

Cabinet – 25 April, 2018

Dissolution of West Midlands Joint Committee

Portfolio: Councillor Sean Coughlan, Leader of the Council

Related portfolios: None

Service: All

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 A review has been undertaken of the role and function of the West Midlands Joint Committee (WMJC), which was setup in 1985 arising out of the dissolution of the West Midlands County Council. The review determined that the West Midlands Joint Committee is no longer an effective vehicle as most of its functions are now redundant at the Joint Committee for the purposes of the seven West Midlands Councils business. It was determined the remaining main function being matter relating to the Birmingham Airport, of which the seven West Midlands Councils are shareholders, can be more effectively dealt with by establishing a new Joint Committee solely for that purpose.
- 1.2 This report seeks authority from Cabinet to recommend to Full Council that the West Midlands Joint Committee (“WMJC” or the “Committee”) be dissolved and the new arrangements for managing the remaining residual business of the Committee once the Committee is dissolved. In addition, it seeks Cabinet approval to establish a Joint Executive Committee with the other six Councils within the West Midlands for the purpose of airport decisions known as West Midlands Shareholders Airport Committee.

2. Recommendations

- 2.1 That Cabinet recommends to Council to approve:-
 - (i) the dissolution of the West Midlands Joint Committee, for the reasons set out in this report;
 - (ii) the proposals for managing the remaining residual business of the WMJCs once it is dissolved as set out in Appendix 1 of this report.
- 2.2 To approve the establishment of a Joint Executive Committee with the other six Councils within the West Midlands for the purpose of airport decisions known as

West Midlands Shareholders Airport Committee in accordance within the terms of reference set out at Appendix 2 of this Report.

- 2.3 To note that the Head of Legal and Democratic Services will set out all relevant changes to the Council's Constitution at a future meeting of Council in order to enact the recommendations at 2.1 and 2.2.
- 2.4 To authorise the Head of Legal and Democratic Services to negotiate, execute and complete all legal documents necessary to support and deliver the above recommendations.

3. Report detail

- 3.1 The WMJC was established in 1985 for the purpose of discharging the residual County Council functions that were deemed inappropriate to pass on to individual Metropolitan Borough Councils.
- 3.2 The WMJC comprises the seven Metropolitan District Councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. Each Council appoints one voting and two non-voting members. Walsall Members are Councillor S. Coughlan (voting), Councilor Bird and Councillor Andrew (Non Voting).
- 3.3 Initially, the WMJC convened three to four times a year and dealt with a wide range of matters. This included Birmingham Airport as a substantive item together with other transport-related matters. Ad hoc items such as waste landfill agreements, spatial planning and the Environment Agency Levy were also considered by the WMJC.
- 3.4 Over more recent years, as other regional bodies such as the West Midlands Combined Authority (WMCA) have been introduced, the responsibilities of the WMJC have diminished. The WMJC now convenes twice a year and both voting and non-voting members have recognized that business to be transacted has reduced.
- 3.5 Appendix 2 sets out the existing functions of the WMJC together with recommendations to deliver the functions differently. These recommendations were discussed and agreed by the West Midlands Chief Executive Group at their meeting on 27.10.17 and by the West Midlands Leaders Group at their meeting on 9.2.18.
- 3.6 Since the majority of the existing business of WMJC is airport related, it is proposed that a West Midlands Shareholders Airport Committee be established to deal with all Birmingham airport matters. This would allow for more appropriate detailed discussion on issues related to the Districts' shareholding in Birmingham Airport. The Committee will be administered by the Birmingham-based Airport Adviser. Appendix 2 sets out the proposals for the Airport Committee in more detail.

4. Council Corporate Plan priorities

4.1 The impact of the changes will have not adversely affect the Council Corporate Plan Priorities as the recommendation changes the decision making process only.

5. Risk management

5.1 When developing proposals, consideration has been given to:

- The nature and frequency of occurrence of each area of WMJC business;
- Existing formal and informal regional meetings;
- Arrangements in other regions.

5.2 Having taken into account the above, the proposals outlined were deemed by both the West Midlands Chief Executives Group and West Midlands Leaders Group at their respective meetings as referred to at paragraph 3.5 to be the most practicable.

6. Financial implications

6.1 Walsall Council's contribution to WMJC is broadly split into two elements.

| Element 1 covers subscriptions, finance and administrative support services Aeronautical Adviser and miscellaneous costs. Element 2 is the ongoing pension payments relating to when the Airport was wholly owned by the WMJC member authorities.

6.2 In 20117/18 Walsall's contributed £16,608 to element 1 and £35,620 to element 2 (pensions). The total contribution by Walsall Council, including pension costs, was £52,228.

6.3 However, at its meeting held on 12th January, 2018 the WMJC approved the West Midlands Joint Committee's 2018/19 Budget. As the balance brought forward from 2016/17 of £56,747 had not been used and was held in reserve, it was agreed that the projected surplus in 2017/18 would be carried forward to 2018/19 and used to reduce contributions. Consequently member Authority contributions to element 1 (Subscriptions, Finance and Administrative Support Services, Aeronautical Adviser and miscellaneous costs) were approved at 50% of the cost of 2017/18.

6.4 Walsall Council's contribution for 18/19 in terms of element 1 (subscriptions, Finance and Administrative Support Services, Aeronautical Adviser and miscellaneous costs) is £8,304 plus pension contributions estimated at £36,140 bringing the total contribution to £44,444.

6.5 In future, costs are likely to remain similar since, although WMJC responsibilities will be dealt with differently, the financial obligations remain the same.

7. Legal implications

- 7.1 There are no inherent provisions with the revised Constitution of WMJC dated 28 January 2015 which provide for its dissolution. The WMJC was established by the District Councils of the County of West Midlands by Council as a Joint Committee on 24 July 1985 under the provisions of Part VI of the Local Government Act 1972.
- 7.2 Its Constitution was updated to reflect changes as set out in the Localism Act 2011 in relation to strategic planning and cross boundary infrastructure matters which must now be dealt with via the Duty to Cooperate (“the duty”).
- 7.3 Where local authorities are jointly discharging functions they must work within the statutory frame work that governs this. The Local Government Act 1972 S101(5) requires the authorities to appoint a joint committee consisting of councillors from each authority.

8. Procurement implications/Social Value

- 8.1 There are no procurement/social value implications.

9. Property implications

- 9.1 There are no property implications.

10. Health and wellbeing implications

- 10.1 There are no health and wellbeing implications.

11. Staffing implications

- | 11.1 There are no human resource implications.

12. Reducing inequalities

- 12.1 The implications for reducing inequalities have been taken into account and assessed as set out below.
- 12.2 This report seeks approval to change the decision making mechanisms in relation to the duties currently undertaken by the West Midlands Joint Committee. As such, there is no direct impact on residents, service users or staff that fall within the protected characteristics as defined in the Equality Act 2010.

13. Consultation

- 13.1 Both the Chief Executive and the Leader have been consulted on the proposals via their regular meetings with other Metropolitan Borough Councils Chief Executives and Leaders.
- 13.2 A report on the dissolution of West Midlands Joint Committee is being submitted to each of the other six constituent Councils for approval.
- 13.3 Each of the other six constituency Councils have agreed, through their respective Executive governance arrangements, to consider the establishment of a Joint "Executive" Committee with the other six councils.

Background papers

WMJC Constitution

Report to West Midlands Chief Executives Group

Report to West Midlands Leaders Group

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James Walsh
Executive Director
Resources and Transformation

17 April 2018



Councillor S. Coughlan
Leader of the Council

17 April 2018

Appendix 1

Proposals for remaining WMJC functions

<u>FUNCTION</u>	<u>RECOMMENDATIONS</u>
1. To make nominations or appointments to the 5 balancing places of the West Midlands Police and Crime Panel.	<p>That nominations to the Panel are reviewed at the West Midlands Leaders Group meeting.</p> <p>(Nominations will be formally made by each of the Councils and through Association of Black Country Authorities; Leaders will be asked to review the nominations and political balance on the panel)</p>
2. Matters relating to Birmingham Airport.	<p>That WM Shareholders Airport Committee be established with responsibility for all those airport related functions which currently sit with WMJC. This to include:</p> <ul style="list-style-type: none"> • The exercise of the Districts powers and rights as shareholders of the Airport Company including the manner in which the Districts' block shareholder vote is to be exercised pursuant to the Shareholders' Agreement • The appointment and removal of District Directors of the Airport Company • The determination of the manner in which the District Directors block vote is to be cast pursuant to the Shareholders' Agreement <p>The seven West Midlands Councils will need to make contributions to cover airport related costs.</p>
3. To consult and co-operate as respects matters affecting the District Councils (including the Duty to Cooperate and as appropriate with each District Council and the Joint Authorities).	That relevant items requiring a formal decision go to West Midlands Combined Authority Board (e.g. planning) and any remaining items go to the West Midlands Leaders Group meeting.
4. To oversee the work of and payment of the Joint Data Team contract with Mott Macdonald Ltd dated 27 March 2008. The JDT contract with Mott MacDonald provides services to the seven metropolitan authorities, the	Responsibility to transfer to West Midland Combined Authority Board. (Existing contract expires in March, 2018).

<p>Highways Agency and Centro as was, comprising of two main elements:</p> <ul style="list-style-type: none"> • Transportation and Planning Services; and • Transportation Modelling (PRISM). <p>The contract currently runs until March 2018. Costs are being covered by the 7 District Councils, split according to population. (A paper was presented to WMJC in June 2015 outlining full details of the work of the team).</p>	
<p>5. To receive reports from any partnership.</p>	<p>That items go to either the West Midlands Leaders Group meetings or West Midland Combined Authority Board meetings as appropriate.</p>
<p>6. Approval of nominations to West Midlands Arts Trust.</p> <p>The principal activity of the Trust is, having received grant aid from West Midlands County Council, to provide a building at a peppercorn rent to the Arts Council England in order to further the arts in the West Midlands.</p>	<p>Historically Birmingham and Sandwell Councils have provided a Trustee to sit on this Board, this has been managed through the West Midland Joint Committee. It is proposed that this is now dealt with by the West Midlands Leaders Group.</p>
<p>7. Payment of pension costs relating to former employees of West Midlands County Council and West Midlands Residual Body and other employers without a successor authority.</p>	<p>That responsibility for the collection of contributions remains with Wolverhampton Finance. Financial reports will be presented at meetings of the West Midlands Leaders Group for information.</p>

Proposals for Airport Committee

Structure

- It is suggested that the Airport Committee schedules six meetings each year.

Functions

- Appoints officers to advise the Districts and Airport Committee on Birmingham Airport Holdings Limited (the “Company”).
- Exercises the powers and rights of the Districts as shareholders of the Company including the manner in which the Districts’ block shareholder vote is to be exercised.
- Appoints and removes District directors.
- Determines the manner in which the block vote is to be cast by any of the Districts’ directors.

Membership

- One voting Member from each District.

In addition, two Councillors that are not necessarily members of the Executive (as determined by Council) from each District shall be invited to attend one of the scheduled meetings of the Airport Committee each year as observers.

Voting

- All resolutions passed by a majority of the members present who between them represent Districts who hold at least 51% of the Districts’ total shareholding.

The Districts currently hold the following shareholding in the Company:

Birmingham	38.1%
Coventry	11.8%
Dudley	11.4%
Sandwell	11.5%
Solihull	7.6%
Walsall	10.0%
Wolverhampton	9.6%
Total District Shareholding	100%

Urgent decisions between meetings

- It is suggested that the Airport Committee may arrange for the discharge of their functions by each of the Districts’ Chief Executives or anyone authorised by any District to act in the Chief Executive’s absence acting in consultation with the Chair or Vice Chair of the Airport Committee.