

## Implications of the West Midlands Combined Authority proposals for Warwickshire

August 2015

The launch document for the West Midlands Combined Authority argues that the new arrangements will “*propel our economy to further growth than can be achieved at present*”. The table below works through the different commitments in the launch document and it distils the principal opportunities and threats that they pose for Warwickshire.

This assessment is limited as the launch document itself contains comparatively little detail. Specifically, it does not explain why priorities have been identified (and why other possible priorities have not been pursued); it says nothing about resourcing; it contains no implementation detail; and it does not discuss the scale of ambition. The comments below are therefore both preliminary and high level; they are based simply on a reading of the document.

**Table 1: Summary**

Observation	Opportunity	Threat
<p>“<i>Leaders of the Metropolitan Authorities have made an open invitation to other West Midlands Councils to join the West Midlands Combined Authority</i>” p4</p>	<ul style="list-style-type: none"> <li>The Combined Authority could be large and of national significance, and membership might bring some advantages</li> </ul>	<ul style="list-style-type: none"> <li>Whilst the door is “open”, the agenda is being shaped by the Metropolitan Authorities, not by the local authorities across Warwickshire (county and districts)</li> <li>The rationale is being defined around the issues facing the metropolitan area. These are not irrelevant for Warwickshire, but neither are they necessarily the issues which are most pressing for the county</li> </ul>
<p>The three LEPs will create “<i>an overarching SEP for the CA, based on a refreshing of our current SEPs and reflecting on the benefits that can be achieved by a greater combining of efforts</i>” p6</p>	<ul style="list-style-type: none"> <li>The Coventry &amp; Warwickshire LEP has agreed to refresh its own Strategic Economic Plan (SEP) – this could feed in key programmes to an overarching SEP which could help promote and secure funding for key local projects,</li> </ul>	<ul style="list-style-type: none"> <li>An overarching SEP should focus on commonality – and in the main, issues of commonality across the West Midlands Metropolitan area may not be the priorities for Warwickshire</li> <li>There is a risk that an overarching SEP loses connectivity to other surrounding areas of Warwickshire; yet there are significant economic opportunities and drivers from these areas</li> </ul>
<p>“<i>HS2 will be an economic catalyst</i>” p8</p>	<ul style="list-style-type: none"> <li>Warwickshire may get more out of HS2 if it is part of Combined Authority thinking</li> </ul>	<ul style="list-style-type: none"> <li>HS2 is likely to benefit areas adjacent to Warwickshire.</li> </ul>
<p>Narrative focuses strongly on the question of urban scale p10</p>		<ul style="list-style-type: none"> <li>Warwickshire feels the impact of London and if the county wants to align itself to a major city area, this is an important consideration. The past track record of the Birmingham/Black Country offer is mixed</li> </ul>

Observation	Opportunity	Threat
Skills deficit is identified as a major issue – as is the legacy of worklessness p11		<ul style="list-style-type: none"> <li>Warwickshire is amongst the best performing parts of the West Midlands – it should be aspiring to London / greater south east levels rather than that of the West Midlands, and its starting point is different from elsewhere in the West Midlands</li> <li>Warwickshire does not have a major issue in relation to worklessness – does it therefore want to see this issue prioritised?</li> </ul>
The scale of public service challenge is recognised p11		<ul style="list-style-type: none"> <li>Birmingham City Council has been reviewed in negative terms over the last 18 months<sup>1</sup></li> </ul>
<i>“Investment will be focused where the biggest outcome for the Combined Authority will be achieved”</i> p13		<ul style="list-style-type: none"> <li>This is very likely to refer to the heart of the urban area – partly because bigger numbers are likely to be possible and partly because there is spare capacity (whereas the labour market across much of Warwickshire is tight)</li> </ul>
<i>“We are committed to collaborative working with the private sector...”</i> p13		<ul style="list-style-type: none"> <li>The implications that follow for the C&amp;WLEP are unclear</li> </ul>
<i>...”collaborating to make the region act as one place...”</i> p14		<ul style="list-style-type: none"> <li>There are some risks for Warwickshire in “acting as one place” with the urban West Midlands. The Warwickshire agenda will tend to be the supporting one</li> </ul>
Overarching SEP, and three refreshed SEPs by early 2016 p14		<ul style="list-style-type: none"> <li>Would this preclude a consideration of functional economic relationships to surrounding areas in the north, east and south of Warwickshire, as well as across the West Midlands conurbation?</li> <li>Would the assumption be a “nested” arrangement? In which case, would the SEP for C&amp;W simply be a local expression of the West Midlands SEP?</li> <li>Is there enough time to complete this exercise by early 2016? There are a lot of complicated issues that will need to be resolved, if it is to be done properly – e.g. housing</li> </ul>
Commitment to Midlands Connect p15	<ul style="list-style-type: none"> <li>The promise of a much improved transport network – including access to HS2 – ought to be beneficial for Warwickshire</li> </ul>	
Policy and intelligence capability p15	<ul style="list-style-type: none"> <li>There might be advantages linked to economies of scale</li> </ul>	<ul style="list-style-type: none"> <li>If there was a pan-West Midlands resource of the type envisaged (similar to Manchester), it is difficult to imagine that there could also be a meaningful LEP at the C&amp;W scale. The key issue then becomes whether Warwickshire’s issues are best addressed as part of a West Midlands venture</li> </ul>
Joint programme on skills p15	<ul style="list-style-type: none"> <li>A proposition to government is promised.</li> </ul>	<ul style="list-style-type: none"> <li>The skills issues across Birmingham and the Black Country are significant and overwhelming alongside those of Warwickshire. Plus in many parts of Warwickshire</li> </ul>

<sup>1</sup> <https://www.gov.uk/government/news/kerslake-report-birmingham-council-must-radically-improve>

Observation	Opportunity	Threat
	This could attract attention.	there are concerns around labour shortages and <i>de facto</i> full employment. There is a need therefore for a different labour market response
Productivity Commission p16	<ul style="list-style-type: none"> <li>There are productivity issues in Warwickshire as well as the rest of the West Midlands Combined Authority area and it would be useful to understand more about these</li> </ul>	<ul style="list-style-type: none"> <li>There is a risk of the wrong diagnosis and therefore solutions, insofar as Warwickshire issues are grouped with those pertaining to the wider area when in fact the causes – and most appropriate solutions – are quite different</li> <li>There is currently significant investment in R&amp;D and innovation activity in Coventry &amp; Warwickshire – this may be “crowded out” by public sector interventions and investments made as a result of this review if it focusses on different causes/solutions.</li> </ul>
Land Commission p17		<ul style="list-style-type: none"> <li>There is a risk that Warwickshire is seen as a spatial buffer for the conurbation and significant pressure is brought to bear in relation to land supply issues</li> <li>Some of the pressure on Warwickshire’s employment and housing land supply comes from the south and east, not the west and there is a risk that this driver is underplayed</li> <li>The consequences of the Land Commission for local planning authorities is unclear – governance will need to be carefully thought through</li> </ul>
Mental Health and Public Services Commission p17	<ul style="list-style-type: none"> <li>Mental health is an issue everywhere and there could be advantages deriving from a refreshed approach</li> </ul>	<ul style="list-style-type: none"> <li>Any solutions would need to take account of Warwickshire’s comparative rurality – a city-centred solution would simply not work. In relation to health services (of all forms), Warwickshire might be better off working with places with a similar demographic and rural/urban mix</li> </ul>
All three Commissions p16-18	<ul style="list-style-type: none"> <li>These could be major ventures which might put the whole area on the map nationally</li> </ul>	<ul style="list-style-type: none"> <li>These are potentially a major undertaking which will consume resource; this will have to be provided internally – so what will be sacrificed to pay for them?</li> <li>There is no guarantee that they come up with anything transformational, particularly in relation to Warwickshire</li> </ul>