

Agenda Item No.5

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Meeting - 16 January 2008

Report of the Chief Executive and Company Secretary

1. Purpose

To provide the Assembly with an update on general issues.

- (3) 2007-08 Half Year Progress Report
- (4) Member Allowances Scheme
- (5) City Region Company
- (6) 2008-09 Budget Planning
- (7) West Midlands Regional Spatial Strategy Phase Two Revision

2. Recommendation

- 2.1 The Assembly is asked to **receive** the 2007-08 Half Year Progress Report (**attached**).
- 2.2 The Assembly is asked to **note** the Board decision not to change current practice in respect of Allowances.
- 2.3 The Assembly is asked to **note** the Board decision to take up a share option in the new City Region Company.
- 2.4 The Assembly notes the receipt of correspondence from Government with relation to West Midlands Regional Spatial Strategy Phase Two Revision

3. 2007-08 Half Year Progress Report

The Board delegated authority to the Chief Executive, in consultation with the Chairman and Vice Chairs, to agree a Half Year Progress Report and Revised Budget for submission to GOWM on 19 October 2007. A review meeting was held with GOWM on 2 November and they were content with the progress report, the additional activities identified and the revised budget.

A thorough review of progress against the business plan and related budgets was undertaken to draw up the half year report. Full details are contained within the half year report but the key elements of the revised budget are;

- CLG's approval to release Coventry contingency funds to meet other RSS priority work on implementation
- Identification of potential under-spend from work strands to be vired to support key RSS phase 2 and 3 activity

- Inclusion of bank interest in the budget to help meet the broader RSS work priorities
- Adjusted staffing budget to reflect previously approved changes to the establishment
- Additional support from partners across a number of work strands
- No change to the existing arrangement in respect of member allowances

Another detailed review of progress is planned in January to enable an estimated outturn report and final virements to be drafted for Board approval.

4. Members Allowances Scheme

At the September meeting, the Board agreed to postpone a decision on a Members Allowances Scheme until the December meeting. This was to enable the Board to give due consideration to the outcomes of the half year review in terms of work plan priorities and related budget commitments.

In drafting the Half Year Report and Revised Budget our main priority was to secure appropriate progress against RSS and it was evident that to do so, would require all of the budget available to us from CLG. In addition to CLG funding the revised budget now also includes some further £16,000 of assumed net bank interest which will also be required to meet our costs as they stand, without the introduction of a Members Allowances Scheme.

The proposal for a scheme suggested a cost of £30,216 for 2007-08 and the Board would have needed to identify which elements of the business plan we should not deliver in order to vire funds to allowances. For 2008-09 the estimated cost would have been £40,384.

Whilst I would personally endorse the principle of members allowances to recognise the value of personal commitments members make, in view of the pressures on the budget and the harsh reality of the transitional period we face, I did not feel I could recommend a change to the Assembly's current practice for the remaining two years of its life and the Board agreed.

5. City Region Company

At a meeting of the Assembly on 25 October 2006 it was agreed to participate in the City Region. We recently reached a stage in the process where we were invited to take a share in the new City Region Company, which would be a company limited by guarantee. My understanding is that becoming a shareholder along with other board members will not expose us to any liability. The Board accepted this invitation.

Whilst the limited lifespan of the Assembly is acknowledged it is considered that we continue to make a full contribution to the City Region and other sub regional working arrangements until 2010.

6. Budget Planning 2008-09

We are still awaiting Business Planning Guidance for 2008-09 from CLG. However we have begun the process of compiling our business plan in detail

but require an indication of the funding level for 2008-09 from CLG for us to be able to finalise the budget and assess the impact on planned activity.

7. West Midlands Regional Spatial Strategy Phase Two Revision

Following endorsement by the Regional Planning Partnership on 22nd October, the RSS Phase Two Revision Draft was formally submitted to the Secretary of State on 21st December 2007 to be followed by a 12 week formal consultation which commenced on the 7th January 2008 – 28th March 2008.

Following the submission, the Assembly has received a letter from Baroness Andrews, Parliamentary Under Secretary of State in the Department for Communities and Local Government. In the letter, dated 7th January 2008, the Minister has expressed concern over the housing proposals put forward by the Assembly, in light of the Government's agenda to increase housing building across the country. In view of this, the Minister has asked the Government Office for the West Midlands to commission further work to look at options which could deliver higher housing numbers and this will be considered as part of the Examination in Public. It is intended that this work will be undertaken between January to April 2008 and in order to allow consultees the opportunity to consider the additional evidence they consider it appropriate that the consultation be extended to 23 May 2008.

On receipt of the letter, the Assembly issued an initial response via a press release (see attached). Assembly officers are currently considering the full implications of the letter and possible ways forward (A meeting of the RSS Strategic Management Steering Group is being arranged for the 23rd January) and will advise members of the Regional Planning Partnership in due course. Following this, the Assembly will make a formal response to Government and advise Members and stakeholders of the outcome.

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NEWS RELEASE

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Date 07 01 2008

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West Midlands Regional Spatial Strategy Phase Two Revision – Letter from Baroness Andrews

Following submission of the West Midlands Regional Spatial Strategy (WMRSS) Phase Two Revision Draft to the Secretary of State for Communities and Local Government in December 2007, the Assembly has received a letter from Baroness Andrews, Parliamentary Under Secretary of State in the Department for Communities and Local Government.

In the letter, the Minister thanked the Assembly and its Partners for the hard work that had gone into producing the Phase Two Revision Draft. However, the Minister expressed concern about the housing proposals put forward by the Assembly in light of the Government's agenda to increase housing building across the country.

In particular, the Minister has asked the Government Office for the West Midlands to commission further work to look at options which could deliver higher housing numbers. The Government Office intends to complete this further work by mid April and, in order to provide an opportunity for consultees to consider this work when making responses on the Phase Two Revision Draft, the Minister has proposed to extend the consultation period to 23rd May 2008.

In submitting the Draft Revision, the Assembly made it clear that the policies and proposals put forward represented an ambitious growth strategy for the Region but one that was well balanced taking into account a wide range of important considerations. The Assembly particularly emphasised that it had worked hard with its regional partners to meet the Government's housing objectives and it believed that it had achieved this in a way that maintained the drive towards sustainable development and growth emphasising the Urban and Rural Renaissance so important to the future of this Region

The Government's letter now appears to challenge this view and seems to imply that, in order to provide for a higher level of house building, certain principles underpinning the Spatial Strategy may need to be reconsidered.

Although the contents of the letter has yet to be formally considered by the Assembly, Cllr Rex Roberts', Chair of the Assembly's Regional Planning Partnership initial reaction was that he was disappointed at the Government's position stating: "While we recognise the need to improve housing affordability, it is important that we do not fall into the trap of a simple numbers game. This could lead to the worst of all worlds if more greenfield sites are released and efforts to regenerate brownfield land and derelict sites is diverted such that the overall Urban and Rural Renaissance agenda is undermined".

Cllr Roberts also questioned whether even higher housing numbers could in practice be achieved given constraints in the construction industry and wider infrastructure and sustainability concerns.

While it is clearly open for the Government to undertake any further work it deems necessary, the Assembly will need to assess carefully the full implications of the Minister's letter. Officers will therefore be considering the contents of the letter and possible ways forward and will advise members in due course. Following this, the Assembly will inform its partners and the public on its views including any implications for extending the consultation period.

ENDS

For further information contact Chilufya Dawo on 0121 678 1044.

West Midlands Regional Assembly

1. West Midlands Regional Assembly ('the Assembly') represents a wide range of democratic, social and economic interests throughout the West Midlands region.
2. The Assembly's membership consists of 100 nominated representatives, with 68 members representing the local authority, 16 representing the business sector and 16 representing other economic and social partners.
3. The Assembly provides a platform for organisations to consider matters of common concern including: regional planning, transport, economic prosperity, sustainability, culture and Europe. It also supports regional policy forums and task groups on social inclusion, faith, housing, life long learning/skills, health, rural and community safety/crime reduction.
4. The Assembly works in partnership with Advantage West Midlands (AWM) the regional development agency (RDA), the Government Office West Midlands (GOWM), Regional Action West Midlands (RAWM) the West Midlands Local Government Association (WMLGA) and other regional and local organisations from across the West Midlands region.
5. The Assembly's Regional Planning Partnership is the designated Regional Planning Body for the West Midlands, and is also responsible for scrutinising the operation of the region's RDA, Advantage West Midlands.
6. For further information, visit our website www.wmra.gov.uk
7. The Independent Performance Assessment was undertaken by the National Audit Office as part of an examination of all 8 English Regional Development Agencies at the request of the Department of Trade and Industry.
8. The final report can be downloaded from Advantage West Midlands' website www.advantagewm.co.uk

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