

Council

17 May 2016

West Midlands Combined Authority

Report of the Strategic Directors for Communities and for Resources

Recommendation(s)

1. That the Warwickshire County Council becomes a non-constituent member of the West Midlands Combined Authority with a view to negotiating the basis of an acceptable deal on which Warwickshire could become a constituent member
2. That the Leader of the Council be nominated as the County Council's representative on the West Midlands Combined Authority
3. That the Strategic Directors for Communities and for Resources are authorised to take any action that they consider necessary to implement the Council's decision.
4. That the budgetary provision for non-constituent membership of £25,000 be met for 2016/17 from the Capacity Building Reserve and that for subsequent years be included as part of the budget making proposals for 2017/18 onwards;
5. That a further report is brought to a future Council meeting clarifying the position reached and the planned next steps

1.0 Key Issues

- 1.1 On 23rd February 2016, Council considered a notice of motion regarding the West Midlands Combined Authority. At the conclusion of the debate, the Council resolved;

'That the Council should now explore fully the option of joining the WMCA as a constituent member. Officers should be tasked with developing a full business case, bringing it to Council within a period not exceeding six months and with a target of three months'.

- 1.2 The work to explore the option of joining the WMCA as a constituent member is ongoing and a devolution officer team led by the Strategic Director for

Communities and the Strategic Director for Resources has been established and is meeting regularly. The two lead Strategic Directors have also been engaging in dialogue with WMCA Chief Executive leads to help understand what becoming a member of the WMCA would mean for Warwickshire. This has included meetings with the following WMCA Chief Executive leads and other lead officers;

- Mark Rogers, Birmingham City Council - Lead Devolution Negotiator for WMCA
- Keith Ireland, Wolverhampton City Council - Governance Lead and Monitoring Officer
- Martin Reeves, Coventry City Council - CEO ,WMCA SEP & Long Term Vision Lead
- Jan Britton, Sandwell MBC COO, Finance and Constitutionality Lead
- Paul Dransfield - Birmingham City Council, Strategic Director Major Projects and Programmes
- Chris Tunstall, City of Wolverhampton Council - Adviser to the WMCA
- Richard Parker and James Daly, PWC – Lead advisers to the WMCA

There has also been a meeting between the Council's Head of Finance and Birmingham City Council's Director of Major Projects and Programmes.

- 1.3 The WMCA devolution deal is part of the first wave of devolution deals following the 38 bids received by the Government in September 2015. The first phase for the West Midlands is the non-mayoral arrangement. The deal for this phase ('Devo 1') was agreed on 17th November 2015 and has three main strands;
 - 1.3.1 The additional £36.5m pa over 30 years allocated to the WMCA to support investment and contribute towards a £8bn investment programme
 - 1.3.2 Devolved budgets from Government to the WMCA for transport of circa £100m pa of existing money largely from the West Midlands Integrated Transport Authority and constituent member maintenance budgets which will be consolidated to enable local decisions to be made around maintenance and infrastructure schemes
 - 1.3.3 New powers enabling the WMCA Mayor, with the agreement of the relevant LEP Boards, to raise income by creating supplementary business rates up to a cap within the mayoral geography and through the power of the mayor to precept for mayoral functions and within the mayoral geography only.
- 1.4 Appendix 1 is a WMCA document which sets out the key points of the devolution agreement. The agreement is subject to ratification by all 7 constituent members and the appropriate Order being approved by both Houses of Parliament under the Cities and Local Government Devolution Act 2016 (which came into force on 28th March 2016) and then the Order formally being made by the Secretary of State. Upon the signing of the Order by the Secretary of State, the new combined authority will formally come into existence.

- 1.5 We understand that the constituent member Councils will all have approved the WMCA devolution deal within the coming weeks. This will enable the Order to be laid before Parliament during May to enable the WMCA to be in place from 1st June 2016, which is the WMCA's published launch date. This Order will not include provision for the agreed elected mayor. This will be the subject of further negotiation between Government and the WMCA and will be implemented via a further Order at a later date with a view to mayoral elections taking place in May 2017.
- 1.6 The second part of the statutory process relates to the mayoral arrangements. We understand that a draft scheme for a mayoral WMCA is being worked up now and this will be the subject of consultation by the DCLG over the summer period. The scheme sets out the functions and powers of the mayor and will ultimately require approval of both Houses of Parliament. All constituent and non-constituent members of the WMCA will be named in the mayoral scheme. The introduction of a mayoral model will also require formal approval of the Mayoral Order by both Houses of Parliament in due course and for the Secretary of State to sign the Order. This enables the mayoral elections to take place and must be done at least 6 months before the elections which are expected in May 2017.
- 1.7 We have been told that as a result of this timeframe, 10th June 2016 is the deadline which has been given for the WMCA Shadow Board to consider additional membership prior to the mayoral scheme going out to consultation. A decision after this date would be too late to enable the membership details in the draft scheme to be amended in time for the consultation. The timeframe the WMCA is working to is based on the expectation that all relevant approvals (of the scheme and the mayoral order) by both the Government and the constituent members will be in place before the end of 2016 to enable the mayoral elections to take place in May 2017.
- 1.8 As set out above, Devo 1 has been already agreed. However the devolution agenda is moving at a fast pace and with its increasing membership and Devo 1 implementation plans in progress, the WMCA has been invited by HM Treasury to plan for and prepare its Devo 2 requirements, including what additional elements of devolution, potentially involving greater fiscal powers, could be negotiated with Government. The Government's expectation is that each 'Devo Deal' will generate further 'deals' over time, each building on the last one as a progressive process. The Government has already indicated its commitment to continue working with the West Midlands into the future on other aspects of devolution (including policing, mental health, troubled individuals and youth justice); the intention being that these would be included in any Devo 2 negotiations. Consideration of Devo 2 is running in tandem with the statutory process to create a mayoral combined authority.
- 1.9 This effectively means that the Council now has a short window of opportunity to be included in the draft scheme, enabling us to take part in Devo 2 negotiations, if the Council chooses to do so (noting that the full benefit of any Devo 2 agreement will largely accrue to constituent members in the first instance). Joining as a non-constituent member would mean that the next

opportunity for the Council to join as a constituent member would not arise until after the mayoral elections in 2017 at the earliest. Joining in this capacity would be subject to the outcome of any ongoing work which would be needed to explore the business case and negotiate any terms of a deal and the governance arrangements for Warwickshire's admission on a constituent member basis, should that be the preferred way forward in the future.

2.0 Options and Proposal

2.1 As set out in previous reports, the Combined Authority's area covers the whole of the seven constituent authority areas. This is despite the non-constituent membership extending beyond this geographical area. These areas are;

- Birmingham City Council
- City of Wolverhampton Council
- Coventry City Council
- Dudley Metropolitan Borough Council
- Sandwell Metropolitan Borough Council
- Solihull Metropolitan Borough Council
- Walsall Council

Appendix 2 contains summary information of each constituent member.

2.2 At the time of drafting the constitutional documents, the Combined Authority consisted of 15 members. This was comprised of 7 constituent authorities (listed above) and the following 8 non-constituent authorities/bodies;

- Cannock Chase District Council
- Nuneaton and Bedworth Borough Council
- Redditch Borough Council
- Tamworth Borough Council
- Telford and Wrekin Council
- Black Country LEP
- Coventry and Warwickshire LEP
- Greater Birmingham and Solihull LEP

2.3 Since that time, Stratford-on-Avon District Council on 25th January 2016 decided to join the WMCA as a non-constituent member, and on 6th April 2016, Shropshire Council voted similarly. This would bring the potential number of non-constituent members to 10. We understand the West Midlands Police and Crime Commissioner and the West Midlands Fire Service hold observer status.

2.4 There are 4 possible avenues open to the Council at this stage. These are;

Option 1	Not to pursue membership of the WMCA on any basis
Option 2	To seek non constituent membership
Option 3	To seek non constituent membership with a view to negotiating the basis of an acceptable deal on which Warwickshire could become a constituent member
Option 4	To seek constituent membership

- 2.5 *Option 1* - As the next stage of the process formalises the mayoral arrangements, we understand that a decision not to pursue membership on any basis at this stage would mean that we would not be included in the draft mayoral scheme currently being drawn up. As a result, we understand that this would defer any possibility of Warwickshire's admission as a constituent or non-constituent body until after the mayoral elections in May 2017 at the earliest. Warwickshire would therefore not play a part in (or benefit from) the negotiations with Government around Devo 2 which are expected to take place over the summer and into the autumn. Nor would Warwickshire be able to exert an influence over decisions which the WMCA will likely take following its establishment in June, such as the setting of the WMCA strategic economic plan and the wider investment strategy. This may negatively impact on the ability for Warwickshire to secure Local Growth Funding, and engage in wider activities covering the "three-LEP" area contained within Devo 1. Should Warwickshire wish to join after May 2017, this would rely upon the willingness of the WMCA, the Mayor and Government for existing deals and governance arrangements (including the timing of our admission) to be opened up and renegotiated to include Warwickshire and any provisions which it would be important for Warwickshire to secure as a non-metropolitan area. It is likely that by this stage Devo 2 will have been agreed.
- 2.6 *Option 2* - The Council could seek membership of the WMCA as a non-constituent member at this point without any commitment being made as to whether its future membership status would alter. Joining as a non-constituent member would give the Council a seat around the table, an opportunity for its voice to be heard and the needs of its own area to be considered alongside those of other authorities and the right to vote on certain specified matters (see para 3.3 below). These include the allocation of growth funding by the WMCA, the super strategic economic plan, any land activity undertaken by the WMCA within the area of a non-constituent authority and the grant to the WMCA of further powers from government or other local public bodies (such as the Police and Crime Commissioner). A decision to become a non-constituent member now would also give Warwickshire a voice in the second round of negotiation relating to Devo 2 expected over the summer and into the autumn, albeit it would be expected that the full benefit of any devo 2 agreement will largely accrue to constituent members. We have been told that if we pursue this option, we would be given rights as a non-constituent member immediately (there is precedent for this) upon our decision, even though Warwickshire would only be formally named as a non-constituent member on the mayoral Order expected in January 2017. This would also apply to Option 3.
- 2.7 *Option 3* – seeking membership as a non-constituent member (which as stated above, we have been told would give us rights as a non-constituent member immediately) with a view to negotiating the basis of an acceptable deal on which Warwickshire could join as a constituent member is a further option. This option would not commit the Council to ultimately becoming a constituent member, but it would be a 'statement of intent'. It would signal to the WMCA Warwickshire's intention to explore this option seriously. We anticipate that such a decision would secure a commitment on the part of the

WMCA to negotiate and agree terms for an acceptable deal for Warwickshire, particularly given the additional weight that (both we and the WMCA lead officers have suggested) Warwickshire as a full participant could bring to further negotiations with Government around Devo 2. This option would also provide the opportunity for there to be local engagement on any proposal for Warwickshire to move to constituent member status following negotiation of the terms of admission, agreement with the WMCA and Government around the governance arrangements including the timing of any such admission and following completion of our own due diligence exercise. The timing and detail of any future application for constituent membership would be dependent on the agreement of the existing WMCA members, the mayor (upon election) and central government. In any event it would not be possible until May 2017 at the earliest. In a very recent conversation with the Chief Executive, a lead civil servant has indicated that were Warwickshire not to be included as a constituent member in the current mayoral scheme, which will be the subject of consultation over summer 2016, then the next earliest opportunity for Warwickshire to join as a constituent member would be 2020. We understand this would be the date of the next mayoral elections after 2017. Albeit local agreement may be reached on this, our admission as a constituent member would need to be the subject of a statutory order agreed by all parties concerned.

- 2.8 For both options 2 and 3, a non-constituent membership fee of £25K per annum is payable. We have also had verbal commitment from the WMCA that should WCC decide to become a non-constituent member we would be given rights of membership immediately. The weight and influence which Warwickshire County Council would bring to the WMCA is recognised and we would be given opportunity to play a full role. The WMCA has indicated that there will be a range of thematic streams each led by a constituent member examples include *Skills and Employability*; *Criminal Justice*; *Transport Delivery*. Warwickshire would be invited to lead on one or more of these themes.
- 2.9 *Option 4* – The Council could seek constituent membership now. This would require the Council to make a greater financial commitment (£500,000 is currently paid by constituent members upon joining). Warwickshire would be named in the draft WMCA mayoral scheme, in the same way as it would be as a non-constituent member. As a constituent member Warwickshire would have full voting rights on all matters under discussion. Joining as a constituent member would extend the area of the combined authority to include Warwickshire and would be committing Warwickshire to a mayor whose remit would extend to Warwickshire, subject to what was negotiated as part of our admission. As a constituent member, the Mayor would also be able to raise a precept which would apply to Warwickshire residents and, subject to appropriate stakeholder approval, levy a business rate supplement. At present there is insufficient detail to evaluate whether joining as a constituent member would be in Warwickshire's best interests. Given the timescales planned for consultation on the mayoral scheme this option would likely mean Warwickshire signing up to constituent membership without having had the opportunity to engage in full negotiations to secure the best

deal possible for Warwickshire (especially around areas such as skills and transport - for example maximising Warwickshire's position in relation to the Government's Highways Incentive funding) and without having had the necessary time to undertake its own due diligence exercise. It is of note that all of the current constituent members of the WMCA are Metropolitan councils with very different demographics and a different economic profile to that of Warwickshire. It is also important to note that the seven Metropolitan Council constituent members have been working together on the creation of the WMCA for over 12 months. If Warwickshire were to join as a constituent member, as far as we are aware, it would be the only non-unitary county council to join in this capacity in the country. This suggests that a 'one size fits all' deal would not be appropriate for a shire county and that a different type of deal would need to be negotiated to respect these differences. We understand that this has been the case in the North East Combined Authority (NECA) where Durham, a unitary county council and constituent member, has negotiated different arrangements in respect of transport and where the Durham Police and Crime Commissioner is not part of the devolution agreement. Moving immediately to a decision in favour of constituent membership would also severely limit and inhibit the extent of local engagement that would be possible within the timescale available before making a formal commitment to constituent membership status.

- 2.10 Warwickshire is uniquely placed. Our economy is strong, diverse and prosperous. The county is strong in the fields of research & development (particularly in relation to advanced manufacturing and high performance technologies); digital and creative industries, and innovative cross-over sectors such as intelligent mobility and low carbon technologies. Warwickshire has above the national average rates of GVA per head of population (one of just three local authority areas in the Midlands) and we were identified as the strongest performing area of the West Midlands in a recent Amion Economic Growth & Competitiveness Index. Warwickshire's economy and geography are different to those of the Metropolitan areas. We would bring a very different dimension to the WMCA, in particular Warwickshire's GVA per head (£26,003) is materially higher (22% -74%) than existing constituent members except Solihull (£27,245), our JSA claimant rate is lower (0.6% to 3%) and our employment rate materially higher (6% to 17%) (See Appendix 2). Joining now as a non-constituent member would enable Warwickshire to play a full part in negotiations around Devo 2 and the potential for that to bring benefits to our area. Our clear impression is that the WMCA members recognise the benefits and the additional weight that Warwickshire could bring in terms of negotiating the next phase of devolution for the West Midlands and this could also be persuasive for Government. Not pursuing membership at this stage would deny Warwickshire a presence in those negotiations and would defer any future membership aspirations for at least 12 months and potentially longer. For these reasons, option 3 above is recommended by officers.

3.0 Implications of becoming a non-constituent member

- 3.1 There would be ongoing financial implications of becoming a non-constituent member; these are not significant. As we understand it, a contribution of £25,000 is paid by non-constituent members upon joining. The current transitional contribution rate for constituent members upon joining is £500,000. Ongoing future annual payments have not yet been fixed.
- 3.2 Joining as a non-constituent member does not mean that the Combined Authority area is extended to include the areas of the non-constituent councils. Therefore the extent of the Combined Authority's powers remains limited to the area of the 7 constituent members and, if Warwickshire became a non-constituent member, the Council would remain independent retaining all of its current powers. The WMCA would not be able to impose decisions on the Warwickshire area and would not be able to take decisions in relation to any functions for which the County Council is responsible. Nor, as a non-constituent member, would the Council's functions come under the remit of the future West Midlands Mayor (due to be elected in May 2017).
- 3.3 The WMCA's current draft constitution (Version 4) sets out the voting arrangements. In summary;
- (i) Each constituent authority has the right to appoint 2 members (14 in total)
 - (ii) Each non-constituent authority has the right to appoint 1 member (currently 8)
 - (iii) All members have one vote each (where they are eligible to vote)
 - (iv) The quorum for WMCA meetings is at least one member from 5 separate constituent councils
 - (v) There is no casting vote
 - (vi) All WMCA decisions require a 2/3 majority of the constituent members present and voting. The intention however is for consensus
 - (vii) Some decisions require the unanimous consent of the constituent members present and voting (SO19.5) – set out in Appendix 3.
 - (viii) The matters on which the WMCA has decided the non-constituent members will be able to vote are set out in Appendix 4
 - (ix) Decisions of the WMCA can be called-in by 5 constituent members (from 5 different councils) of the overview and scrutiny committee
- 3.4 The requirement for a 2/3 majority of the constituent members would still apply to those matters on which the non-constituent members can vote. The non-constituent members would not be eligible to vote on other matters outside of this list however there are speaking rights for all members on all matters at WMCA meetings. This provides non-constituent members with the ability to influence, if not vote, on all matters under discussion. (SO18.1).
- 3.5 Under the WMCA constitution, each non-constituent authority has the right to be represented by at least one member on any overview and scrutiny committee established as part of the WMCA governance arrangements. The

majority of members of the overview and scrutiny committees must come from the constituent authorities.

- 3.6 The WMCA's audit committee also provides for non-constituent representation on the audit committee which will comprise 4 constituent member representatives and 3 non-constituent representatives.

4 Future Issues

- 4.1 The current WMCA devolution deal proposes a number of areas for further exploration which are not part of the current deal i.e.
- 4.1.1 Proposals for an appropriate relationship between the functions of a Mayor and future role of the Police and Crime Commissioner (PCC), including in relation to fire services, subject to local consent and a business case developed jointly by the PCC and council leaders, and in consultation with the Fire and Rescue Authority. For the WMCA this involves the West Midlands Police and Crime Commissioner and (subject to appropriate legislation being passed) the West Midlands Fire Authority
 - 4.1.2 The Government's review of the youth justice system will work with the Combined Authority Shadow Board to consider scope for further devolution of youth justice services to the region, and will look for opportunities to work with the region to test the review's proposals.
 - 4.1.3 The Government will engage with the Combined Authority Shadow Board to discuss the outcomes of their Mental Health Commission (which is expected in July 2016).
 - 4.1.4 The Government and the West Midlands Combined Authority will work with the East Midlands to take forward the Midlands Engine project to secure wider transport investment and growth.
- 4.2 The draft mayoral scheme will need to be considered in due course to determine how the proposed mayoral combined authority arrangements may impact on the current constitutional arrangements.
- 4.3 A further report will be brought to the Council to provide an update on the progress made and planned next steps.

Appendix 1 Summary of WMCA devolution agreement

Appendix 2 Summary of WMCA constituent councils

Appendix 3 Decisions requiring unanimous consent of the Constituent Authorities

Appendix 4 Matters on which non-constituent members may vote

Background papers

None

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WMCA Devolution Agreement:

Key Points

The proposed agreement takes forward the founding principles set out in the [WMCA launch document](#) published in July 2015:

- It confirms and endorses our commitment to work together across a three-LEP geography to secure our objectives
- It focuses on the issues that really matter to the people and businesses of the West Midlands: growth, jobs, skills, transport and homes
- It recognises that economic growth for the West Midlands is part of the wider Midlands Engine
- It gives us the ability to create a substantial investment programme and to make the investments that we decide will have the biggest benefit for the West Midlands
- It enables us to start work with government on our public service reform agenda
- It supports and strengthens our commitment to partnership with the private sector.

The agreement is the first step towards:

- Local control of investment plans and funds for West Midlands priorities (transport and land reclamation for housing and employment)
- Local control of adult skills provision
- A local employment service
- The development of new devolved approaches to mental health, troubled individuals and youth justice services
- Control over a more integrated local public transport system and influence over strategic road network planning
- A devolved business support and inward investment system
- An integrated locally led approach to public sector land and property – One Public Estate.

It will support an £8bn ten year investment plan to get the West Midlands moving and drive local growth.

The £8bn investment plan will be funded from a 30 year revenue stream from government, specific devolved funding streams such as local transport, private sector investment and locally generated funds, for example from business rate retention, our enterprise zones, borrowing and private sector investment. This is in addition to any future Local Growth Fund allocation to the three LEPs, which will not be affected by this agreement.

The agreement provides for a contribution to our investment fund of £36.5m per year over a 30 year period from government and grant support for the £97m Adderley Park Metro extension (which is equivalent to an additional £4.3m per year over the period – making an overall contribution worth over £40m per year). In addition the agreement includes other devolved funding streams. The financial package is broken down in detail in the attached financial briefing.

Expansion of our enterprise zones and creation of new zones will provide further investment funding across the region. Government will finalise decisions at the Spending Review but the agreement contains a commitment to expand the Birmingham City Centre Enterprise Zone to take in the Curzon regeneration area.

Benefits for every part of the area

Our local investment priorities - devolution means we will get the power to make our own decisions about investment in the West Midlands. This will ensure balance and region-wide benefits for communities and businesses alongside effective targeting of resources on strategic priorities. All areas will benefit, be they areas for new employment, those that will benefit from new jobs or skills training, areas for new homes or places that will be better connected.

- The £4.4bn HS2 Growth Strategy to ensure maximum economic benefit from the HS2 investment.** This will include the Curzon Masterplan, our priority for expansion of the metro network east and west, from Brierley Hill to the HS2 Interchange station, the UK Central infrastructure package, including new transport links to Coventry and enhancing the HS2 supply chain. The 20 HS2 Connectivity schemes will ensure that nowhere in the WM is more than 40 mins from an HS2 station
- The **UK Central-Coventry scheme** will provide a road and public transport link from the HS2 Interchange station to Coventry as well as further specific investment of £150m in the regeneration of Coventry city centre
- A £200m land remediation fund.** This will enable brownfield land to be brought back into use for housing and employment, and will particularly benefit the Black Country through the redevelopment of brownfield sites
- A £500m housing investment fund** (mainly locally funded). This will be brought forward to support the development of new homes
- A £1bn Collective Investment Vehicle** (locally funded) to help companies invest and grow
- A £30m employment, education and skills programme for the three LEP area.**

Half a million new jobs

- The deal will enable the delivery of the Super SEP across all three LEPs, which has the potential to help support the creation of up to 500,000 new jobs.
- The power to make HS2 benefit the people of the West Midlands. The HS2 Growth Strategy alone will create an additional 100,000 new jobs.

Better training and improved skills – enabling local people to get the jobs on offer

- Better skills planning and a local strategy – identifying the skills that local people need for the jobs that local businesses need to fill
- Local control of public funding for adult skills training by 2018/19 – meaning local decisions about what training to invest in
- Better employment support – working with a range of government departments, including DWP to co-commission the Work Programme, building on the expertise of local councils. The deal is also the first stage in the development of a better, locally run system of support for people who find it the hardest to get back into work.

Better public services – helping people into the labour market and reducing the public finance gap

- Pioneering a new approach to mental health for the whole country – A new Mental Health Commission, chaired by Norman Lamb MP and supported by NHS England and Public Health England
- A new approach to troubled individuals – working with DWP to design a new system for people with complex dependencies and then piloting new ideas in 2016
- Reforming the youth justice system – building on the nationally recognised work of West Midlands Police, designating the West Midlands as an accelerator site for testing and developing youth justice reform.

Better business support services to accelerate innovation and growth

- Government will work with the 3 LEPs to develop an integrated business support system linked to the Growth Hubs that joins national and locally funded activity in a seamless manner, making it simpler for business to access and benefit from services
- A devolved approach to delivering national business support schemes will be in place by 2017, linked to support for start-ups, growth companies, and those needing access to finance
- Developing an integrated national and local support structure for businesses wanting to invest in the WMCA area, focused on sectors of national strength such as advanced engineering linked to auto, rail and aerospace. This will be supported by the joint planning and promotion of a portfolio of regeneration sites for future investment

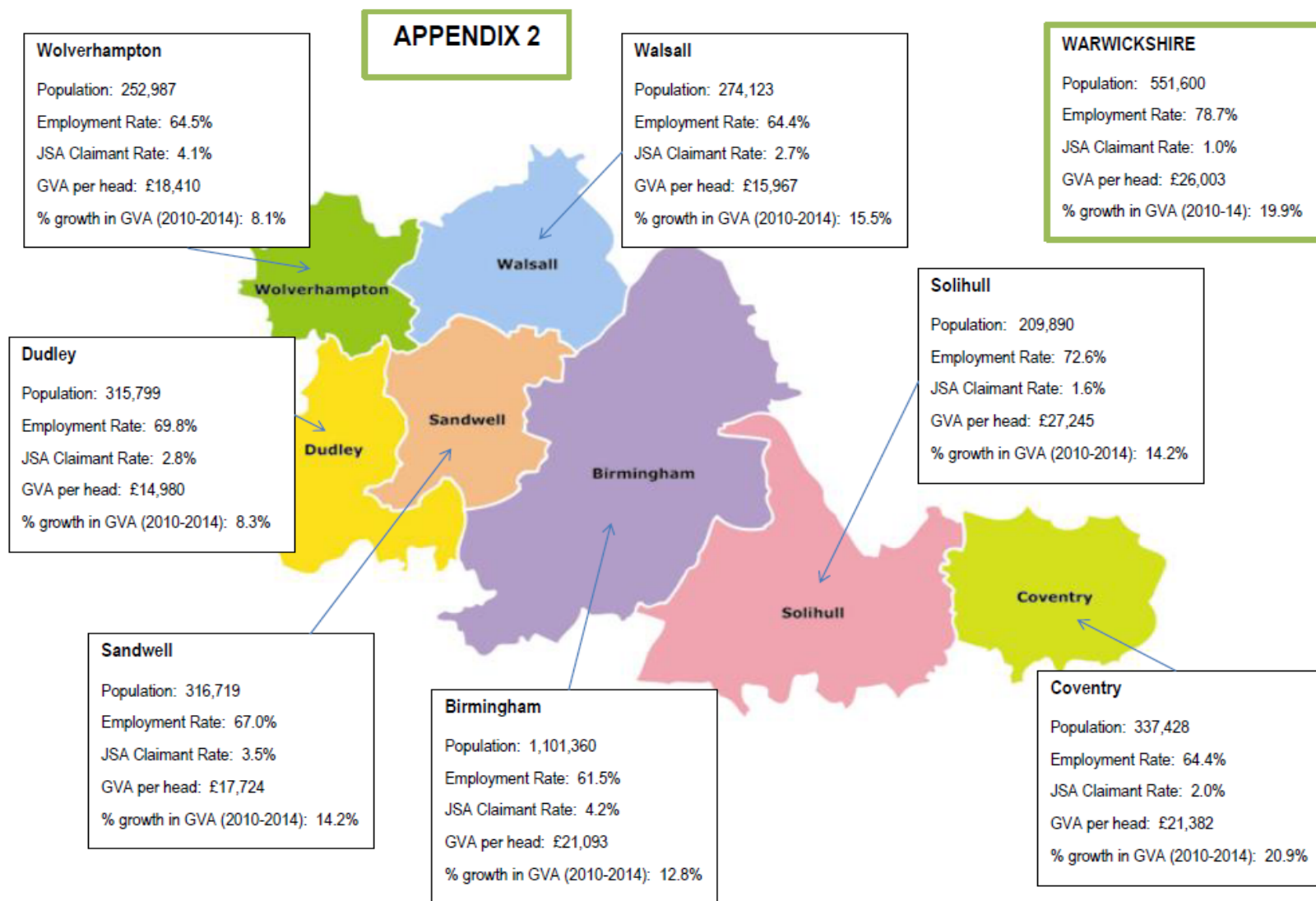
- A jointly agreed West Midlands Export support plan. A devolved approach to business support from 2017, including start-ups and business finance.

More and better homes

- Devolved compulsory purchase powers, to help drive housing delivery
- A Land Commission to develop ways to make more land available for employment and housing use
- A locally managed housing investment fund.

Faster, more convenient and affordable transport

- A bigger and more certain budget – over £5bn of investment over ten years, integrated and locally controlled
- Getting back control over buses - controlling fares and ensuring they run when and where people need them
- One smart ticket, allowing passengers to use any combination of bus and rail across the region and an integrated travel information service
- Better integration between local and national transport networks through joint working with Highways England and Network Rail. This includes working with the government to examine ways to reduce congestion on the strategic road network
- Powers to regulate freight vehicles to improve safety and to create Clean Air Zones to achieve Air Quality Plan objectives.



**DECISIONS REQUIRING UNANIMOUS CONSENT OF THE CONSTITUENT
AUTHORITY MEMBERS PRESENT AND VOTING**

- (i) approval of land use plans;
- (ii) such other plans and strategies as determined by the Combined Authority;
- (iii) financial matters which may have significant implications on Constituent Authorities' budgets;
- (iv) approval of borrowing limits, treasury management strategy including reserves, investment strategy and capital budget of the Combined Authority;
- (v) agreement of functions transferred by the Constituent Authorities to the Combined Authority;
- (vi) any change of voting rights to all or any Member appointed by a Non-Constituent Authority;
- (vii) approval of specific proposals for individual co-optees to the Combined Authority;
- (viii) use of general power of competence within the Local Democracy Economic Development and Construction Act 2009, including in relation to spatial strategy, housing numbers and the exercise of any compulsory purchase powers;
- (ix) establishment of arms-length companies;
- (x) approval to seek such other powers as may be appropriate and any new powers granted by central government and imposed on the Combined Authority;
- (xi) material amendments to the Constitution;
- (xii) changes to transport matters undertaken by the Combined Authority.

For the avoidance of doubt unanimous will be construed to mean that all Members appointed by Constituent Authorities present and voting, vote in favour of the relevant decision.

MATTERS ON WHICH NON-CONSTITUENT AUTHORITIES MAY VOTE

Subject to standing order 19.4¹, Members appointed by Non-Constituent Authorities may vote on the following matters:-

- (i) adoption of growth plan and investment strategy and allocation of funding by the Combined Authority;
- (ii) the super Strategic Economic Plan strategy along with its implementation plans and associated investment activity being undertaken using funding provided to the Combined Authority;
- (iii) the grant of further powers from central government and/or local public bodies that impacts on the area of Non-Constituent Authority;
- (iv) land and/or spatial activity undertaken by the Combined Authority within the area of a Non-Constituent Authority;
- (v) public service reform which affects the areas of Non-Constituent Authorities;
- (vi) areas of LEP activity relevant to the Non-Constituent Authorities through geographical location or as part of a joint committee;
- (vii) all Combined Authority matters concerned with education, employment and skills, enterprise and business support, access to finance, inward investment, business regulation, innovation, transport, environmental sustainability, housing, economic intelligence, digital connectivity and regeneration;
- (viii) future use of business rate retention funding generated beyond that retained within new and existing Enterprise Zones;
- (ix) specific decisions to bid for and allocate revenue and capital funding provided to the Combined Authority for use in economic development activities;
- (x) investment activity related to transport and connectivity, not funded by the transport levy and current Maintenance and Integrated Transport blocks;

¹ Standing Order 19.4 requires a 2/3rds majority of the Constituent members present and voting for a decision to be made.