

**STRATEGIC REVIEW GROUP – 10 JULY 2006**  
**ACTION NOTES**

**Attendance**

Valerie Broom (Chair)	Other Stakeholders Group
Cllr Philip Atkins	Staffordshire Council County
Cllr Brian Douglas-Maul	Walsall MBC
Cllr Terry Dix	Staffordshire County Council
Rev John Hall	Other Stakeholders Group
Cllr Mrs Jo Jones	Shrewsbury and Atcham Borough Council
Fraser Mitchell	West Midlands Business Council
Chris Newis	West Midlands Business Council
Nic Cole	GOWM (associate member)
Steve Mullaney	Advantage West Midlands (associate member)
Dagmar Waller	Regional Scrutiny Manager - WMRA
David Clarke	Policy Officer – WMRA
Daryl Davies	Senior Regional Support Officer – WMRA

**Apologies**

Cllr David Beechey (Bridgnorth DC), Cllr Mrs Margaret Begg (Warwick DC) and Cllr Steve Eling (Sandwell MBC).

**1. Assessment of the Region's Economy**

The Group received a presentation from Rob Williams, Interim Senior Intelligence Analyst, West Midlands Regional Observatory. The presentation would be circulated to members of the Group in hard copy and made available via the Assembly's website. It is also intended to provide a publication expanding on the presentation.

During the subsequent discussion, Cllr Douglas-Maul (Walsall MBC) referred to the regional importance of transport planning to the region's economy and suggested that this be considered as a future strategic review.

John Hall (OSG) wished to consider inequalities in its broadest sense by comparing and contrasting areas where social and economic regeneration had taken place with areas of deprivation. He was advised that this had been addressed through a contextual monitoring report which was available via the WMRO website: [www.wmro.org.uk](http://www.wmro.org.uk)

**2. Notes from meeting held 5 April 2006 and Matters Arising**

*Notes of last meeting*

The notes of the meeting held on 5 April 2006 were **approved**.

### *Matters Arising*

#### Cllr Mick Salih

Cllr Dix advised the group that the vacancy following the resignation of Cllr Salih would be resolved during the annual review of memberships in anticipation of the WMLGA/WMRA Annual Meetings.

#### Item No. 7 - Rural Renaissance – Final report

Dagmar advised the Group that Advantage West Midlands had been written to seeking clarification on their response to Recommendation IR2. To date, a holding letter had been received. The Group would be advised of any developments.

### 3. **External Links update**

#### (i) **CfPS Annual Conference 2006**

The Assembly's Scrutiny Team together with Cllr Jo Jones had attended this event. It had been a useful conference that highlighted changes in the wider scrutiny environment and provided valuable "thinking time". Dagmar is to circulate a summary from the event.

#### (ii) **Regional Overview and Scrutiny Network Steering Group**

Dagmar reported that this group was currently arranging an event looking at how Local Strategic Partnerships could be scrutinised. Further details will be circulated when received.

#### (iii) **Commission for Rural Communities**

The Group was informed that Dagmar had been invited to sit on a working group to examine how the CRC could develop its watchdog role in a way that complements existing regional scrutiny arrangements.

#### (iv) **ERN Accountability Group -18 July 2006**

The Group was advised that Sue Heard and Peter Cudlip from the National Audit Office would be leading a workshop to share experiences of the first two Independent Performance Assessments of the East of England and North West Regional Development Agencies. This would be reported to the Group in due course.

### **Items for Decision**

#### 4. **Budget Report**

The draft scrutiny and strategic review budget for 2006/7 and a financial position statement as at 30 June 2006 was considered. The draft budget for 2006/7 and expenditure up to 30 June 2006 was shown in appendix 1 of the report.

The total allocation to support the scrutiny function was £30,000 (excluding officer costs). Estimated expenditure totalled £29,149.34

leaving £850.66 unallocated. It was expected that this would be absorbed within expenditure for the European and Cluster reviews.

A provisional figure of £1000 had been allocated to support the Independent Performance Assessment by facilitating stakeholder meetings to input into the self assessment and the formal assessment process (this was discussed in greater detail elsewhere on the agenda).

The allocated budget for the European review included an element for an evidence gathering session to be held at the West Midlands in Europe Office in Brussels. The Group felt that this would only be an appropriate use of funding if it would 'add value' to the review.

The total expenditure for the period from April to June 2006 was £849.34. This resulted from efforts made to reduce accommodation costs during the Regeneration Zones Review and was considered an unexpected benefit of a dedicated Senior Regional Support Officer.

The Group welcomed the Assembly's partners' commitment to the process and thanked officers for their efforts in securing savings which had allowed an increase in allocation to the European Review.

The Group **approved** the scrutiny and strategic review budget for 2006/07 and **noted** the financial position statement as at 30 June 2006.

## 5. **Independent Performance Assessment**

### (i) **Proposal for WMRA Involvement**

A proposal for the Assembly's involvement in the self-assessment stage of the Independent Performance Assessment (IPA) of Advantage West Midlands was considered.

The concept of IPA was introduced in the 2005 Budget and consisted of a 3 yearly assessment of all Regional Development Agencies by the National Audit Office (NAO). All first round assessments would be completed in time to inform the Comprehensive Spending Review 2007.

Advantage West Midlands, whose assessment would commence in September 2006, had formally requested the Assembly's involvement in this process. At our last meeting officers from AWM and the Assembly were tasked with developing proposals for the Assembly's engagement.

Although AWM had started to prepare its self assessment, due to tight timescales, there would not be an opportunity for this Group to discuss future drafts of the document collectively. It was therefore proposed that two Members be identified to form a "virtual" consultation sub group to support and inform the development of the consultation draft.

AWM also wished to engage wider stakeholders in the preparation of this self-assessment. A period of wider consultation commencing in early September and to conclude in early October 2006 was anticipated.

It was proposed that this be launched at an Assembly-led workshop to be held on 18 September 2006. This would consist of round table discussions of specific themes within the self assessment.

The final document would be available at the Strategic Review Group meeting and the full Assembly meetings on 25 October 2006.

As part of the on-site assessment the NAO team would wish to meet with a number of stakeholders and partners. The level of engagement in the formal stage of the process would depend on the requirements of the NAO assessment team. Detailed discussions had not yet been held between AWM and the NAO.

The Group:

- (i) **agreed** to establish a "virtual" consultation sub group to support and inform the development of the consultation draft and comprise of Valerie Broom (Chair), Cllr Phillip Atkins (Vice Chair) and Fraser Mitchell, Cllr Terry Dix and Cllr Mrs Jo Jones;
- (ii) **endorsed** the proposal to hold an Assembly-led stakeholders workshop on 18 September 2006.

## (ii) **Draft Self-Assessment**

The first draft of the self-assessment being prepared by AWM as part of the Independent Performance Assessment (IPA) was submitted.

As part of the preparation, AWM had requested this Group to review and comment on the attached first working draft. Members were reminded that this was a "work in progress" and therefore its contents should not be shared at this stage.

The Group **noted** the first working draft and were encouraged to submit their initial feedback to feedback their comments to Steve Mullaney ([stevemullaney@advantagewm.co.uk](mailto:stevemullaney@advantagewm.co.uk)).

## 6. **European Strategic Review**

A draft framework for the forthcoming European Strategic Review was considered.

It had been previously agreed that the next thematic or strategic review to be completed should examine the Regions' relationship with Europe. It was recognised that this review had the potential to cover a wide range of issues but it was important that it would 'add value' to existing discussions regarding European issues.

A series of informal discussions had been held with a variety of individuals and groups which had highlighted a number of different issues that the review could examine. The broad aims and objectives had been developed following consideration of views regarding the following themes: strategic direction, funding, impact on European policy development, region to region working, representation and support structures.

These would be used to develop the review terms of reference to be agreed by the review panel.

The scoping process had enabled a clearer assessment to be made of timescales for the review. Accordingly the Group was asked to agree that this review was reported to the full Assembly in April 2007 to allow for a longer consultation that did not include the Christmas period.

There was a general agreement with the issues raised by the scoping process but concerns were expressed that the objectives should be tightened to concentrate on funding related issues.

The Group:

- (i) **requested** that officers revisit the broad aims, objectives for this review and circulate an amended version of the framework document electronically for a prompt response.
- (ii) **agreed** to the revised timescale for the review as outlined in the report.

## 7. **Monitoring Implementation of Review Recommendations**

The Group considered a mechanism to monitor how recommendations from scrutiny and strategic reviews were being implemented.

The Group had previously agreed to delay the introduction of a monitoring mechanism as required by the revised Scrutiny and Strategic Review Protocol due to the imminent implementation of the Independent Performance Assessment for RDAs. The Group was recommended to approve the piloting of the proposed monitoring mechanism as detailed in the report.

Nic Cole (GOWM) stated that Government Office could not support the proposals as set out and considered it would be appropriate to await the publication of the IPA Improvement Plans. He expressed concerns about increasing the administrative burden on AWM and wished to avoid two monitoring mechanisms.

Valerie Broom (Chair) wished to secure the credibility of the scrutiny and strategic review process and did not wish to see the introduction of a monitoring mechanism delayed further.

The Group **requested** that officers from the Assembly, GOWM and AWM meet urgently to consider an acceptable monitoring mechanism and report back to the Group's next meeting.

### ***Items for Discussion***

## 8. **Regeneration Zones Revisited**

The final report from the Regeneration Zones Revisited Scrutiny Review and Advantage West Midlands' response was submitted.

In 2004, the Assembly carried out a scrutiny review of Regeneration Zones which explored the progress made by Advantage West Midlands (AWM) in developing the regeneration zone concept and the issues faced by those involved in them. The Assembly endorsed the report in October 2004 and requested that a further review take place to identify the progress made in implementing the Panel's recommendations. This assessment commenced in April 2006 with

evidence sessions held during May 2006. Advantage West Midlands have made a commitment that the final report will inform the current revision of the Regional Economic Strategy.

The Panel felt that AWM had made progress in implementing the recommendations from the original report although it identified areas for future activity within the context of the current Regional Economic Strategy and requested that an action plan be developed by AWM to address these. This was required to be submitted to the Strategic Review Group for discussion at its meeting on 25 October 2006.

A number of process issues were revealed during this review including the lack of a Panel Chair, the decision to focus on the experiences of two Zones and the purpose of the consultation period. These were resolved at a pragmatic level but might prompt further consideration for future reviews.

The Group welcomed AWM's open and helpful attitude throughout the assessment and noted that for the first time the formal hearing was held at their offices.

The Group **noted** the Panel's report.

#### 9. **Scrutiny of "Our City Region"**

The views of the Group regarding the involvement of the Assembly in the proposed scrutiny arrangements for "Our City Region" - the working name for the proposed city region comprising Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, Wolverhampton and Telford - were sought.

A City Regional Development Plan setting out governance mechanisms, including the scrutiny role, was currently being developed.

The draft plan suggested that the scrutiny function be carried out in two ways, internally via a City Region Scrutiny Board and externally via the Assembly. An extract from the governance chapter was set out in the report.

Considerable work was required to develop this into a workable system that added value for the region. Issues to be resolved include expectations, reporting arrangements, linkages with the proposed scrutiny board, and areas of responsibility and provision of resources to support this role.

The Assembly scrutiny role could be broadly similar to the existing role and responsibilities regarding AWM. However it would be important to ensure that a protocol type arrangement was formally agreed prior to any activities being undertaken. It was essential that the Assembly continued to discharge its statutory responsibilities in respect of Advantage West Midlands.

The Group was broadly supportive of the proposals subject to the issue of adequate resources being made available from the City Region to fulfil the role.

Members were reminded that there would be a debate regarding City Regions following the meeting of the full Assembly on 12 July 2006 and this would provide an opportunity to express views.

10. **Scrutiny and Strategic Review Annual Plan 2006/7**

The Group considered the first draft of the Annual Plan for 2006-2007 which was attached as an appendix to the report. Officers were asked to also consider issues raised in the discussion arising from the Assessment of the Region's Economy (Agenda Item 1).

The Group **noted** the initial draft and would await receipt of the final version at their next meeting for approval and recommendation to the full Assembly.

***For Information***

11. **Scrutiny and Strategic Review Annual Report**

The annual report was circulated to all members present at the meeting. [Those not present would receive their copy by post.]

12. **Review of Regional Economic Strategy**

A briefing note had been circulated for information. It was not the subject of discussion.

13. **Enterprise Survey Driving Business Growth – Analysis for the West Midlands Region 2005**

The above Institute of Chartered Accountants report had been circulated for information. It was not the subject of discussion.

14. **Dates of future meetings**

It was **agreed** that the practice of meeting during the afternoon of the Assembly meeting days would continue. The venues would be confirmed in due course.

The next meeting was **confirmed** as Wednesday 25 October 2006 commencing at 2 p.m.

The dates of the future meetings - 24 January and 25 April 2007 were **noted**.

15. **Any Other Business**

**Suggested future review: Impact and Effectiveness of Regional Concordat**

Dagmar reported that the latest version of the Regional Concordat was to be launched at the Assembly meeting on 12 July 2006. Rose Poulter (Director of Policy) had requested that the Group consider reviewing the impact and effectiveness of the Concordat in 18 months time. The Group **agreed** to consider the suggestion at its next meeting when the future work plan would be discussed.