

# Cabinet

13 July 2023

## West Midlands Combined Authority & Devolution for Warwickshire

### Recommendation

That Cabinet authorises the Chief Executive to undertake such work as she considers necessary, in consultation with the Leader, including the completion of a governance review and consideration of a draft Scheme, to explore the option for Warwickshire County Council to become a constituent member of the West Midlands Combined Authority.

### 1. Executive Summary

- 1.1 Warwickshire County Council has been a non-constituent member of the West Midlands Combined Authority (WMCA) since 2016. The WMCA comprises 7 constituent members (Birmingham City Council, Coventry City Council, Solihull Metropolitan Borough Council (MBC), City of Wolverhampton Council, Sandwell MBC, Dudley MBC, Walsall MBC) with full voting rights and a number of non-constituent members, with reduced voting rights, of which Warwickshire County Council is one. During that time, the Council has enjoyed positive relations with the WMCA, with the Leader of the Council being a portfolio holder on the WMCA executive and has continued to engage constructively with the WMCA as it has entered into subsequent devolution deals with Government, the most recent being the Deeper Devolution Deal which was announced in March 2023.
- 1.2 Warwickshire County Council has continued to be a key contributor to the WMCA over the period of its membership, not least due to its shared economic footprint with Coventry (a constituent member) and the significant contribution Warwickshire makes to the wider regional economy. A testament to the strength of our relationship with the WMCA has been the engagement we have had from the WMCA on the Transforming Nuneaton programme, the inclusion of the Gigafactory site in the proposed West Midlands Investment Zone and the inclusion of Coventry & Warwickshire as a potential Levelling Up Zone that could benefit from enhanced and targeted fiscal measures. To this end, the consideration of devolution and the potential benefits to Warwickshire of a devolution deal, whether for Warwickshire alone or arising from the WMCA devolution deal(s), have been kept under continual review and sets the context for this report and the position now reached.
- 1.3 On 2 February 2022 the Government published the Levelling Up White Paper, followed by the Levelling Up and Regeneration Bill in May 2022 which is making its way through Parliament. The White Paper outlines the Government's

strategy to “spread opportunity and prosperity to all parts of the country” by 2030, through twelve national missions, one of which is focused on devolution – *‘By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement’*.

- 1.4 On 10 March 2022 Cabinet considered the content of the White Paper and supported the development of a devolution deal for Warwickshire. The Leader of the Council subsequently wrote to the Secretary of State expressing the Council’s interest in being invited to commence negotiations on a Devolution Deal for Warwickshire.
- 1.5 A further update was provided to Cabinet in May 2022. This was followed by the establishment of a cross-party group of Members which explored options for each of the different themes and elements of a potential devolution deal for Warwickshire.
- 1.6 The outcome of this detailed cross-party work was considered by Cabinet on 11 May 2023. At this meeting, Cabinet agreed to engagement with partners on a potential future county devolution deal for Warwickshire and continued engagement with the West Midlands Combined Authority to maximise the opportunities for Warwickshire (as a non-constituent member) from the West Midlands Combined Authority (WMCA) ‘Deeper Devolution’ Deal.
- 1.7 Since the May Cabinet meeting it has become more apparent that negotiations with Government around a devolution deal for Warwickshire are unlikely to progress in the short to medium term due to the number of local authorities nationally which are already progressing, or in line to progress a deal, and the capacity for negotiation within Government. As set out previously, Level 3 deals, which offer greater freedoms and flexibilities, and which require a directly elected Mayor or a directly elected Leader, appear to remain the priority for Government, which is reflected in their priorities for negotiation to date. In light of Warwickshire’s preference to date not to pursue a directly elected Leader or elected Mayor, as discussed with the District and Borough Councils, it is recognised that negotiation of a Level 2 deal would be a lower priority for Government.
- 1.8 In addition, through discussions with the West Midlands Combined Authority, it is recognised that, understandably, their current focus is on finalising the Deeper Devolution Deal with constituent authorities, expected in the Autumn, with dialogue around the opportunities for non-constituent members following on from that later in the year and likely into next year. Currently, it is equally uncertain as to what opportunities from the Deeper Devolution Deal may be open to non-constituent members. Understandably, due to Warwickshire County Council’s status as a non-constituent member, the opportunity for access to benefits from the Deeper Devolution Deal will be proportionately less, in comparison to those accessible to a full constituent member of the WMCA. For Warwickshire this means that we are some distance from being able to either secure our own deal or benefit fully from the WMCA Deeper Devolution Deal.

- 1.9 This, coupled with uncertainty over future fundings streams (such as the Levelling Up Fund), and the reduction of external funding available to Warwickshire via the UK Shared Prosperity Fund (a reduction in funding of c. 60% for employment & skills activities, and 67% for business support programmes compared to the previous European Structural and Investment Funds allocation), leaves Warwickshire with a challenge as to how best to secure our longer-term ambitions for the County around important issues such as economic growth, skills, transport connectivity, net zero, fiscal devolution, housing, land and regeneration, all of which are key aspects of the WMCA Deeper Devolution Deal, and also support the Countywide Approach to Levelling Up. The added pressure is to ensure that Warwickshire secures the maximum benefits from devolution and is not 'left behind' given the timeframe of opportunity.
- 1.10 This report sets out the options available to the Council and proposes that the Council undertakes work to explore the option of becoming a constituent member of the WMCA.

## **2. Financial Implications**

- 2.1 Devolution deals are fundamentally based on the devolution of either funding, powers, or both.
- 2.2 With the agreement with Government of the Deeper Devolution Deal, the WMCA has secured its third devolution deal, each one building on and strengthening its predecessor. We envisage that any expansion of the WMCA area to include Warwickshire would be based on the existing functions devolved to WMCA in addition to the benefits contained in the Deeper Devolution Deal which has been agreed with Government and is in the process of being implemented.
- 2.3 The WMCA Deals 1 and 2 offer a number of freedoms and flexibilities including;

### ***Deal 1 – Creating the WMCA (2015)***

- Control of a new additional £36.5 million a year funding allocation over 30 years, to be invested to drive growth.
- Responsibility for chairing area-based reviews of 16+ skills provision, and devolved control over 19+ adult skills funding from 2018/19, estimated at £128m pa
- Joint responsibility with the government to co-design employment support for the hardest-to-help claimants
- Responsibility to work with the Government to develop and implement a devolved approach to the delivery of business support programmes from 2017 and deliver more integrated working together on investment and trade.

## ***Deal 2 – To promote growth (2017)***

- Created a Mayoral Housing Delivery Team supported by a £5m investment to expand construction skills.
- £250m for transport infrastructure used for the extension of the Midland Metro from Wednesbury to Brierley Hill.
- Established new Skills Advisory Panels to create new local partnerships to plan investment in skills around local labour market needs.
- £5m over 3 years for local construction training programme.
- The creation of a digital hub in Birmingham as part of the TechNation programme and a share of a £2m pilot for Coventry and Warwickshire for ultra-fast broadband roll-out.
- Approval for a Housing First pilot to take place.
- £250m over 4 years from Transforming Cities Fund for local transport priorities.
- Approval for the £250 million West Midlands bid into the Housing Infrastructure Fund
- A Land Fund of £100M to buy and 'clean up' land around priority sites
- Commitment from Government to work with Housing Associations on new ways to finance and build affordable housing
- A new Joint Delivery Team with Homes England.

2.4 However, it is recognised that the Deeper Devolution Deal comprises significant additional financial benefits for the WMCA area as summarised below, which Warwickshire would seek to negotiate benefit from to ensure parity of benefit as a Constituent Member of the WMCA:

- Through its 'Single Settlement', a Government commitment to giving WMCA single capital and revenue funding certainty, in a way that is equivalent to Government Departments' annual spending allocations for revenue and capital.
- Fiscal devolution, including the continuation of the pilot allowing 100% retention of business rates growth (rather than the usual 50%) for the next 10 years – worth an estimated £45 million a year to the WMCA and local authorities.
- A £100m Single Regeneration Fund will be deployed flexibly across the region, and for the first time, brownfield land funding will support commercial, employment land and mixed-use development, as well as delivering 4,000 homes.
- A housing deal worth up to £500 million, offering greater flexibility to drive brownfield regeneration and unique powers and funding to deliver affordable housing at pace.
- Inclusion of the Gigafactory and surrounding sites (known collectively as the GigaPark) as part of the proposed West Midlands Investment Zone, enabling initial grant investment into the site, business rates retention, and tax incentives for future occupants – constituent membership would enable greater influence and sharing in expected returns from this investment
- Up to six Levelling Up Zones, backed by 25-year business rate retention, with an expected total value to the region of at least £500 million, to target investment and encourage jobs and regeneration in areas agreed between the WMCA and Government.

- Measures to tackle digital exclusion including greater influence over high-speed broadband investment across the region and a £4 million fund for devices and data to get more people online.
- 2.5 Warwickshire would seek to adopt the principles set out in paragraph 4.10 in its negotiations (i.e. no detriment to existing constituent members and equal benefit for Warwickshire joining). What this means financially for Warwickshire in the context of the current WMCA devolution deal and the Deeper Devolution deal would need to be worked up in negotiation with Government, however it leaves open the possibility that the financing elements of the Deeper Devolution deal could be increased to factor in Warwickshire's inclusion, whilst still respecting the guiding principles that have been applied to previous deals.
- 2.6 In terms of operating costs, non-constituent members of the WMCA (of which Warwickshire County Council is one) pay an annual contribution of £30,000 since 2022/23. Constituent members of the WMCA contribute an annual sum relative to their size, ranging from Birmingham at £1.08m to Solihull at £0.55m, which includes a standard membership fee for all constituent Local Authorities. Should Warwickshire County Council become a constituent member of the WMCA, then an increased contribution would be required. This would need to be factored into the refresh of the Council's MTFs from April 2024 onwards and considered alongside the financial benefits that would arise from full membership.
- 2.7 A change in membership status to 'constituent member' for Warwickshire County Council would also have implications for the five District and Borough Councils in the County who would automatically be admitted as constituent members. It is recognised that the level of financial contribution as a constituent member could be challenging for the District and Borough Councils and if levied at the current 'constituent member' level would mean Warwickshire Councils as a whole contributing a disproportionate amount compared to other members. This would therefore need to be a matter for local agreement as part of the negotiations.

### **3. Environmental Implications**

- 3.1 Although not featured in the White Paper as one of the 12 specific Levelling Up missions, the local definition of Levelling Up adopted for Warwickshire highlights the importance of climate change and net zero as a key element of Levelling Up and therefore devolution.
- 3.2 The West Midlands Combined Authority 'Deeper Devolution Deal' contains a number of workstreams focused on net zero and the environment. These include the following:
- From 2025, Government will pilot with the West Midlands the devolution of housing retrofit funding. This will remove uncertainty and inefficiencies in the existing funding system and inform future models for Government net zero funding.

- Recognition of the region’s involvement in wider energy system management and planning, and responsibility for heat zone designation, energy efficiency advice and attracting private sector finance.
- Funding from the £25m capital pot is anticipated for industrial decarbonisation programmes for regional businesses, natural environment finance models and air quality monitors to support the region’s wider environment and net zero ambitions.

3.3 A number of these would be of particular interest to Warwickshire. Not only would they complement and support the County Council’s ongoing work on our Sustainable Futures Strategy, but it would also be difficult to replicate or recreate them to the scale, extent and pace required on a Warwickshire only footprint. In addition, the housing retrofit workstream also has the potential to offer tangible benefits to Warwickshire residents should Warwickshire progress proposals to become a constituent member of the WMCA. This would be a particularly tangible benefit for Warwickshire’s District and Borough Councils and could play a significant role in our Levelling Up activities, working with partners across the County, on issues such as housing standards, cost of living and healthy living conditions.

## 4. Supporting Information

### *Devolution Options for Warwickshire*

- 4.1 The options available, which are not mutually exclusive (with the exception of Option 1), are set out below.
- 4.2 Options 2 and 3 are not necessarily binary choices and could be part of the same option.

|                 |   | <b>Pros</b>   | <b>Cons</b>   |
|-----------------|---|---|---|
| <b>Option 1</b> | Pause pursuit of a Warwickshire Level 2 devolution deal | <p>Frees up officer time to focus on other priorities</p> <p>May be advantages of letting others go ahead of us – learning from other deals</p> | <p>Warwickshire is potentially ‘left behind’ with no imminent devolution benefits</p> <p>Potential negative impact on Warwickshire’s ambitions for economic growth, skills, transport, climate change etc</p> <p>Lose the benefit of the significant work already undertaken, especially that of the member working group</p> |

|                 |  | <b>Pros</b>  | <b>Cons</b>  |
|-----------------|--|--|--|
| <b>Option 2</b> | Continue to pursue with Government a standalone Level 2 Devolution Deal for Warwickshire                         | <p>Any deal negotiated would be for the benefit of Warwickshire only</p> <p>Frees up officer time to focus on other priorities in the shorter term until Government has capacity to negotiate</p>  | <p>Government is not currently prioritising Level 2 deals – so likely to take significant time to deliver</p> <p>Level 2 deals offer significantly less benefits than Level 3 (directly elected mayor/leader) deals</p> <p>Warwickshire’s ambitions for economic growth, skills, transport, climate change etc would not be realisable in the shorter term</p> <p>Lose the benefit of the significant work already undertaken, especially that of the member working group</p> |
| <b>Option 3</b> | Continue to pursue the benefits of the WMCA Deeper Devolution Deal as a non-constituent member                   | <p>Simpler to identify areas from the Deeper Devolution Deal that would be of interest to Warwickshire</p> <p>Negotiation on defined aspects would be less complex and time consuming</p>  | <p>Relies on WMCA capacity to progress benefits for non-constituent members</p> <p>Risk that access to benefits for non-constituent members is more limited than full members</p> <p>The extent of Government involvement in negotiations and impact on current Deeper Devolution deal not clear</p>   |
| <b>Option 4</b> | Explore Warwickshire’s addition to the WMCA Devolution Deal(s) as a result of Constituent Membership of the WMCA | <p>Speedier access to benefits from an existing Devolution Deal</p> <p>Potential for significant benefits from the existing WMCA deal(s)</p> <p>Supports Warwickshire’s ambitions for economic growth, skills, transport etc and potential for delivery at pace</p> <p>Potentially less complex process of negotiation</p> | <p>Financial contribution greater than currently (annual fee), and would require bespoke fee arrangement for Warwickshire councils given two tier structure</p> <p>Some functions (to be agreed) would transfer to the control of a third party (WMCA)</p> <p>Will require dedicated resource to progress in the timeframe required</p>  |

- 4.3 Option 1 would see the Council pausing work on a Level 2 devolution deal. Options 2 and 3 would see the Council continue on the current mid to longer-term trajectory. Option 4 would see the Council accelerate its consideration of becoming a constituent member as, any decision for the Council to join the WMCA would need to align with the WMCA Mayoral elections which are due to take place in May 2024. If this timeframe were not met, Warwickshire would need to await the next cycle of Mayoral elections (May 2028) before it could reconsider its membership status.

### ***Considerations around a Devolution Deal***

- 4.4 Devolution is critical to the wider work and commitments of the Levelling Up agenda. Whilst 'Levelling Up' is a new policy term, it has been a long-held driver within Warwickshire to raise the levels of aspiration and achievement across the whole of the County and reducing inequalities. This levelling up mission is also crucial to realising the ambitions of key related strategies for Warwickshire such as Economic Growth, Sustainable Futures, Transport and Skills.
- 4.5 The direction of travel on devolution from the Government is clear, and Mayoral Combined Authorities are increasingly seen as the vehicles of choice for significant levels of funding and responsibility. The most recent "deeper devolution deal", and agreement for a Single Funding Settlement for the WMCA area are clear evidence of this.
- 4.6 The county of Warwickshire enjoys a strong and diverse functional economic geography, on a shared footprint with Coventry. We are recognised as something of an economic 'powerhouse' and a key contributor to the regional economy, particularly in sectors such as automotive technology and battery development, advanced technology, digital & creative and logistics. As a county Warwickshire is delivering significant economic benefits for residents and businesses. Similarly, our thriving heritage, culture and tourism offer across Warwickshire enjoys a worldwide reputation which successfully competes at a national and international level. However, our reach and impact for Warwickshire is somewhat held back by the lack of access to a devolution deal which would provide greater freedoms and flexibilities at a local level to ensure stronger alignment with our particular needs and opportunities, helping to drive greater economic advantage for the whole of Warwickshire.
- 4.7 Access to the WMCA Deeper Devolution deal has the potential, through access to funding and greater freedoms, to accelerate growth, promote sustainable development and reduce inequalities in Warwickshire. By virtue of the scale and strength of the wider West Midlands, there is scope to create more and enhanced opportunities for residents and businesses, both within Warwickshire and the WMCA area. The potential opportunities and considerations are set out in more detail at **Appendix 1**.
- 4.8 Extending membership to Warwickshire would also strengthen the West Midlands Combined Authority, generating strong growth faster for local people



and reinforcing the West Midlands place, firmly at the heart of the UK's economic prosperity.

- 4.9 These potential benefits need to be considered alongside the potential risks to Warwickshire, such as the powers in relation to key functions (transport, housing, skills) being taken at a regional rather than a local level and the risk that Warwickshire is unable to access an appropriate share of the funding being devolved from Government.
- 4.10 This has been addressed in other devolution deals through a series of fundamental guiding principles which underpin the development of the proposals such as:
- i.) extension of membership will be at no detriment to the existing constituent members; and
  - ii.) the joining authority will enjoy the same benefits as existing constituent members.
- 4.11 The guiding principles for Warwickshire and the extent of the benefits and/or risks to Warwickshire, with particular reference to the statutory test set out at paragraph 4.13, would need to be developed and tested through the work on the Governance Review.

### ***Legislative Process***

- 4.12 The process to consider becoming a constituent member of the WMCA commences with the County Council undertaking a governance review pursuant to Section 111 of the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). This report seeks authority to undertake such review. As this is an initial first step and at an early stage in the Council's consideration of the issue, it is not considered to be a key decision as defined in the Council's Constitution.
- 4.13 Under the Act, the Council would initiate a governance review which would consider the expansion of the WMCA area and its functions to include Warwickshire. The statutory test for consideration is whether the *proposals for expansion would be likely to 'improve the exercise of statutory functions in relation to an area of a combined authority or a proposed area of a combined authority.'* In undertaking a governance review officers would consider those produced for other areas creating or joining a combined authority. An indicative outline of the format that could be applied to a governance review is set out at **Appendix 2.**
- 4.14 If having concluded the governance review the Council concludes the test is met, the Council would:
- i.) Publish a Scheme under Section 112 of the 2009 Act. The Scheme would contain details of the proposed expanded area of the WMCA, its proposed membership, voting and other constitutional arrangements, its proposed functions (to be exercised by the WMCA or shared with the constituent authorities), the way it will be funded and any property, rights and liabilities that would be transferred to the WMCA;

- ii.) Undertake a public consultation, the proposals for which would need to be worked up, across the area of the expanded WMCA in connection with the proposals contained in the Scheme; and
  - iii.) Provide the Secretary of State with a summary of the consultation responses.
  - iv.) The Secretary of State would then consider whether the statutory requirements are met and whether or not to make an Order to implement a Scheme.
- 4.15 The statutory requirements include that the Secretary of State:
- i.) considers that no further consultation is needed
  - ii.) considers that the proposed changes would be “likely to improve the exercise of statutory functions in the area or areas”
  - iii.) must have regard to the need to reflect identities and interests of local communities and to secure effective and convenient local government.
  - iv.) must have regard to the likely effect of the change to the WMCA area and its function on each adjoining local government area.
- 4.16 If the Secretary of State decides to proceed, an Order would be made which would:
- i.) expand the area of the Combined Authority;
  - ii.) provide for an election of a Mayor for the expanded area of the combined authority (on the same dates as the current WMCA election date in 2024 and every four years thereafter);
  - iii.) specify the powers conferred on the Combined Authority for the expanded area, together with any transitional arrangements; and
  - iv.) provide for constitutional arrangements (including membership and decision taking) which are made as a result of the expansion of the area; all six Councils in Warwickshire would be specified as “constituent members” of the Combined Authority, joining the current constituent council members and the Mayor, and the Statutory Instrument would specify the number of representatives from each constituent Council.
- 4.17 All required local consents to the Order would be required by December 2023 / January 2024 to allow for the Parliamentary process to conclude in advance of the timeframes for commencement of the Mayoral electoral process.
- 4.18 In respect of the Council’s public sector equality duty under the Equality Act 2010, it is considered unlikely that the decision proposed and the matters contained in the report will have any material impact and as such there are not considered to be any specific equalities implications arising from this report. It may be possible that such implications arise if this matter proceeds, but they will be assessed and considered as appropriate at that time.

## **5. Timescales associated with the decision and next steps**

- 5.1 Following Cabinet’s decision, the following next steps would be taken, in line with the indicative high-level timetable set out below:
- July 2023 – undertake governance review;

- July/August 2023 – report outcome of governance review and consider consultation on draft Scheme;
- July/August/September 2023 – if agreed, public consultation period;
- October 2023 – consider application / summary of consultation responses for submission to the Secretary of State;
- November 2023 - Government draft legislation produced enabling admission to the WMCA;
- December 2023 – Local consents required;
- January 2024 – Legislation laid in Parliament (requires approval of each House); and
- May 2024 – Mayoral elections for expanded area.

5.2 Government has indicated that should Warwickshire wish to proceed, it would be imperative that the Council is in a position to submit an application, including a summary of consultation responses in early October. This tight timeframe is required to enable relevant legislative drafting and orders to be made before the statutory deadlines for the Mayoral elections. Working backwards and taking into account a public consultation period of 8 weeks, this timeframe may require consideration of urgent decisions being made during the process.

## Appendices

**Appendix 1** – Summary of potential opportunities and considerations

**Appendix 2** – Outline governance review document

## Background Papers

Developing a Devolution Deal for Warwickshire – Cabinet, March 2022

Levelling Up and Devolution for Warwickshire, - Cabinet, May 2022

A Countywide Approach to Levelling Up in Warwickshire, - Cabinet, July 2022

Developing Devolution Deal for Warwickshire – May 2023

|                          | <b>Name</b>  | <b>Contact Information</b>          |
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The report was circulated to the following members prior to publication:

Local Member(s): N/a – county wide matter

## APPENDIX 1 – OPPORTUNITIES & CONSIDERATIONS

| Thematic Area        | Opportunities  | Considerations   |
|----------------------|--|--|
| Transport            | <ul style="list-style-type: none"> <li>• Integration into Transport for West Midlands, enabling investment in bus routes and operations and cheaper cross-boundary and multi-modal ticketing. For instance, a day unlimited bus ticket across the WMCA conurbation is currently £4.20, compared to £5.50 for Warwickshire urban areas, and £10.10 for urban + peri-urban areas in Warwickshire. Cross subsidisation of income across the whole geography enables lower price ticketing.</li> <li>• Utilisation of TfWM back-office systems to enable multi-modal ticketing (to include bus, rail, metro, cycle/e-scooter), and lowest price guarantees.</li> <li>• Ability to access greater funding settlements for transport. WMCA secured £87.857m of Bus Service Improvement Plan (BSIP) funding (£29.88 per resident) compared to £2.072m by Warwickshire (£3.55 per resident). The WMCA has also secured £1.328bn of funding via the City Region Sustainable Transport Settlement over the 2022/23-2026/7 period.</li> <li>• Opportunity to proactively engage and benefit from transport innovation activity and funding, particularly around infrastructure for connected and autonomous vehicles – important component to support our automotive sector going forward.</li> <li>• More effective strategic planning and consideration of cross-boundary transport infrastructure connections – critical to support the functional economic geography of Coventry &amp; Warwickshire.</li> </ul> | <ul style="list-style-type: none"> <li>• Warwickshire would contribute to the WMCA Transport Levy on a pro-rata basis linked to population.</li> <li>• Increasingly limited transport funding coming from “normal” DfT routes. With limited capacity for WCC capital funding, question where significant funding for transport schemes will come from in the future outside of the CA model and developer contributions.</li> <li>• Importance of improved connectivity with urban areas for economic growth (improves agglomeration effects)</li> </ul> |
| Economic development | <ul style="list-style-type: none"> <li>• Opportunity to access potentially significant funding for economic development activity via the new Single Funding Settlement.</li> <li>• Double devolution of UK Shared Prosperity Fund (UKSPF) to constituent members for delivery of business support activity. Warwickshire would secure both more funding and more control over the use of this to support businesses.</li> </ul>  | <ul style="list-style-type: none"> <li>• At present, Warwickshire likely to see a significant reduction in funding (c. 67%) as a result of end of European Funding Streams and the availability of funding for economic development.</li> </ul>  |

| Thematic Area       | Opportunities  | Considerations  |
|---------------------|--|---|
|                     | <ul style="list-style-type: none"> <li>• Extension of 100% retention of business rates growth pilot for 10 years.</li> <li>• Secure and maintain clear C&amp;W business support infrastructure, avoiding differential offering across the functional economic area</li> <li>• Stronger relationship with Government departments on innovation, trade and investment through the devolution deal.</li> <li>• Look to capitalise on wider strengths and scale linked to our key priority sectors – particularly automotive, future mobility and digital creative industries. Warwickshire (with Coventry) have clear strengths in these areas, but opportunity to link with wider sectors across the WMCA and secure funding to support.</li> <li>• Enhanced opportunities to utilise Single Investment Fund to support employment land development (see housing &amp; regeneration below)</li> <li>• Access to equity, grant and loan funding to support business growth</li> </ul>   | <ul style="list-style-type: none"> <li>• Could reduce reach of business support programmes and have implications for the CW Growth Hub.</li> <li>• Tourism is an emerging area of interest for the WMCA, with Warwickshire offering a range of assets. Opportunity for us to strongly shape and influence going forward.</li> </ul>   |
| Employment & Skills | <ul style="list-style-type: none"> <li>• WMCA have devolved control over c£128m annual adult skills funding and can make strategic choices for use of funding to support skills and training activity to support local priorities and identified sectors. Increased scope to significantly shape adult skills activity in Warwickshire to support local growth opportunities and re-training/up-skilling to meet business needs.</li> <li>• Increasing control and influence over careers activity, taking on powers and responsibility from Careers England &amp; Careers &amp; Enterprise Company. Opportunity for Warwickshire to benefit from this, and enable more focused and resourced approach in key geographic areas (e.g. Nuneaton and Bedworth).</li> <li>• Single funding source and approach for our FE and training providers in Warwickshire who operate across wider geography or who support residents in the WMCA area. Will enable improved efficiency, focus and alignment of activity.</li> <li>• Through latest devolution deal, greater influence over national employment support programmes. Can tailor support more closely to local economic need and</li> </ul> | <ul style="list-style-type: none"> <li>• Local control over skills funding is recognised as a key lever to support economic growth and improve employability of residents.</li> <li>• Would be a key priority ask of any Warwickshire devolution deal</li> <li>• Significant reduction in funding for Employment &amp; Skills (c. 60%) through shift from European Funding to UKSPF. Unclear where funding to fill this gap would come from outside of the WMCA.</li> </ul> |

| Thematic Area            | Opportunities   | Considerations   |
|--------------------------|---|--|
|                          | <p>improve support to unemployed.<br/>           Opportunity for better targeted interventions in Warwickshire in key areas of need (linked to Levelling Up agenda).<br/>           Important given significant reduction in funding for this work following end of European Programmes and limited investment via UKSPF.</p>   |  |
| Housing and Regeneration | <ul style="list-style-type: none"> <li>• Full access to the range of land and development investment funds that can be used flexibly to bring forward housing, regeneration and employment land schemes. While technically there are opportunities for non-constituents to access this funding, scope and scale is limited and progress to date difficult.</li> <li>• Access to £400m Affordable Housing Programmes to help significantly increase the quantum of affordable housing across the WMCA area.</li> <li>• Opportunity to engage more fully with a range of investors that the WMCA are developing strong partnerships with, including L&amp;G, SEGRO and others.</li> <li>• Opportunities to access new and additional funding and support for town centre regeneration plans.</li> <li>• Investment Zone proposal currently progressing for Gigafactory site, but governance and financial arrangements to make this work will be complex and complicated with WCC and WDC outside of the WMCA.</li> <li>• Levelling Up Zones also being progressed later in the year by the WMCA, currently unlikely to be available to areas outside of the core WMCA area. Would be an opportunity to engage in this new policy model.</li> </ul> | <ul style="list-style-type: none"> <li>• Opportunities here for WCC and WPDG. Potentially as great an opportunity for the District &amp; Borough Councils to support delivery of Local Plans, housing need and town centre regeneration.</li> <li>• Outside of the Levelling Up Fund, very little recent or proposed new Government funding to support this agenda.</li> </ul> |

## **APPENDIX 2 – INDICATIVE HEADINGS FOR GOVERNANCE REVIEW**

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| Section 1  | Executive Summary                             |
| Section 2  | Purpose of the Review                         |
| Section 3  | Methodology for the Governance Review         |
| Section 4  | Our ambition                                  |
| Section 5  | Warwickshire and WMCA context                 |
| Section 6  | Warwickshire and WMCA Economy                 |
| Section 7  | Economic Profile                              |
| Section 8  | Challenges                                    |
| Section 9  | Understanding Current Governance Arrangements |
| Section 10 | Benefits/ risks assessment                    |
| Section 11 | Functions                                     |
| Section 12 | Financial considerations                      |
| Section 13 | Criteria                                      |
| Section 14 | Options for Warwickshire                      |
| Section 15 | Conclusion                                    |
| Section 16 | Next steps                                    |