

Agenda Item No. 5

WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors - Friday 9th March 2007

Report of the Chief Executive and Company Secretary

1. **2007-10 Business Plan & Budget**
2. **Contingency Fund Requests**
3. **2006-07 Q3 and Estimated Outturn**
4. **Corporate Governance Issues**
5. **Membership Issues**
6. **Alignment of Meetings**

1. **2007-10 Business Plan & Budget**

1.1 **Purpose of Report**

To present the final version of the 2007-10 Business Plan & Budget as submitted to Government Office. (Appendix 1)

1.2 **Recommendation**

That the Board **approve** the final 2007-10 Business Plan & Budget and recommend it is submitted to the next Assembly meeting for formal adoption.

1.3 **Background**

At the last meeting of the Board, the Chief Executive was delegated authority to make any amendments as necessary to the Draft Plan following a review meeting with Government Office.

Whilst the overall work programme is unchanged, the document itself has been subject to significant amendments in terms of the information provided and the key messages, in particular;

- it now identifies some strategic performance indicators
- it clarifies the +/- scenarios for budget allocations in 2008-09 and 2009-10
- it has strengthened messages around the Assembly's role as a lead partner and regional champion for issues such as climate change
- it highlights the strategic partnership and influencing role of the Assembly

The Assembly's 2007-10 Business Plan & Budget will shortly be available to view at <http://www.wmra.gov.uk/page.asp?id=308>

It has now been submitted to Government Office for the West Midlands (GOWM) and from there to DCLG for consideration by Ministers. According to the timetable we would hope to receive confirmation of funding allocations in March.

2. Contingency Fund Requests

2.1 Purpose

To advise the Board of two separate letters sent to DCLG requesting contingency funding.

2.2 Recommendation

That the Board notes and **endorses** the contingency requests.

2.3 Background – Legal Contingency

The Board previously approved a recommendation that the Chief Executive seek permission from DCLG for a legal contingency.

In 2006-07 a legal contingency fund was carried forward from the previous year to meet the costs of the Coventry Airport Public Inquiry. With all legal support costs now met there is still a balance of **£18,705** unspent. On 25 January 2007 the Chief Executive wrote to DCLG requesting permission to treat this balance as a legal contingency to be carried forward into 2007-08 to meet any potential award resulting from a pending cost application from Coventry Airport.

At this date we are still awaiting a formal response from DCLG.

2.4 Background – General Contingency

The terms of the Assembly Funding Agreement allow for a general contingency of **£6,000** subject to approval. The Chief Executive wrote to DCLG on 31 January 2007 requesting permission for a general contingency up to the limit of £6,000 to be carried forward. The contingency would be established from savings in respect of the staffing budget due to recruitment lagging on posts.

At this date we are still awaiting a formal response from DCLG.

3. 2006-07 Estimated Outturn and Final Virements

3.1 Purpose

To present the Estimated Outturn report (Appendix A) to the Board and advise on the anticipated final position for 2006-07.

3.2 Recommendation

3.2.1 The Board is asked to **note** the details of the report.

3.2.2 The Board is asked to **agree** proposed virements between work strands in the final quarter as detailed in the report.

3.2.3 The Board is asked to **delegate** responsibility to the Chief Executive to administer any additional and final virements arising post this report to ensure full utilisation of funding according to work programme priorities.

3.3 **Background**

The Estimated Outturn has been produced following a comprehensive budget monitoring process. We estimate that the Assembly will fully utilise DCLG funding for 2006-07 with the exception of any approved contingency funds (see point 2).

However there is an identified need for further virements between work strands in the final quarter due to varying progress on work strands.

Key Points:

3.4 **Income Estimates**

- We are pleased to report increased partner income in support of Housing (WS25), Waste (WS26), Health (WS31), Social Inclusion (WS33) and Forestry & Rural (WS37) activities.
- DCLG committed an additional £42,000 (WS25) to support Strategic Housing Market Assessments in 2006-07, however this work will be undertaken during 2007-08 and this sum carried forward at the year end.
- Bank interest (nett of corporation tax) will be transferred to reserves.

3.5 **Expenditure Estimates & Virements**

The attached report includes a narrative for each item of under-spend and additional requirement, but of particular note are the following.

- 3.5.1 The RSS Revision budget (WS18) identified for sub-regional foci and potential environment technical work has not been required this year and is available for virement to support other priorities.
- 3.5.2 Implementation (WS15) has an identified additional need for funding to begin work and strengthen the implementation study. We were only able to identify £40,000 budget for this work in 2007-08 and at best this will deliver a 'mini-level' study. An additional allocation of £40,000 in 2006-07 enables us to tender for a study of the quality and depth needed and to begin this work sooner than anticipated.
- 3.5.3 Black Country Study (WS21) had a budget of £100,000 contribution to the cost of the Examination in Public. However the actual final cost was significantly higher, so much so that the Chief Executive of the Black Country Consortium has subsequently written to the Assembly seeking an increase in the level of our contribution. I am proposing that as a matter of principle the Assembly should increase its level of contribution, but only on the basis that all our own priority needs are met first and foremost. At this point we estimate an uplift of around £10,000 from the RSS Revision budget be transferred to WS21 taking the Assembly total contribution to the BCS EIP to £110,000 (of a total £231,333 incurred by the Black Country Consortium). The actual final figure of additional contribution will be agreed with the BCS in the final quarter.

3.5.4 Operational (WS13) has been increased to enable the Assembly to make a contribution to the cost of the implementation of an ICT Improvement Strategy for the Regional Partnership Centre. This is essential investment in the business critical systems and is matched by an investment of up to £50,000 by WMLGA. I am recommending that the Assembly should make a contribution to this shared service and facility of up to £20,000.

3.5.5 A number of other minor virements are proposed;

- (WS24) Increased fee for Policy Lead on Housing for their support of RHE function.
- (WS26) A small increase is provided to support the Regional Technical Advisory Board.
- (WS31) Additional funds have been provided to support the Health & Well Being Strategy but also to meet potential employer liabilities in relation to this work stream (a cost shared with DoH).
- (WS33) Further funding has been allocated to Social Inclusion to enable production of an Annual Report and to support a regional awareness-raising resource pack to build understanding about people from refugee and migrant backgrounds and the issues they face in the region. This is funded by small savings on (WS34) Culture & Skills and Europe (WS32).

3.5.6 This report is predominantly focusing on the DCLG funding for Assemblies and therefore partner funded activity is shown as an income figure matched by an expenditure figure as any unallocated funds are specific to this project and carry forward to support future work programmes.

4. Corporate Governance Issues

4.1 Purpose

To update the Board on Corporate Governance issues and activity.

4.2 Recommendations

- That the Board **notes** the detail of the report.
- That the Board **notes** the information on Company Law Reform and that each Board Member should personally familiarise themselves with the changes in respect of Directors duties.
- That the Board **notes** the need to update the Register of Interests and that each Board Member should **submit** an updated declaration form.

4.3 Internal Audit

The Regional Assembly does not have its own finance staff but as with most of the corporate support to the Regional Partnership, the provision of financial management services is via the WMLGA.

As such, it is the Finance & Audit Committee of WMLGA who has responsibility for overseeing the internal audit provision. However they are particularly keen to have input from the Assembly's Audit Committee. They will therefore consult directly with members of the Assembly's Audit Committee in respect of the proposed audit plan for 2007-08.

4.4 **Company Law Reform**

The Company Law Reform Bill comes into effect 1 April 2007. It brings with it a number of changes that include amendments to the role of a Company Director. (Appendix B) is an extract from the information provided by Companies House.

The permissible period for filing accounts with Companies House has been reduced, but the Board can be assured that our reporting timetable will seek to file our financial statements in good time.

If you would like to find out more about the Company Law Reform Act you can go to; www.companieshouse.gov.uk/infoandguide/complawreform

4.5 **Complaints, Comments and Compliments**

The Board is advised that the Assembly is currently developing a *Complaints, Comments and Compliments* procedure. We will seek the approval of the Chairman and Vice Chairs before publishing the procedure on our web site. It will outline the Assembly's process to deal with complaints, comments or compliments and a separate guidance note will be produced for staff on how to handle complaints. The final policy will be brought to the next Board Meeting for endorsement.

4.6 **Register of Interests**

The Assembly is required to keep and make available to the public, a register of members' declarations of interest. It is a personal responsibility of members to notify the Assembly of such interests and to update the Assembly when these interests change.

As we approach the end of the financial year, we would ask that all Directors provide us with an updated notice (including a nil return) by 30th April 2007. A form is available for this purpose at (Appendix C).

5. **Membership Issues**

5.1 **Purpose**

To seek the Board's consideration and agreement on pertinent issues relating to membership of Assembly structures.

5.2 **Recommendations**

- (a) That the Board **endorses** Roger Evans' nomination as Vice Chair – Other Stakeholders of the Regional Planning Partnership as outlined in para 5.3.
- (b) That the Board **approve** the proposal from the Regional Health Partnership that Cllr Steve Eling is formally appointed as Chair as in para 5.4
- (c) That the Board **endorses** the proposed additional membership to the Equalities and Diversity Partnership as recommended by its Chair and Vice Chair as outlined in para 5.

5.3 Regional Planning Partnership Vice Chair (Other Stakeholders)

This vacancy, due to the resignation of David Littlemore, has been recently considered by the Other Stakeholders Group and who have nominated Roger

Evans to the post. The Regional Planning Partnership Vice Chair also has a position on the Assembly Board.

5.4 Regional Health Partnership

The Board is advised that following recent discussions, the Regional Health Partnership has proposed that Cllr Steve Eling (current Acting Chair) be appointed as Chair of the Partnership following the stepping down of David Littlemore (previously from the Other Stakeholders Group). On behalf of the Other Stakeholders Group Phil Davis has confirmed their full support for Cllr Steve Eling to take the Chair with Donald McIntosh (SHA non-executive Board Member) to be Vice Chair.

5.5 Equalities and Diversity Partnership

The current membership of the Equalities and Diversity Partnership currently includes representation from key regional partners, such as WMRA, WMLGA, GOWM, AWM, TUC, WMBC, RAWM, CRE, one MEP and three Councillors. In addition, the Partnership aims to have representation to cover the main Equality strands, i.e. age, disability, religion and beliefs, sexual orientation, transgender, race and gender. Representation for three of the strands is already in place however, as there were no immediately obvious candidates available at its inception, four of the areas remained vacant.

5.6 Following consideration of suitable candidates by the Chair and Vice Chair of the Partnership, the Board is requested to endorse those listed below as additional members to the Equality & Diversity Partnership

- Steve Blick, Age Concern England, covering age-related matters
- Sue Huyton, West Midlands RNIB covering disability matters
- Anita Edwards, Regional Women's Officer, UNISON, covering gender matters (particularly women)
- Frank Reeves, Chief Executive, Race Equality West Midlands, covering race-related matters

6. Alignment of Meetings

6.1 Purpose

To advise the Board of the Executive Committee's decision to seek to align future meeting dates of the Board and WMLGA Executive Committee.

6.2 Recommendation

That the Board notes the decision of the Executive Committee and endorses the principle of aligning future meeting dates.

6.3 The WMLGA Committee on 28 February considered a report which sought approval to align the dates of the WMLGA Executive Committee and the WMRA Board of Directors. This would reflect the current system of aligning the meetings of the Association Council and the Full Assembly.

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West Midlands Regional Assembly
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Agenda Item No. 5; Appendix A

West Midlands Regional Assembly: Estimated Outturn & Final Virements

| INCOME | WS | Revised Budget | Estimated Outturn | DCLG Fund Variation | Narrative |
|--|-----------|-----------------------|--------------------------|----------------------------|---|
| DCLG | 1 | 2,172,000 | 2,172,000 | 0 | |
| DCLG Legal Contingency | | 54,716 | 54,716 | 0 | |
| DGLC Housing Board | 3 | 46,210 | 88,210 | 42,000 | Extra funding for SHMA |
| Housing Partner Contributions | 4 | 15,697 | 85,697 | | Housing Partners |
| Forestry Commission | 6 | 24,000 | 99,047 | | Inc rural proofing |
| Department of Health | 7 | 18,000 | 35,736 | | |
| English Regions Network | 8 | 5,000 | 5,000 | | |
| Energy Office (DTI) | 9 | 100,000 | 48,117 | | |
| Other Project Income | | 0 | 50,668 | | Inc £24k for waste |
| Total | | 2,435,623 | 2,639,191 | 42,000 | |
| EXPENDITURE | | | | | |
| Corporate | | | | | |
| Staffing | 10 | 1,115,393 | 1,105,393 | 10,000 | Lagging on posts |
| Staff Training (CPD) | 11 | 11,000 | 13,000 | -2,000 | E&D training for all staff |
| Members Allowance | 12 | 15,000 | 6,000 | 9,000 | Only 50% of chairman |
| Operational | 13 | 125,804 | 145,000 | -19,196 | ICT improvements |
| Communications | 14 | 55,000 | 55,000 | 0 | |
| <i>Sub Total</i> | | <i>1,322,197</i> | <i>1,324,393</i> | <i>-2,196</i> | |
| Planning, Housing & Transport | | | | | |
| Implementation | 15 | 11,000 | 51,000 | -40,000 | Implementation Study begun |
| Monitoring | 16 | 219,000 | 219,000 | 0 | |
| Conformity | 17 | 20,000 | 20,000 | 0 | |
| RSS Revision | 18 | 158,000 | 90,000 | 68,000 | Technical work and sub regional foci not required |
| Urban & Rural Renaissance | 19 | 19,500 | 19,500 | 0 | |
| Partnership/Participation | 20 | 30,000 | 30,000 | 0 | |
| Black Country Study | 21 | 100,000 | 109,804 | -9,804 | Top up for BCS EIP |
| Transport | 22 | 24,500 | 24,500 | 0 | |
| Housing | 24 | 19,500 | 25,000 | -5,500 | Staffs RHE support |
| Housing Board (RHE) | 25 | 46,210 | 173,907 | -42,000 | SHMA work |
| Environment (& Waste) | 26 | 93,000 | 119,534 | -2,500 | Contribute to RTAB |
| Sustainable Development | 27 | 20,000 | 23,000 | -3,000 | Climate change research |

| | | | | | |
|---|----|------------------|------------------|----------------|---|
| Economy | 28 | 39,000 | 39,000 | 0 | |
| Legal Expenses | 29 | 61,716 | 61,716 | 0 | Inc contingency of £18,705 |
| <i>Sub Total</i> | | <i>861,426</i> | <i>1,005,961</i> | <i>-34,804</i> | |
| Strategic Review | 30 | 30,000 | 30,000 | 0 | |
| Policy Integration & Development | | | | | |
| Health | 31 | 28,000 | 55,736 | -10,000 | £2.5k H&WB Strategy & £7,250 employer costs |
| Europe & International Policy | 32 | 15,000 | 10,000 | 5,000 | No subs to WMiE |
| Social Inclusion | 33 | 10,000 | 29,000 | -6,000 | Annual report and develop awareness training pack |
| Culture & Skills | 34 | 10,000 | 8,000 | 2,000 | |
| Rural | 35 | 10,000 | 10,000 | 0 | |
| WMRO State of Region | 36 | 25,000 | 25,000 | 0 | |
| <i>Sub Total</i> | | <i>98,000</i> | <i>167,736</i> | <i>-9,000</i> | |
| Other Activities | | | | | |
| Forestry | 37 | 24,000 | 99,047 | 10,000 | Extra funding not needed |
| Regional Energy | 38 | 100,000 | 48,117 | | |
| <i>Sub Total</i> | | <i>124,000</i> | <i>147,164</i> | <i>10,000</i> | |
| Total | | 2,435,623 | 2,675,254 | 6,000 | General Contingency Bid |

**Report of the Chief Executive and Company Secretary
'Extract from Companies House Website on the Company Law Reform'**

Role of a company director

1. Can anyone be a director?

Generally it is up to the members to appoint the people they believe will run the company well on their behalf. The only restrictions that prevent anyone becoming a director are:

- the person must not have been disqualified by a court from acting as a company director (unless he or she has been given leave (permission) to act by a court for a particular company);
- the person must not be an undischarged bankrupt (except with leave of the court);
- in Scotland, anybody under the age of 16; and
- for a PLC or their subsidiaries, anybody over the age of 70 unless specifically approved by a general meeting of the company.

2. What responsibilities does a director have towards Companies House?

Every company director has a personal responsibility to ensure that statutory documents are delivered to the Registrar as and when required by the Act. In particular:

- accounts (only for limited companies);
- annual returns (Form 363);
- notice of change of directors or secretaries or in their particulars (Forms 288a/b/c); and
- notice of change of registered office (Form 287).

Chapter 4 summarises what a limited company has to send to Companies House.

3. What happens if accounts or annual returns are not filed?

All the directors of the company could be prosecuted. Failure to deliver documents on time is a **criminal offence**. On conviction, a director could end up with a criminal record and a fine of up to £5,000 for each offence.

Alternatively, if the Registrar believes that the company is no longer carrying on business or in operation, he could strike it off the register and dissolve it. If this happens all the assets of the company, including its bank account and property, generally become the property of the Crown.

The company can only be restored to the register and continue in existence by means of a court order. See our booklet, 'Strike-off, Dissolution and Restoration' or 'Strike-off, Dissolution and Restoration (Scotland)', for details.

4. Are directors really prosecuted?

Yes. On average more than 1,000 directors are prosecuted each year for failing to deliver accounts and returns to the Registrar on time. Persistent failure to deliver statutory documents on time may also lead to a director being disqualified from taking part in the management of a company, for a specified period.

5. What happens if accounts are delivered late?

As a director of a *private limited company*, you normally have a maximum of 10 months from the accounting reference date in which to deliver your company's accounts to the Registrar. The accounting reference date is the date to which your accounts must be prepared.

As a director of a *public limited company*, you normally have a maximum of 7 months from the accounting reference date in which to deliver your company's accounts to the Registrar.

Important if your company's first accounts cover a period of more than 12 months, they must reach Companies House within 22 months of the date of incorporation for private companies and 19 months for public companies.

If accounts are received late, the company will automatically be charged a 'late filing penalty'. These penalties can be in addition to any fine imposed by a court - as explained in question 3 of this chapter. The late filing penalty will be calculated according to the following scale:

| <i>Length of delay</i> | <i>Private company</i> | <i>Public company</i> |
|-------------------------------|------------------------|-----------------------|
| 3 months or less | £ 100 | £ 500 |
| 3 months one day to 6 months | £ 250 | £1000 |
| 6 months one day to 12 months | £ 500 | £2000 |
| More than 12 months | £1000 | £5000 |

See our booklet, 'Late Filing Penalties', for details.

6. How can prosecution and penalties be avoided?

Make sure your company complies on time with all its filing obligations, not only in connection with its accounts and annual returns, but in connection with all other documents required under the Act.

7. Isn't my accountant supposed to do all this?

Your accountant's responsibilities depend on the agreement you have with him or her. However, the responsibility to deliver accounts and other statutory documents rests entirely with the *directors*.

Ensure that your accountants have all the necessary information to prepare your

accounts and get them audited on time. If necessary, chase your accountants. Don't just assume they are getting on with the job.

*Accountants and financial advisers don't get prosecuted
or penalised for late filing.
You do!*

8. Why does Companies House need this information?

In exchange for the benefits of trading with limited liability, companies must deliver certain information about themselves to the Registrar. He must then make this information available for inspection by the public so that they can make informed decisions about companies that they may wish to invest in or do business with.

Remember, delivery of documents does not take place until they reach the Registrar.

WEST MIDLANDS REGIONAL ASSEMBLY

Register of Members Interests

I, _____

A member of the **West Midlands Regional Assembly** hereby give notice that I have the following registrable interests, as listed below;

- (a) any employment or business carried on by the Member;

[Empty dotted box for details of (a)]

- (b) the name of the person who employs or has appointed the Member, the name of any firm in which the Member is a partner, and the name of any company for which the Member is a remunerated director;

[Empty dotted box for details of (b)]

- (c) the name of any person, other than a relevant authority, who has made a payment to the Member in respect of his election or any expenses incurred by him in carrying out his duties;

[Empty dotted box for details of (c)]

- (d) the name of any corporate body which has a place of business or land in the region's area, and in which the Member has a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;

[Empty dotted box for details of (d)]

- (e) a description of any contract for goods, services or works made between the authority and the Member or a firm in which he is a partner, a company of which he is a remunerated director, or a body of the description specified in sub-paragraph (d) above;

.....

- (f) the address or other description [sufficient to the location] of any land in which the Member has a beneficial interest and which is in the area of the authority;

.....

- (g) the address or other description [sufficient to identify the location] of any land where the landlord is the authority and the tenant is a firm in which the Member is a partner, a company of which he is a remunerated director, or a body of the description specified in sub-paragraph [d] above;

.....

- (h) the address or other description [sufficient to identify the location] of any land in the authority's area in which the Member has a license [alone or jointly with others] to occupy for 28 days or longer;

.....

- (i) membership of or position of general control or management in any body to which the Member has been appointed or nominated by the authority as its representative;

.....

- (j) membership of or position of general control or management in any public authority or body exercising functions of a public nature;

.....

- (k) membership of or position of general control or management in any company, industrial or provident society¹, charity or body directed to charitable purposes;

.....

- (l) membership of or position of general control or management in any body whose principal purposes include the influence of public opinion of policy; and

¹ See the industrial and Provident Society Acts 1965 to 1978 for the requirements for registration of industrial and provident societies.

(m) membership of or position of general control or management in any trade union² or professional association.

I confirm that the above is correct and I am aware that any changes have to be notified to within 28 days of the changes occurring.

Signed:

Date:

Please return this completed form to:

The Chief Executive

WMRA

The Regional Partnership Centre

Albert House

Quay Place

Edward Street

Birmingham B1 2RA

² See section 1 of the Trade Union and Labour Relations [consolidation] Act 1992 c. 52 for the definition of a trade union