

West Midlands Regional Assembly

Agenda Item No. 7

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Board of Directors

25 March 2009

Progress on the SNR Change Management Programme

1. Purpose

- 1.1 To receive, comment and endorse the proposed SNR Change Management Programme and Time Line.

2. Recommendation

- 2.1 To note progress and to endorse the attached Change Management Programme to go forward to Government Office.

3. Background

- 3.1 Members are familiar with the proposals arising from the Sub National Review and the impact that these will have on regional governance arrangements.
- 3.2 In preparation for the implementation of the SNR, the Government will require all regions to submit a Change Management Programme by 31 March 2009. This should provide high level assurances that preparations are in hand to secure a smooth transition from the current regional regime of the Assembly, AWM and the WMLGA, to the new one proposed by the Sub National Review and the Local Democracy, Economic Development and Construction Bill, with the LALB and the RDA becoming the responsible regional authorities.

5. SNR Change Management Programme

- 5.1 The attached Change Management Programme referred to in 3.2 is provided for endorsement. This is required by Government from each region by 31st March 2009. The document will be signed off by the Assembly Board on 25th March and the AWM Board on 31st March; then submitted via GOWM to CLG and BERR. It has been drafted by the SNR Transition Team with input from WMLGA, WMRA, AWM and Chief Executives Task Force. It has also benefitted from advice from Government Office.

- 5.2 The document is concise and may seem to be lacking in detail in this point; but is in line with consistent advice from Government Office and CLG. This confirms that rather than detail being provided at this point BERR and CLG require certainty that issues on governance, officer support and stakeholder engagement are being given serious attention. The attached Change Management Programme in Appendix 1 provides that assurance; albeit that a substantial amount of work is required in the financial year 2009 – 2010 to ensure that the new regional arrangements are effective and operational on or before 1 April 2010. The Change Management Programme will be accompanied by a covering letter when it is submitted to Government Office.
- 5.3 Also attached as Appendix 2 is a Time Line providing information on tasks, required outputs and timescales against SNR key activities. This will be available to shadow JS&IB; it could also be appended to the Change Management Programme and submitted to Government if that is thought appropriate.
- 5.4 Finally, it is recognised that successful communication with stakeholders is a critical success factor in the setting up of the new organisation. Research into how this can best be done is underway and proposals will come forward shortly, with a view to providing regular updates and briefing papers on progress and matters under consideration, both by the JSIB and by the LALB.

Olwen Dutton – Chief Executive
o.dutton@wmlga.gov.uk

WEST MIDLANDS

SNR - CHANGE MANAGEMENT PROGRAMME

Introduction

This Change Management Programme is presented by the shadow Joint Strategy and Investment Board (JS&IB) for the West Midlands. It has been produced by the SNR Transition Team working with AWM, Assembly and local government.

Shadow JS&IB is committed to securing a very wide ownership of the challenges currently facing the West Midlands and the solutions. Shadow JS&IB is overseeing arrangements which will ensure the Region is positioned to develop shared objectives, align public investment and take timely and strategic decisions to secure real impact.

Government's acknowledgement that all regions are different, face different challenges and need to develop solutions that meet their own particular needs, is helpful. The flexibility to allow regions to devise appropriate working arrangements themselves that most effectively meet their needs and circumstances will be a critical component for taking the SNR agenda forward.

This Change Management Programme has been developed against a set of principles agreed by the shadow JS&IB, which will provide the context for how the West Midlands takes forward the spirit of SNR:-

- The shadow JS&IB will take the decisions to ensure that the West Midlands can overcome the current economic and social challenges and is ready to seize the moment when the global and national economies start to look more positive.
- The new Single Integrated Regional Strategy (SIRS) will build on and enhance the current Regional Economic, Spatial and Housing Strategies and the recent work to produce Regional Funding Advice (RFA).
- The ambition set out in RFA to accelerate and remove barriers to delivering projects and programme will be a priority for regional partners.
- Sustainable regeneration will be enhanced by drawing in Government Departments and Agencies and the private sector to secure alignment of investment to support the development and implementation of SIRS.
- The West Midlands will have effective arrangements for engaging stakeholders, business, and Government Departments and Agencies in the development and delivery of the SIRS.

- A credible and comprehensive evidence base will be developed to guide the development and monitoring of the SIRS.
- The principle of subsidiarity will be applied to governance arrangements, public funds, policy making and delivery. We will apply this to decision making, evidence gathering, delegation, investment-planning and performance management.

The establishment of new governance and operating arrangements plus transition of functions, resources and staffing will be completed by March 2010. This Programme sets out the work undertaken to date and the matters to be taken forward in the next twelve months. The partners who are signatories to this Programme want to create certainty around the transition phase to ensure that critical work on the RSS continues and the momentum behind the SIRS is stepped up. The Change Management Programme takes full account of the extensive work being undertaken by the West Midlands Regional Assembly (WMRA), West Midlands Local Government Association (WMLGA), Local Government and Advantage West Midlands (AWM) to support the Examination in Public of Regional Spatial Strategy (RSS) during April to June.

This Programme identifies the Current State of Play and Next Steps against the following headings:-

- Governance
- Officer Support Arrangements
- Stakeholder Engagement
- West Midlands Regional Spatial Strategy
- SIRS Progress Report

This Change Management Programme sets out the broad direction of travel we are taking as regional partners. The detail will be developed over the next twelve months at a pace that ensures we involve key players and regional stakeholders and is responsive to any amendments made to the Local Democracy, Economic Development and Construction Bill.

I Governance

Current State of Play

The regional partners are committed to securing strong regional governance arrangements which are streamlined and capable of taking difficult decisions. An early test of this commitment has been the development of the Regional Funding Advice requiring complex assessments and critical choices. Noted below is the state of play in respect to current governance arrangements.

Advantage West Midlands

With lead responsibility for economic development the non executive Board is responsible for the strategic direction of AWM. It is advised by a series of Boards and Panels, a number of which also have access to AWM budgets to enable them to take activity forward on behalf of AWM and regional partners.

West Midlands Regional Assembly

West Midlands Regional Assembly (WMRA) continues to oversee the RSS Phase 2 and 3 Revisions with all decisions taken by the Board.

Local Authority Leaders Board

The Local Authority Leaders Board (LALB) is up and running, all 38 authorities are represented. Its first meeting was 15 December 2008 and its second 9 February 2009. It has met on a less formal footing from November 2007. The frequency of future meetings is under discussion and expected to be quarterly.

The LALB is advised by the Chief Executives Task Force.

LALB has agreed that a group of six Leaders will represent them on the 'shadow' Joint Strategy and Investment Board.

West Midlands Local Government Association (WMLGA) is currently the lead body for local government in the region. WMLGA Executive has hosted a number of discussions with Elected Members to prepare the ground to develop the new regional local government arrangements focussed on and supporting the LALB. In practise the new local government body will be a 'fusion' of parts of WMLGA and LALB.

Shadow Joint Strategy and Investment Board

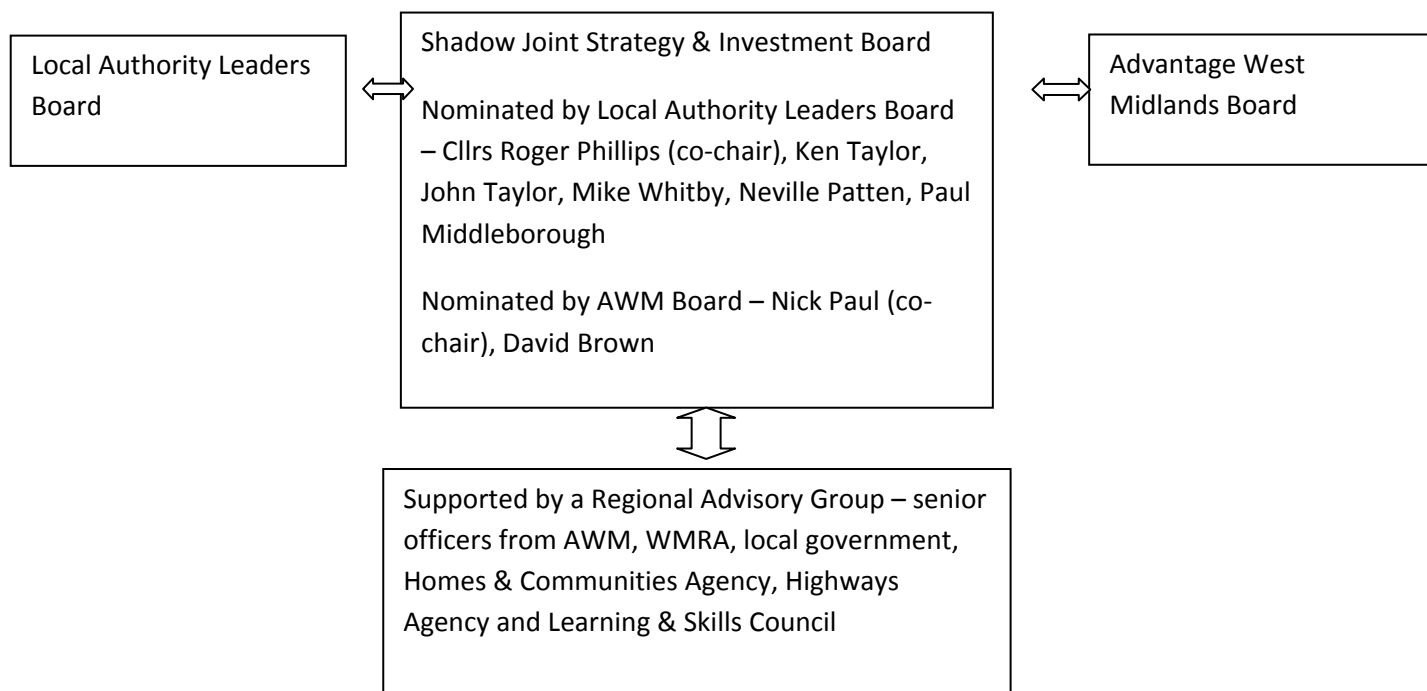
The Joint Strategy and Investment Board (JS&IB) has been set up in shadow form. It has been meeting since November 2008. Membership is six nominated from LALB and up to six from AWM's Board. Shadow JS&IB is co-chaired by Councillor Roger Philips, LALB chair and Nick Paul, AWM Board chair.

In recent months shadow JS&IB has been directing and overseeing the development of Regional Funding Advice. In this capacity it is advised by the RFA Advisory Group (CEOs from AWM, local government, Assembly, Homes and Communities Agency, Highways Agency and Learning & Skills Council.)

Shadow JS&IB has issued seven RFA Briefing Notes which have been widely circulated to partners and stakeholders. Each details work in progress and the direction of travel. A Regional RFA Briefing Event was held on 19/1/09 which provided an opportunity for stakeholders to hear more about the RFA process and discuss with the Shadow JS&IB how

RFA was shaping up. The final draft of the submission was available on the websites of AWM, WMLGA and WMRA for comment. The final RFA submission is on partners websites.

The diagram below depicts the current relationship between the Shadow JS&IB, LALB and AWM Board. It also demonstrates the important advisory role played by the Homes and Communities Agency, Highways Agency and Learning & Skills Council.



Next Steps

Advantage West Midlands

During 2009-2010 AWM Board will take the opportunity to review its working arrangements in line with any additional requirements prompted by the enactment of the Local Democracy, Economic Development and Construction Bill.

Local Authority Leaders Board

In line with the Local Democracy, Economic Development and Construction Bill: Policy Document on Regional Strategies, January 2009, work is in hand to develop a proposal (or 'scheme') for LALB which sets out;

- Membership
- Decision-making process
- How and when it will refresh or re-elect its membership
- Managerial structure and organisation

The scheme will be finalised when the Local Democracy, Economic Development and Construction Bill has completed its passage through Parliament.

The Peak District National Park expect to be fully involved as a upper tier authority in the East Midlands Regional Integrated Strategy as there is provision in the Bill to continue

existing arrangements by order of the Secretary of State. In addition they will be fully involved as a consultee in the development of the West Midlands SIRS.

The Bill also identifies national parks as a "participating authority" in respect of the LALB. As such they will be kept fully informed of developing thinking and will be formally consulted on any formal proposals. It is not expected that the Peak District National Park becomes a member of the LALB.

Shadow Joint Strategy & Investment Board

In line with the Local Democracy, Economic Development and Construction Bill: Policy Document on Regional Strategies, January 2009 work is in hand to develop a proposal (or 'scheme') for the Shadow JS&IB setting out

- How the two bodies, RDA and Leaders Board, will work together to fulfil their duties to jointly produce the draft regional strategy and implementation plan
- What the decision-making process will be, including resolving differences

The scheme will be finalised and consulted on when the Local Democracy, Economic Development and Construction Bill has completed its passage through Parliament.

Draft terms of reference for (ToR) for Shadow JS&IB were produced in September/October 2008. Shadow JS&IB have made a small number of refinements to the draft ToR at their meeting on 16/1/09. Further discussion on the draft ToR will take place at Shadow JS&IB meeting on 24/3/09. The ToR will be finalised when the Local Democracy, Economic Development and Construction Bill has completed its passage through Parliament.

II Officer Support Arrangements

Current State of Play

With the support of Local Government, WMLGA and WMRA, AWM are hosting the SNR Transition Team. The team is led by WMLGA/WMRA's Director of Policy plus 1 ½ staff from AWM and a 'virtual' team drawn from WMRA, WMLGA, AWM, local government and Environment Agency. The SNR Transition Team provide the operational support for the shadow JS&IB. Support for the LALB comes from the local government family and WMLGA.

Shadow Joint Strategy & Investment Board and Local Authority Leaders Board

Shadow JS&IB and the LALB will require effective and efficient officer support arrangements to enable them to undertake the roles ascribed to them by the regional partners and Government.

The nature, type and level of officer support required by the shadow JS&IB will be guided by the principles set out in the Introduction to this Change Management Programme.

The nature, type and level of officer support required by the LALB will be guided by the SNR agenda and the LALB's role as the lead regional local government body in the West Midlands.

Local government in the West Midlands is in the process of renewing and rebranding. The LALB will become the regional local government body for the West Midlands. This will mean the activities currently undertaken or hosted by West Midlands Local Government Association (WMLGA) that remain relevant will be transferred to the new regional local government organisation. Currently WMLGA is the employer of xx of its own policy, corporate and local government services staff and xx West Midlands Regional Assembly staff. WMLGA is funded via subscription, earned income and cross subsidy on corporate activities from WMRA. In addition it hosts a number of projects which support the region's strategic priorities; for example the Big Lottery 'Living Well Project' a £6.8 million project to improve the region's health.

To assist shadow JS&IB and LALB in developing effective and efficient officer support arrangements an independent consultant has been appointed to scope out the policy and support functions each require. The consultant is thus looking at what officer support arrangements will the shadow JS&IB require to develop, deliver and monitor the SIRS in an open and inclusive manner based on a robust evidence base; together with closely associated activities including 'Delivering a Sustainable Transport System' and the recently concluded Regional Funding Advice. The consultant will further advise on what officer support arrangements will the LALB require to be a strong regional player, speak with one voice on behalf of local government, support a strong, efficient and improving local government sector and work with AWM to develop and deliver the SIRS through the shadow JS&IB.

Final advice from the consultant is expected to be available in April.

AWM

Organisational change will be required by AWM to take forward the SNR and SIRS agenda. AWM's Leadership Team has set up an internal Project Board to develop an Implementation Plan to take forward the changes required. This will recognise the stronger strategic role ascribed to RDAs by the Government's SNR agenda, together with new joint investment planning arrangements with local government and other partners. Nominated members of the Project Board will act as the interface with WMLGA via the Steering Group noted below in Next Steps to support transitional arrangements.

Next Steps

In developing new officer support arrangements partners will design out duplication, explore options for a significant level of joint working, look at options for virtual working

and establish how the resources of regional partners and local government can be fully utilised.

Implementation Phase - Following the receipt and consideration of the consultants final report on the officer support arrangements required by shadow JS&IB and LALB, implementation plans will be produced, one each for Shadow JS&IB/Joint Team, LALB Support Team and AWM. They will be taken forward by a steering group comprising the CEOs of WMLGA/WMRA, AWM, Corporate Director – Economic Regeneration and chair of the local authorities SNR Chief Executives – Task Force, supported by the SNR Transition Team. The Steering Group will co-ordinate and oversee all matters of implementation including - TUPE/COSOP issues, financial/budgetary matters, premises, data/records, contracts, reputation management and continuity of work programmes etc.

Resources – The financial resource requirement of implementing the above and the ongoing budget requirements will be quantified in April 2009. At this stage shadow JS&IB, LALB and AWM would like to confirm that regional partners will require £2.1m annually, equivalent to that currently available from CLG to the Assembly. This will be a minimum requirement in respect to this region’s expectations and those of Government in respect to the new roles ascribed to the shadow JS&IB, LALB and AWM.

The £2.1m will be used to fund a core contingent of staff with relevant strategic policy expertise, partnership working skills, investment planning and strategic oversight of regional investment and corporate skills; together with a research budget, monitoring capacity and an ability to support the Examination in Public process.

CLG is asked to confirm budgets for 2010-2011 as soon as possible. The absence of any firm budget information makes forward planning a virtually impossible task.

III Communications

Current State of Play

AWM, Local Government and WMRA are committed to ensuring that partners and stakeholders are informed of all issues and developments associated with SNR/SIRS. A monthly briefing note is available and emailed out to an ever increasing group of partners. This gives information about the issues discussed by shadow JS&IB and progress against SNR/SIRS activities. It is also put on the partners’ websites.

Next Steps

The option to set up a bespoke web domain for the shadow JS&IB and associated SNR/SIRS activity will be explored. Regional, sub-regional, sector and organisational briefings will also be available.

IV Stakeholder Engagement

Current State of Play

The West Midlands has developed strong and inclusive partnership arrangements over the last 10 years. The existing WMRA Partnerships continue to operate in an advisory capacity to WMRA's Board. All partners recognise the need to review existing partnership arrangements and embed robust stakeholder engagement processes in the SNR agenda and SIRS development work.

The SNR Transition Team is having discussions with a number of groupings, agencies, sub-regions and sectors regarding stakeholder engagement with the development and ultimately the delivery of the SIRS. These discussions take forward findings from the Review of Regional Partnership Arrangements completed in September 2008.

In addition the Environment Agency has seconded a senior officer to the SNR Transition Team to do some early work on the environmental evidence base and policy review. This will involve liaison with Natural England and non Governmental environment organisations.

Next Steps

Over the coming months under the direction of the shadow JS&IB the SNR Transition Team will work with the stakeholders to develop regional working arrangements. At this point in time all options remain open including modifying existing partnerships through to starting with a blank sheet of paper. Whichever set of arrangements is agreed, shadow JS&IB with partners, will ensure that the transition from the old to the new arrangements will enable continuity of function and decision making.

V West Midlands Regional Spatial Strategy

West Midlands Regional Assembly has agreed its 2009-2010 Business Plan with CLG. This sets out the range of activities that will be undertaken to deliver responsibilities in line with its role as Regional Planning Body, Regional Housing Body and broader regional responsibilities such as supporting the Regional Transport Action Plan. Critically the Business Plan sets out the action required to support the RSS Revision Phase 2 Examination in Public during April to May, and take forward RSS Revision Phase 3.

VI SIRS Forward Plan

Under the auspices of the shadow JS&IB preparation work is in train on a number of SIRS related activities including: reviewing the evidence base, scoping a scenario planning exercise, local economic assessments etc. The pace of work on these activities is tempered by the progress of the Local Democracy, Economic Development and Construction Bill and preparation for the RSS Revision Phase 2 EiP. An outline Forward Plan has been prepared to capture current thinking and next steps.

March 2009

