

**Agenda Item 9 – Appendix**

**WEST MIDLANDS REGIONAL ASSEMBLY**

**Board of Directors – 26<sup>th</sup> September 2007**

**Regional Working – Post SNR**

**Report of the Chief Executive**

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**1. Purpose of the Report**

To provide the Board with an outline of ongoing discussions from various senior groups regarding the Sub-National Review.

**2. Recommendation(s)**

2a) That the Board note the emerging principles contained in this report.

2b) That Board discuss the report and comment as appropriate.

**3. Background**

3.1 The government produced its review of sub national economic development and regeneration (the SNR) on 17<sup>th</sup> July 2007 and on the following day a summary of the results of this were reported to the AGM of both WMLGA and the WMRA.

**4. Key messages from the SNR**

4.1 Amongst the key messages from the SNR were the following:

- the transfer of planning and transport powers in 2010 from the Regional Assembly to the RDA which would then have executive responsibility for the development of an integrated regional strategy, which covered, economic, social and environmental issues;
- a strengthened role for local authorities acting together at the regional level around the strategic development, prioritisation and ownership of the strategy;
- a stronger role for local authorities in economic development and an emphasis on sub regions,
- the delegation by the RDA to local authorities in the allocation and management of spending, dependent upon capacity at lower spatial levels;

- greater accountability for the RDA through elected local authorities acting at the regional level
  - A further and expanded Regional Funding Allocations exercise.
- 4.2 At the AGM, Members agreed that it was necessary for leading members in the WMLGA to develop proposals for the development of what would be necessary at a regional level post SNR. Subsequently meetings have taken place with the group leaders and then the WMLGA Executive Committee on 4th September. At these meetings the future need for councils to work together across the region was discussed. Initial discussions have also taken place with West Midlands Business Council and Other Stakeholder Group representatives
- 4.3 On 4<sup>th</sup> September a meeting led by the WMLGA Executive and was attended by leading members from all parties. The Chairman emphasised the need for the commitment of all authorities across the region to the principles agreed at the meeting so that these could subsequently be developed as the way forward and provide a clear mandate in its discussions regionally and nationally. It was seen as a great opportunity for local government to provide leadership in the way in which this is taken forwards, ensuring that the necessary delivery at this level happens and in the in the way which best represents the needs of the region.
- 4.4 The meeting was conducted in the spirit outlined in the Sub National Review which emphasises the leadership of local government
- 4.5 To deliver this strong regional approach, agreement is needed to a way of working which combines the importance of sub regions and the delivery focus upon these with a strong and united regional structure for local government which delivers the forum of leaders and accountability mechanism envisaged by the SNR.

## **5. Emerging Principles**

5.1 The principles which emerged from the discussion were as follows:-

- There is a significant role for councils acting together at the regional level and this should be undertaken through the WMLGA;
- This role should embrace
  - The development of a regional forum of leaders as envisaged by the sub national review, working together to influence the strategic development and prioritisation of the IRS and ensuring real 'buy in' by councils across the region;
  - The development of an effective accountability and scrutiny function in respect of the RDA, working together with whatever parliamentary scrutiny arrangements emerge through the regional select committee;

- Working with the RDA's and sub regions to ensure and support the effective delivery of delegation around economic development from the RDA;
  - Effective working arrangements across sub regions which recognise and address regional and pan regional issues in the interests of the West Midlands as a whole ;
  - Ensuring an appropriate balance and effective linkages between the Economic, Social and Environmental aspects of the IRS and local / sub regional priorities.
- 5.2 In order to deliver this substantial agenda, all councils within the region must continue to be involved.
- 5.3 Members concluded there was a need now for councils to commit to the development of the above principles, which build upon the substantial and successful work of Councils acting together through the WMLGA and through providing strong leadership of the Assembly.
- 5.4 The absence of a clear mechanism for coordinating individual and sub-regional local authority and stakeholder views would increase the risk of a marked reduction in overall democratic leadership and accountability, with an adverse affect on regional co-operation and agreement.
- 5.5 There was strong assertion that these arrangements need to be developed at a regional, rather than national level, recognising the importance of ensuring that a balanced set of sub regional ambitions underpin and drive the IRS

## **6. The Future of Partnership Working**

- 6.1 A further issue concerns the future role of existing partners. At the meetings on 18<sup>th</sup> July there was a strong feeling from both the WMLGA and the WMRA that the partnership working which had been built up across the region through the work of the assembly was valued and should be continued. Whilst the SNR is quiet upon the role of other stakeholders in particular, indications since have suggested that the government is aware of the gap that this may cause and so the principles which should shape future working should consider how partners are best engaged and involved within this.

## **7. Timing**

- 7.1 The SNR requires development of the principles within it and discussions have indicated that consultation about the principles will come out over the next few months. For example, the timetable needs to embrace primary legislation for the proposal of the planning function from the assembly to the RDA.

7.2 What seems likely is that there is a small envelope for proposals from the regions to go into government. Indications on behalf of the government, including from senior ministers in CLG, are that it is understood that different regions will come up with different proposals within the broad framework envisaged by the SNR. Furthermore, there are also indications that if arrangements within a region about the structure for taking forward the SNR are agreed at a regional level between councils, the RDA and the Government Office, they are likely to be accepted by government.

## **8. Discussions with the RDA/GOWM**

8.1 Informal discussions at an officer level have already taken place between the Assembly/WMLGA; RDA and GOWM. There is agreement that the sooner the broad thrust of the arrangements that will be developed is clear, the greater the benefit in being able to influence what happens, so the three organisations, in particular the WMRA/WMLGA; and the RDA should continue their constructive relationship in developing potential arrangements for post 2010 and leading up to then. As well as structural issues, these arrangements will include all the necessary matters leading up to the transfer of functions, such as staffing, and a timeline with key milestones. The arrangements will also have to encompass the continuation of Assembly functions until the proposal transfer date; in particular in this region, the completion of the RSS revision.

## **9. Proposals to take the work forwards**

9.1 The sooner the region agrees proposals and so is able to discuss them with government, the more the authorities in the region are able to influence what develops for the West Midlands. If the principles outlined in this report are accepted as providing the basis for future work they will need to be developed. The most effective way of doing this is likely to be through a small member working group, supported and advised by a group of leading chief executives selected from within the region working with and providing strategic advice and direction to the staff of the WMLGA and WMRA. Partners should also be consulted on the development of these proposals.

9.2 The role of the member group would be to recommend some clear principles to the WMLGA and onto the WMRA about future arrangements which would enable councils to fulfil an appropriate leadership role in respect of;

- i. The development, approval and prioritization of the integrated regional strategy (post 2010);
- ii. Scrutiny of the RES (and any successor single integrated strategy); the performance of the RDA and any other performance at a regional level which may be required or felt to be desirable;
- iii. The continuance of the Assembly functions prior to the implementation of the Government's proposals set out in the SNR for transfer to the RDA;

- iv. The development of effective delegation from the RDA to sub regions;
- v. Advising the Minister for the West Midlands on issues of strategic importance to the Region;
- vi. Determining regional spending priorities as requested by central Government for example the follow-up to the Regional Funding Allocations initiative
- vii. Any continuing partnership arrangements
- viii. Establishing necessary funding requirements

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