

## Agenda Item No. 4

### WEST MIDLANDS REGIONAL ASSEMBLY

Board of Directors – 10 March 2006

### DECISION NOTES OF THE BOARD OF DIRECTORS MEETING HELD ON 2 DECEMBER 2005

**Present:** Cllr David S Smith (Lichfield DC – Chairman); Cllr Bob Badham MBE (Sandwell MBC), Cllr Claude Bodenham (South Shropshire), John Hart (WMBC), Cllr Mrs Jo Jones (Shrewsbury and Atcham), Roger McKenzie (OSG), Cllr Rex Roberts OBE (Staffordshire CC), Sarindar Singh Sahota (Vice-Chair (WMBC)), Cllr Chris Saint (Stratford DC), Brian Summers (WMBC) and Cllr Paul Tilsley (Birmingham).

*In attendance:* Trudi Elliott (WMRA), Steve Hind (WMLGA), Nigel Summers (Regional Partnerships Secretary) and Daryl Davies (WMLGA).

*Observers:* Chris Bonnard (RAWM), Shelia Healey (GOWM) and James Watkins (WMBC).

*Apologies:* Valerie Broom (Vice-Chair (OSG)), Cllr Mick Salih (Vice-Chair (Local Government)), Cllr Keith Austin (Telford and Wrekin), Cllr Sir Albert Bore (Birmingham), Cllr Steve Eling (Sandwell), David Littlemore (OSG) and Cllr Roger Phillips (Herefordshire).

#### **Dr Sarindar Singh Sahota OBE**

The Chairman welcomed Sarindar Singh Sahota to his first meeting.

The Board **confirmed** the appointment of Sarindar Singh Sahota as the Vice-Chair (WMBC) of the West Midlands Regional Assembly and its Board of Directors.

Sarindar paid tribute to the contribution made to regional working by his predecessor Ben Reid.

#### **Declarations of Interests**

None.

#### **Chairman's and Vice-Chairs' Report**

None.

#### **Decision notes of the meeting held on 16 September 2005 and Matters Arising**

The decision notes of the Board of Directors Meeting held on 16 September 2005 were **agreed** as a true record subject to the spelling of Roger McKenzie's name being corrected in the attendance.

#### **Draft Decision notes of the Assembly Meeting held on 26 October 2005**

The draft decision notes of the Assembly Meeting held on 26 October, 2005 were not submitted.

## **Regional Funding Allocations**

A progress report on the development of the Regional Funding Allocations submission from the West Midlands to Government by 31 January 2006 was considered.

The third in a series of Briefing Notes which described progress to date and key milestones to 31 January 2006 was appended to the report.

Brian Summers (WMBC) welcomed the 'big picture' approach being taken but was concerned by the limited resources available to meet the region's priorities.

The Board **noted** the progress report.

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

The Board were advised of correspondence received from the Rt Hon David Miliband MP, Minister of Communities and Local Government on 21<sup>st</sup> 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.

In 2004, the Government indicated that it was intended to transfer the Regional Housing Board (RHB) function to Assemblies. Correspondence had now been received addressing the issue as well as wider issues of Assembly governance accompanied by draft guidance on the general principles of designation.

The Assembly was now asked to submit proposals as to how it would undertake the new responsibilities in the light of the updated draft guidance. A response was required by the end of January 2006. The Assembly would need to approve the response at its January meeting.

In addition to receiving proposals on how the Assembly would tackle the new area of work the Minister wished the Assembly to review and outline how its governance arrangements within the terms detailed in the report.

The Board **agreed** that the Assembly at its meeting on 18 January 2006 should approve the response to the 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.

## **Review of the West Midlands Economic Strategy**

A report from AWM set out proposals for evidence gathering for the review of the West Midlands Economic Strategy, and sought to demonstrate how that formed part of the overall timetable for the Review.

The timetable for the evidence gathering work, along with the overall timetable for the review, with its end target date of Autumn 2007 was appended to the report.

The way in which the Agency was expected to undertake the review of the RES was set out in the statutory guidance issued by the Secretary of State for DTI. The proposals set out in detail in the report had been framed with this in mind.

Officers circulated a supplementary paper which set out some of their questions and concerns arising from the initial report.

Members **supported** the concerns in the supplementary paper and asked that those concerns be reported back to Advantage West Midlands.

## **Scrutiny and Strategic Review**

### **Key Issues Arising from the Equality and Diversity Strategic Review**

A report which outlined the key issues identified by the Equalities and Diversity Strategic Review and possible areas for recommendations was considered.

The Assembly were currently leading a strategic review of equalities and diversity on behalf of the region. The review process had been lengthy, partly due to the nature of the subject, with evidence sessions being held since April 2004. The review process was nearly completed and the final report would be presented to the full Assembly on 18 January 2005.

Roger McKenzie (Vice-Chair of the Panel) offered his thanks to Assembly officers for their support throughout the process and briefly outlined the possible recommendations.

The Board **noted** the issues and possible recommendations arising from the Equality and Diversity Strategic Review.

### **Draft Reporting and Publication Protocol**

A report seeking the views of Board Members views on a proposed reporting and publication protocol for review reports was considered.

At its last meeting, the Strategic Review Group discussed the impact of the changes in the publication of Assembly papers and agreed a series of principles for the reporting and publication of review panel reports. These formed the basis of the draft protocol detailed in the report.

The Board **supported** the development of the protocol and made no comment on its content.

## Corporate Governance

### Report of the Chief Executive and Company Secretary

#### Half-Yearly Financial and Performance Report

The Board were advised of the submission to GOWM of the Assembly's half yearly financial and performance report and asked to note progress against the business plan at the half year point.

The report had been designed to focus on performance exception whilst providing a progress update for each individual task within the work strands of the business plan. Also detailed was actual expenditure for the first half of the year set against the original budget and bid profile. This contained all financial activity including that funded by other partners.

A narrative setting out discreet ODPM funding, the amount of variance, and a brief explanation of the key variances.

The Board

- i) **noted** the submission of the Assembly's half yearly financial and performance report to GOWM,
- ii) **noted** progress against the business plan at the half year point, and
- iii) **offered** their thanks for the sterling efforts of staff on behalf of the Regional Assembly.

#### Budget and Business Plan 2006-9

The Board were advised of the approach to setting this year's business plan and budget.

The Board **endorsed** the submission of a draft budget to GOWM in advance of approval by the Assembly at its meeting on 18<sup>th</sup> January 2006, in line with ODPM's timetable for the Assembly to submit draft budgets.

#### Expansion of Coventry Airport- Costs of appearing at a Public Inquiry

The Board were advised that a request to ODPM for supplemental funding from their contingency fund to meet the costs of the Assembly's attendance at the Coventry Airport Inquiry had been successful.

In addition, approval was sought to a virement from within the budget to cover the balance of the costs.

In November 2004 Warwick District Council submitted a copy of a planning permission for the expansion of Coventry Airport. Following agreed procedures, an assessment was undertaken and an opinion forwarded to the District Council. The response concluded that the planning application did not generally conform with the Regional Spatial Strategy. An amended application was submitted to the Assembly in September 2005.

Due to a non-determination of the planning application by the District Council, a public inquiry was to be held and the Assembly had been invited to participate as a Rule 6 party.

With no provision within the Assembly's current budget to cover the total estimated costs of £25,000 an application to the ODPM contingency fund had been made. Formal notification has been received that the Assembly will receive £12,500. The Assembly would be requested to meet the balance.

The Board

- (i) **approved** a virement of up to £12,500 to the legal expenses budget (Strand 29) from the Transport budget (strand 22), and
- (ii) **agreed** that the Assembly include a provision in all future budgets for legal expenses.

**Regional Planning  
Body – Conformity  
Role**

The Board's agreement was sought to exploring the feasibility of varying the Assembly's arrangements for the determination of conformity of Local Development Frameworks.

Determining whether Local Development Frameworks conform to the Regional Spatial Strategy (RSS) continues to represent a significant risk of legal challenge. Decisions were currently taken by the Chair and Vice-Chairs of the Regional Planning Body with a minimum of two members required to validate any decision.

To mitigate these risks, it had been agreed, acting on legal advice, that in future the Chairs and Vice Chairs of the RPB would serve as Directors of the Company to ensure that their conformity decisions were contained within the Assembly's limited liability provisions.

Subsequently, a situation had arisen which required a review of arrangements. The nominee for the Vice-Chair of the RPB was not a member of the Assembly and therefore cannot be appointed to serve on the Board. It was noted that membership of the RPB does not require Assembly membership.

The Business sector seats on the Assembly were determined by election and it was not considered appropriate to take any action which would undermine this process. The Board were asked to consider alternative arrangements for dealing with conformity decisions subject to the receipt of the necessary legal advice.

Provisions within the Articles of Association allow the Board to delegate powers to committees or sub-

committees whose members could include individuals who were not Directors. It was proposed to establish an RPB Conformity Panel comprising the Chair and Vice-Chairs together with two additional member of the Regional Planning Executive. The increase in membership sought to address the increasing demands of conformity work.

Cllr Roberts (Chair of Planning Partnership) and Cllr Badham (Vice-Chair of the Planning Partnership) supported the proposals to expand the pool of members who could determine conformity issues.

John Hart (WMBC) thanked Trudi for her efforts in resolving this situation.

The Board **agreed** that legal advice be sought on whether alternative arrangements for managing the Regional Planning Body role of determining the conformity of local development frameworks would remain within the limited liability framework of the Assembly company.

## **Members' Allowances**

The Board were asked to agree the terms of reference for the reconvening of the WMLGA/WMRA Independent Remuneration Panel (IRP). The draft terms of reference were appended to the report.

In January the Board considered the general issue of members' allowances and agreed to meet the costs of a Chairman's allowance. Although generally supportive of the principal of other appropriate allowances due to the financial constraints in the 2005/06 financial year it agreed that the Remuneration Panel should consider expenses with other allowances at a later date.

The Panel's recommendations would not be binding on the Board and would be considered in relation to other budgetary priorities. If the Board agreed then it would be necessary to make some preliminary budget provision.

The Board **approved** the terms of reference for the reconvening of the WMLGA/WMRA IRP.

## **RSS Implementation Event**

The Board were asked to approve a proposal for a 'high level' event designed to secure greater buy-in to the delivery of the Regional Spatial Strategy (RSS).

At the November meeting of the Regional Chief Executives Group (RCEG) it was agreed to hold a 'Chatham House' event on RSS implementation targeted largely at local authority members.

An opportunity had arisen in respect of the private sector and delivery bodies to hold an event, sponsored and

hosted by Price Waterhouse Coopers, to promote the RSS and key initiatives that are contributing to its delivery. The event proposal and intended next steps were outlined in the report.

The Board **supported** the proposals for a high level RSS implementation event.

**Audit Commission Study - Regional Governance: Is it delivering for Local Government - West Midlands Case Study**

The Board were advised of research into regional governance and whether it was delivering for local government which the Audit Commission intended to undertake.

The Audit Commission were undertaking research into regional governance focussing particularly on Regional Assemblies as local authorities contribute directly and indirectly.

MORI would survey all local authorities Chief Executives and Leaders seeking their experiences. The West Midlands was one of 3 regions selected as a more 'in depth' case study.

The Board **noted** the intended Audit Commission research and the selection of the West Midlands as a detailed case study.

**High Court Judge Project**

The Board were asked to support the efforts being made by regional partners to see the West Midlands and Birmingham become a national pilot for the permanent relocation of High Court Judges.

Correspondence had been received from Birmingham Forward enclosing a copy of a letter sent to Lord Justice Gibbs on behalf of a number of regional partners regarding efforts to see the West Midlands and Birmingham become a national pilot for the permanent relocation of High Court Judges.

The Board **agreed** to write in support of the proposal as set out in the report.

**Regional Energy Advisory Board- Request for Board Member and Position of the Regional Energy Advisor**

To seek a Board nominee to sit on the Board of the Regional Energy Advisory Board and consider the position of the Regional Energy Advisor.

The Board **appointed** Cllr Claude Bodenham to serve on the Regional Energy Advisory Board.

**Staffing Matters – CONFIDENTIAL ITEMS**

**Employment Matters: Secondment from**

A report advising the Board of the proposed secondment of a Senior Home Office official to work on Equality and Diversity was considered.

## Home Office

Agreement had been reached with the Home Office to the secondment of Carmel Kerr (a Deputy Director), to support the delivery of the work resulting from the Equality and Diversity Strategic Review, initially for a period of up to 3 years from January 2006.

The Board **endorsed** the secondment of Carmel Kerr in accordance with the terms outlined in the report.

## Regional Partnership Secretariat - Integrated Organisational Structure

Nigel Summers (Regional Partnerships Secretary) introduced a confidential report which set out a proposed development of a single integrated structure which would more effectively deliver the objectives of both the Assembly and the WMLGA.

The Chairman gave an assurance that the proposal would not undermine the position of either the Business sector or the Other Stakeholders Group within the Assembly.

The Board **agreed**

- (i) That upon the retirement of the existing Senior Director of West Midlands LGA, the Chief Executive of the Regional Assembly assumes managerial responsibility for a fully integrated Regional Partnerships Secretariat, based on the organisation structure and division of responsibilities as outlined in Appendix A of the report
- (ii) That the WMLGA Resources Panel and the Joint Chairs and Vice Chairs of WMLGA and WMRA give further more detailed consideration to the human resources and financial implications required to implement the new arrangements
- (iii) That the WMLGA and WMRA Strategic / Business Plans and Budgets, to be presented to the Assembly and WMLGA for 2006/7, are based upon the new integrated structure and the operational and financial efficiencies that the proposal brings forward.

## Draft agenda for the Assembly Meeting

A draft agenda for the next Assembly meeting was circulated at the meeting.

It was **agreed** to defer the progress report on the regional preparations for the Olympics 2012 until the April 2006 meeting.

**Chairman**