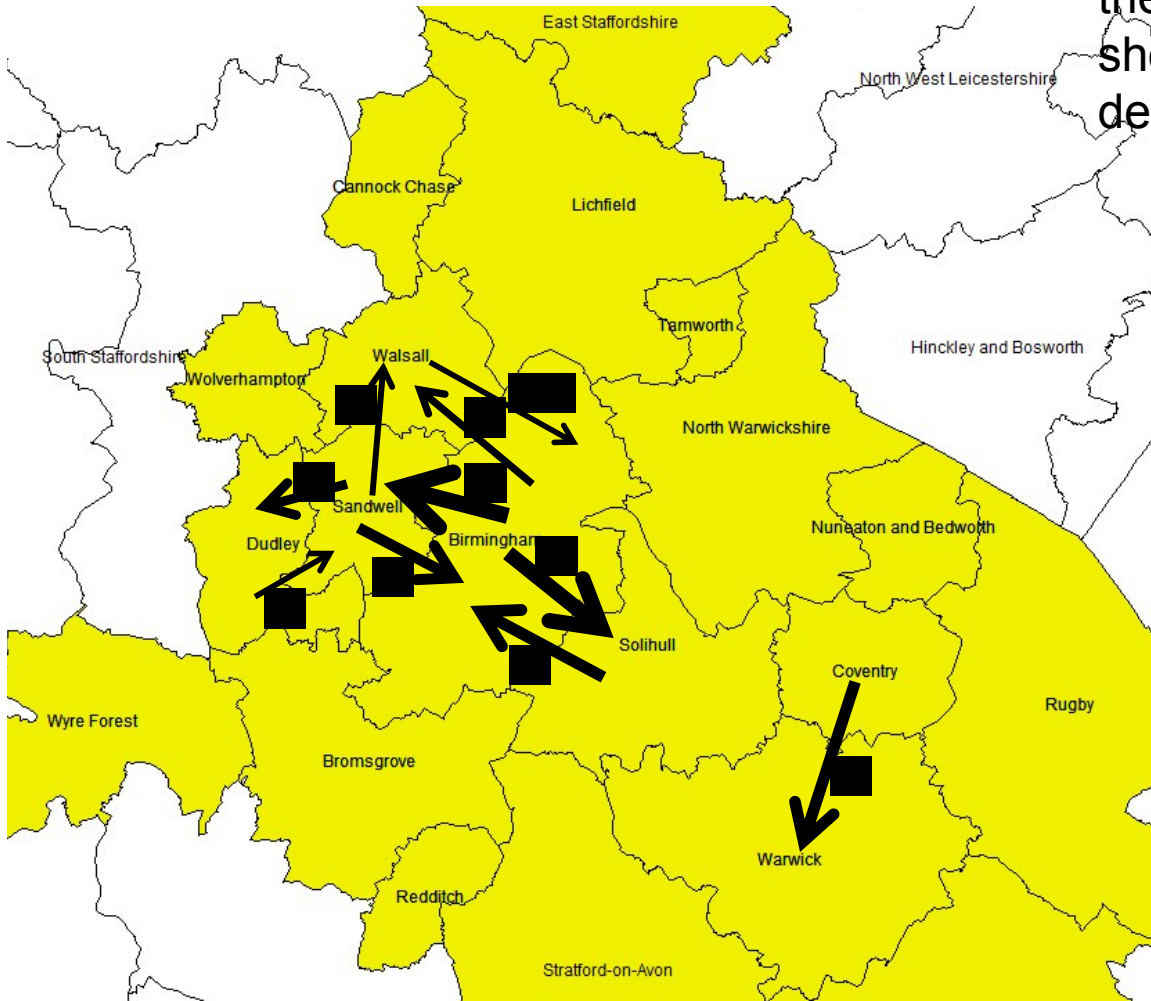
As shown overleaf, this presents a similar picture to the Travel to Work analysis with two important distinctions:

- All of the 10 strongest relationships are between districts that form part of one of the three LEP areas
- There is a very strong relationship between Coventry and Warwick

Since the analysis was primarily designed to examine the strength of relationships between areas, immigration from outside of the UK was excluded from the analysis. The extent of this can be viewed in the migration charts provided in Appendix 2.

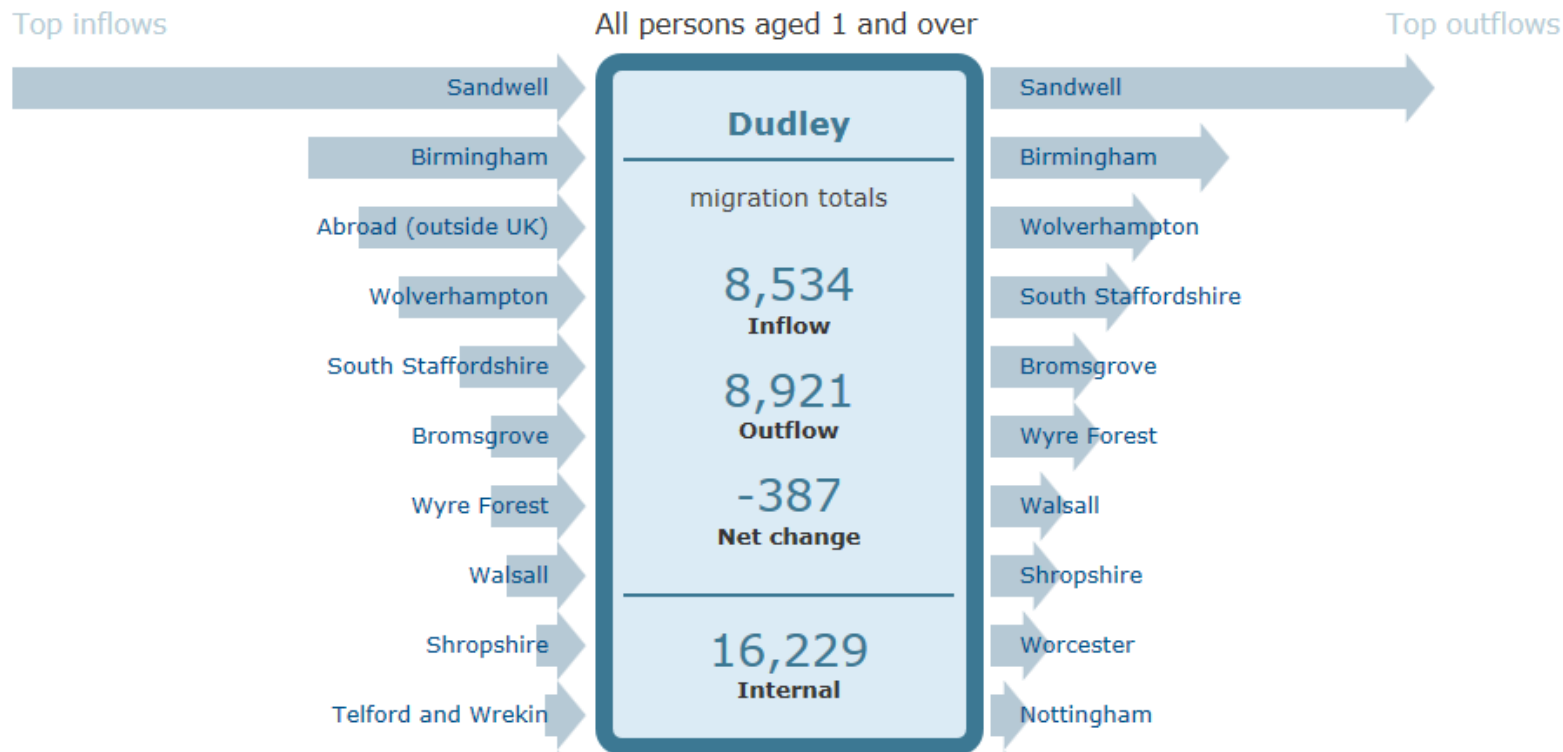
Migration

We examined the 10 largest migration work flows between the 19 authorities which are shown on the map opposite. Full details are shown in Appendix 2.



No	Volume of Commuters
1	4,016
2	3,816
3	2,929
4	2,887
5	2,721
6	2,371
7	1,823
8	1,821
9	1,488
10	1,389

Migration - Dudley



Migrations for Dudley with all areas:

- Inflow: **8,534** persons aged 1 and over moved into Dudley from other areas.
- Outflow: **8,921** persons aged 1 and over moved out of Dudley.
- Net change: Overall, migration resulted in **387** fewer persons aged 1 and over in Dudley.
- Internal: In addition, **16,229** persons aged 1 and over moved within Dudley.

Industrial Specialisation

Industrial specialisation was examined using Location Quotients which provide a local measure of geographical concentration of industries. A location quotient of >1 shows a degree of specialisation. A location quotient of 2 suggests there is twice the amount of employees in a sector than we would expect from a GB average.

This showed:

- There is greater degree of specialisation in the C&W and Black Country LEP areas than in the GBS LEP area
- Specialisation across all three LEP areas is focused on manufacturing, wholesale and the motor trades
- There are specialisations in Transport and Storage in the C&W LEP area and mining, quarrying and utilities in the Black Country LEP area that are not shared in the other LEP areas

Specialisation - Broad Industries

Broad industrial sectors where the three LEP areas showed specialisation were:

Sector	Location Quotient (>1 shows representation above national average)		
	Black Country	C&W	GBS
Mining, quarrying & utilities	1.52	1.15	0.72
Manufacturing	1.87	1.28	1.26
Construction	1.14	1.13	0.95
Motor trades	1.30	1.46	1.13
Wholesale	1.70	1.23	1.21
Transport & storage	1.08	1.29	0.96
Public administration & defence	0.86	0.83	1.17
Health	1.12	0.87	1.03

Sectors where specialisation was identified were examined in more detail overleaf.

Specialisation - Manufacturing

The greatest degree of specialisation across the LEP areas is in manufacturing. There are 60,000 more people employed in the sector than we would expect from a national average concentration. The three LEP areas account for 9% of Great Britain's manufacturing employment.

Closer analysis (as shown overleaf shows):

- There is a common specialisation across manufacture of fabricated metal products, machinery and equipment, plastic and rubber products and automotive manufacturing.
- The areas employs 25% of Great Britain's automotive manufacturing workforce
- The Black Country specialises in the manufacture of a number of products not shared by the C&W and GBS LEPs particularly basic metals, leather products, furniture and the repair of machinery and equipment

Specialisation - Manufacturing

Sector	Black Country	C&W	GBS
Manufacture of beverages	1.02	0.65	1.70
Manufacture of textiles	0.86	0.72	1.10
Manufacture of wearing apparel	1.61	0.52	0.55
Manufacture of leather and related products	4.27	0.17	0.41
Manufacture of wood and of products of wood and cork, except furniture;	1.34	0.76	0.82
Printing and reproduction of recorded media	0.85	0.61	1.11
Manufacture of chemicals and chemical products	1.30	0.37	0.49
Manufacture of rubber and plastic products	1.70	1.35	1.21
Manufacture of other non-metallic mineral products	0.98	1.87	1.11
Manufacture of basic metals	6.01	1.02	1.42
Manufacture of fabricated metal products, except machinery and equipment	4.58	1.65	1.93
Manufacture of electrical equipment	1.02	1.53	0.93
Manufacture of machinery and equipment n.e.c.	1.89	1.64	1.31
Manufacture of motor vehicles, trailers and semi-trailers	1.79	6.08	4.53
Manufacture of furniture	3.03	0.50	0.95
Other manufacturing	1.40	0.78	1.76
Repair and installation of machinery and equipment	2.14	0.65	0.86

Specialisation - Wholesale

Although not as pronounced as the specialisation in Manufacturing, Wholesale industries account for 23,000 more employees than would be expected from national average concentration

Closer analysis (as shown overleaf shows):

- Coventry and Warwickshire and GBS specialise across a broader range of wholesale sectors than the Black Country
- There is clear concentrations (sometimes shared between LEPs, sometimes not) of the wholesale of products likely to be used in the manufacturing industries. These include machine tools, metals, hardware supplies, wood and construction materials.

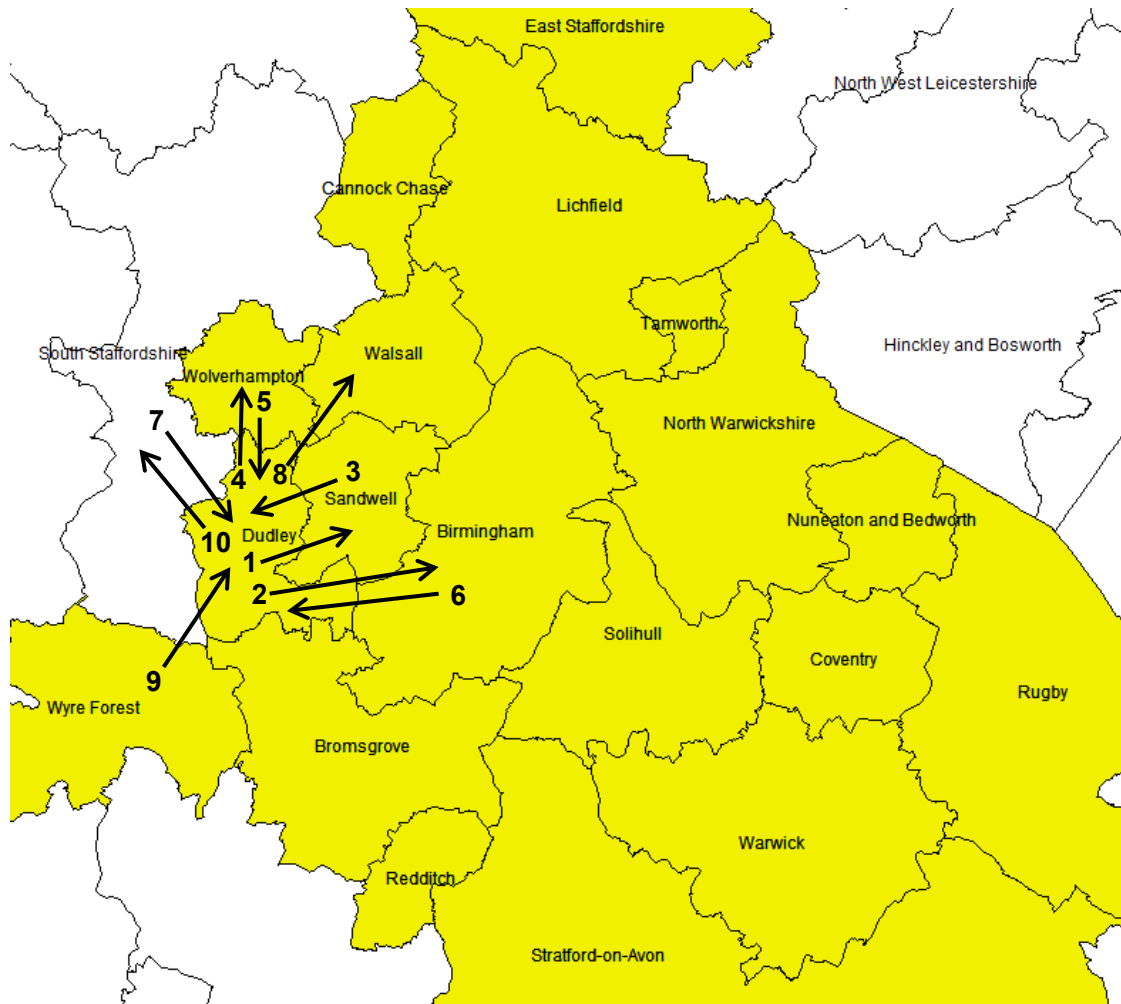
Specialisation - Wholesale

Industry	Black Country	C&W	GBS
4623 : Wholesale of live animals	0.21	1.77	0.24
4631 : Wholesale of fruit and vegetables	0.13	1.50	0.42
4633 : Wholesale of dairy products, eggs and edible oils and fats	1.71	0.28	0.19
4636 : Wholesale of sugar and chocolate and sugar confectionery	0.58	0.14	6.13
4639 : Non-specialised wholesale of food, beverages and tobacco	1.16	1.29	0.71
4643 : Wholesale of electrical household appliances	0.43	0.44	1.41
4644 : Wholesale of china and glassware and cleaning materials	0.17	2.13	0.40
4647 : Wholesale of furniture, carpets and lighting equipment	1.23	2.28	1.00
4648 : Wholesale of watches and jewellery	0.16	0.08	1.47
4651 : Wholesale of computers, computer peripheral equipment and software	0.05	0.16	1.62
4652 : Wholesale of electronic and telecommunications equipment and parts	0.33	1.67	0.6
4661 : Wholesale of agricultural machinery, equipment and supplies	0.28	2.18	0.2
4662 : Wholesale of machine tools	2.36	4.58	1.3
4663 : Wholesale of mining, construction and civil engineering machinery	1.09	1.26	4.1
4666 : Wholesale of other office machinery and equipment	0.62	0.43	1.3
4671 : Wholesale of solid, liquid and gaseous fuels and related products	0.53	2.29	0.3
4672 : Wholesale of metals and metal ores	7.33	1.14	2.1
4673 : Wholesale of wood, construction materials and sanitary equipment	1.41	1.43	1.3
4674 : Wholesale of hardware, plumbing and heating equipment and supplies	2.43	2.51	1.3
4676 : Wholesale of other intermediate products	1.52	1.44	1.3
4677 : Wholesale of waste and scrap	4.72	1.03	1.09
4690 : Non-specialised wholesale trade	0.99	0.99	1.25

Appendix 1: Travel to Work flows

Travel to Work Flows - Dudley

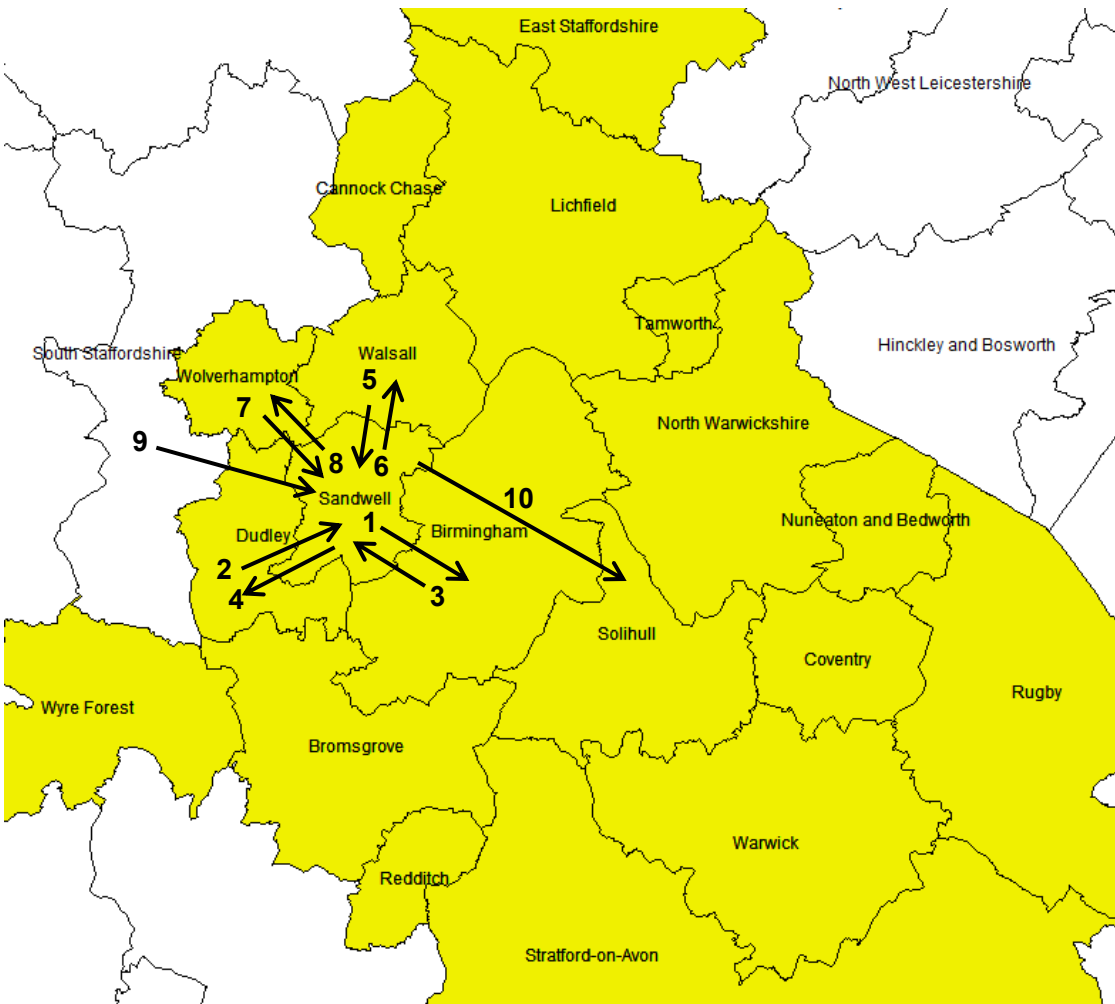
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	16,877
2	14,057
3	11,739
4	7,757
5	5,249
6	4,547
7	3,736
8	2,638
9	2,473
10	2,333

Travel to Work Flows - Sandwell

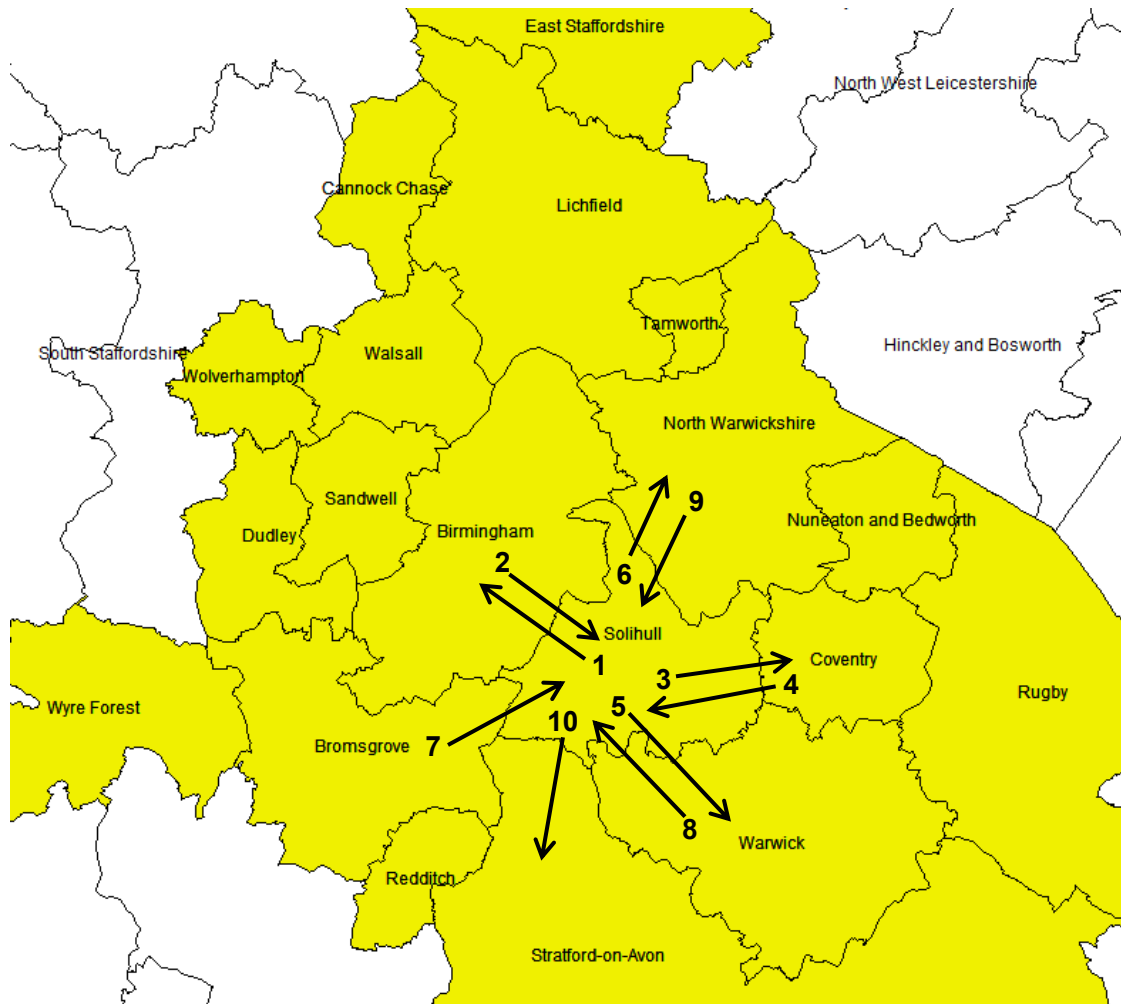
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	28,088
2	16,877
3	13,661
4	11,739
5	8,679
6	6,843
7	6,133
8	3,780
9	1,894
10	1,511

Travel to Work Flows - Solihull

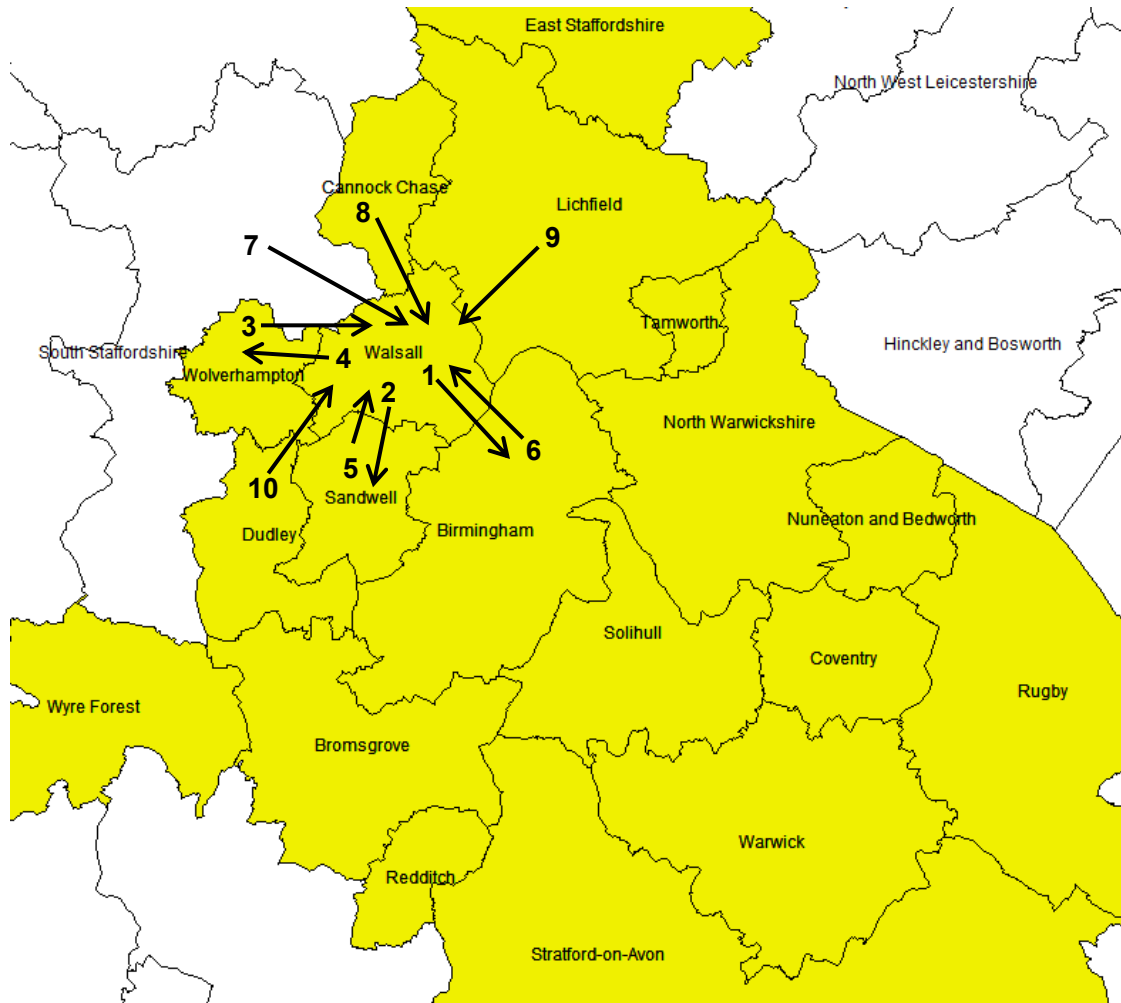
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	29,458
2	26,479
3	3,654
4	3,072
5	2,327
6	2,301
7	1,896
8	1,800
9	1,697
10	1,612

Travel to Work Flows - Walsall

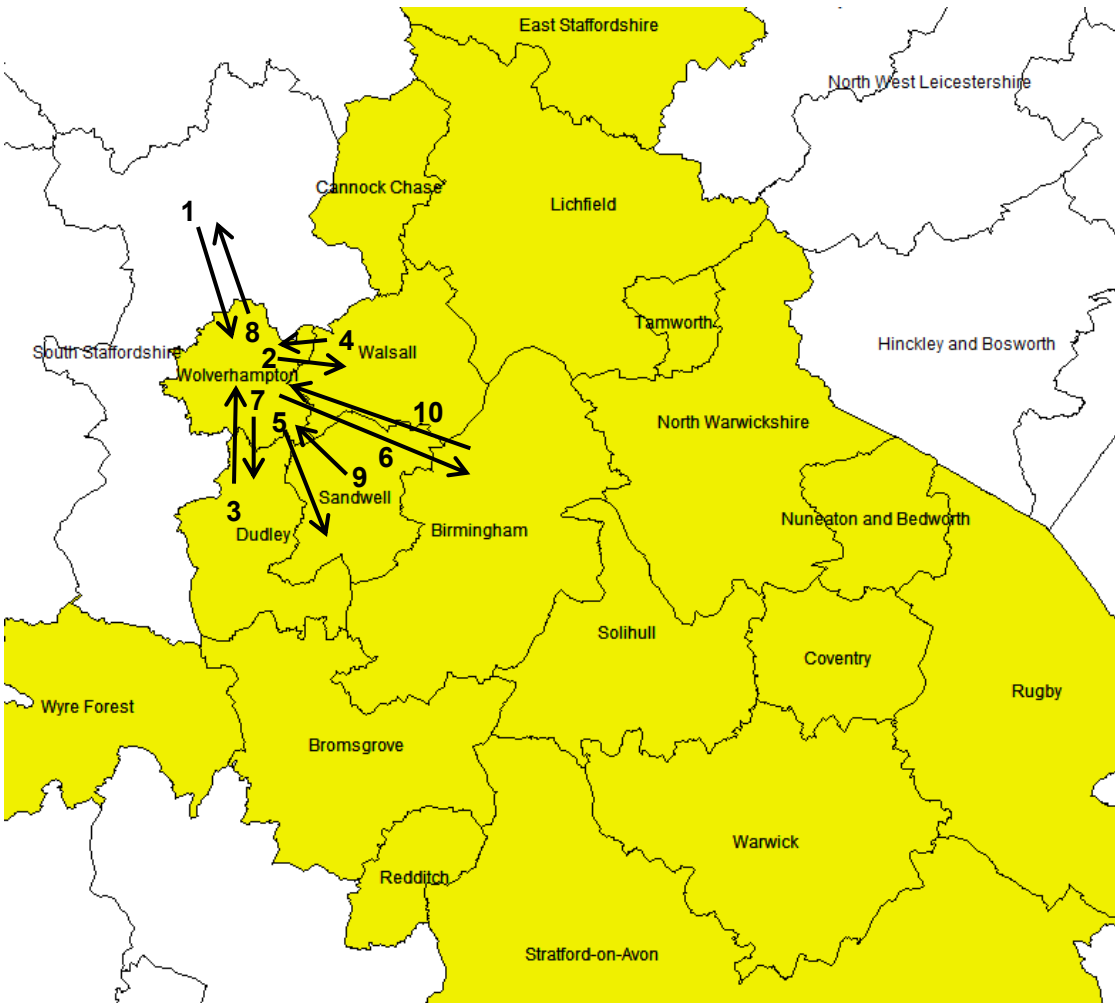
We examined the 10 largest travel to work flows in or out of the authority which are shown on the map opposite:



No	Volume of Commuters
1	16,037
2	8,679
3	8,052
4	7,700
5	6,843
6	5,872
7	3,876
8	3,855
9	3,197
10	2,638

Travel to Work Flows - Wolverhampton

We examined the 10 largest travel to work flows between the authority which are shown on the map opposite:



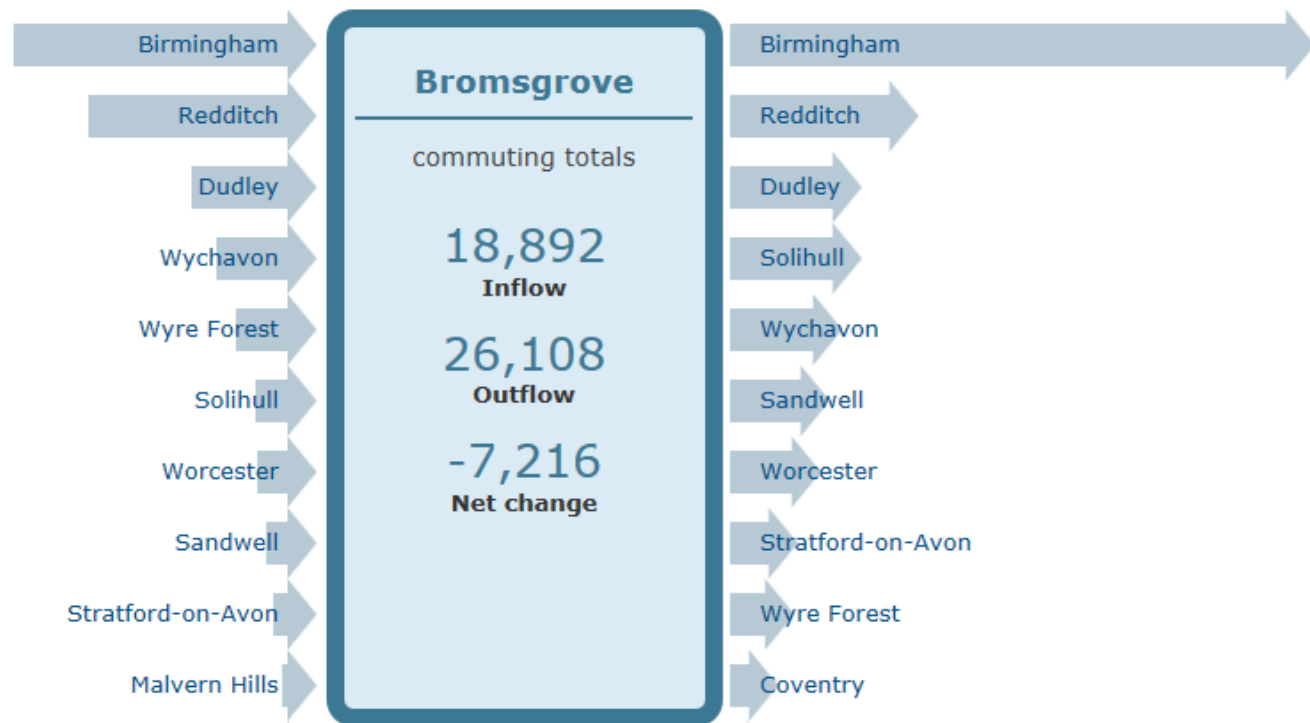
No	Volume of Commuters
1	10,381
2	8,052
3	7,757
4	7,700
5	6,133
6	5,842
7	5,249
8	4,448
9	3,780
10	2,760

Travel to Work Flows - Bromsgrove

Top inflows

Aged 16 and over

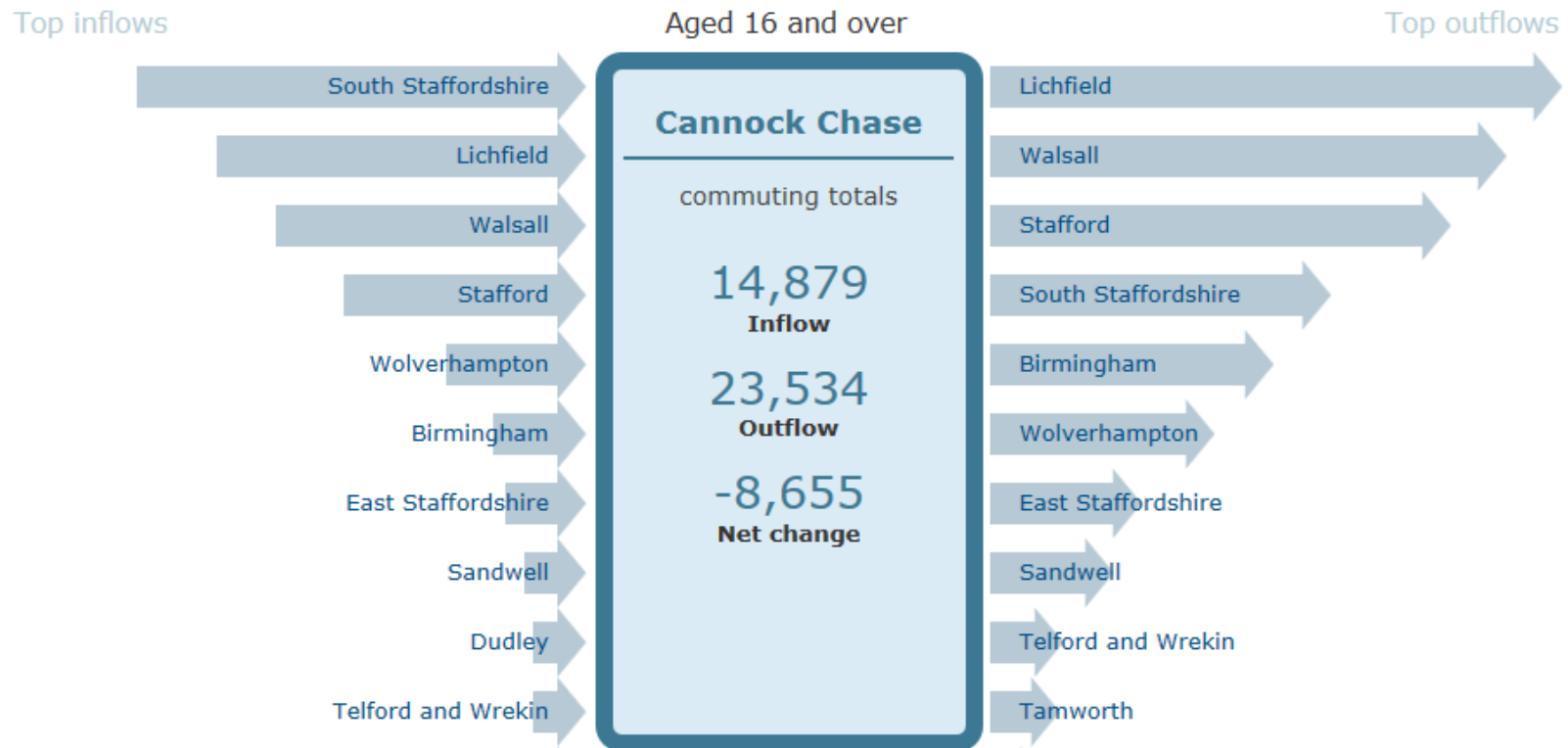
Top outflows



Commuting totals for Bromsgrove:

- Inflow: **18,892** aged 16 and over commute into Bromsgrove from other local authorities in the UK.
- Outflow: **26,108** aged 16 and over commute out of Bromsgrove to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **7,216** aged 16 and over in Bromsgrove.

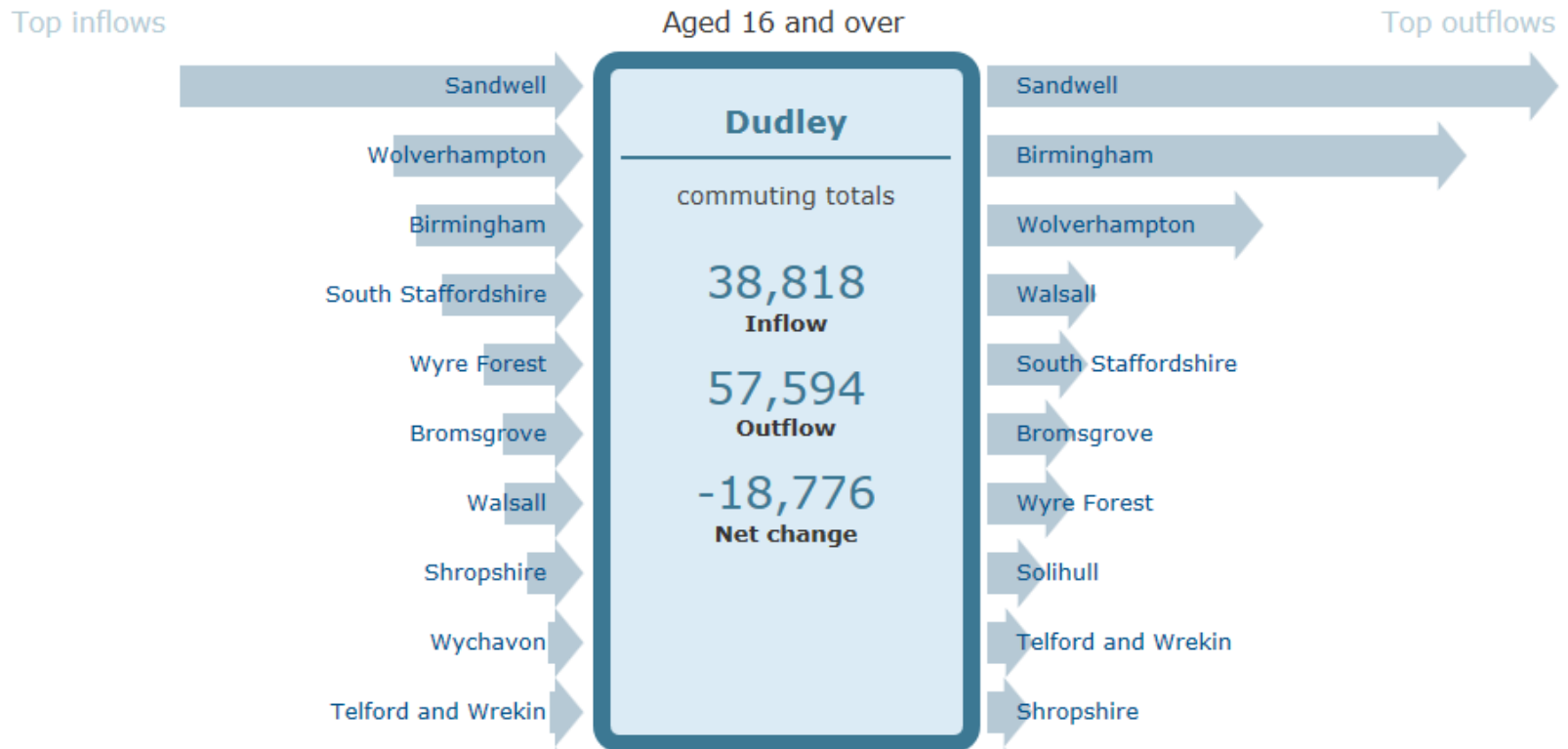
Travel to Work Flows – Cannock Chase



Commuting totals for Cannock Chase:

- Inflow: **14,879** aged 16 and over commute into Cannock Chase from other local authorities in the UK.
- Outflow: **23,534** aged 16 and over commute out of Cannock Chase to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **8,655** aged 16 and over in Cannock Chase.

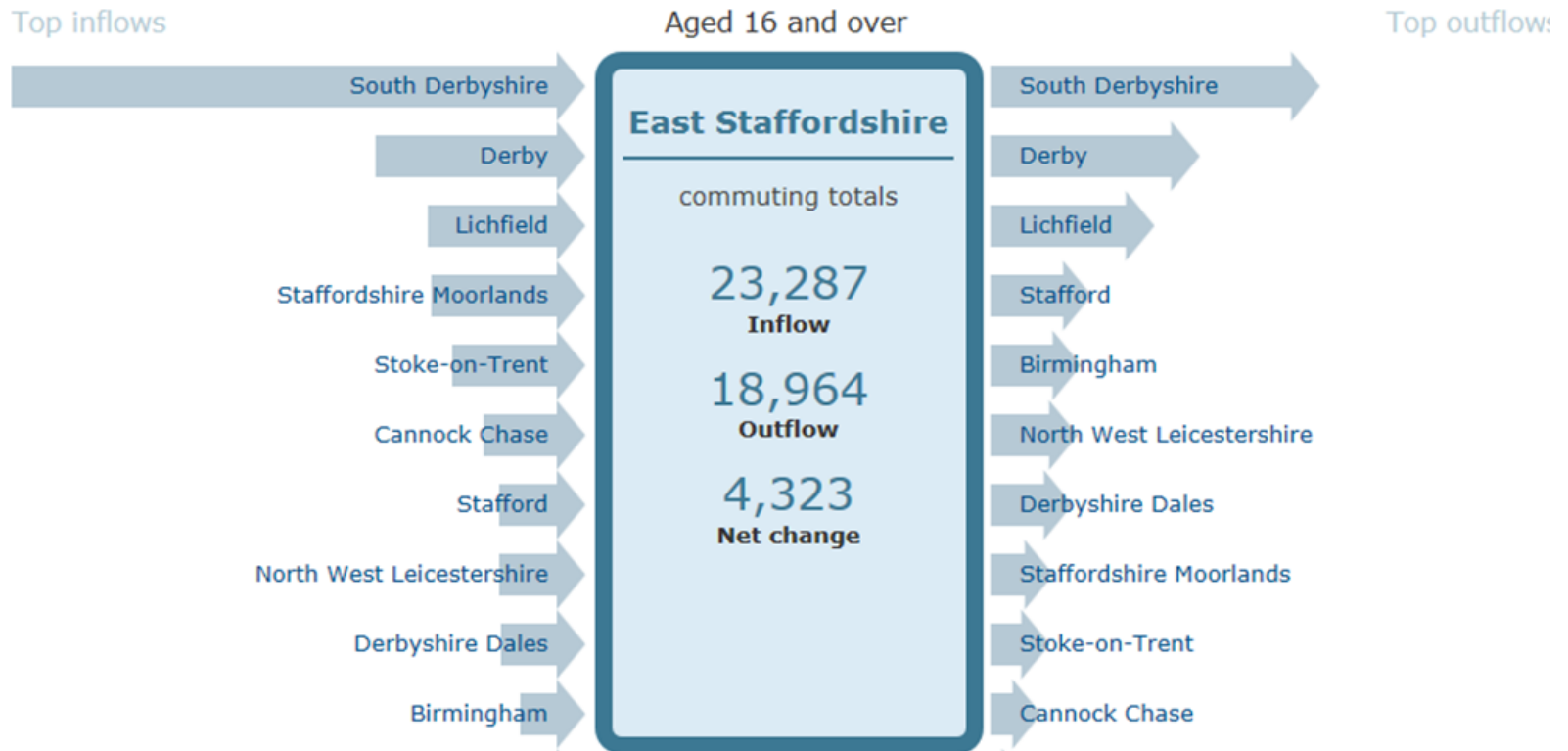
Travel to Work Flows - Dudley



Commuting totals for Dudley:

- Inflow: **38,818** aged 16 and over commute into Dudley from other local authorities in the UK.
- Outflow: **57,594** aged 16 and over commute out of Dudley to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **18,776** aged 16 and over in Dudley.

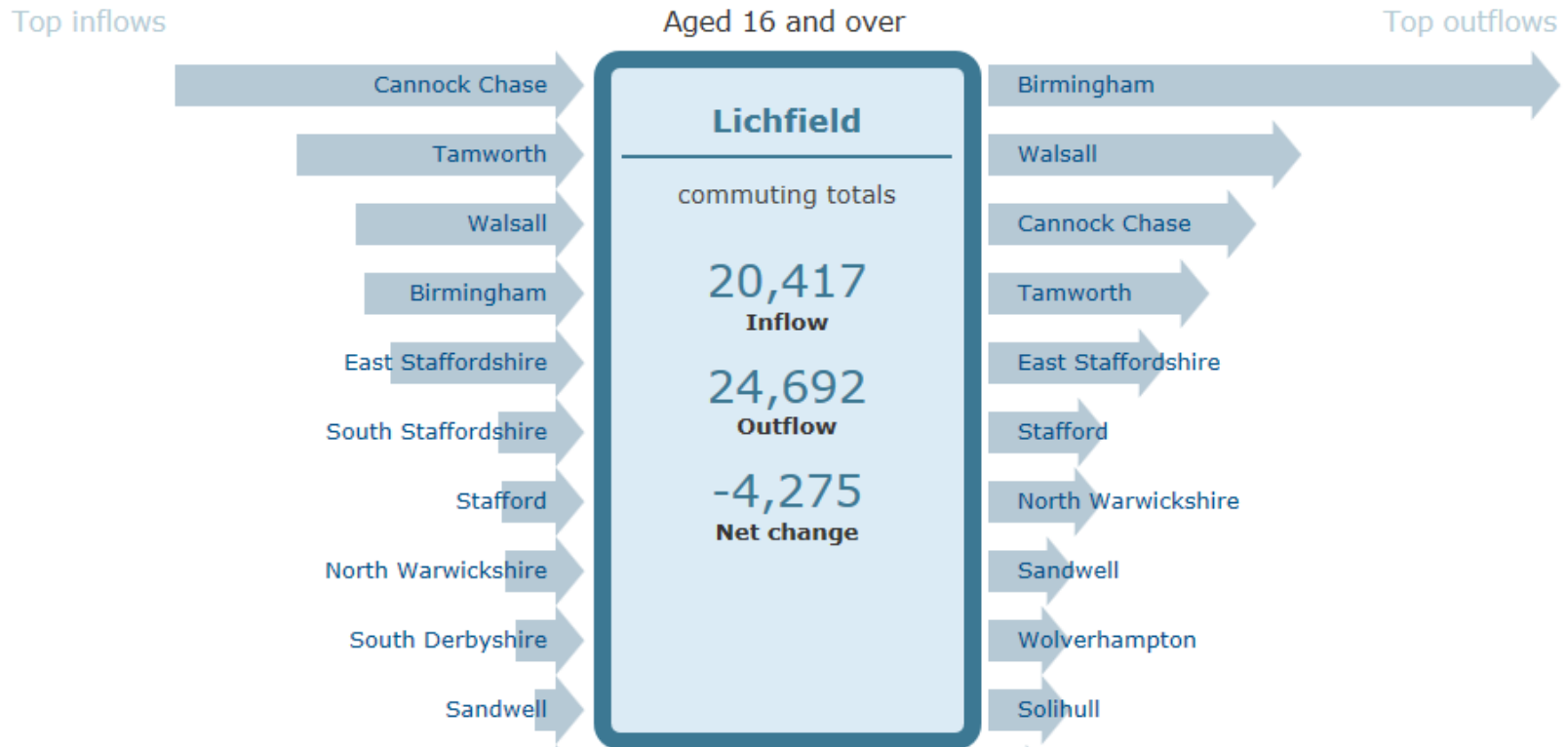
Travel to Work Flows – East Staffordshire



Commuting totals for East Staffordshire:

- Inflow: **23,287** aged 16 and over commute into East Staffordshire from other local authorities in the UK.
- Outflow: **18,964** aged 16 and over commute out of East Staffordshire to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **4,323** aged 16 and over in East Staffordshire.

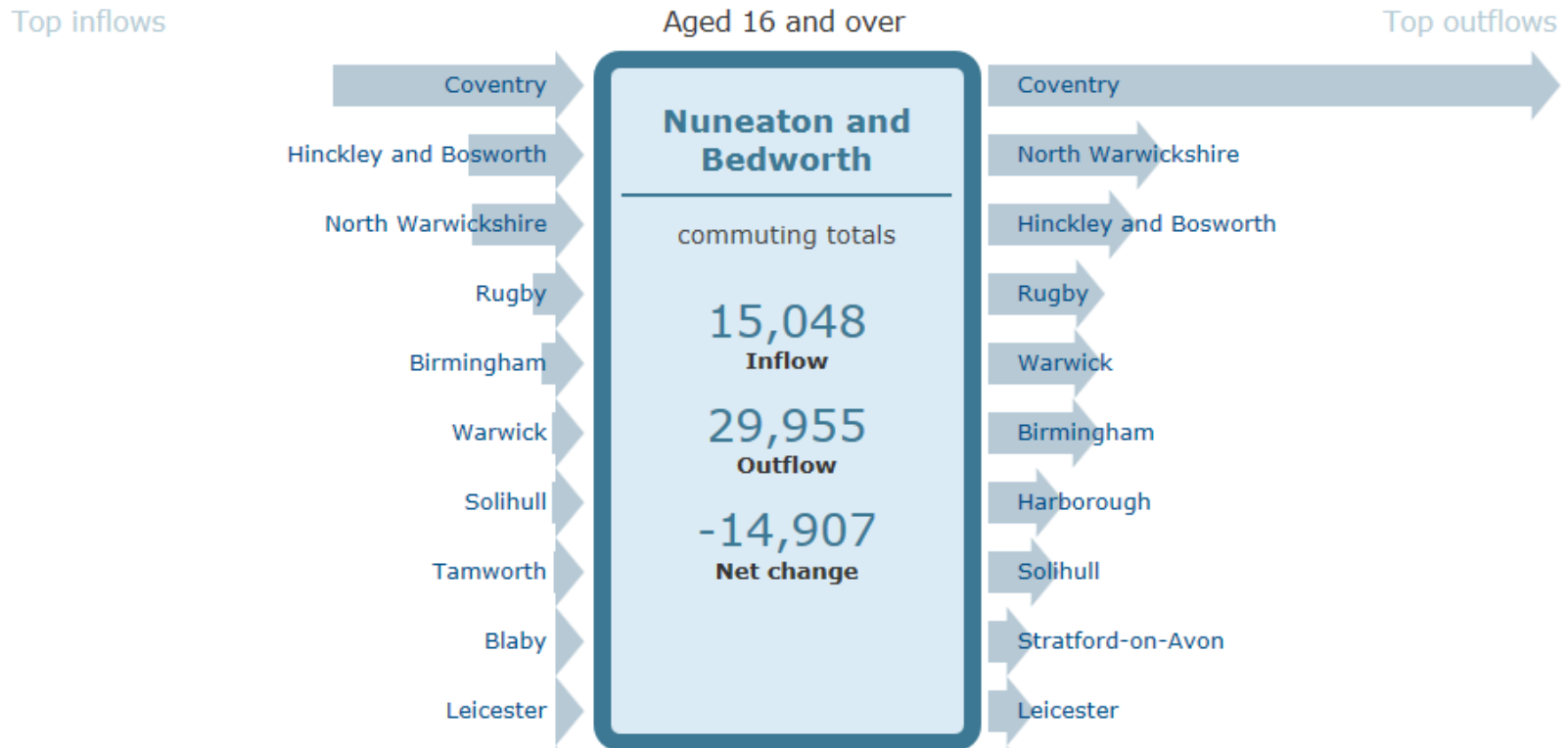
Travel to Work Flows - Lichfield



Commuting totals for Lichfield:

- Inflow: **20,417** aged 16 and over commute into Lichfield from other local authorities in the UK.
- Outflow: **24,692** aged 16 and over commute out of Lichfield to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **4,275** aged 16 and over in Lichfield.

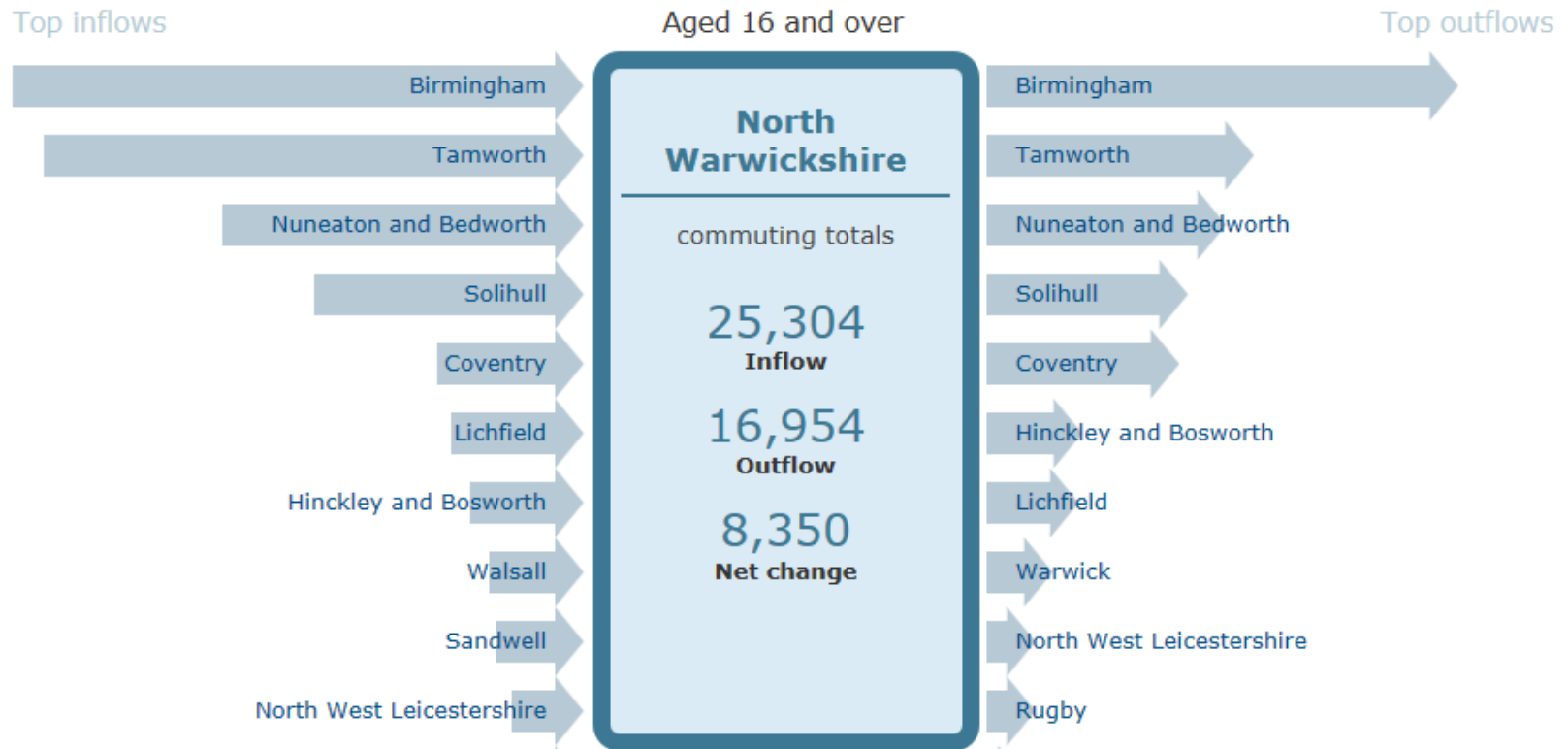
Travel to Work Flows – Nuneaton & Bedworth



Commuting totals for Nuneaton and Bedworth:

- Inflow: **15,048** aged 16 and over commute into Nuneaton and Bedworth from other local authorities in the UK.
- Outflow: **29,955** aged 16 and over commute out of Nuneaton and Bedworth to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **14,907** aged 16 and over in Nuneaton and Bedworth.

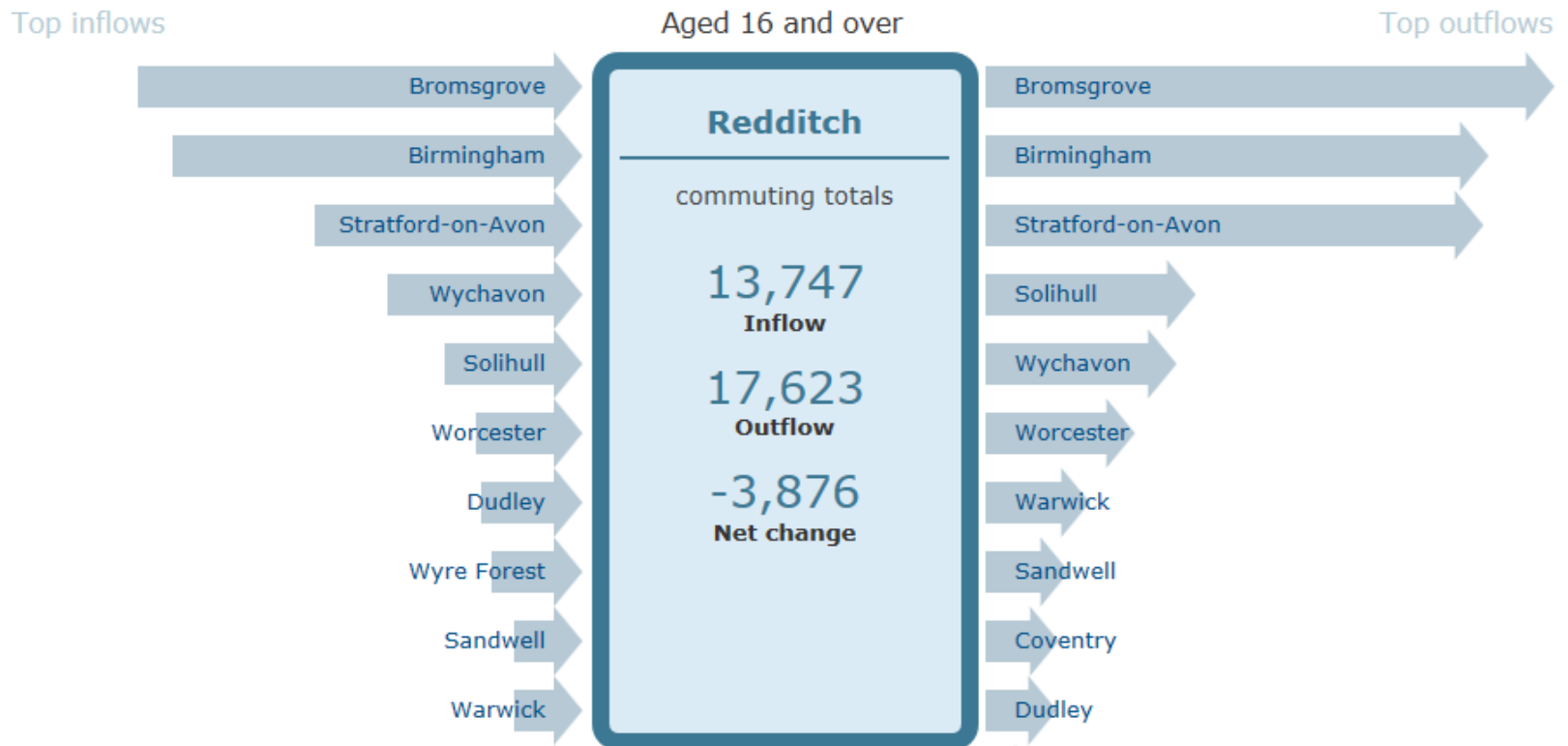
Travel to Work Flows – North Warwickshire



Commuting totals for North Warwickshire:

- Inflow: **25,304** aged 16 and over commute into North Warwickshire from other local authorities in the UK.
- Outflow: **16,954** aged 16 and over commute out of North Warwickshire to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **8,350** aged 16 and over in North Warwickshire.

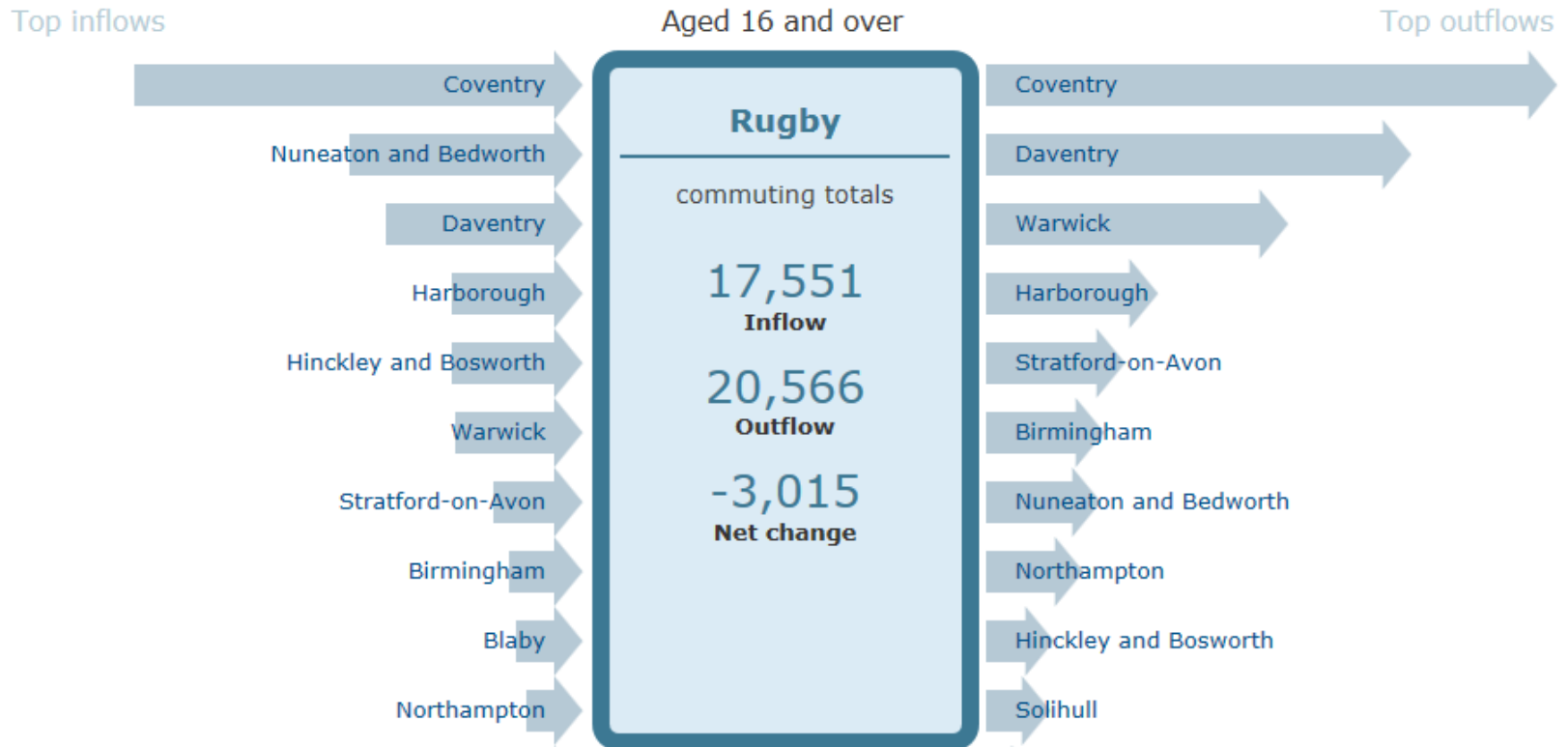
Travel to Work Flows - Redditch



Commuting totals for Redditch:

- Inflow: **13,747** aged 16 and over commute into Redditch from other local authorities in the UK.
- Outflow: **17,623** aged 16 and over commute out of Redditch to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,876** aged 16 and over in Redditch.

Travel to Work Flows - Rugby



Commuting totals for Rugby:

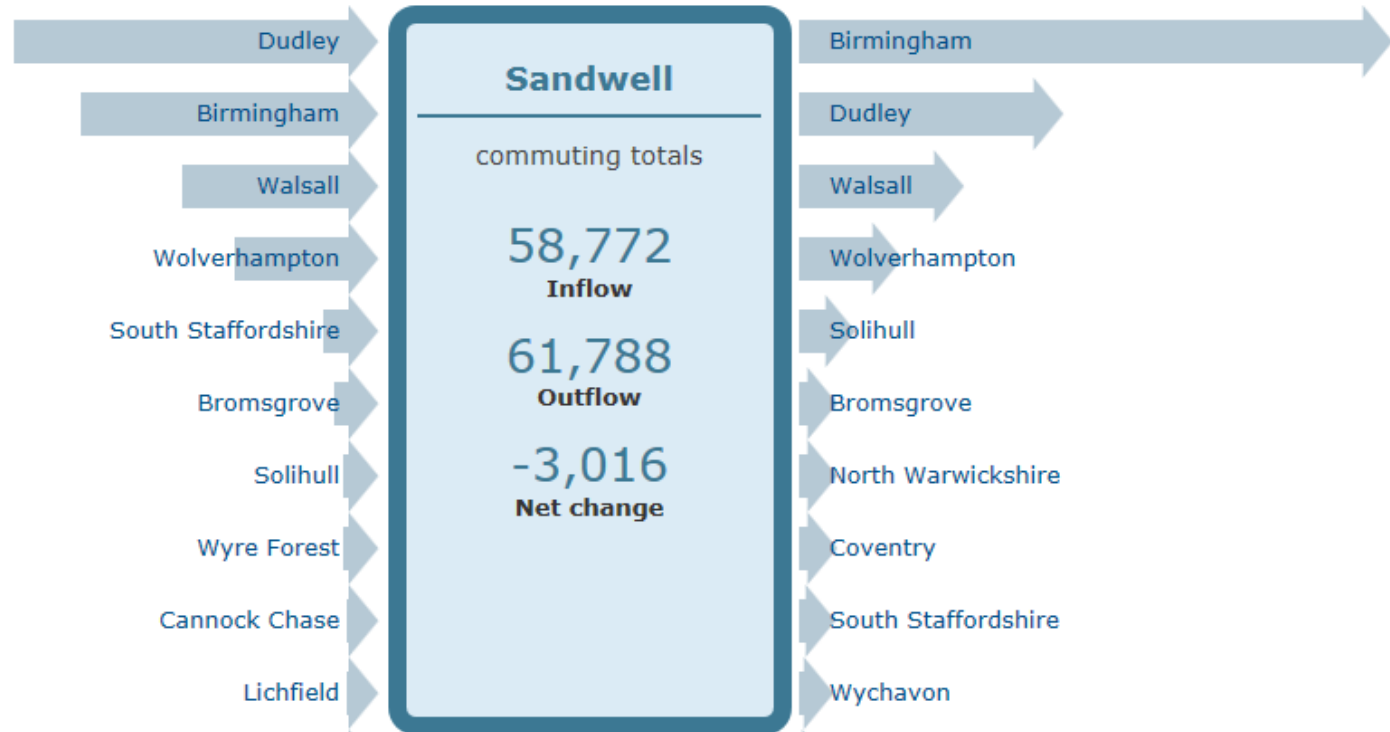
- Inflow: **17,551** aged 16 and over commute into Rugby from other local authorities in the UK.
- Outflow: **20,566** aged 16 and over commute out of Rugby to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,015** aged 16 and over in Rugby.

Travel to Work Flows - Sandwell

Top inflows

Aged 16 and over

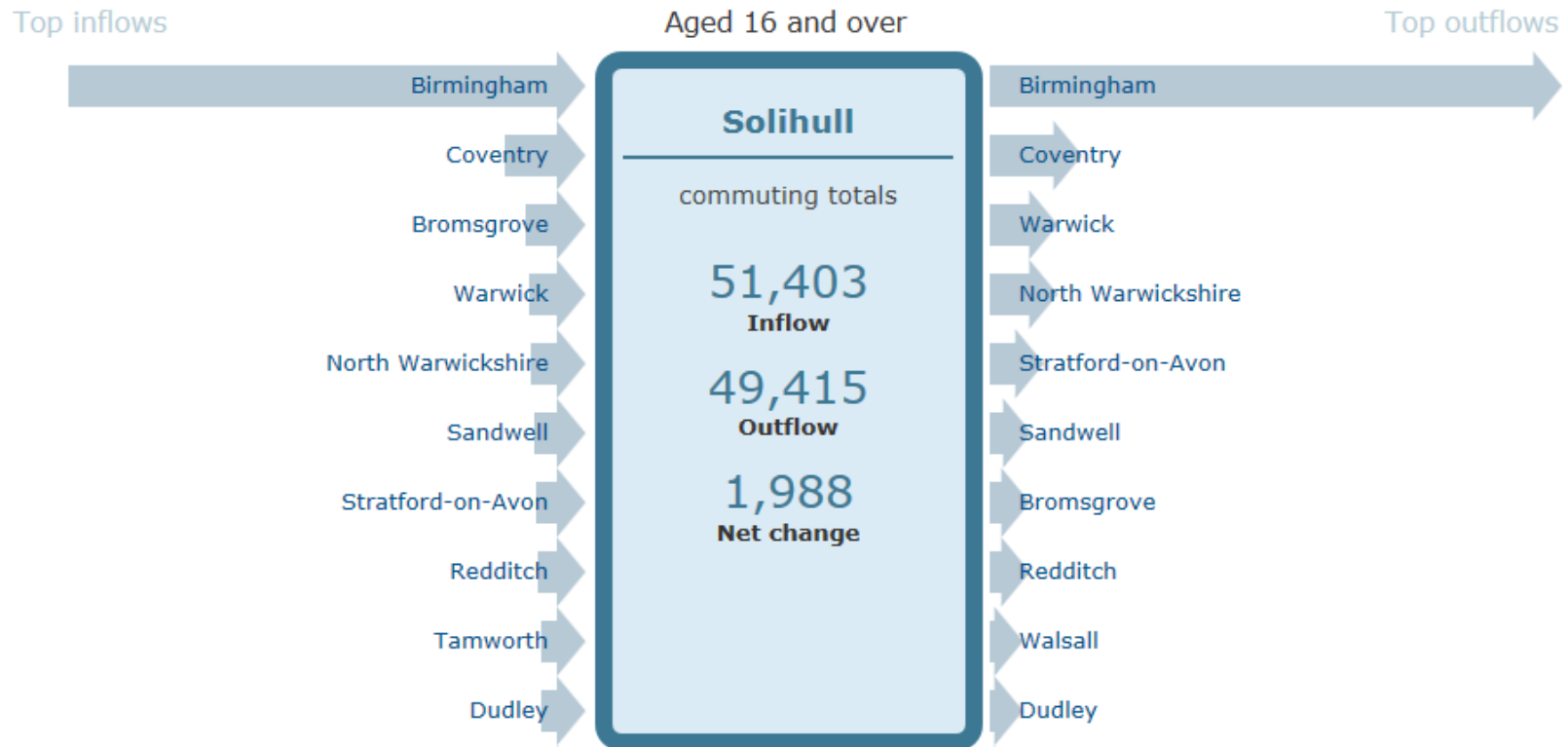
Top outflows



Commuting totals for Sandwell:

- Inflow: **58,772** aged 16 and over commute into Sandwell from other local authorities in the UK.
- Outflow: **61,788** aged 16 and over commute out of Sandwell to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **3,016** aged 16 and over in Sandwell.

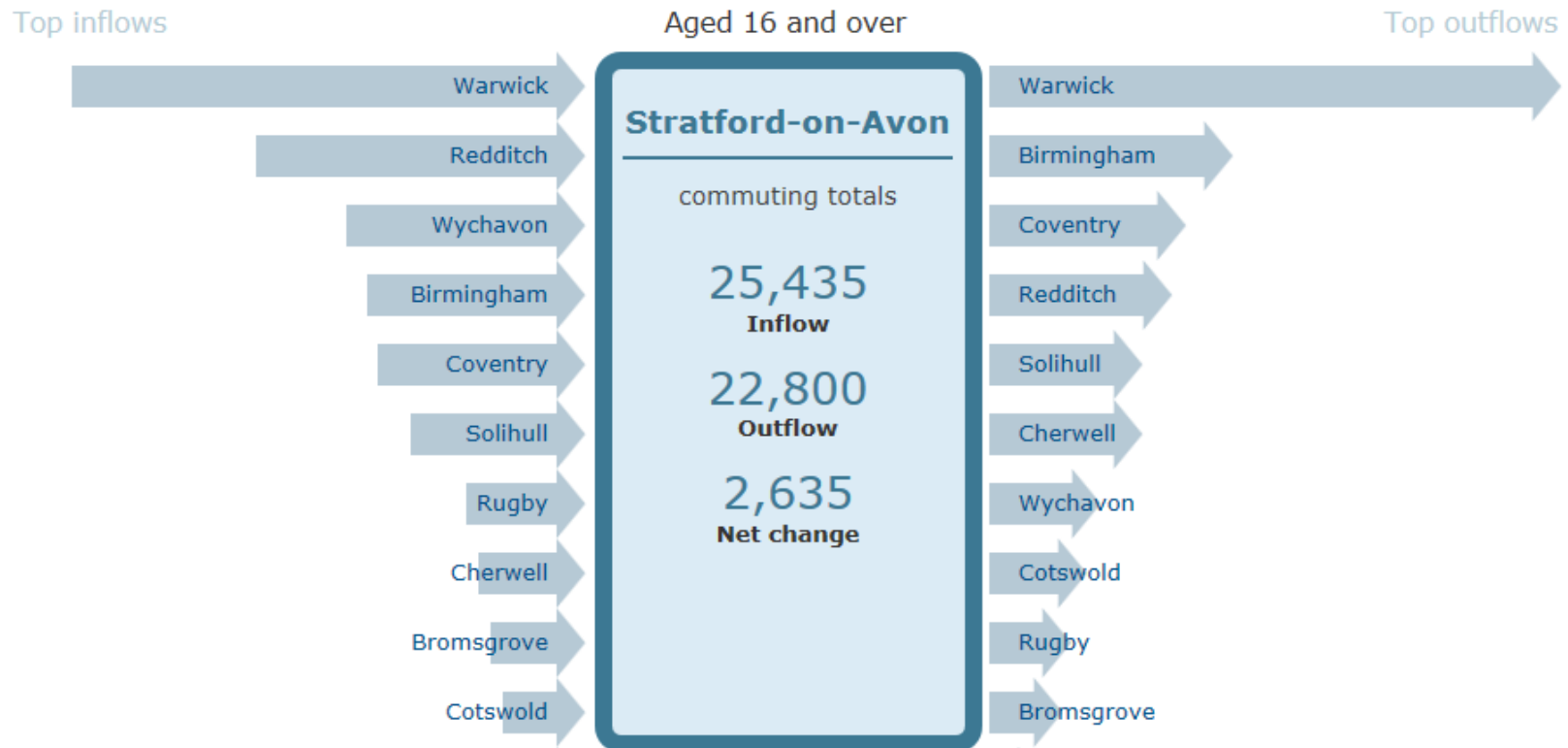
Travel to Work Flows - Solihull



Commuting totals for Solihull:

- Inflow: **51,403** aged 16 and over commute into Solihull from other local authorities in the UK.
- Outflow: **49,415** aged 16 and over commute out of Solihull to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **1,988** aged 16 and over in Solihull.

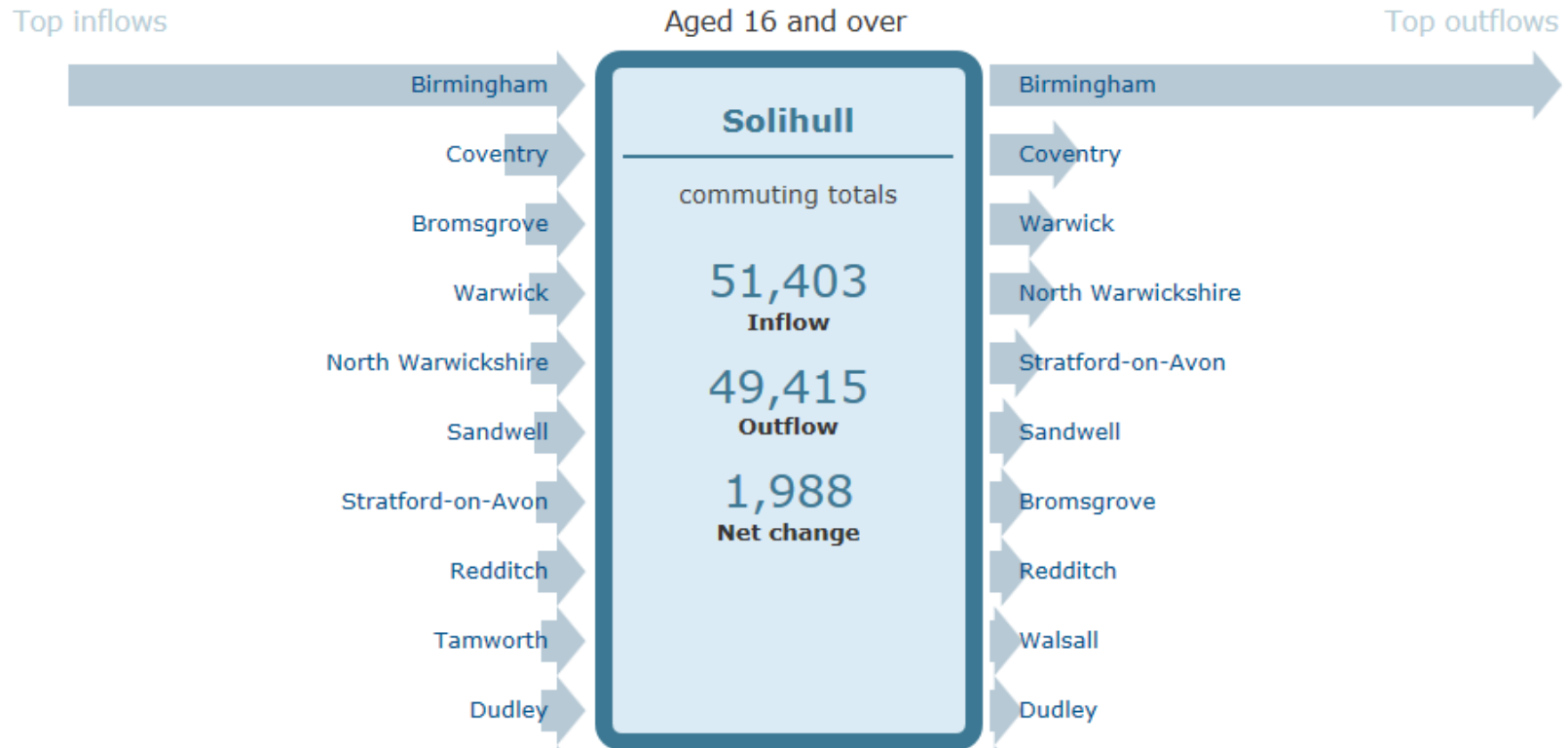
Travel to Work Flows – Stratford-on-Avon



Commuting totals for Stratford-on-Avon:

- Inflow: **25,435** aged 16 and over commute into Stratford-on-Avon from other local authorities in the UK.
- Outflow: **22,800** aged 16 and over commute out of Stratford-on-Avon to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **2,635** aged 16 and over in Stratford-on-Avon.

Travel to Work Flows - Tamworth



Commuting totals for Solihull:

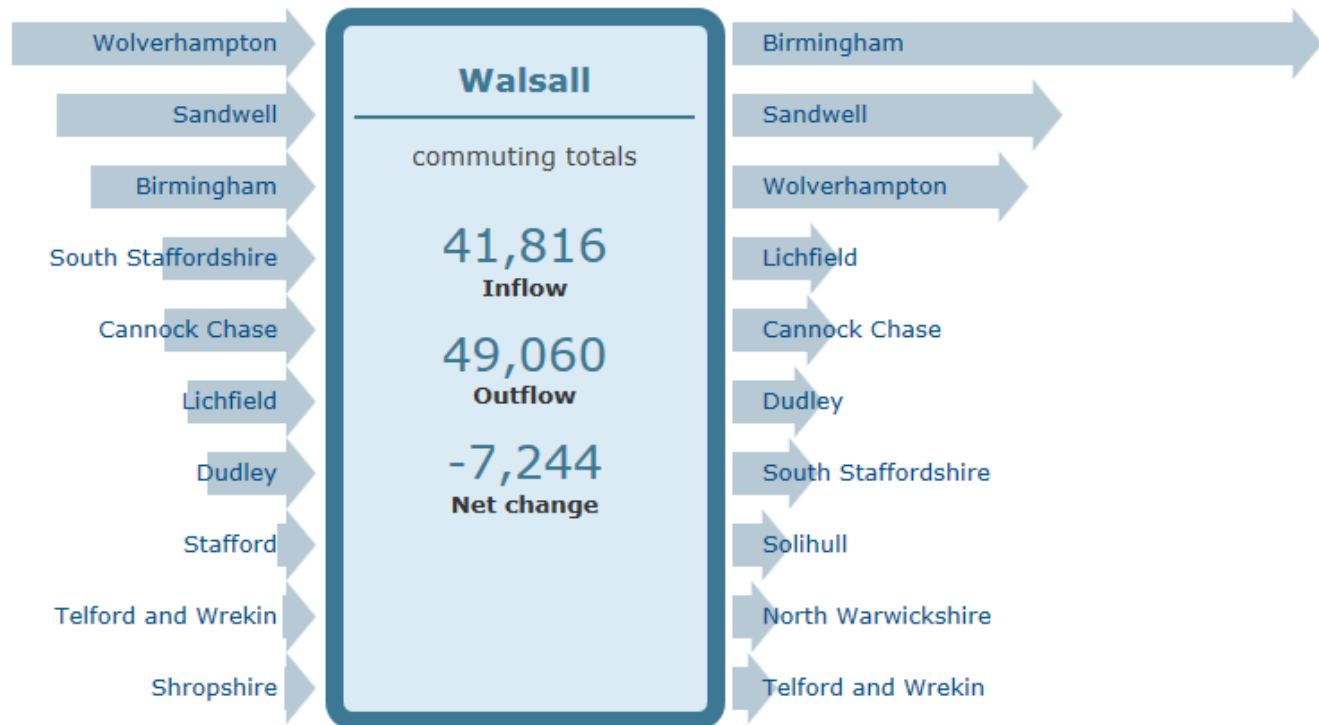
- Inflow: **51,403** aged 16 and over commute into Solihull from other local authorities in the UK.
- Outflow: **49,415** aged 16 and over commute out of Solihull to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **1,988** aged 16 and over in Solihull.

Travel to Work Flows - Walsall

Top inflows

Aged 16 and over

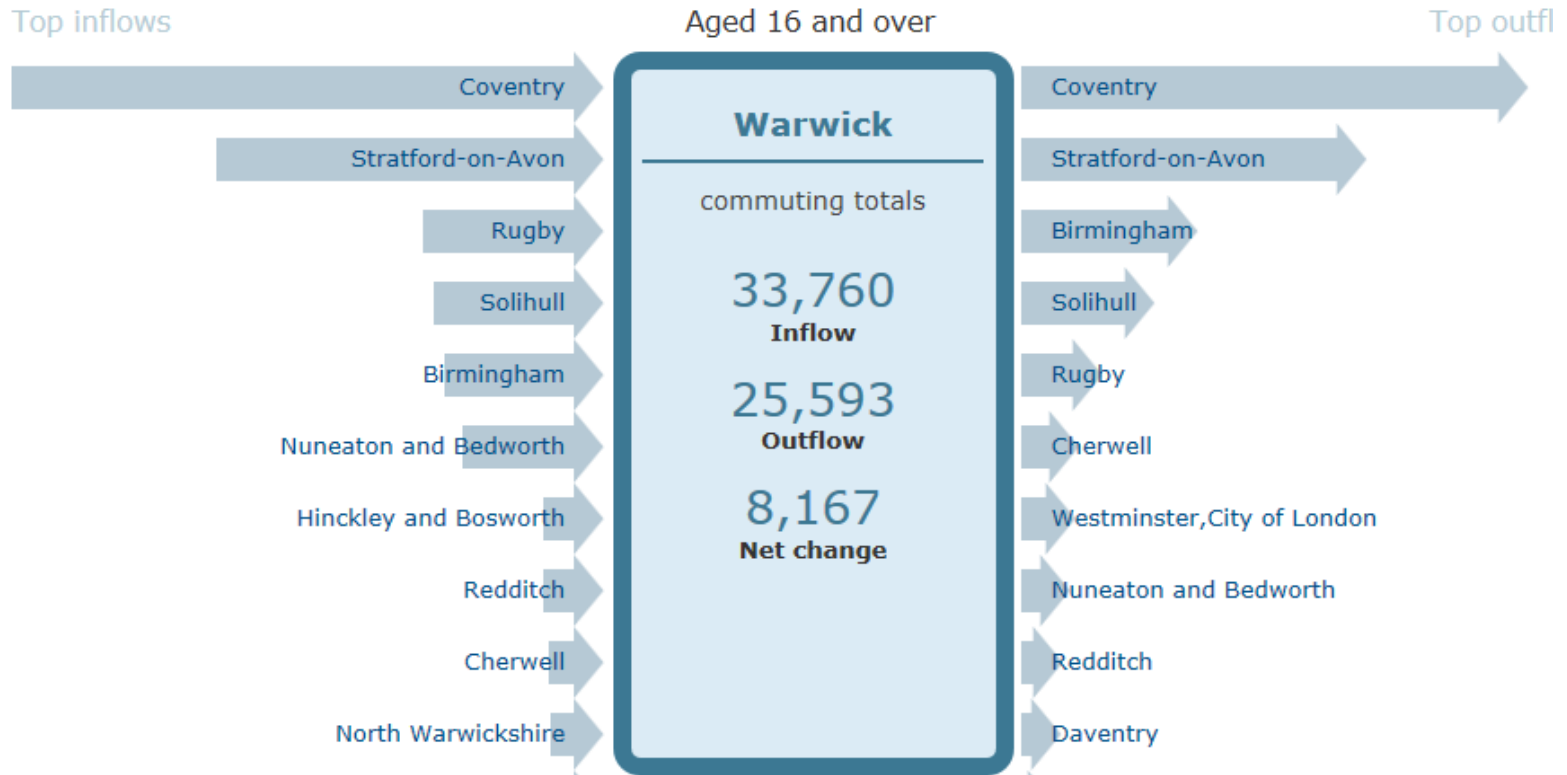
Top outflows



Commuting totals for Walsall:

- Inflow: **41,816** aged 16 and over commute into Walsall from other local authorities in the UK.
- Outflow: **49,060** aged 16 and over commute out of Walsall to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **7,244** aged 16 and over in Walsall.

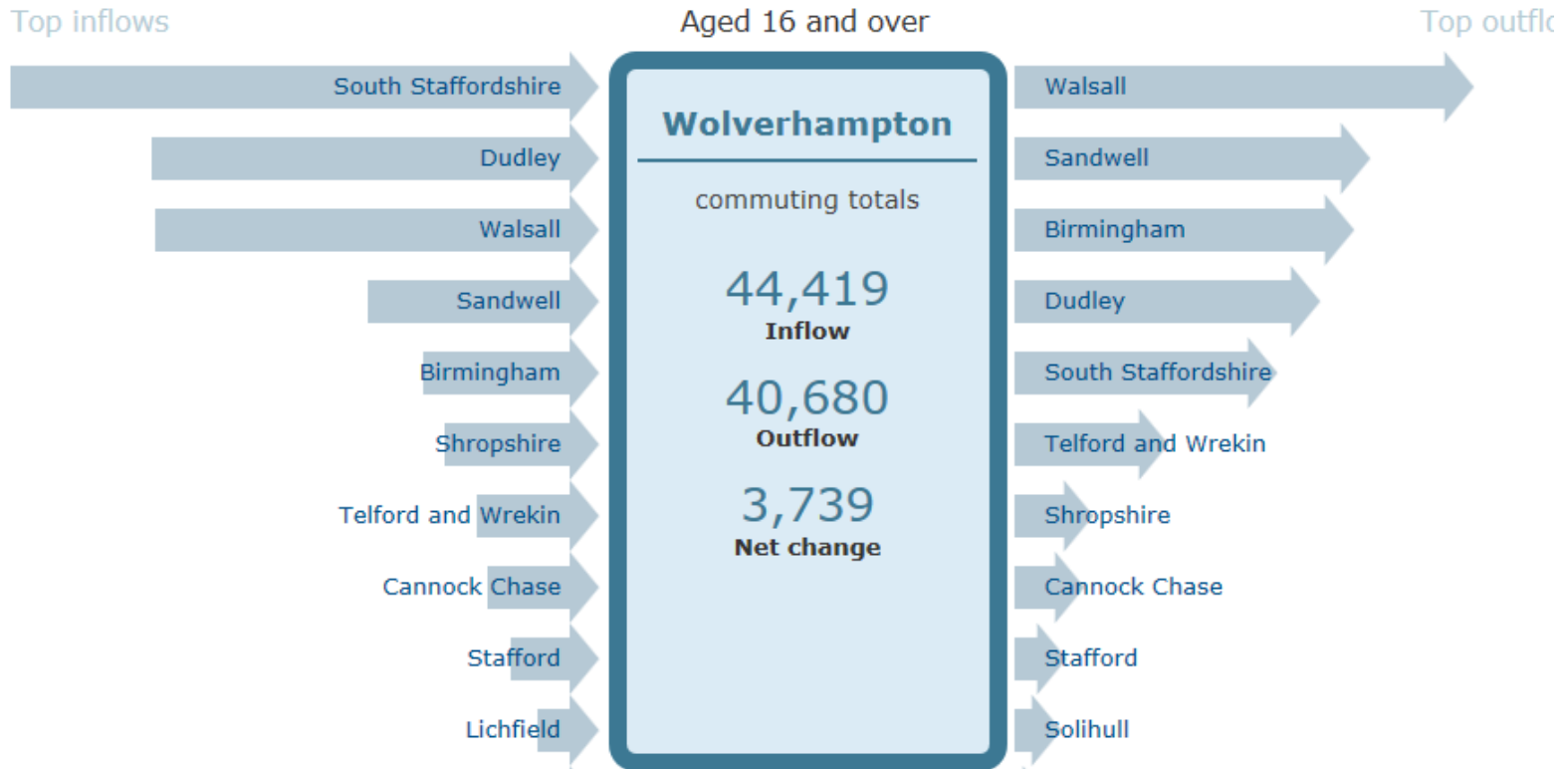
Travel to Work Flows - Warwick



Commuting totals for Warwick:

- Inflow: **33,760** aged 16 and over commute into Warwick from other local authorities in the UK.
- Outflow: **25,593** aged 16 and over commute out of Warwick to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **8,167** aged 16 and over in Warwick.

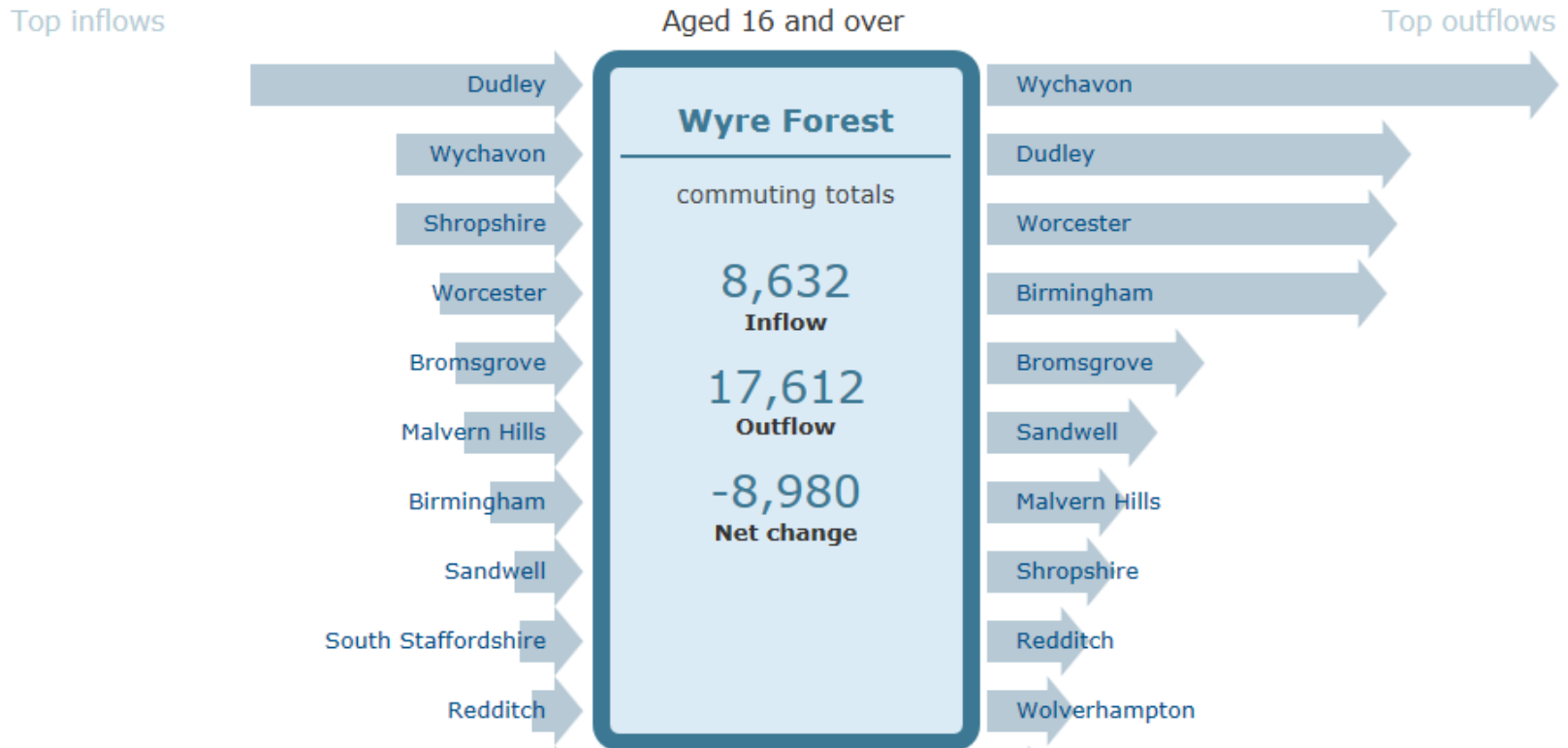
Travel to Work Flows - Wolverhampton



Commuting totals for Wolverhampton:

- Inflow: **44,419** aged 16 and over commute into Wolverhampton from other local authorities in the UK.
- Outflow: **40,680** aged 16 and over commute out of Wolverhampton to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population increase of **3,739** aged 16 and over in Wolverhampton.

Travel to Work Flows – Wyre Forest

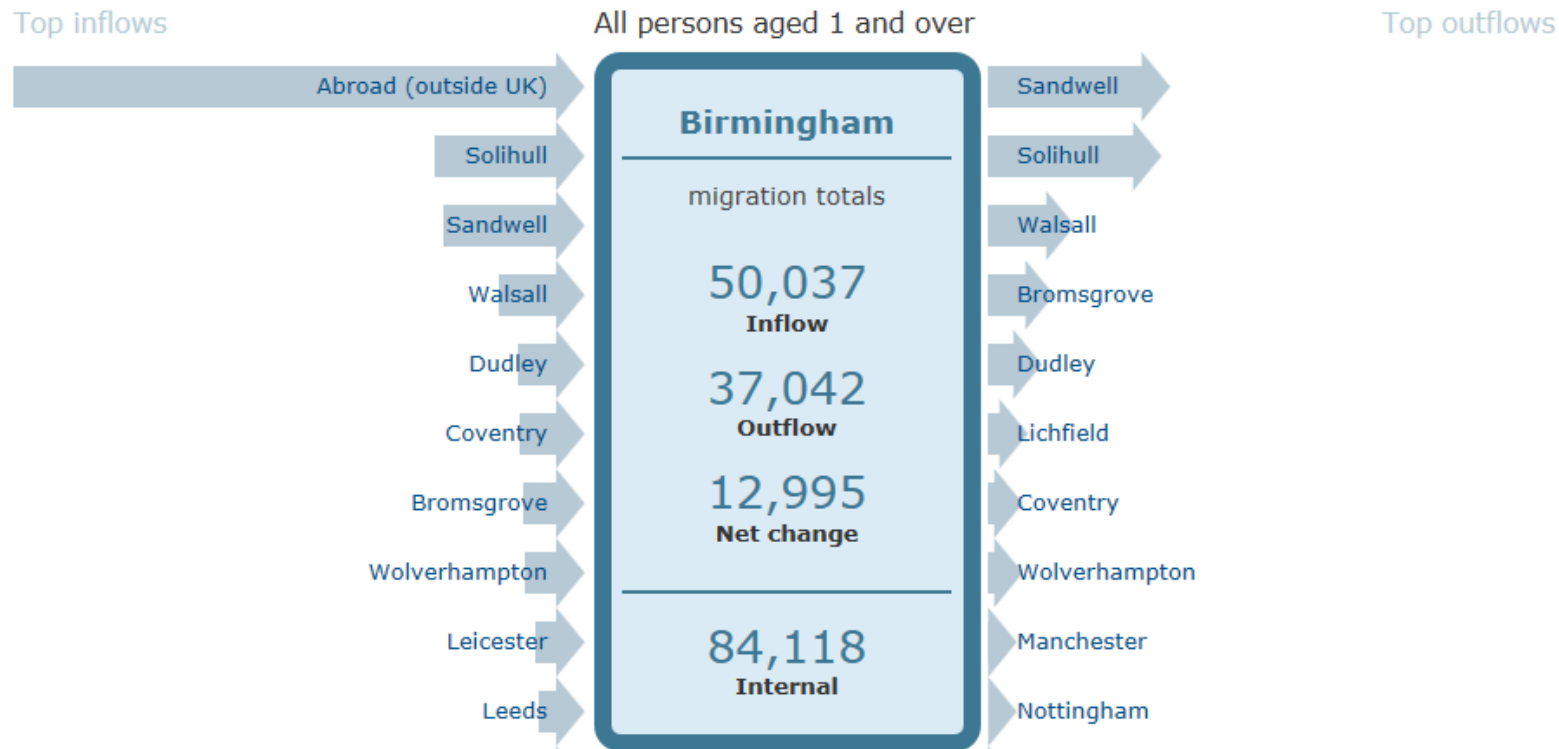


Commuting totals for Wyre Forest:

- Inflow: **8,632** aged 16 and over commute into Wyre Forest from other local authorities in the UK.
- Outflow: **17,612** aged 16 and over commute out of Wyre Forest to other local authorities in the UK or abroad.
- Net change: Overall, commuting results in a population decrease of **8,980** aged 16 and over in Wyre Forest.

Appendix 2: Migration flows

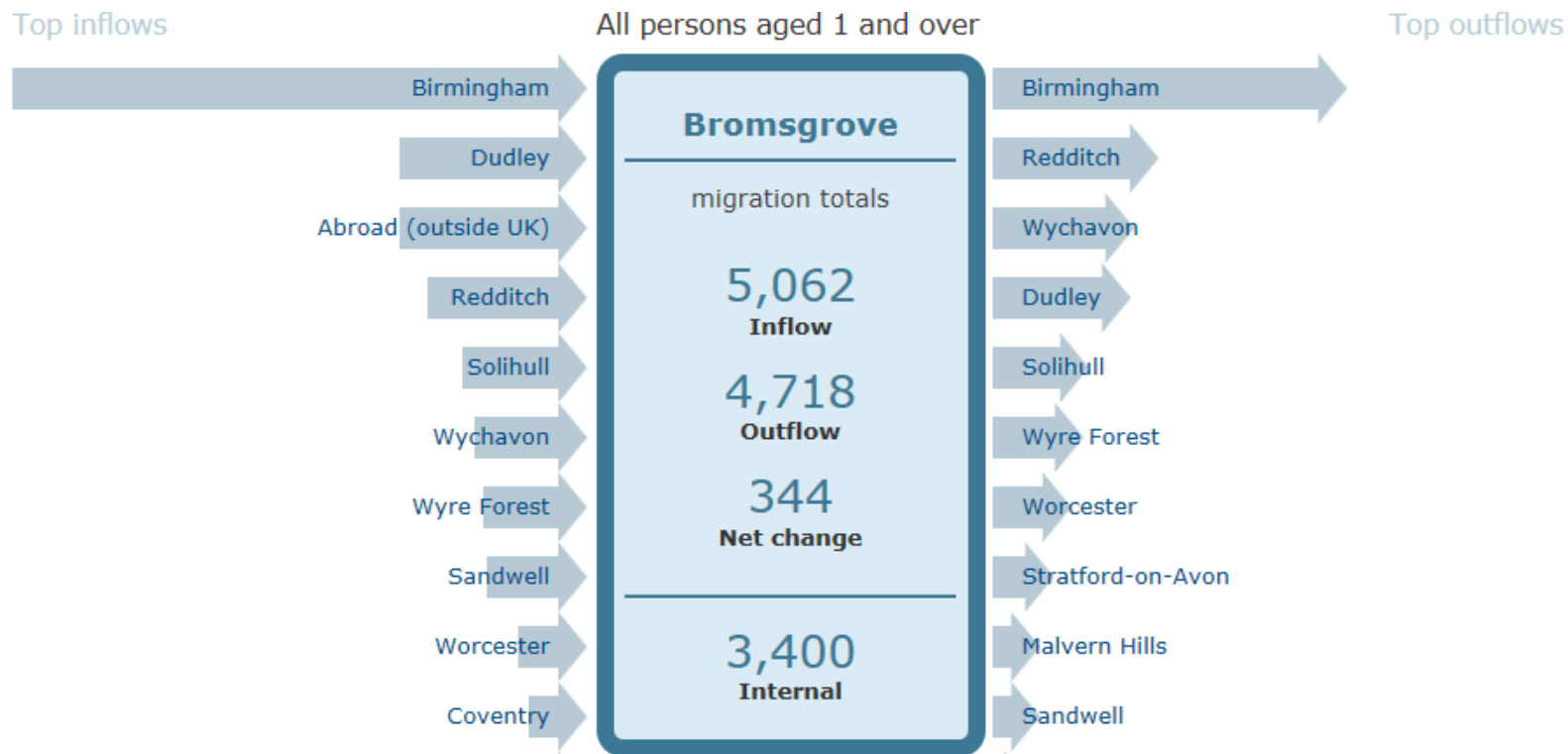
Migration - Birmingham



Migrations for Birmingham with all areas:

- Inflow: **50,037** persons aged 1 and over moved into Birmingham from other areas.
- Outflow: **37,042** persons aged 1 and over moved out of Birmingham.
- Net change: Overall, migration resulted in **12,995** more persons aged 1 and over in Birmingham.
- Internal: In addition, **84,118** persons aged 1 and over moved within Birmingham.

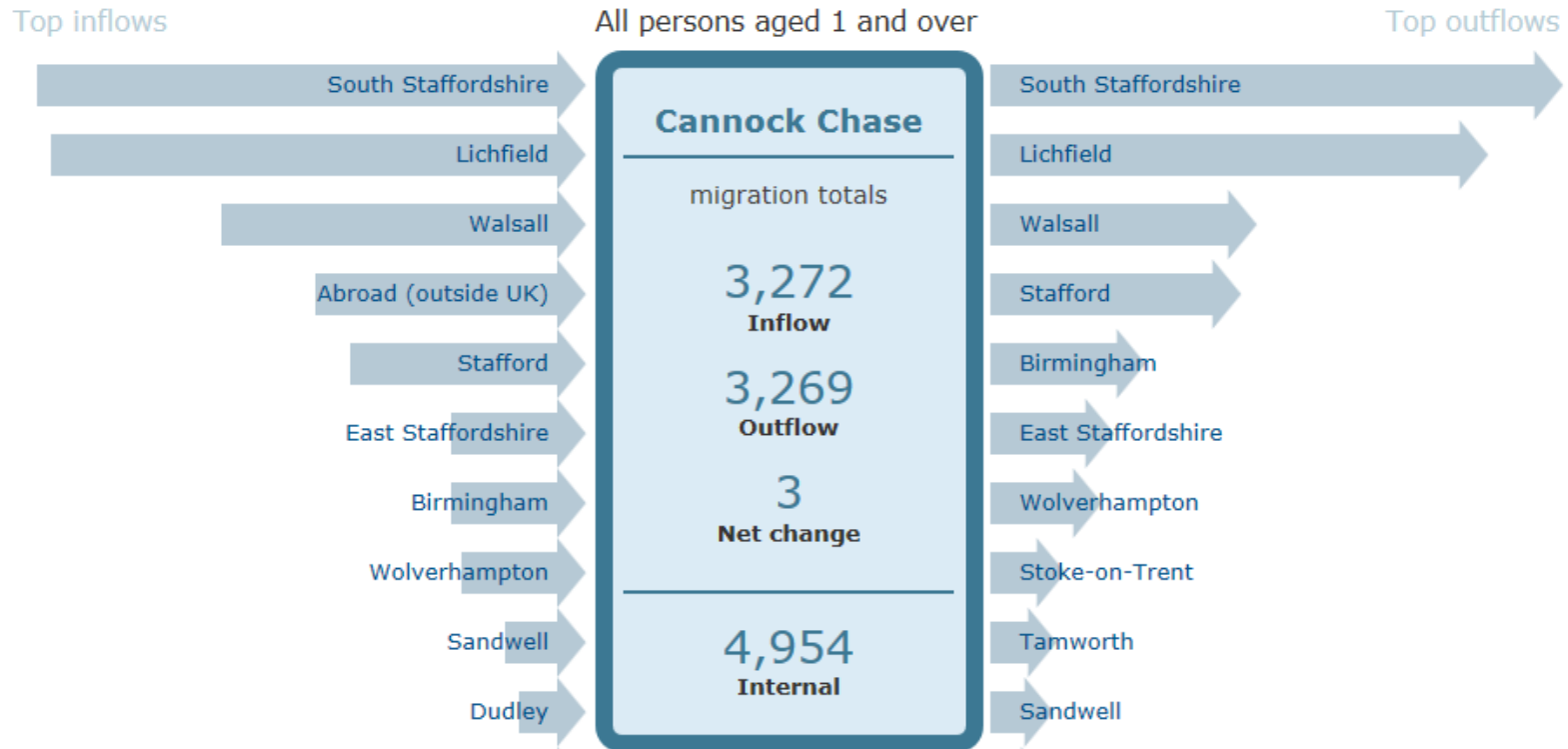
Migration - Bromsgrove



Migrations for Bromsgrove with all areas:

- Inflow: **5,062** persons aged 1 and over moved into Bromsgrove from other areas.
- Outflow: **4,718** persons aged 1 and over moved out of Bromsgrove.
- Net change: Overall, migration resulted in **344** more persons aged 1 and over in Bromsgrove.
- Internal: In addition, **3,400** persons aged 1 and over moved within Bromsgrove.

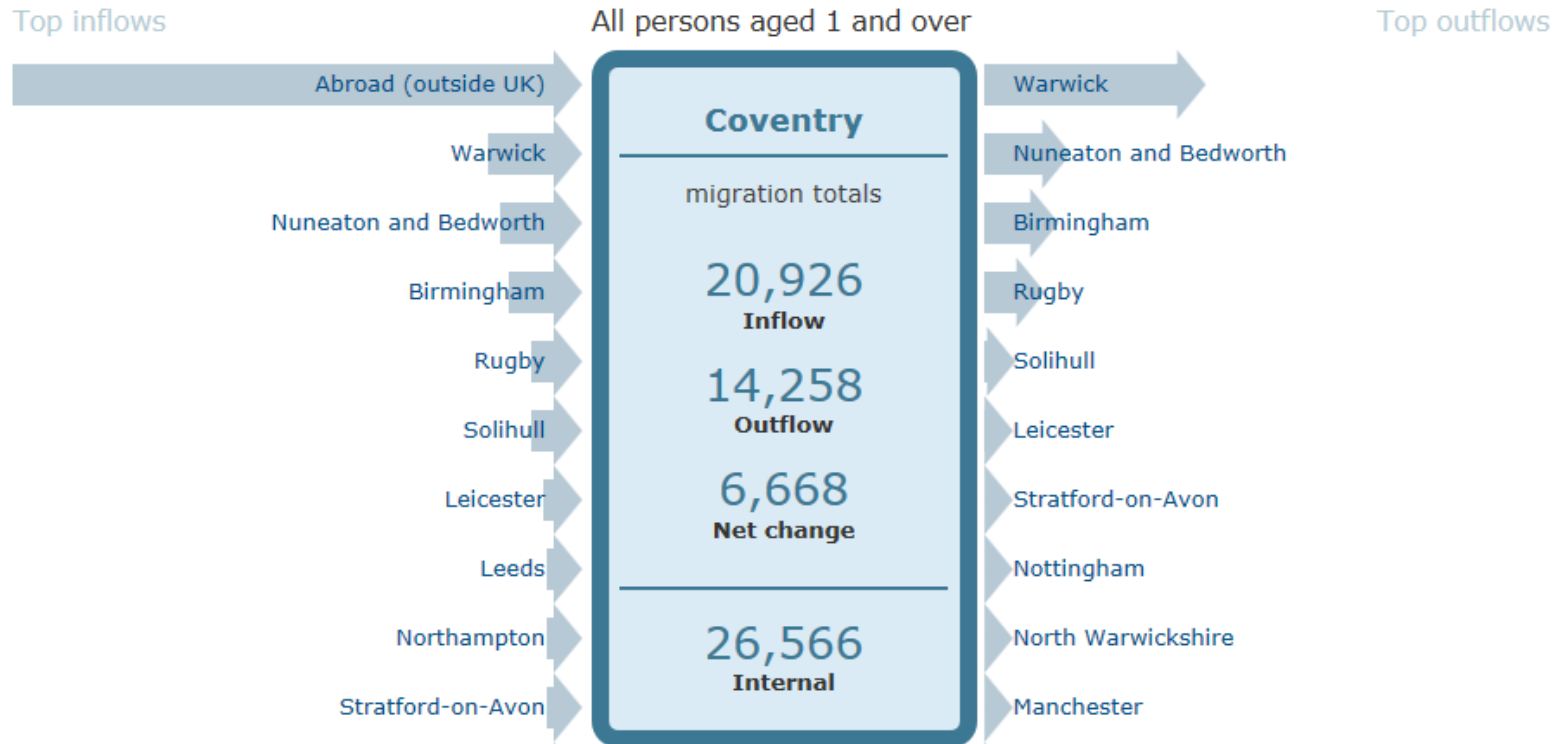
Migration– Cannock Chase



Migrations for Cannock Chase with all areas:

- Inflow: **3,272** persons aged 1 and over moved into Cannock Chase from other areas.
- Outflow: **3,269** persons aged 1 and over moved out of Cannock Chase.
- Net change: Overall, migration resulted in **3** more persons aged 1 and over in Cannock Chase.
- Internal: In addition, **4,954** persons aged 1 and over moved within Cannock Chase.

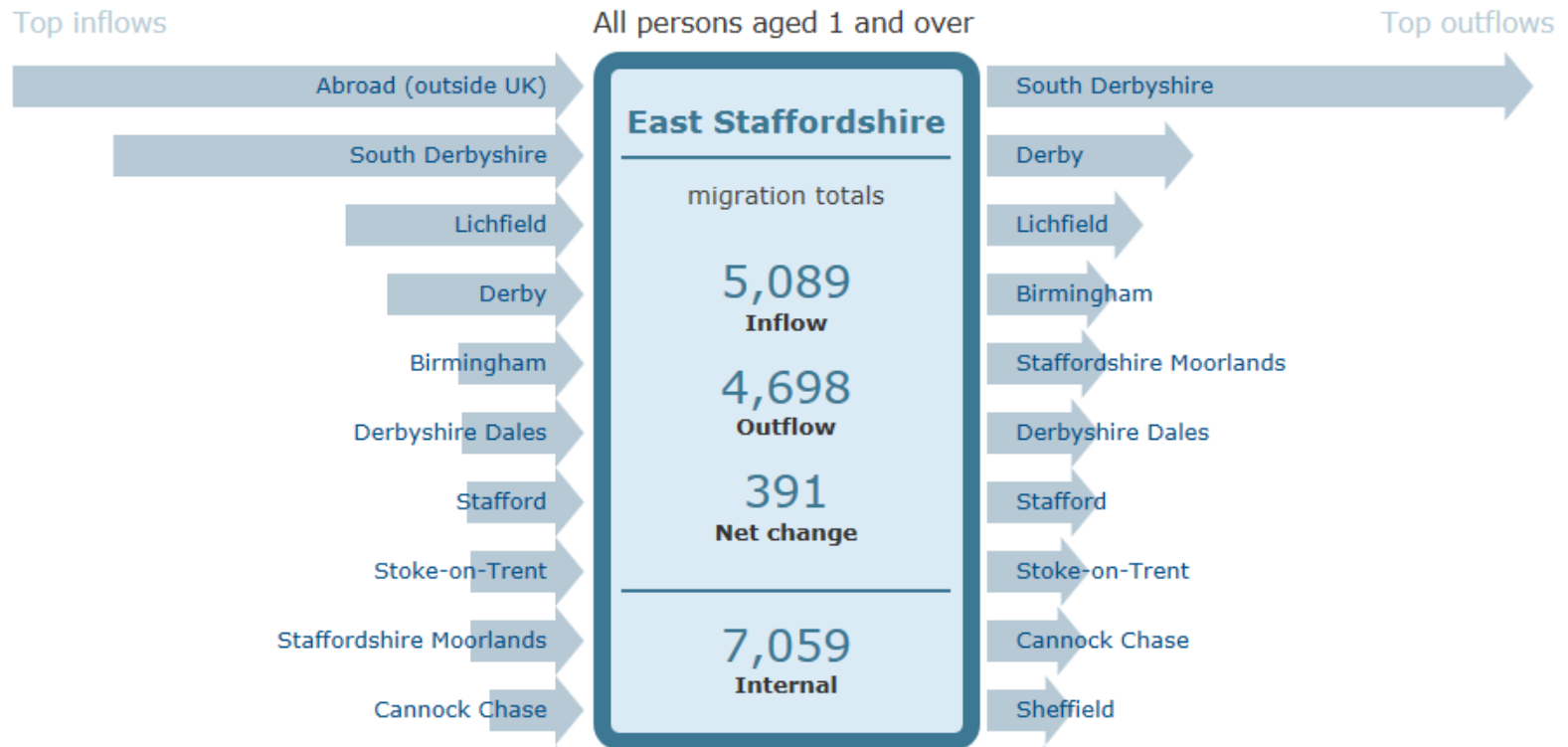
Migration - Coventry



Migrations for Coventry with all areas:

- Inflow: **20,926** persons aged 1 and over moved into Coventry from other areas.
- Outflow: **14,258** persons aged 1 and over moved out of Coventry.
- Net change: Overall, migration resulted in **6,668** more persons aged 1 and over in Coventry.
- Internal: In addition, **26,566** persons aged 1 and over moved within Coventry.

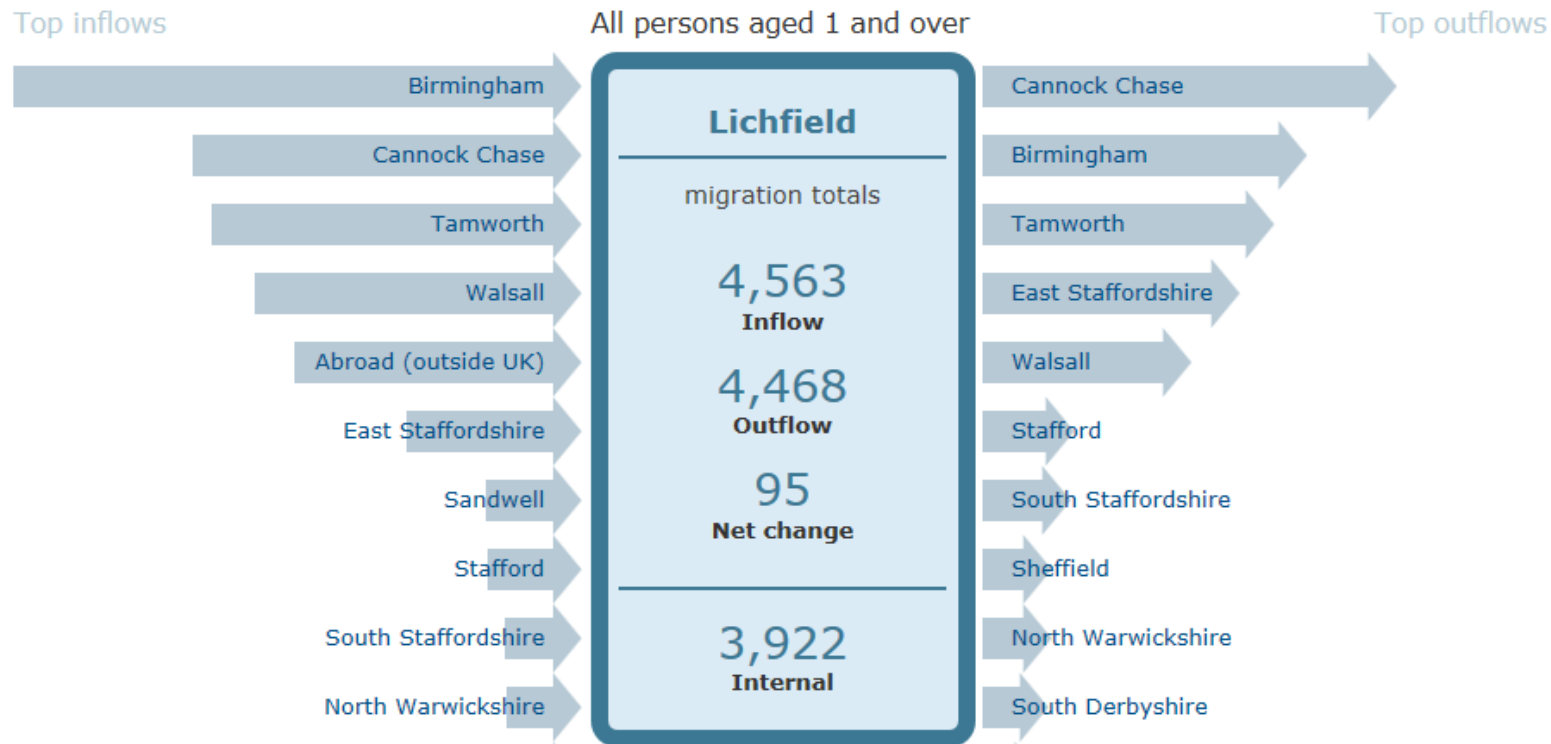
Migration– East Staffordshire



Migrations for East Staffordshire with all areas:

- Inflow: **5,089** persons aged 1 and over moved into East Staffordshire from other areas.
- Outflow: **4,698** persons aged 1 and over moved out of East Staffordshire.
- Net change: Overall, migration resulted in **391** more persons aged 1 and over in East Staffordshire.
- Internal: In addition, **7,059** persons aged 1 and over moved within East Staffordshire.

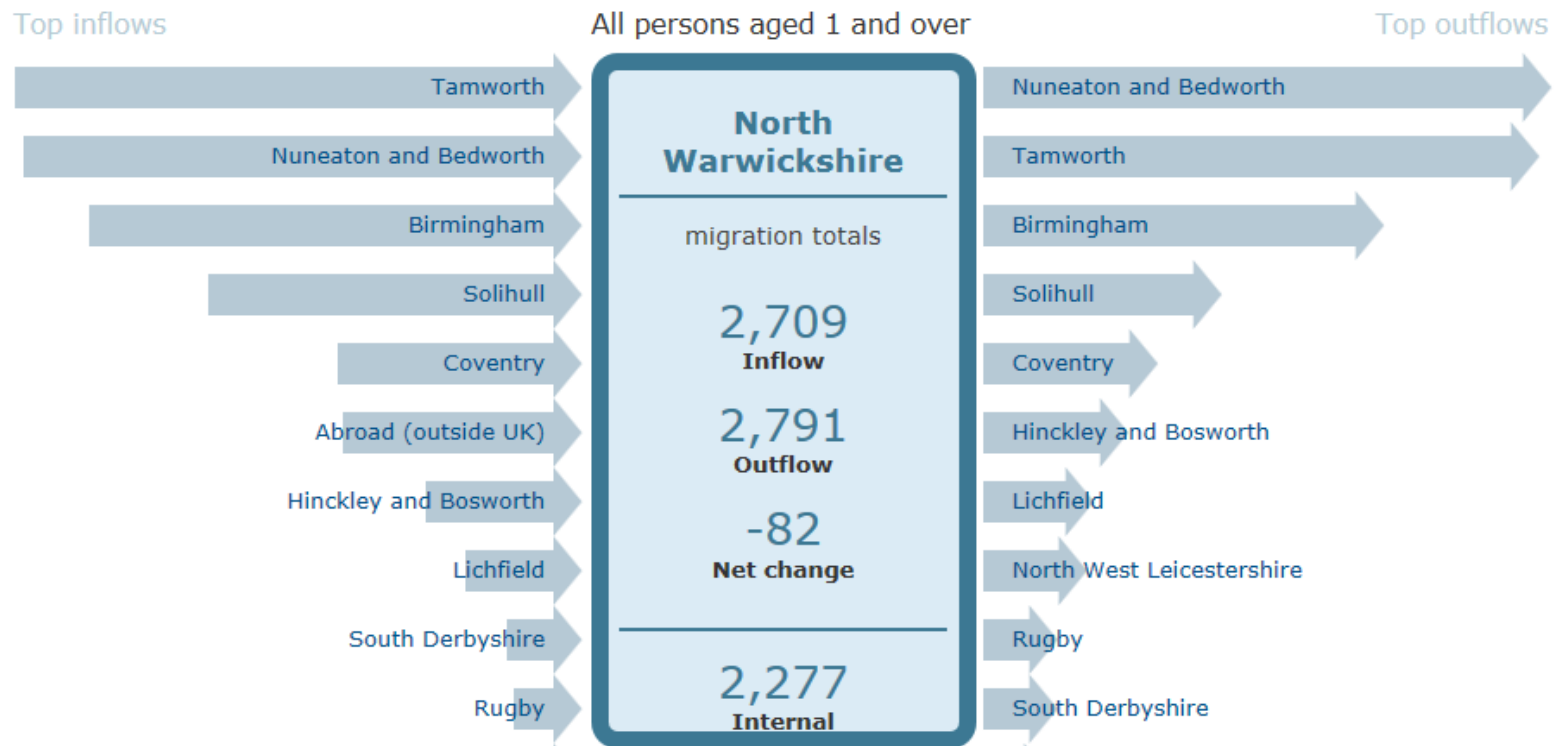
Migration - Lichfield



Migrations for Lichfield with all areas:

- Inflow: **4,563** persons aged 1 and over moved into Lichfield from other areas.
- Outflow: **4,468** persons aged 1 and over moved out of Lichfield.
- Net change: Overall, migration resulted in **95** more persons aged 1 and over in Lichfield.
- Internal: In addition, **3,922** persons aged 1 and over moved within Lichfield.

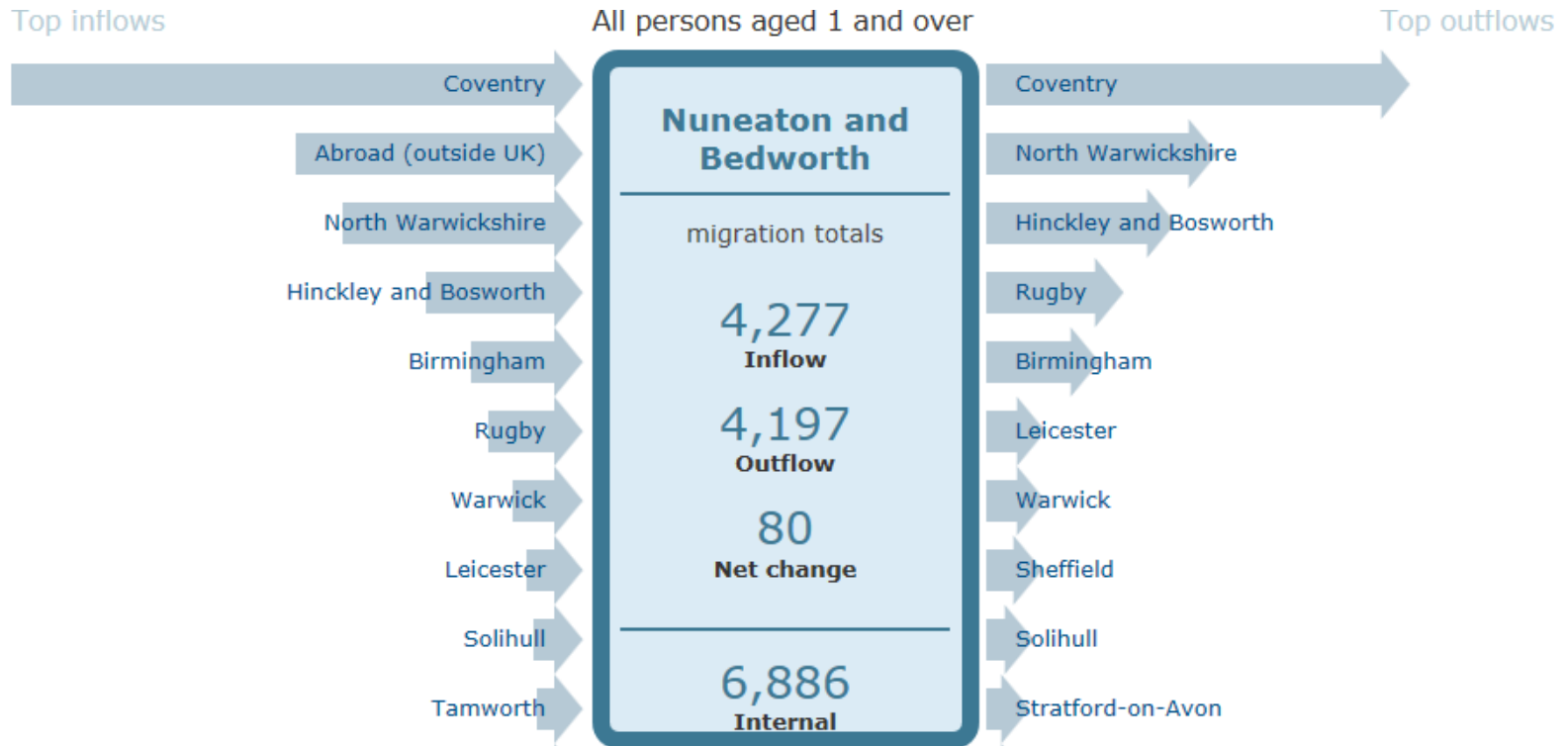
Migration – North Warwickshire



Migrations for North Warwickshire with all areas:

- Inflow: **2,709** persons aged 1 and over moved into North Warwickshire from other areas.
- Outflow: **2,791** persons aged 1 and over moved out of North Warwickshire.
- Net change: Overall, migration resulted in **82** fewer persons aged 1 and over in North Warwickshire.
- Internal: In addition, **2,277** persons aged 1 and over moved within North Warwickshire.

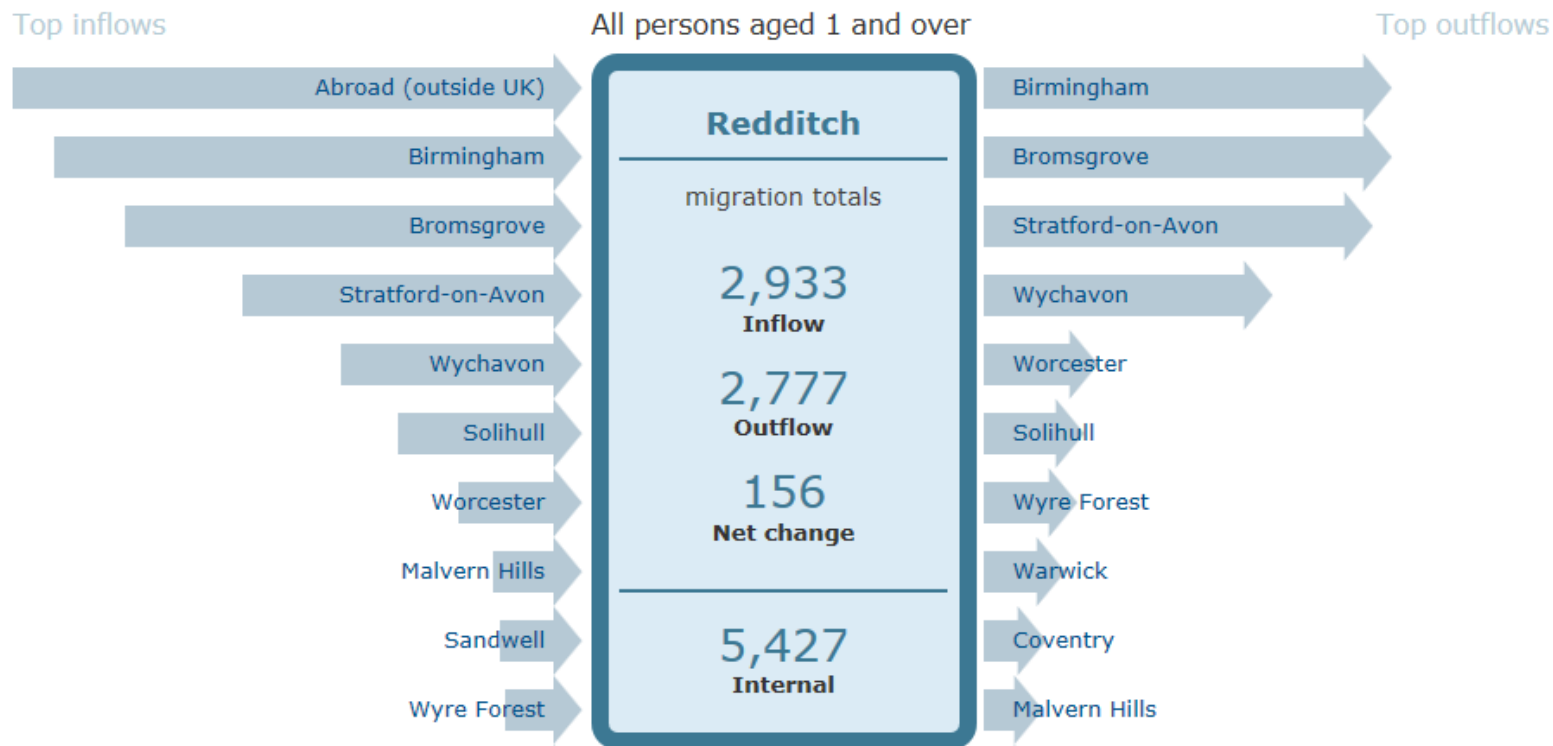
Migration – Nuneaton & Bedworth



Migrations for Nuneaton and Bedworth with all areas:

- Inflow: **4,277** persons aged 1 and over moved into Nuneaton and Bedworth from other areas.
- Outflow: **4,197** persons aged 1 and over moved out of Nuneaton and Bedworth.
- Net change: Overall, migration resulted in **80** more persons aged 1 and over in Nuneaton and Bedworth.
- Internal: In addition, **6,886** persons aged 1 and over moved within Nuneaton and Bedworth.

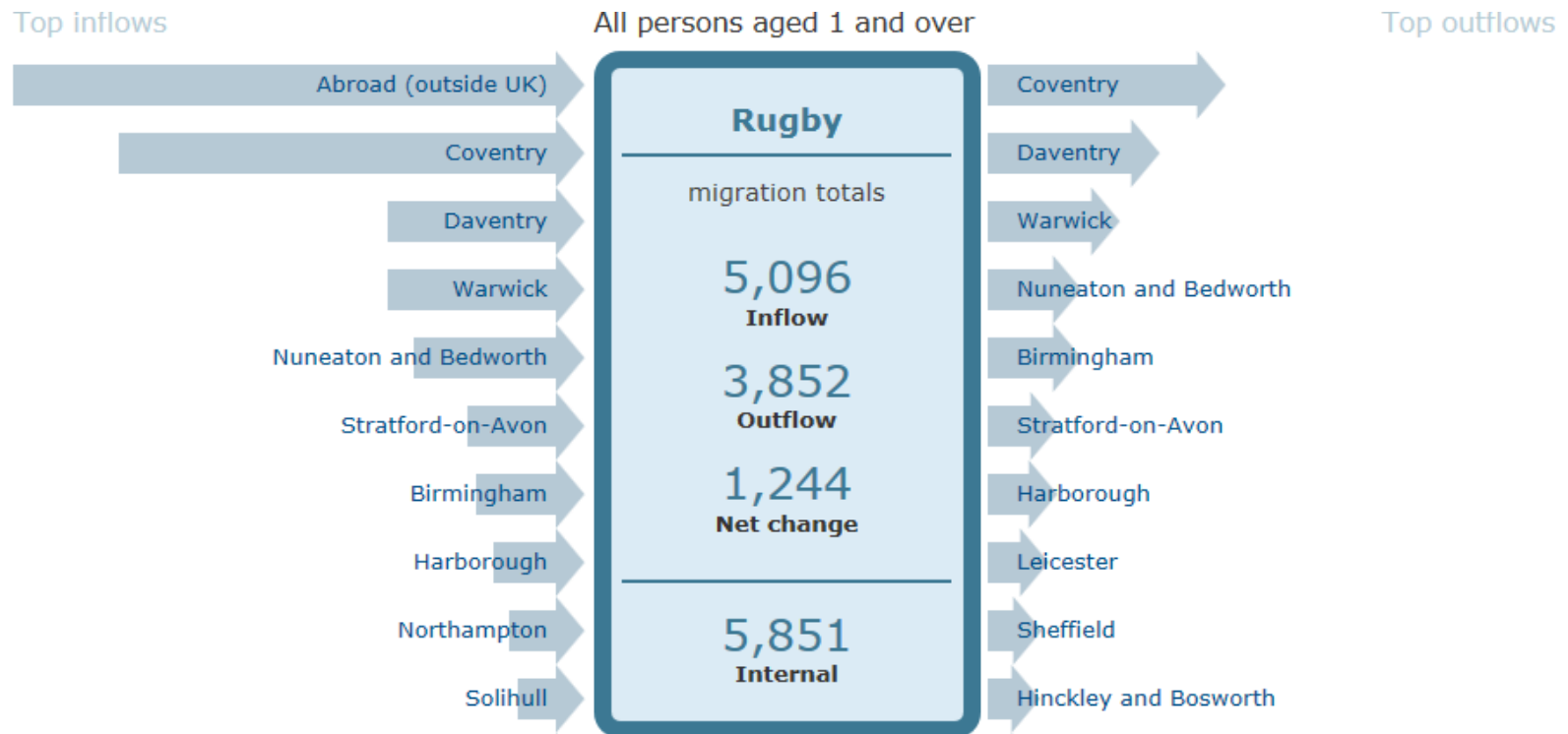
Migration - Redditch



Migrations for Redditch with all areas:

- Inflow: **2,933** persons aged 1 and over moved into Redditch from other areas.
- Outflow: **2,777** persons aged 1 and over moved out of Redditch.
- Net change: Overall, migration resulted in **156** more persons aged 1 and over in Redditch.
- Internal: In addition, **5,427** persons aged 1 and over moved within Redditch.

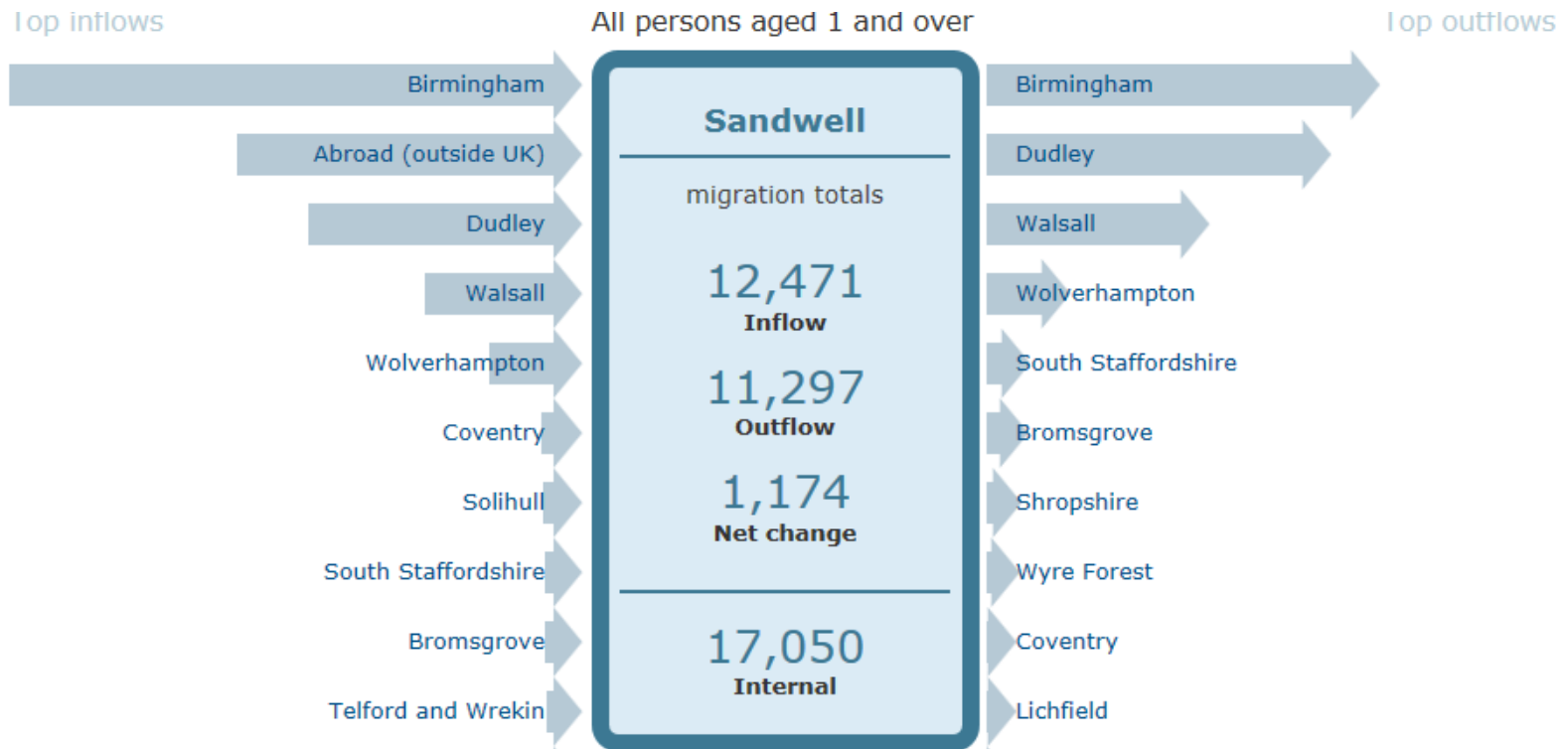
Migration - Rugby



Migrations for Rugby with all areas:

- Inflow: **5,096** persons aged 1 and over moved into Rugby from other areas.
- Outflow: **3,852** persons aged 1 and over moved out of Rugby.
- Net change: Overall, migration resulted in **1,244** more persons aged 1 and over in Rugby.
- Internal: In addition, **5,851** persons aged 1 and over moved within Rugby.

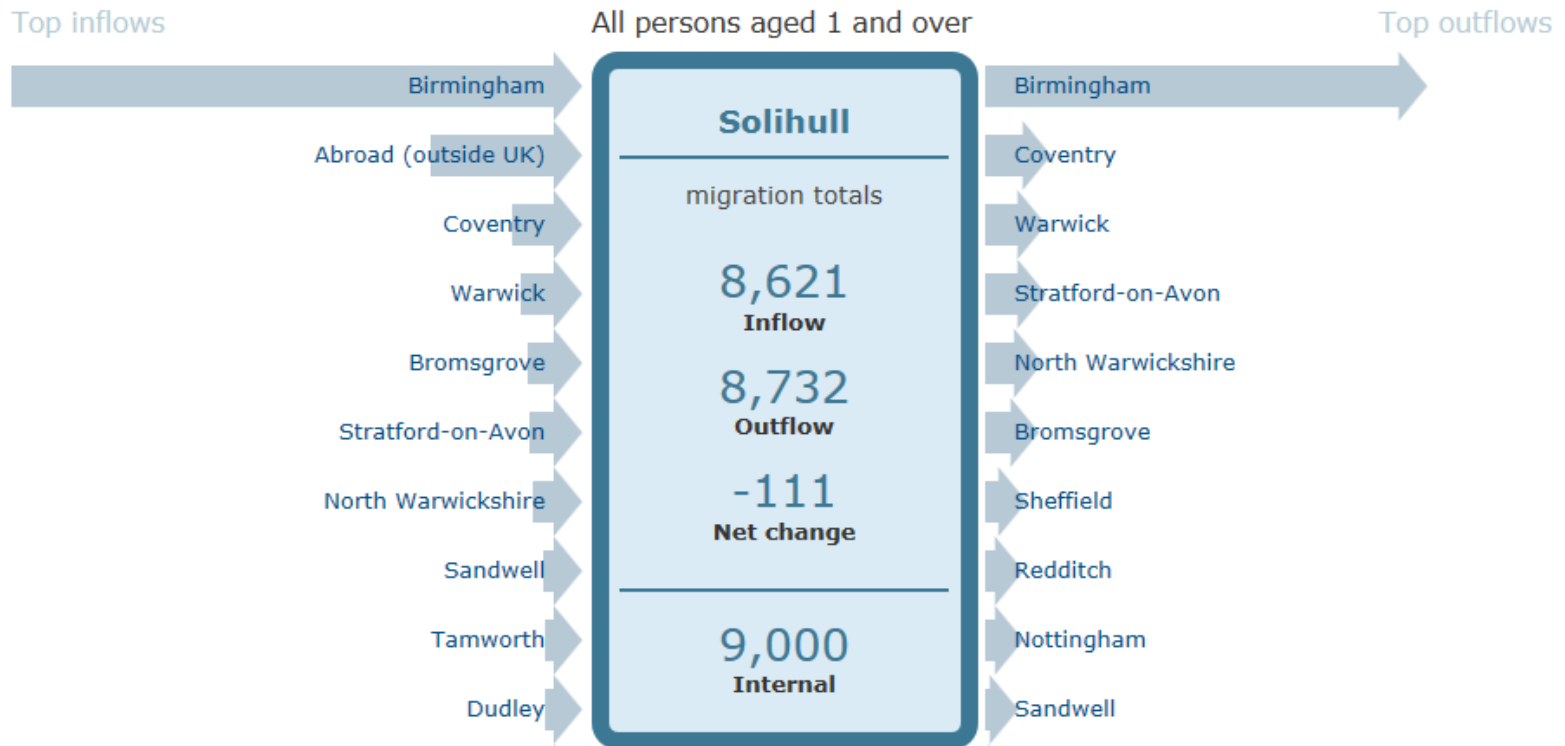
Migration - Sandwell



Migrations for Sandwell with all areas:

- Inflow: **12,471** persons aged 1 and over moved into Sandwell from other areas.
- Outflow: **11,297** persons aged 1 and over moved out of Sandwell.
- Net change: Overall, migration resulted in **1,174** more persons aged 1 and over in Sandwell.
- Internal: In addition, **17,050** persons aged 1 and over moved within Sandwell.

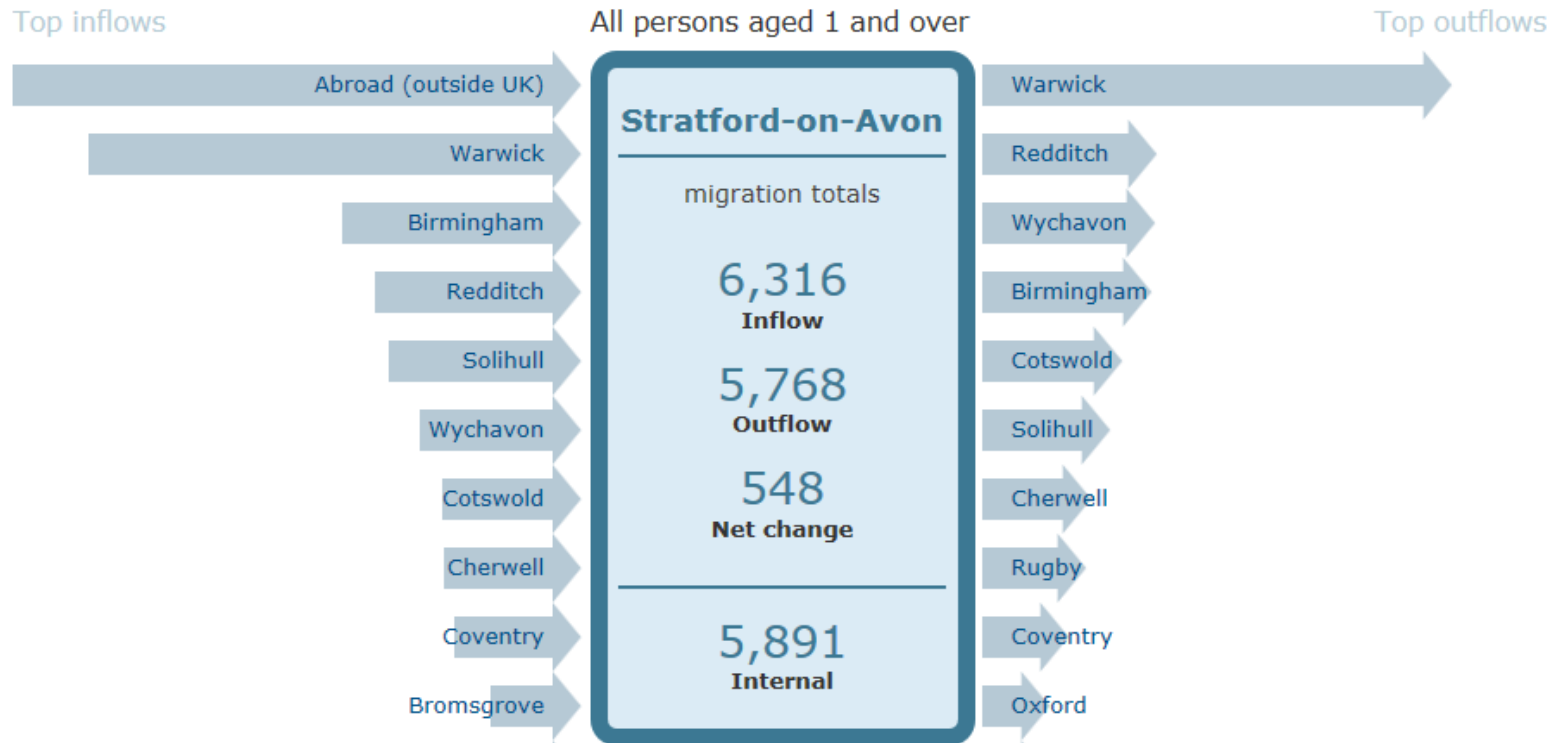
Migration - Solihull



Migrations for Solihull with all areas:

- Inflow: **8,621** persons aged 1 and over moved into Solihull from other areas.
- Outflow: **8,732** persons aged 1 and over moved out of Solihull.
- Net change: Overall, migration resulted in **111** fewer persons aged 1 and over in Solihull.
- Internal: In addition, **9,000** persons aged 1 and over moved within Solihull.

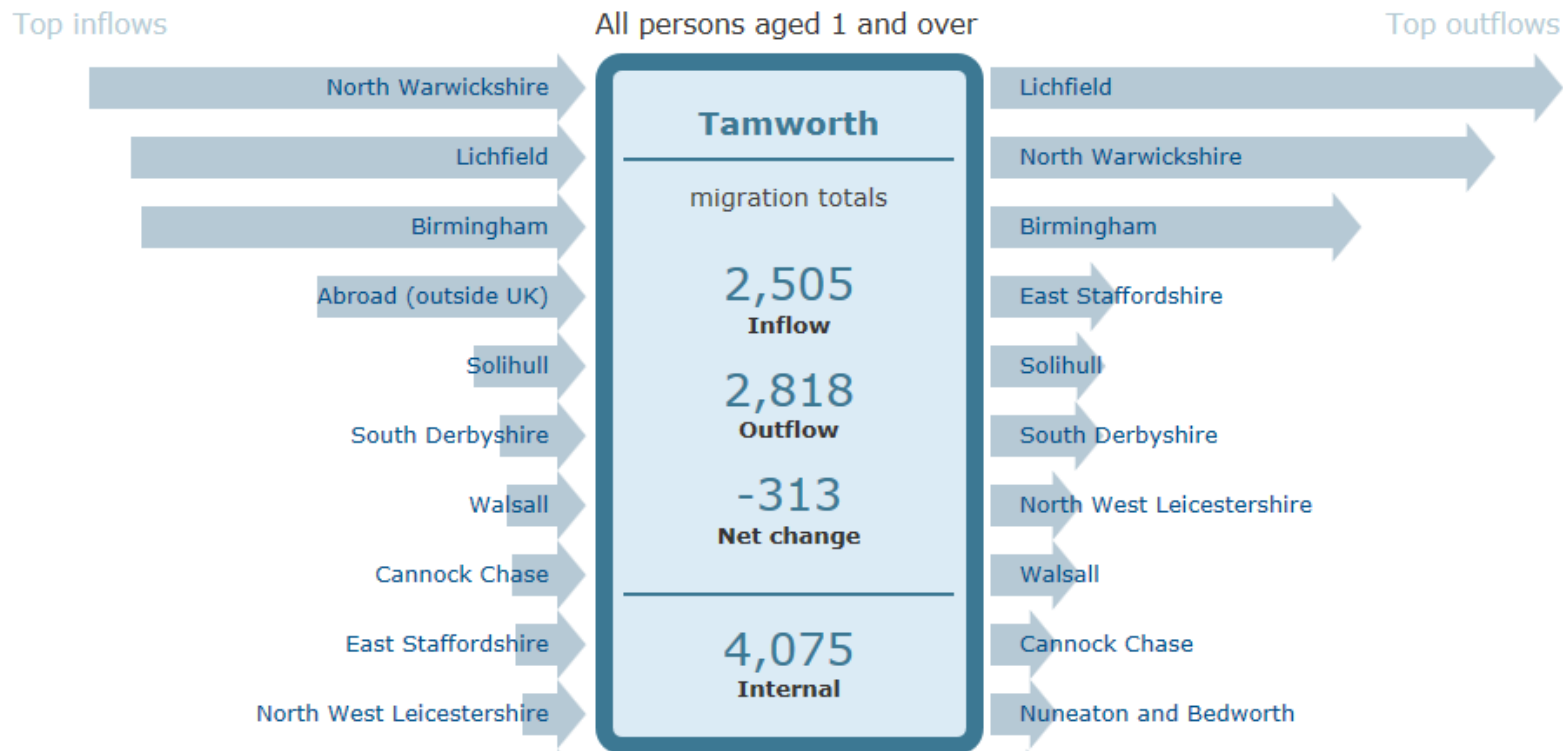
Migration – Stratford-on-Avon



Migrations for Stratford-on-Avon with all areas:

- Inflow: **6,316** persons aged 1 and over moved into Stratford-on-Avon from other areas.
- Outflow: **5,768** persons aged 1 and over moved out of Stratford-on-Avon.
- Net change: Overall, migration resulted in **548** more persons aged 1 and over in Stratford-on-Avon.
- Internal: In addition, **5,891** persons aged 1 and over moved within Stratford-on-Avon.

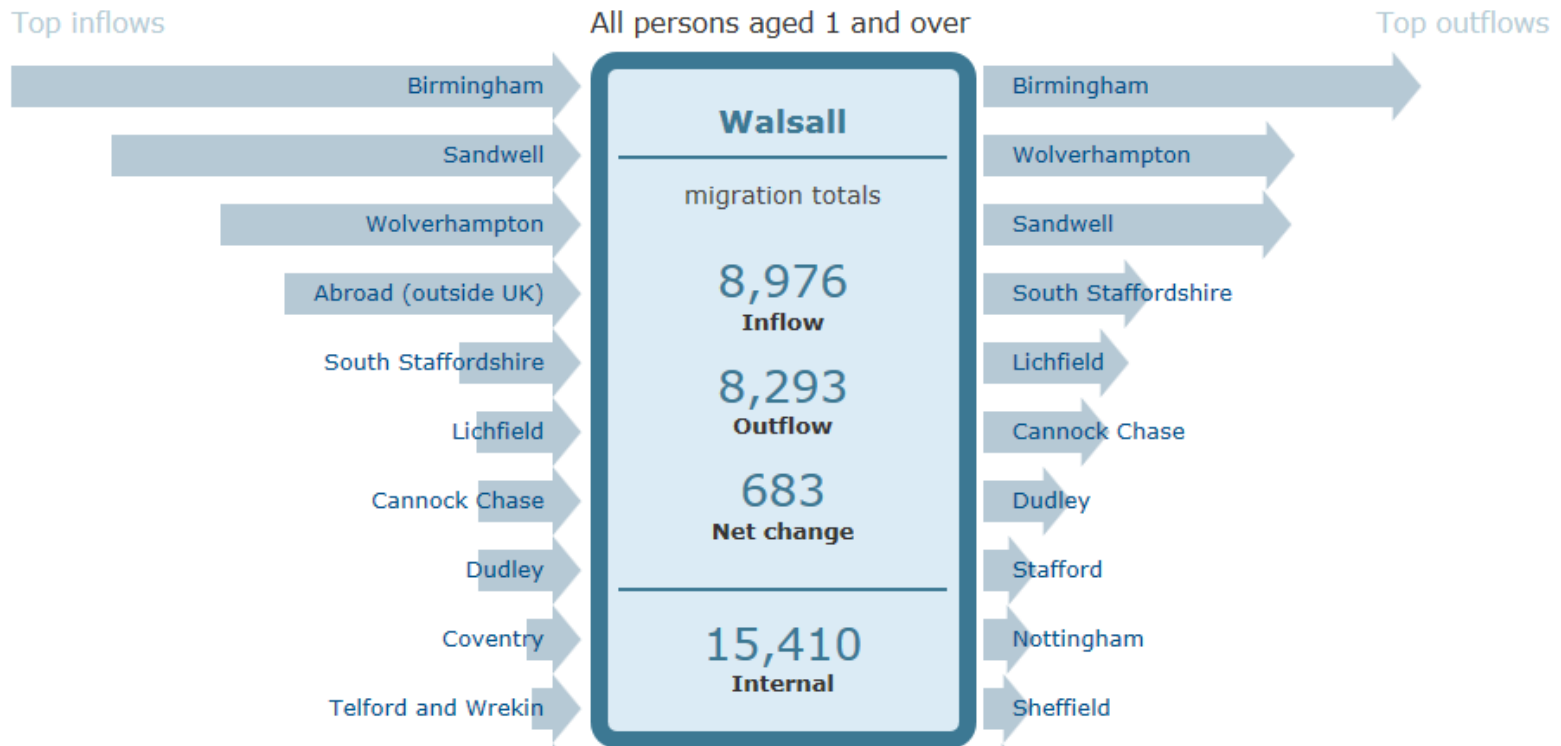
Migration - Tamworth



Migrations for Tamworth with all areas:

- Inflow: **2,505** persons aged 1 and over moved into Tamworth from other areas.
- Outflow: **2,818** persons aged 1 and over moved out of Tamworth.
- Net change: Overall, migration resulted in **313** fewer persons aged 1 and over in Tamworth.
- Internal: In addition, **4,075** persons aged 1 and over moved within Tamworth.

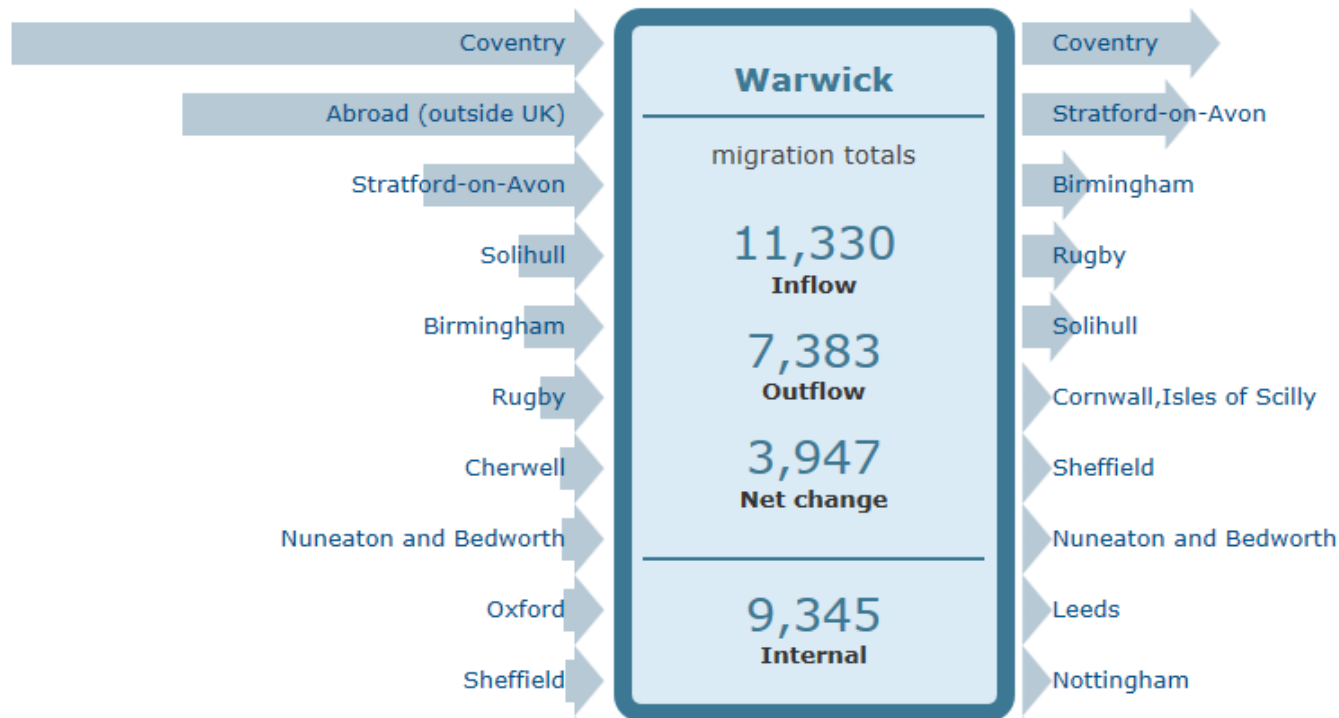
Migration - Walsall



Migrations for Walsall with all areas:

- Inflow: **8,976** persons aged 1 and over moved into Walsall from other areas.
- Outflow: **8,293** persons aged 1 and over moved out of Walsall.
- Net change: Overall, migration resulted in **683** more persons aged 1 and over in Walsall.
- Internal: In addition, **15,410** persons aged 1 and over moved within Walsall.

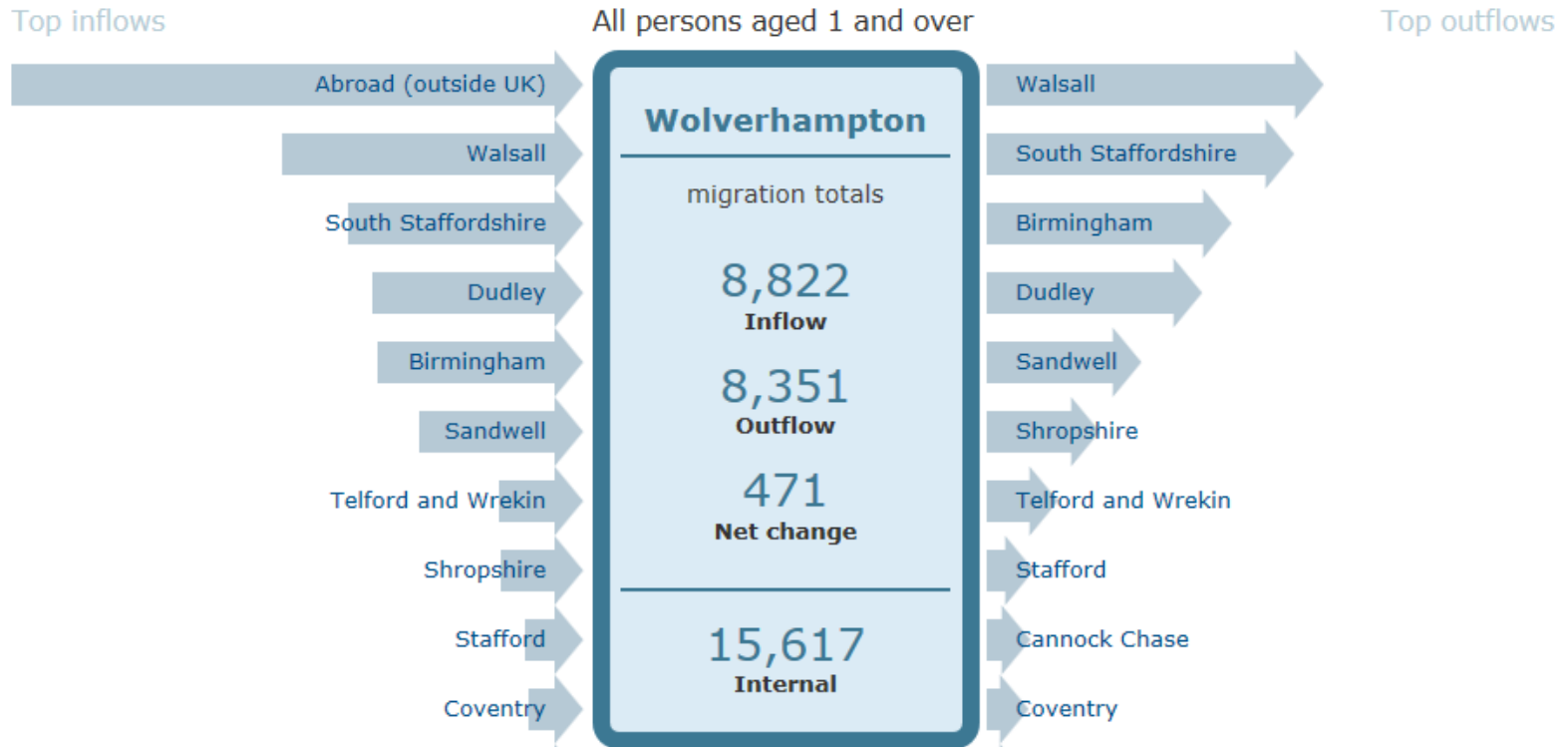
Migration - Warwick



Migrations for Warwick with all areas:

- Inflow: **11,330** persons aged 1 and over moved into Warwick from other areas.
- Outflow: **7,383** persons aged 1 and over moved out of Warwick.
- Net change: Overall, migration resulted in **3,947** more persons aged 1 and over in Warwick.
- Internal: In addition, **9,345** persons aged 1 and over moved within Warwick.

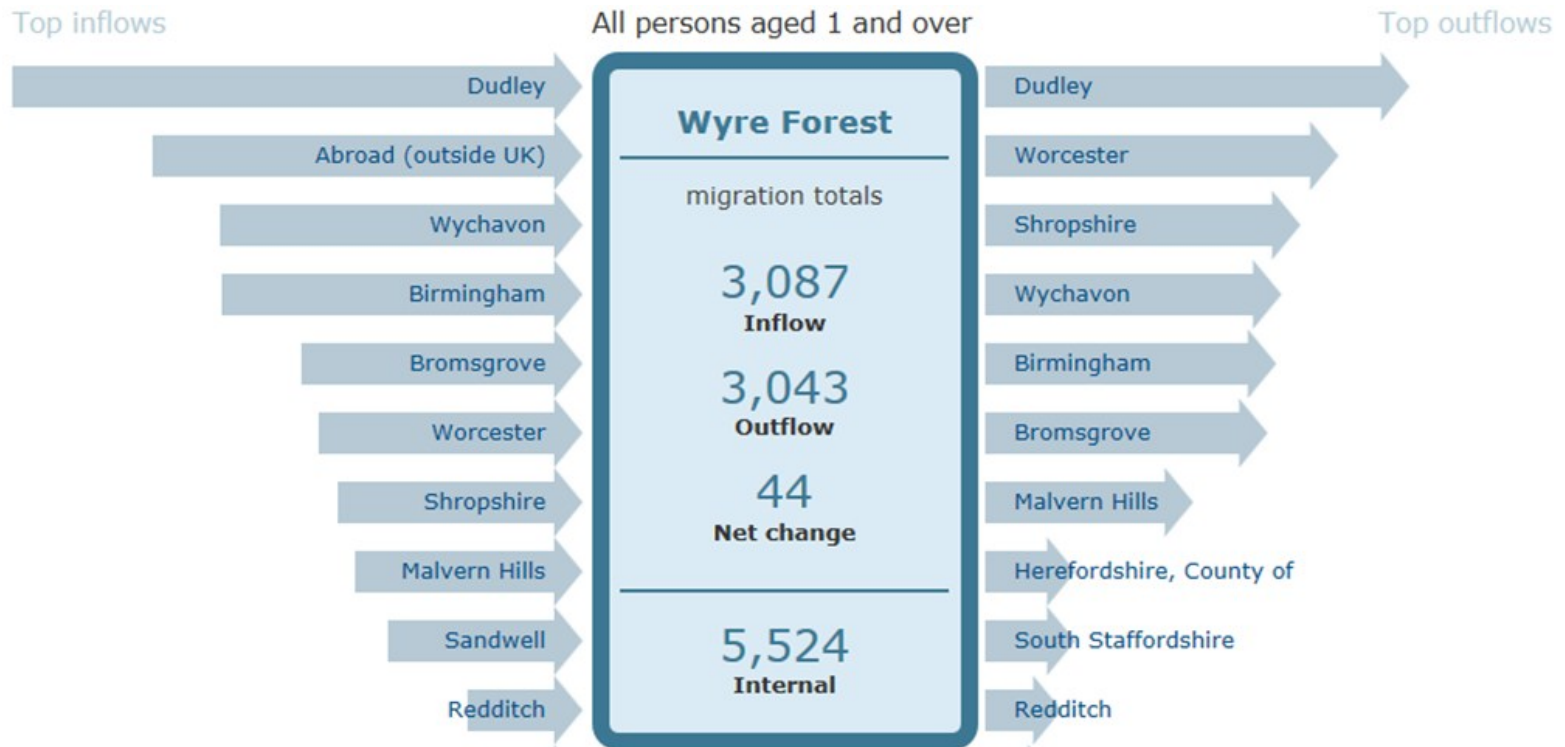
Migration - Wolverhampton



Migrations for Wolverhampton with all areas:

- Inflow: **8,822** persons aged 1 and over moved into Wolverhampton from other areas.
- Outflow: **8,351** persons aged 1 and over moved out of Wolverhampton.
- Net change: Overall, migration resulted in **471** more persons aged 1 and over in Wolverhampton.
- Internal: In addition, **15,617** persons aged 1 and over moved within Wolverhampton.

Migration – Wyre Forest



Migrations for Wyre Forest with all areas:

- Inflow: **3,087** persons aged 1 and over moved into Wyre Forest from other areas.
- Outflow: **3,043** persons aged 1 and over moved out of Wyre Forest.
- Net change: Overall, migration resulted in **44** more persons aged 1 and over in Wyre Forest.
- Internal: In addition, **5,524** persons aged 1 and over moved within Wyre Forest.

West Midlands Combined Authority – September 2015

Survey Response

The public of Redditch were surveyed during the period 14 September 2015 through to 27 September 2015:

‘Combined’ authority survey

You may be aware that the Government is offering to devolve some of its powers to regional groups of councils that have agreed to work together and form a ‘combined authority’.

Currently the Government takes most of the wider decisions that affect more than a single council area, in consultation with the councils of those areas.

In a combined authority some of those wider decisions could be made by the combined authority itself, instead of by the Government.

In the West Midlands, a combined authority has been proposed and if put in place it may start making wider decisions on some key strategic functions that cross geographical council boundaries. Examples may include transport, regeneration and skills.

Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton have all indicated that they could join the proposed West Midlands Combined Authority (WMCA).

Combined authorities don’t replace councils, or reduce existing local sovereignty. They are the mechanism by which the Government will consider devolving these powers.

The council’s position on the WMCA is set to be discussed at a special council meeting on Thursday 8 October. Before then, we would like to hear whether or not you support the idea of our area joining a combined authority, and why.

The survey was made available on the council’s website, in paper format in council buildings and disseminated to community groups. A press release was issued promoting the survey in the local press and social media was utilised.

There were a total of 90 responses to the survey received by the closing date.
Yes – 40 (44%) No – 44 (49%) Don’t know – 6 (7%)

There were two additional responses received which haven’t been included as they arrived 36 hours after the closing date.

87 (97%) of the respondents were residents of Redditch.

Survey responses have been grouped by theme.

The main themes from ‘yes’ respondents:

Theme	*No.
Local decision making/greater say/devolved power	14
Commonality with West Midlands	9
Good/better transport links	8
Benefits of pooling resources	7
Will benefit/help development of Redditch	7
Good for business/jobs/skills	4
Don't want to miss out	2

*This does not add up to 40 as some respondents provided more than one reason

In addition to the above themes, concerns were also raised regarding the cost of this style of government, particularly given the financial starting point of some of the other council's involved; checks and balances would need to be put in place.

There were also concerns around Redditch being a small partner and as such may not benefit to the same extent as the city councils. Others also felt that respect should be paid to an individual area and its culture.

Although some respondents said yes, there was still a wish for more information and that the town should 'go with the best option' whether that was with the West Midlands or not; that we don't miss out on the opportunity to be involved.

Other concerns raised by respondents related to the possible complexity of decision making, accountability and potential loss of jobs.

The main themes from the ‘no’ respondents:

Theme	*No.
Loss of influence/voice/decision making powers	11
Potential reduction of funding and services for Redditch	8
Nothing in common/different issues to West Midlands	5
Concern about financial position of other council's	4
Prefer other options i.e. Worcestershire/N. Worcestershire	4
Undemocratic/too bureaucratic	4
Loss of identity	4
Expensive/increase in costs	3
Potential loss of jobs	1
No benefit to the town	1

*This does not add up to 44 as some respondents provided more than one reason

There were also 6 respondents who said 'don't know'. The main reason for this was they felt more information was required before they could make an informed decision. Other comments from these respondents were that Redditch had 'nothing in common with a big city' and concerns over reduced funding and services for Redditch, and also a concern over which other authorities were involved.

Other comments

Throughout the analysis of the comments, concerns over access to health services were quite apparent. For example: 'Could also sort out the problems with the Alex Hospital and join with the QE Trust ...' and '... hopefully also merge the hospital with Birmingham ...'.

In addition there appears to be an underlying feeling for some respondents that Redditch is sometimes the 'poor relation' in Worcestershire.

Although there is a positivity regarding links with Birmingham, there is very little, if any reference to the other cities currently involved with the WMCA. Also concern has been raised regarding the possible expansion of the combined authority; 'how long until the scope of these combined authorities extends beyond transport, regeneration and skills'.

Full responses can be seen in Appendix A

Tracy Beech
Policy Officer
29 September 2015

Comments received by those who responded 'yes' to the survey:

Makes sense pooling resources possible see benefits in transport
I believe that decisions affecting residents should be made as close to the person as possible. This would go some way to bringing some devolution to the region. If it costs more and makes decision-making more complex then I would be less enthusiastic.
As Government continues to reduce funding to councils then any scheme that allows us to continue to provide the services to our community it will also allow us to tap into schemes we could never achieve on our own. With several large authorities working together we will surely miss out if we try to go on our own.
I think for Redditch to join a combined authority with the proposed (WMCA) is an excellent proposition to help improve the town. This would mean Redditch would probably have access to Birmingham hospitals thereby gaining much better links by road train and bus to attend appointments rather than the farcical problems getting to Worcester. Worcestershire on the whole is a rural environment mainly concerned in farming and small market towns in most cases with little connection to large manufacturing industry. Redditch on the other hand is mostly an urban environment based on manufacturing and supplying parts and components to large industries such as car manufacturers the aviation industry medical supplies such as needles etc and many more such our famous Redditch springs so is therefore more suited to be linked with the urban city environment of Birmingham and the greater West Midland conurbation. I believe the (WMCA) would give the town and its Council better access to funding and new schemes to make improvements for the town and its citizens
Being part of a bigger combined authority would give us a greater say in issues
Redditch is closely linked with Birmingham through industry transport and business and would benefit from joint planning and investment in the new region
Might improve a bit better on upgrading properties and more work done on communal buildings and get more transport to interlink with dial a ride instead of us keep getting trips cancelled due to lack of there buses breaking down.
It will be good for the borough. Job opportunities will increase. Skill gap will lessen. Good for local business and Kingfisher.
Economic and transport links lie with Birmingham rather than other County towns. Road and rail routes lead to Birmingham travel to work routes are to/from Birmingham the jobs in Redditch relate to the economy of the West Midlands education provision draws students from Redditch to Birmingham and the health care provision draws patients there. Although Redditch would wish to retain its separate County identity the development and investment potential to improve the economy and facilities in Redditch is greater from the West Midlands than from Worcestershire. The prospect of sharing with the Centro transport network the advantages of its bus provision and rail fare regime cohesive development of industry investment and job opportunities and alliance with the health provision of Birmingham are decisive motivators.
At the moment Redditch is easily swamped in a county where the majority have quite different considerations than the town and people of Redditch. Membership of a group in touch with the needs of Redditch will help the town to prosper.
Clearly there will be better external representation for the 'Midlands Engine' to Government and also for marketing the area (UK and internationally) with single points of contact. As an internal economy better economies of scale scope (eg infrastructure) and need could be developed instead of silo working. Checks and balances need to be put in to ensure that this is not another massive hierarchy.
I'm all for development of Redditch and joining as one i imagine will help. However I'm a little concerned if there's a potential loss of jobs.
yes I would support a combined authority it will enhance the skills employment and prosperity for people in Redditch.
I feel that it would bring jobs to the town. It would also be a bonus for the town to join Centro cheaper fares etc. Also the majority of the town's inhabitants look towards Birmingham and not Worcester.
Whilst this seems a good idea to strengthen the position of the Borough assurance would be needed that the bigger authorities would not swallow up our services meaning job losses for Redditch.
The combined authority would have a bigger budget altogether as the central government has promised more funds to be shared. Not being part of it means to be relegated and left out of any future developments for the West Midlands
Further joined up working with neighbouring authorities which has worked well with Bromsgrove. Chance to share experiences/ best practice from larger councils possibly access more funding streams etc. Improved network links with the city of Birmingham.
Wider range of facilities for both Redditch and Bromsgrove residents helps communities to start to work together

Comments received by those who responded 'yes' to the survey (cont):

We can start making better decisions for us as a Town and whats best for us and neighbouring towns.
I think it would provide more opportunity for town regeneration. It would also provide more access to service provisions across the region. I am concerned that Birmingham's financial deficit will lead to the funnelling of a disproportionate amount of services and funds their way I'm not sure how balanced it will be
It would be a good idea for us to have more power locally but whether we go with this combined authority for West Midlands or a plan comes to the table for Worcestershire I cannot say. It will really depend on what plans come forward and what really is best for the borough.
Support the greater Birmingham option not the Worcestershire option it would be the end of our town
It is better for the communities that some decisions are made locally as decision making in local areas are more relevant and according to public needs
Local solutions to local problems will be best served by local authorities with local knowledge local members and local sympathies
The opportunity to join the West Midlands combined authority is not to be missed; huge investment in business & health services would come to the town
Because it may lead to better funding for schools and services and hopefully proper links with the QE hospital trust. We are closer to Bham than Worcester with better communication links. We have an urban feel rather than county feel of rest of County
I think there is a better need for co-ordination of transport and planning with the West Midlands rather than with the county Council at Worcester who only look at investment in the southern part of the County Council area. Could also sort out the problems with the Alex Hospital and join with the QE Trust rather than propping up the Worcester Royal PFI
Economy of scale would give Redditch more spending power, more choice, shared transport, access to good health services, better infrastructure and a powerful council. It would broaden the cultural life of Redditch and extend educational choice for children and adults. It would improve quality of life. The combined authority should however respect each area and its culture. I mention this because that is NOT the case in Redditch's position vis a vis Worcestershire CC.
Better services and hopefully also merge the hospital with Birmingham also. The bus service in Redditch is abysmal and getting to Worcester hospital is a nightmare. Buses in general are appalling. I think we would get better services overall and more say in what happens in our local area. I believe its the way forward
The train line goes from Redditch to Birmingham; the roads mostly up to Birmingham; the town was expanded to accommodate Birmingham. The flow of people for work or leisure is mostly between Redditch and Birmingham. Redditch should be proud of its West Midlands connections and work to be a strong partner. Better to be a small part of something big than a small part of something small.
I am very much in favour of joining the WMCA as Redditch has always been close to Birmingham both in distance and philosophy. We are a small West Midland industrial town and have always had Redditch people working in Birmingham and the converse We have good transport links we have a large number of Birmingham people living in the town we have ease of access to the QE hospital Symphony Hall Birmingham Rep the Hippodrome Theatre the Art Gallery and Museum etc. I have always felt much closer to Birmingham (I was born in Redditch in 1943) than Worcestershire as the county does not understand and has largely ignored the people of Redditch. Worcestershire is run for the benefit of Worcester and its local area and they have no interest in the north of the county.
I think a combined council is a good idea. It would mean that local authorities would be working together to make decisions based on the needs of their communities rather than the government who would have a broader focus on the issues that are raised.
Because we are always classed as Worcestershire's poor relation.
It would enable a more strategic approach to issues that need to be addressed on a regional basis whilst retaining local democratic accountability. Devolution of powers from the Government would lead to better decision making for the region as a whole. The current centralised control of virtually everything under civil servants in Whitehall leads to an over-investment in the south east to the detriment of the rest of the country and a very unbalanced economy.
At this moment in time the County of Redditch has very little in common with South Worcestershire who I believe do not understand what the larger industrial based conurbation areas require in the way of support for new industries and the enhancement of higher technical knowledge to support micro enterprises and new generations of entrepreneurs.
I believe that more decisions affecting local people should be made by people living and working near to those people rather than those at Westminster.
I identify with the Metropolitan/urban area far more than with rural Worcestershire. Redditch looks north far more than towards Worcester. It's prime/direct communications all run this way. This proposal therefore does not cause fear or alarm.. It offers more devolution in Redditch's better interests. The sooner we can focus on any Birmingham-centric approaches; the better we can defuse Worcestershire's attempts towards pro-rural identity & arguments/interests.
The combined authority could press for the same level of funding as the Northern Powerhouses i.e. Greater Manchester and Leeds

Comments received by those who responded 'no' to the survey:

I would not be comfortable with the council being combined with Birmingham as it is currently under dire financial strain and I feel we may be 'dragged under' by them.
I believe that if we join a combined authority we should be looking within the Worcestershire/Herefordshire area not Birmingham/Black Country.
Because I don't like the idea of becoming part of Birmingham which is a disgrace of a city.
No to Birmingham we should stay in Worcestershire
Definitely NOT as this would undoubtedly divert funds and services away from Redditch.
because it is the EU plans to have regional government and as i do not want to be in the EU as it is undemocratic I am against it
Moved here to get away from Birmingham don't want to be part of a failing council
Just as the coalition government didn't work well with party's losing out I cannot see this working in each councils favour
I'm concerned about the reduction in local jobs a combined authority would cause.
Redditch and Bromsgrove should not join the WMCA as the character of our local area will be lost. It seems likely that WMCA would dominate which could lead to Redditch being super urbanised. I have no objections to the possibility of a Worcestershire combined authority subject to terms. Redditch should continue to recognise its rural association. NO to WMCA.
Birmingham was near to bankruptcy not so long ago (ind. rep.) and are still in dire straits. They would bleed us dry and use adjacent Councils as a cash source. We would NOT benefit at all. This is a big con!
This will/may affect care implemented
You're asking the people of Redditch to make a decision without giving them any information! Just "Examples MAY include"!? I have to vote no because you've given no indication how this benefits Redditch. And it smacks very much of once we're in the WMCA the Electoral commission will decide Redditch is now part of the West Midlands and change the boundaries. Again!
Birmingham can't get their own house in order why would we trust them with our money
Very often bigger authorities don't perform so well. Bromsgrove is more prosperous than Redditch and would have more clout.
I left Birmingham 39 years ago to live in Redditch a lovely rural town. As the years have gone by it is becoming a satellite of Birmingham. Please don't let it take over. Let us remain free from Birmingham.
History tells us Bigger is not Better. It becomes top heavy with people trying to make a name for themselves whatever the cost. 'Forward?'; Birmingham are mainly still using Black Bags instead of Wheelie Bins how forward looking. Proposed amalgamation of West Mercia & Warwickshire Police Redditch residents mainly against it proposal dropped so the fudge was to call it an alliance so all Chief Constable's and two PCC'S and their Entourage stay in place. Combined!! Just an increase in cost's with no benefit. Look how much the EU cost's
It's bad enough to get service as it is it be more difficult to reach in higher authority it will be better if we stay locally
Don't want to be part of Birmingham
There is insufficient information at this point to know what benefits / pitfalls there would be for a small council like Redditch. All the other players in the proposed West Midlands Combined Authority are large cities. It is my thinking that the voice of Redditch would be lost and very little heed paid to the wants and needs of a small town. Redditch is already the poor relation in Worcestershire; its voice would be totally lost against the others who are currently signed up to the WMCA. How long until the scope of these combined authorities extend beyond transport regeneration and skills? I don't think this is right for Redditch to join; I think we should wait and see how the WMCA functions before jumping in.
I don't think it's right that Redditch passes control of parts of its infrastructure to Birmingham or this Authority. I believe it a better prospect for the town if our councillors develop some grit and seek their own combined authority offering to share the new powers with Bromsgrove, Kidderminster, Studley and any other surrounding councils who might be interested. This would our chance to do something different for or local area and for the first time give us a stronger say in our future.
Worcestershire is very a different place to Sandwell Dudley etc and faces very different issues.
Redditch will not get its fair share of funding. Most funding will be allocated to central Birmingham and it's immediate neighbouring areas
Another layer of bureaucracy. Expensive unelected and unaccountable. No thanks
I feel that our local authority will lose its own voice on issues that directly relate to Redditch. Bigger does not necessarily mean better.

Comments received by those who responded 'no' to the survey (cont):

Do not want to be lumped in with Birmingham etc getting fed up with people making decisions about our town. We are Redditch not Bromsgrove, Birmingham etc and we are part of Worcestershire and I would like us to stay that way!!
I don't believe it would benefit Redditch at all. Redditch is a small authority with quite a big population who in general receive a great service from the council by joint a combined authority especially including Birmingham I feel Redditch will not be considered a priority over the large cities and towns who are already failing to provide adequately for their residents. It will may mean our elected councillors may not have the same influence on local issues for the townspeople Redditch
If Redditch is already being named as a potential location for Birmingham housing growth imagine the lack of control this Council would have over the decision making that going to be needed for this matter. The Council needs to remain independent to be able to influence this important process. It is terrible timing to be considering this option. Getting together to combine decision making on such wide scale matters like development and transport decisions would reduce the decision making authority of the Council. Where would the local accountability be?
RBC is doing a good job without cash-strapped Birmingham and the Black Country dragging it down. We are combined with BDC - no more!
Local matters should be decided locally would NOT want to be part of West Midlands combined authority for others to decide our policies and misuse our budgets
So many questions how will the voice and needs of Redditch residents be heard and really listened to? A combined authority could mean savings in purchase of services across all authorities but would these suit all local councils to deliver for local needs. What service cuts and provision would there be for local communities?
Because it is important to keep our independence and have a clearer view of what matters in our area due to our size we will get side lined
Unless it replaces something it will cost more money. That means taxpayers money! Therefore I don't agree! But it will probably go ahead anyway!
I do not want to be part of Birmingham why should we pay for the privilege of not having a vote There's nothing in it for Redditch

Comments received by those who responded '**don't know**' to the survey:

Far more detail is needed before any sensible person can come to a decision on this!
How can one give an opinion in the current situation when there is such a lack of information? The public deserve to see fully costed worked through proposals describing the pros and cons.
I cannot say yes or no because I have not read enough or know how this will impact on Redditch in a positive or negative way therefore I cannot make an informed decision yet.
Need more information on both the for and against - in principle if it means more local funding and more control for the area it seems a good thing. But I would be worried the likes of Birmingham would take more of any funding for services available which would leave Redditch and Bromsgrove being the poorer brother!
It depends on who the other authorities would be. I would not like to be linked with Birmingham as we have different needs in Redditch to that of a big city.



The Rt Hon Greg Clark MP
Secretary of State for Communities and Local Government
2 Marsham Street
London
SW1P 4DF

4 September 2015

Dear Greg,

We have previously written to you regarding Worcestershire commencing work to understand the opportunities and challenges that a devolution 'deal' might offer. As Worcestershire Council Leaders and Chair of Worcestershire Enterprise Partnership (LEP) we are writing to provide an update on progress and intent.

Over the summer Worcestershire Councils have been working closely with partner organisations including Worcestershire LEP, West Mercia Police, our three Clinical Commissioning Groups, Health and Care Trust and Fire and Rescue Service as well as numerous other partners to explore how we take forward our vision for accelerated economic growth and transformational public sector reform. Our vision is clear and unanimous. The county has seen significant success in recent years with real terms growth in our economy between 2009 and 2013 bettered by only three counties nationwide and our single county LEP has proved amongst the most successful nationally in attracting foreign investment, and delivering growth deal ambitions. We are on the right path but challenges remain. If productivity levels in Worcestershire were raised to reflect the current average of the ten highest performing counties in the country, we would add more than £1bn to our economy – it is this scale of positive change that exemplifies our ambition for the county.

Adrian Hardman
Leader of the Council
County Councillor

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Our endeavours to reform public services have proven equally successful in recent times and are reflected in a number of accolades from central government, including status as one of the original 14 health and social care integration pioneers. Other notable achievements include the incorporation of a cross agency joint property vehicle – Place Partnership, demonstrating our commitment to genuine reform and an ability to work together to achieve it.

We have made a start in tackling complex dependency and its associated costs and our efforts have led to national recognition for our outcomes centric approach within the troubled families programme. Yet we know we can take this further, with increased cross agency sharing of both risk and reward in the pursuit of a fully integrated service which provides the tangible support these communities require. To this end, we envisage the creation of a single new organisation to sit at the vanguard of integration in tackling complex dependency of families, often generation to generation, across the county.

Worcestershire like many other areas has an increasingly ageing population, a population most likely to place complex demands on the health and social care system. In response, we aspire to deliver a health and social care service which maximises resources and delivers the highest standards of care for both the elderly and the wider population as a whole. It is our goal to integrate these services with our initiatives to maximise the potential of the older workforce and drive growth. These are simply examples of the extent of our aspiration for the services we provide.

Our vision for Worcestershire does not sit in spatial isolation and we recognise and embrace the importance of our relationships with our neighbours in the wider West Midlands, South West and South East regions and *Midlands Engine* more broadly. This is critical to the success of our economic plan and it is only by working with our partners that we will achieve our targets and deliver tangible benefits to UK plc and the Exchequer as well as raising living standards locally. Our reform agenda will not ignore the fact that key services span our county boundaries including both the police and fire authorities. Our vision is to work with these partners to truly transform the way services are delivered across the county and beyond.

We recognise that there is much we can do on our own to achieve this, but there is also a clear role for central government to work in tandem with us to deliver our goals. We also acknowledge that in order to realise our ambition, we will need to build on our excellent track record of two-tier working. Ours is a county where local government speaks with one voice and as one, we will commit to work towards a model of governance which satisfies both central and local government requirements and our Worcestershire residents.

Our work will reach a conclusion during the Autumn when we expect as Worcestershire Leaders, together with our LEP, to agree whether we need an explicit 'deal' with central government to achieve this vision. Should this be the case, our focus will be on a number of priorities, likely to include:

- infrastructure and investment
- skills and innovation
- health and social care
- public estates
- complex dependencies
- environment

Our asks are likely to range from the practical, for example, support from the Information Commissioner in setting new expectations of data sharing across partners through to the strategic, for example, duties to cooperate from Highways England and Network Rail in the context of our Strategic Economic Plan.

We will write to you again during the Autumn to update you on progress regardless of the local decision as to whether we decide to pursue a devolution deal. Finally, our thanks for the great support we have received from DCLG and BIS civil servants during recent months, particularly Rosie Seymour and Tony Bray.

Kind regards



Adrian Hardman
Leader of Worcestershire County Council



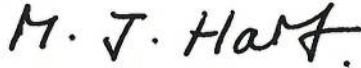
Mark Stansfeld
Worcestershire LEP



Cllr Simon Geraghty
Leader of Worcester City Council



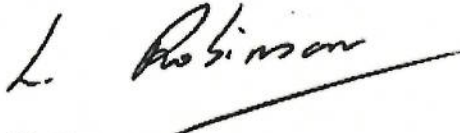
Cllr Margaret Sherry
Leader of Bromsgrove District Council



Cllr Marcus Hart
Leader of Wyre Forest District Council



Cllr Bill Hartnett
Leader of Redditch Borough Council



Cllr Linda Robinson
Leader of Wychavon District Council



Cllr Phil Grove
Leader of Malvern Hills District Council

