

Agenda Item No. 7

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors - Friday 2 December 2005

Proposed Merger of the Regional Planning Body and the Regional Housing Board and the developing role of Regional Assemblies

Chief Executives Report

1. Purpose

To advise the Board of correspondence received from the Rt Hon David Miliband MP, Minister of Communities and Local Government on 21st November 2005, regarding the proposed merger of RPB and Housing Board functions within the Assembly (attached as an appendix) and the developing role of Regional Assemblies.

To identify the potential issues arising from the draft revised guidance on the general principles of designation of Regional Assemblies received with that letter.

2. Recommendation

- 2.1 That the Assembly at its meeting on 18 January 2006 approve the response to the further correspondence in respect of:-
- (a) Proposals for the merger of the Planning and Housing Board functions
 - (b) Draft guidance on the general principles of designation of voluntary Regional Assemblies
 - (c) Any modifications to governance arrangements which might be required to comply with the guidance.
- 2.2 That the Board determines whether it wishes to convene a special meeting in advance of the full Assembly meeting to consider the recommendations or be consulted upon them electronically.

3. Background

- 3.1 The Assembly is the designated Regional Assembly for the West Midlands under the Regional Development Act 1998 and the designated Regional Planning Body (RPB) under the Planning and Compulsory Purchase Act 2004. The Government indicated in 2004 that it was intended to transfer the Regional Housing Board (RHB) function to Assemblies and a further announcement has been awaited. Correspondence has now been received from the

Minister addressing the issue as well as wider issues of Assembly governance accompanied by draft guidance on the general principles of designation

4. Proposed Merger of the RPB and RHB functions

4.1 In October 2004 both the Board (1.10.04 - Agenda item 13) considered a report on the Barker review and the ODPM consultation on the possible merger of the Regional Planning and Housing Boards. They delegated approval of the Assembly's response to the Regional Planning Partnership which approved it on 19th November (agenda item 3). This as requested outlined how the Assembly felt the merger could be achieved most effectively. The proposed arrangement was for:-

- The Regional Assembly itself to undertake the ultimate combined role of Regional Planning Body and Regional Housing Board.
- a new member lead Regional Housing Partnership to sit alongside the existing Regional Planning Partnership with
- an officer and stakeholder support Group comparable with the Planning Regional Advisory Group with details still to be decided.

4.2 The Assembly is now asked to submit proposals as to how it would undertake the new responsibilities in the light of the updated draft guidance. Careful consideration needs to be given to this. A response is required by the end of January 2006, thus the Assembly will need to approve the response at its January meeting. The Board is therefore asked to consider whether it would wish to be further consulted electronically or schedule a special meeting which would need to take place immediately before Christmas as the Assembly papers need to be finalised by 4th January 2006. The intention is that proposal for merger would 'go live' from September 2006.

5. Draft Guidance on the operation of Assemblies

5.1 This updated guidance seeks to bring together guidance on designating both the assemblies Scrutiny and Planning (and Housing) functions.

5.2 In addition to receiving proposals on how the Assembly will tackle the new area of work the Minister wishes the Assembly to review and outline how its governance arrangements address the principles within the guidance so as to demonstrate in particular:-

- that Assemblies are efficient bodies fit for the functions they undertake
- how Assemblies can improve strategy alignment within the region, including how their structures will enable close alignment of the regional housing strategy with other strategies.
- how Assemblies can separate their executive role from their scrutiny role
- a small senior executive committee capable of acting strategically and with authority, providing clear direction and ensuring the speedy transaction of business
- broad Assembly membership and decision making procedures which seek to ensure appropriate representation for sub-regions, major cities and city regions, and rural areas outside the major conurbations and including regional economic, social and environmental stakeholders.
- Steady progress towards an appropriate gender, ethnic and disability balance amongst members.

All of the above are issues which the Assembly has recently or is currently addressing.

5.3 Clarification will need to be sought from ODPM as requirements that all Assembly members being able to vote on RPB functions and an open process of nomination for non local authority members in view of the Regional Planning Partnership arrangements and OSG and Business nomination processes.

5.4 In his letter the Minister says he expects "to make a formal announcement of the transfer of responsibilities and the related resources to each Assembly early in 2006 in order that these arrangements can be fully operational by September 2006." The recognition of the need for "related resources" is welcomed.

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When we met at Eland House in July we discussed the important and developing role of the Regional Assemblies. I recognised that much good work has been done on regional spatial planning and RDA scrutiny, and we discussed, albeit briefly, new responsibilities in train. We spent a good part of the meeting talking about the balance of executive and scrutiny function, the balance of stakeholder representations, and the balance between focus and integration. A number of chairs have subsequently sent me further thoughts on these issues, for which I have been grateful.

In September 2004 we announced a new role for Assemblies (with the Government Office and the RDA) to provide advice to government on regional investment priorities across housing, transport and economic investment. We have also said that the Regional Planning Body and the Housing Board should be merged. Over the last year or so a number of Assemblies have been reviewing functions and

organisation. We need to ensure that in devolving these new responsibilities Assemblies take the opportunity to review fitness for purpose, to streamline structures and procedures, and to employ best practice in delivery. I see this as learning from what is working best.

This also seems an appropriate point at which to update the ODPM guidance on designation. We have therefore produced the attached revision, which, while it continues to embody much that will be familiar, also gives guidance on new issues, for example, the membership of Assemblies' executive committees. This is a single set of guidance, which seeks to cover principles required for designation both as Regional Planning Body and for RDA scrutiny purposes. To some extent it reflects the direction in which many regions are already moving.

As the guidance says, we do not want to impose a single model on Assemblies: we recognise that, for very good reasons, different regions do things differently. But Assemblies, like any other organisation, can always learn from successful practice.

I am therefore inviting each Assembly to submit proposals which set out how you would propose to undertake your new responsibilities, and how you propose to meet the principles of the revised guidelines. In particular we are looking for proposals which demonstrate:

- how Assemblies would effect the proposed merger of the Regional Planning Body and the Regional Housing Board
- that Assemblies are efficient bodies fit for the functions they undertake
- how Assemblies can improve strategy alignment within the region, including how their structures will enable close alignment of the regional housing strategy with other strategies.
- how Assemblies can separate their executive role from their scrutiny role

As we look at the changing and increasing responsibilities of Regional Assemblies, it seems to us that the need to separate clearly the executive from the scrutiny functions is not just desirable but essential. Overall, we would expect Assemblies to feature:

- a small senior executive committee capable of acting strategically and with authority, providing clear direction and ensuring the speedy transaction of business
- a small number of committees, with a clear focus on core business
- broad Assembly membership and decision making procedures which seek to ensure appropriate representation for sub-regions, major cities and city regions, and rural areas outside the major conurbations and including regional economic, social and environmental stakeholders.

I look forward to receiving proposals which take account of this letter and the attached guidance **by the end of January**. Subject to these containing suitable arrangements for the existing and new housing functions I would expect to make a formal announcement of the transfer of responsibilities and the related resources to each assembly early in 2006 in order that these new arrangements can be fully operational by September 2006.

I am copying this letter to the chairs of all Assemblies.

DAVID MILIBAND

GUIDANCE ON THE GENERAL PRINCIPLES OF DESIGNATION OF VOLUNTARY REGIONAL ASSEMBLIES

1. This note sets out guiding principles for voluntary Regional Assemblies in undertaking functions on behalf of Government.

Background

2. The Regional Development Agencies Act 1998 contains provisions enabling the Secretary of State to designate a Regional Assembly for purposes connected with a Regional Development Agency (RDA). Similarly, section 2 of the Planning and Compulsory Purchase Act 2004 (PCPA) provides for the Secretary of State to recognise a body as Regional Planning Body (RPB) for the region. In each of the eight English regions outside London the designated body for these functions is the voluntary Regional Assembly. 'Regional Assembly' means an unincorporated voluntary association or an incorporated body (including companies limited by guarantee) established by partner local authorities and social economic and environment partners in a given region.
3. Regional Assemblies are bodies of their regions and the Government takes the view that parties involved must be able to agree arrangements that they believe best reflect the particular circumstances of their region: it does not impose a uniform rigid framework for the form of each Assembly. Membership criteria are however set out in the relevant legislation (and are not reproduced in full here), and requirements for the preparation of a Regional Spatial Strategy are set out in 'Planning Policy Statement 11: Regional Spatial Strategies'. The principles set out here are intended to ensure that Assemblies operate in an efficient, inclusive, fair, and transparent manner.

Principles

Membership

4. Assemblies should provide for representation from local authorities on the basis of broad political support across the region; i.e. there should be some representation from all the main parties even if they may not be the party of control in any of the local authorities in the region.
5. Assemblies should seek to ensure they secure the involvement of all local authorities and key interest groups in the region. They should provide for the appropriate representation of sub-regions, major cities and city-regions, and rural areas outside the big conurbations, and should have regard to population size in the allocation of seats on the assembly.
6. The legislation (PCPA) requires that the local government members should comprise not less than 60 per cent of the membership of the Assembly when it is carrying out its functions as RPB, and that non-local authority members (sometimes referred to as 'social and economic' members, or 'stakeholder' members) should comprise at least 30% of the membership. This should not be allowed to prevent the full range of regional interests from being involved. The Assembly's constitution should provide for an open process of nomination of non-local authority members, including consultation with regional partners and the opportunity for those not directly consulted to make their views known.
7. The 'members' of the Assembly, in the context of Assemblies that are incorporated associations or companies, means the full, wider membership of the Assembly encompassing all regional partners.

8. An Assembly should provide for all members to have the opportunity to contribute to debates, and for their views to be reflected in published statements.
9. The Assembly should achieve an appropriate gender, ethnic and disability balance among its members. Arrangements should be made to keep this under review. Ministers will expect to see steady progress towards a position in which men and women are equally represented on regional assemblies and the proportion of disabled members and members from the ethnic minorities reflects that in the adult population.

Procedures/structures

10. The Assembly should have streamlined procedures and structures in place to enable members to deliver effective and timely decision making at the appropriate level (whether full Assembly, committee, official).
11. Business should be conducted primarily through small executive and policy boards (of members) that report to the full assembly as and when appropriate, subject to the need for all members to be able to vote on matters relating to their RPB functions.
12. Membership of executive and policy boards should be open to all members who should be able to contribute and influence decision making and the overall balance between local government and regional stakeholders should be reflected on these groups.
13. These structures should facilitate efficient delivery of the core functions supported by ODPM grant: planning, RDA scrutiny, [housing] and other strategic work such as strategy alignment.

Voting

14. While it is expected that Assembly business can be conducted on the basis of consensus, it is for the regional partners to decide whether voting arrangements are necessary.
15. Where a voting system is employed then all members must be able to vote and the proportion of votes of the local government members and social and economic partners should reflect the overall balance on the assembly between the groups.

Subscriptions and other financial contributions

16. Government funding supports the core functions of planning (including transport strategy), housing and RDA scrutiny, with some support for other strategic work such as strategy alignment. Assemblies are encouraged to seek subscriptions or contributions in kind from members and other sources. Regional interests (e.g. the voluntary sector, small businesses) should not be effectively excluded from membership because of funding/subscription requirements.

General

17. The Assembly's constitution must be consistent with the provisions of the RDA legislation in setting out its role vis-à-vis the RDA. RDAs continue to be public bodies with statutory duties for which they are accountable with the assemblies providing a mechanism through which RDAs can take account of regional views and give the region an account of their activities. The assembly's constitution must also be consistent with the relevant legislation and guidance relevant to its role as Regional Planning Body.

18. The aims and objectives of Assemblies' unincorporated associations or companies, must be compatible the roles and duties associated with the strategic, scrutiny and planning functions of a regional assembly.
19. The Assembly should be mindful of its duties and obligations under the Human Rights Act 1998, and should ensure that its policies, procedures and activities are consistent with the provisions of the Act.
20. The Assembly should conduct its proceedings as openly and transparently as possible, and it should have policies and procedures in place to ensure the integrity of its decisions and activities. Although not subject to the legislation, the Assembly should be mindful of the terms of the Freedom of Information Act 2000, and should ensure that its constitution and activities are consistent with the spirit of the legislation. Assemblies should also be mindful of their duties under the Environmental Information Regulations.
21. Queries on the content of this guidance note should be addressed to the relevant Government Office in the first instance; or to [Colin Cotmore] at colin.cotmore@odpm.gsi.gov.uk or 020 7944 40223

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[date]