

**Minutes of the Meeting of
Sandwell Metropolitan Borough Council**

6th December, 2016 at 6.00pm
at the Sandwell Council House, Oldbury

Present: The Deputy Mayor (Councillor Downing);

Councillors Ahmed, Allcock, Allen, Ashman, Bawa, Carmichael, Cherrington, Costigan, Crompton, S Crompton, Dr T Crompton, K Davies, P Davies, Y Davies, Dhallu, Eaves, Edis, Edwards, Eling, Frear, Garrett, Gavan, E A Giles, E M Giles, Gill, Goult, Hackett, Hadley, Haque, Hartwell, Hevican, L Horton, R Horton, D Hosell, S Hosell, P M Hughes, P Hughes, Jarvis, I Jones, O Jones, S Jones, Khatun, Lewis, Lloyd, Marshall, Meehan, Melia, Millard, Moore, Phillips, Piper, Preece, R Price, Rouf, Sandars, Shackleton, Shaeen, Sidhu, Taylor, Tranter, Trow, Underhill and White.

Apologies: Councillors S Davies, Hickey, Dr Jaron, B Price, Tagger and Webb.

105/16 **Declaration of Interest**

The Chief Executive confirmed that a number of members were appointed to roles within the West Midlands Combined Authority and that the interests had been declared within individual members' registers and did not preclude those members from taking part in the debate on the (Functions and Amendment) Order 2016 (Minute No. 107/16 below).

106/16 **Minutes**

Resolved that the minutes of the meeting held on 18th October, 2016 be confirmed as a correct record.

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107/16

West Midlands Mayoral Combined Authority – Implementing the Devolution Agreement

Council had received and considered a number of reports regarding the establishment of a Combined Authority for the West Midlands and had consented to Sandwell being a constituent member of the Combined Authority alongside the other six councils of the West Midlands.

The development of the Government's devolution agenda created the opportunity for the West Midlands Combined Authority to negotiate and subsequently agree a proposed devolution agreement. The agreement had been ratified by the seven constituent councils throughout February and March 2016 when they consented to become a member of the West Midlands Combined Authority. Sandwell had confirmed its membership of the Combined Authority on 8th March, 2016 (Minute No. 25/16 refers).

The objective of the devolution agreement was to open up potential investment funds totalling £8bn which it was hoped would increase confidence in the local area so that further private sector investment could be leveraged. The agreement sat alongside the Midlands Engine project, a partnership with Government covering the whole West and East Midlands, including the Midlands Connect Initiative to take forward east-west transport investment.

The key focus areas of the first devolution agreement were:-

- Finance, including £36.5 million per annum of government revenue funding for 30 years, to support a locally controlled investment fund;
- Governance, including the election of a Mayor for the West Midlands metropolitan area in May 2017;
- Transport;
- HS2 growth;
- More and better homes;
- Skills and employment;
- Supporting and attracting business and innovation;
- Public service reform.

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At its extraordinary meeting held on 14th June, 2016 Council gave consent to the draft West Midlands Combined Authority (Election of Mayor) Order which provided for the election of a directly elected Mayor for the West Midlands metropolitan area (Minute No. 62/16 refers). The Order was subsequently made by Parliament on 15th September, 2016.

Council also approved the draft Mayoral West Midlands Combined Authority Functions Scheme and its publication under section 112 of the Local Democracy, Economic Development and Construction Act 2009 (as amended). In doing so, the Chief Executive was authorised to agree the final arrangements for public consultation on the proposals in the Functions Scheme, on behalf of the Council. It was this Scheme, as amended by the outcomes of the consultation process, that provided the basis and underlying principles for the draft West Midlands Combined Authority (Functions and Amendment) Order 2016.

It was crucial to the delivery of the devolution deal and the wider devolution agenda that the finalised Order was laid in Parliament as soon as possible. The Combined Authority would be asked to approve the draft West Midlands Combined Authority (Functions and Amendment) Order 2016 at its meeting on 9th December in order that it could be laid before Parliament prior to 18th December, 2016. The Cabinet for each of the constituent councils was also being asked for its consent to the Order prior to the Combined Authority meeting. The views of Council were sought to assist in informing the debate of the matter by Cabinet on 7th December, 2016.

The draft Order detailed the functions required by the Mayoral Combined Authority in order to deliver the devolution deal. It was important for members to note that the functions being transferred were government functions that it was devolving to the Mayoral Combined Authority and not the functions of the Council, which would remain unchanged.

The draft Order had been further revised and a copy had been made available to Council prior to the meeting.

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The Leader of the Council stated that the Council welcomed the devolution deal and the resources/powers that it would bring. There would be significant benefits being delivered for investment, new jobs, new housing and improvements to the infrastructure. The issue of the elected Mayor was a controversial one, however, if councils wanted the additional resources, the devolution deal would bring in a Mayor and was not optional; an election would therefore need to take place in May 2017.

In response to questions, the Leader of the Council commented as follows:-

- with regard to the Mayor's allowance, an agreement had been reached with regard to the limit the Metro Mayor should be paid and this would be reviewed over a period of time;
- the governance arrangements for the Combined Authority, consisting of a Mayor and Cabinet system, was the best way forward. Good scrutiny arrangements were also in place, with Councillor P Hughes chairing the Combined Authority Overview and Scrutiny Committee. The authority was in a good position to shape the agenda going forward. There was a role for the Council and the public in terms of holding the Mayor to account;
- the Metro Mayor would have the power to bring in a Council Tax precept and levy on business rates. The precept on Council Tax would work in the same way the Police and Fire Authority applied a precept. This would not affect Sandwell's budget but would affect Sandwell taxpayers, should the Metro Mayor choose to levy a precept. In order to set an additional levy on business rates, the Metro Mayor would have to consult with, and seek agreement from, local enterprise councils;
- the finances for the Combined Authority were very complicated and no detail was available at present, however, latest indications suggested that the Metro Mayor would be afforded borrowing powers;

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- to endorse a draft Order was not satisfactory and Cabinet would give consideration to the appropriate way forward at its meeting on 7th December, 2016, either by way of delegation of authority to the Leader/Chief Executive to finalise, or deferral of the decision pending the final document. The Leader was minded to recommend to Cabinet that the decision be deferred and that additional meetings of the Cabinet be programmed in pending receipt of the final document for consideration.

Resolved that the views of the Council on the West Midlands Combined Authority (Functions and Amendment) Order 2016 be taken into account by the Cabinet during consideration of the matter at its meeting on 7th December 2016.

(The meeting ended at 6.31pm)

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