

## **Appendix 1**

# **Task and Finish Group Report Devolution**

**Draft for consideration by the General Overview and  
Scrutiny Committee on 13 November 2017**

## 1. **Chairman's Foreword**

- 1.1 General Overview and Scrutiny Committee (GOSC) were asked to conduct a review on a) key issues relating to the Government's devolution agenda, b) the pros and cons of engagement with the West Midlands Combined Authority (WMCA), and c) other options on partnership working to deliver growth and jobs in Herefordshire. This would encompass Herefordshire Council's corporate plan, strategic economic strategy and economic master plan.
- 1.2. Herefordshire Council applied to be a non-constituent member of the WMCA in August 2016. A decision on the application by the WMCA will follow the WMCA mayoral election on 4 May 2017.
- 1.3. WMCA is a statutory body that facilitates the collaboration and joint working between local authorities in order to drive economic prosperity. It was formally created on 1<sup>st</sup> June 2016. WMCA devolution deal<sup>1</sup> 1 which includes a £1 billion of government investment was agreed by the then Chancellor of the Exchequer George Osborne on November 2015. This first deal devolved responsibility for a consolidated transport budget with a multi-year settlement, responsibility for franchised bus services and full devolution of the 19+ adult skills budget from 2018 /19. Chancellor Philip Hammond promised large-scale infrastructure investment which was part of devolution deal 2 in the 2016 autumn statement. Infrastructure projects include High Speed Two (HS2), Midlands Rail Hub.
- 1.4. WMCA has two types of membership - constituent and non-constituent. Both categories of members have to sign-up to, and be named within, the WMCA scheme submitted to government. The Government only gives voting rights to constituent members. However, the WMCA Board decided to give limited voting rights to non-constituent members, for example, allowing them to vote on matters to do with economic development. Constituent members may only be signed up to one combined authority, whilst non-constituent members can be signed up to one or more combined authorities.
- 1.5. The WMCA is not looking to expand its constituent membership at least in the next two years. However, the WMCA chief executive and Birmingham City Council both recognise that the shires play a key role in delivering the growth agenda in the West Midlands.
- 1.6. The report makes a number of recommendations that will inform Herefordshire Council's decision making processes as it strives to deliver its corporate plan, strategic economic strategy and the economic master plan.

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<sup>1</sup> WMCA devolution deal 1

<https://westmidlandscombinedauthority.org.uk/media/1023/westmidlandsdealsummary.pdf>

- 1.7. I would like to thank all witnesses who gave useful accounts and advice. I would also like to thank the officers who have supported the group for their professionalism, dedication, hard work, and good humour, in particular: Richard Gabb, Geoff Hughes, Tim Brown and especially Vinia Abesamis. I must also thank my fellow group members, Cllr. Terry James, Cllr. Roger Phillips, and Cllr. Graham Powell for their enthusiasm, intelligent questioning and general input.

**Councillor Sebastian Bowen,**  
Chairman of the Task and Finish Group  
February 2017

## 2. **Executive Summary**

- 2.1. The task and finish group interviewed three local authority leaders, one portfolio holder, a civil servant, WMCA chief executive, the chair and chief executive of the Marches LEP and read WMCA reports and Board meeting papers. Based on these, this report summarises and focuses on those matters identified in the scoping document.
- 2.2. There is a consensus within the T&F group that Herefordshire Council should pursue three recommendations 1) pursue its application for a non-constituent membership of the WMCA, 2) maintain current and develop new partnerships/networks with local authorities, LEPs and combined authorities in order to deliver the Herefordshire growth and jobs agenda, and 3) adopt a watching brief on the WMCA to determine whether to apply for constituent membership.

## 3. **Composition of the Task and Finish Group**

- 3.1. Members of the Task and Finish Group were:  
Councillor Sebastian Bowen (Chairman)  
Councillor Terry James  
Councillor Roger Phillips  
Councillor Graham Powell
- 3.2. Lead Officer: Vinia Abesamis (Senior Policy and Funding Officer – Regeneration Programmes)
- 3.3. Secretarial support: Tim Brown (Democratic Services Officer)

## 4. **Context**

### Why did we set up the group?

1. Cabinet approved Herefordshire Council's application to become a non-constituent member of the WMCA at an annual cost of £25,000 on 28 July 2016. WMCA will formally determine that application following their mayoral election on 4 May 2017. Currently, the leader of Herefordshire Council or his nominated substitute attends the WMCA board meetings as an observer.
2. The GOSC was invited to identify and assess the devolution deal options open to Herefordshire Council and make recommendations to the executive on the preferred option which will deliver the best economic growth outcomes for Herefordshire.

### Key Themes

Throughout the task and finish group review there was a focus on the need to:

1. understand government's position and direction on the Midlands Engine for Growth, devolution, combined authorities, and the Local Enterprise Partnerships;
2. understand the pros and cons for Herefordshire of a being a constituent member or non-constituent member of the WMCA;
3. understand other partnership routes to deliver Herefordshire's Economic Development Strategy, Economic Master Plan, and Corporate Plan.

In progressing the review through the above themes, the task and finish group sought to achieve the following outcomes, aligned with the review terms of reference:

1. Establish what options are open to Herefordshire Council
2. Review the potential for those options to accelerate growth outcomes
3. Identify risks and opportunities associated with each option
4. Make recommendations to Cabinet

### What were we looking at?

The GOSC was asked to review the partnership options and prepare recommendations to Cabinet that will maximise government funding and deliver economic growth in Herefordshire.

## Who did we speak to?

Between October 2016 and January 2017, the group held interviews to gather as much information and seek as many views as were required to make recommendations. In doing so, the group spoke to the following people (in chronological order):

1. Tony Bray, area director of the Department for Business, Energy and Industrial Strategy
2. Councillor Nigel Ashton, leader, North Somerset Council
3. Graham Wynn, OBE, chair, Marches Local Enterprise Partnership
4. Gill Hamer, director, Marches Local Enterprise Partnership
5. Councillor Cecilia Motley, cabinet member, Rural Services and Local Government, Shropshire Council
6. Martin Reeves, chief executive, WMCA and Coventry City Council
7. Councillor Shaun Davies, leader, Telford and Wrekin Council
8. Councillor Chris Saint, leader, Stratford upon Avon District Council

Witnesses from the Marches LEP and the leaders of Telford and Wrekin Council, Stratford upon Avon District Council, and cabinet members of Shropshire Council were the key drivers in putting forward their application as non-constituent members to the WMCA. They have been attending the WMCA board meetings either as member or observer. The leader of North Somerset Council was a member of the West of England Combined Authority (WECA). Tony Bray is the government's representative in the Midlands to deliver the devolution agenda. Martin Reeves is the chief executive of WMCA and Coventry City Council.

## What did we read?

1. WMCA Super Plan "Making our Mark"<sup>2</sup>
2. WMCA Constitution<sup>3</sup>
3. WMCA Devolution Deal 1
4. WMCA Board meeting papers
5. West Midlands authorities' statutory governance review undertaken in accordance with section 108 of the Local Democracy, Economic

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<sup>2</sup> WMCA Super Plan "Making our Mark" <https://westmidlandscombinedauthority.org.uk/about/strategic-economic-plan/>

<sup>3</sup> WMCA Constitution <https://westmidlandscombinedauthority.org.uk/media/1716/constitution-of-the-west-midlands-combined-authority.pdf>

Development and Construction Act 2009 and section 82 of the Local Transport Act 2008<sup>4</sup>

6. North Somerset Council Report June 2016<sup>5</sup>
7. Briefing paper on the WMCA and Devolution by Richard Gabb and Vinia Abesamis
8. Tony Bray's notes on the WMCA October 2016
9. Centre for Public Scrutiny: Governance and devolution: charting the way<sup>6</sup>
10. Herefordshire Council Corporate Plan<sup>7</sup>
11. Herefordshire Economic Development Strategy<sup>8</sup>
12. Invest Herefordshire (Herefordshire Economic Masterplan)<sup>9</sup>

## 5. Key Findings

The key findings from the review are summarised below:

### 5.1. The government's position and direction on the Midlands Engine for Growth, devolution, combined authorities, and Local Enterprise Partnerships (Clearly, this is all subject to review following the announcement of a general election on 8<sup>th</sup> June)

#### Midlands Engine for Growth

1. The "Midlands Engine for Growth" is the key focus for Government policy development, economic growth and inward investment as directed and

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<sup>4</sup> West Midlands authorities' statutory governance review Undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 and section 82 of the Local Transport Act 2008 <https://westmidlandscombinedauthority.org.uk/media/1107/west-midlands-governance-review-without-appendices.pdf>

<sup>5</sup>North Somerset Council Report June 2016  
<http://apps.n-somerset.gov.uk/cairo/docs/doc27405.pdf>

<sup>6</sup> Centre for Public Scrutiny: Governance and devolution: charting the way  
<http://www.cfps.org.uk/wp-content/uploads/CfPS-Charting-The-Way-v4-WEB.pdf>

<sup>7</sup> Herefordshire Council Corporate Plan 2013-2020  
<http://councillors.herefordshire.gov.uk/documents/s50031075/Corporate%20Plan-JAN2015.pdp>

<sup>8</sup> <http://www.herefordshirebusinessboard.co.uk/wp-content/uploads/2012/04/Herefordshire-Economic-Development-Strategy.pdf>

<sup>9</sup> <http://councillors.herefordshire.gov.uk/documents/s50040614/Appendix%201%20-%20fin%20-%20ECONOMIC%20MASTER%20PLAN%20HFD1690%20V3.pdf>

supported by the UK Trade and Investment policy. It is a strong brand with high visibility nationally and internationally. The Midlands Engine has five themes which are Midlands Connect, prosperity, skills, innovation and finance to business. WMCA supports all five themes, particularly Midlands Connect. Midlands Connect in collaboration with central government brings together local authorities and Local Enterprise Partnerships from across the Midlands. The Midlands Connect Partnership and the Department for Transport are developing a transport strategy that identifies the major infrastructure projects needed to improve the connectivity of various regions' key locations to drive economic growth and power the Midlands Engine. Herefordshire colleagues, particularly the transport team, have met with Midlands Connect to discuss regional transport schemes.

2. Prime Minister Theresa May and Chancellor of the Exchequer Philip Hammond supported the Midlands Engine Strategy which includes significant investment in skills, connectivity and local growth, while it sets out how the government plans to drive the region's huge potential and promote it to the world. The government will invest £392 million in the Midlands for the Local Growth Fund, £20 million in a flagship Midlands Skills Challenge, and committed an additional £4 million to support the operation of the Midlands Engine Partnership.
3. The government has also confirmed £17 million of funding to develop its proposals, which include the potential for up to ten additional trains per hour into central Birmingham.

## **Devolution**

1. Our witnesses gave important and ambitious reasons for pursuing devolution, the prime reason being economic growth.
2. A witness stated that ministers under the current administration have reaffirmed their commitment to devolution as a significant step in improving decision-making and direct accountability to the electorate.
3. At the moment the government's focus is to make devolution deals work, but it is unclear what the government's thinking is. There is currently no appetite to increase pressure on local authorities to form combined authorities.
4. There is no separate government funding for devolution deals. Government looks at these on a case-by-case basis by considering the benefits.
5. According to a witness, there is a lower limit of one million in terms of the size of population that could form a devolution deal. Herefordshire can therefore not seek a devolution deal on its own.
6. One of the witnesses advised that Herefordshire needs to consider how it will contribute towards the WMCA SEP, which sets out the vision,

objectives, strategy and actions to improve the quality of life of everyone who lives and works in the West Midlands. What is it that each is seeking to achieve? Where does working together make sense? Where does a wider geography and powers bring benefits that could not otherwise be secured?

7. According to the Herefordshire Economic Master Plan, “There is commercial potential to capitalise on the county’s links to the Midlands, the South West and Wales alongside local specialisms in defence and security, manufacturing, food, drink and tourism. This economic vision identifies key projects and investment opportunities across the county and starts the conversation between local partners and the investment and development community”.

### **Combined Authorities**

1. The combined authority is a jointly formed statutory body that will exercise strategic functions with the agreement of and on behalf of the constituent members (at present the seven metropolitan unitary authorities covering the former West Midlands Metropolitan County)<sup>10</sup> and the Secretary of State, who has the powers to devolve functions and powers to the combined authority on the basis of an agreement to move to a mayoral model.
2. Combined Authorities are seen to be the route to greater spending powers and greater control over local decision making. However, the powers being devolved to combined authorities so far tend to be increased abilities to spend budgets allocated by central government rather than powers to raise taxes or borrow.
3. The Conservative prospective candidate for WMCA mayor has stated the WMCA will focus on the region’s core conurbation stretching from Wolverhampton to Coventry and Birmingham.
4. Some matters may require a unanimous vote of the constituent members to be carried. This is still a matter that is being discussed.
5. WMCA adopted the mayoral combined authority model. The mayor, when elected, will be the chair of the combined authority, with a cabinet drawn from the leaders of the constituent members and beyond, if agreed. The Leader of Warwickshire County Council is currently a portfolio holder in

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<sup>10</sup> The WMCA comprises the seven metropolitan boroughs of the West Midlands which are Birmingham City Council, City of Wolverhampton Council, Coventry City Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Solihull Metropolitan Borough Council, and Walsall Council, the three Local Enterprise Partnerships (LEPs) covering the geographical area, and a current total of five non constituent members which are Telford and Wrekin Council, Cannock Chase District Council, Nuneaton and Bedworth Borough Council, Redditch Borough Council and Tamworth Borough Council.



the WMCA cabinet. The leaders of the metropolitan areas can veto the mayor.

6. Ministers were willing to look at other forms of governance and negotiate deals with Local Authorities – as with Cornwall, who opted to have their own governance structures rather than an elected mayor.
7. Witnesses stated that while a mayoral model might make sense in cities such as London and Manchester, it is probably less fitting for large rural areas.
8. Clearly, what will make this mayoral combined authority work is the relationship between the mayor and the cabinet.
9. A witness stated that the majority of local authorities in England are not members of a combined authority and government's plans for these authorities are, currently, not clear.
10. The combined authority has professional staff currently drawn from secondees from councils. For instance, Martin Reeves, the chief executive of Coventry City Council, is the WMCA CEO.
11. Centro, the West Midlands Integrated Transport Authority, will provide programme and project management capability as well as strategic transport and public transport services.
12. WMCA is set to implement devolution deals 1 and 2. It is unclear if the government will fund further deals in this parliament. If this is the case, there is no strong case for Herefordshire to apply as constituent member, as it will not access funding to finance its economic development projects and programmes.
13. As fresh funding for new deals are not guaranteed for this parliament, it is unclear if government has an appetite to expand the membership of the current combined authorities.
14. Before the end of this parliament, once the majority of the deals have been sealed and signed and elected mayors have established their position, the government intends to undertake a review of the progress of devolution in England.

### **Local Enterprise Partnerships**

1. Herefordshire has been a recipient of the local growth deals, which provide funds to local enterprise partnerships or LEPs (partnerships between local authorities and businesses) for projects that benefit the local area and economy. Example of a project funded from growth deals is the £8m to create a new teaching university in Hereford to address the shortage of skilled graduate engineers.
2. Witnesses projected that some LEPs may merge. However, it is envisaged that the Marches LEP will stay as it is, and that LEPs will be better options than combined authorities for raising grant funding.

3. LEPs are at the forefront of promoting the growth of the economy and in securing government funding.
4. A witness noted that growth deals and economic development bids would continue to be progressed via the LEPs.
5. It is important that Herefordshire Council and the Marches LEP partners work in a coordinated way in the future and consult each other before making decisions in relation to WMCA.
6. Herefordshire and the Marches LEP need to articulate to the WMCA their potential contributions to the West Midlands functioning economy and the WMCA.
7. It is unclear if government will allocate new funding for future growth deals for this current parliament.

## **5.2. Understanding the pros and cons for Herefordshire of a being either a constituent or a non-constituent member of the WMCA;**

1. It is important to be very clear that there are two distinct, but intertwined strands to the combined authority agenda. The first is the formal creation of the combined authority (and it is clear that this will only involve the seven metropolitan areas (Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, and Wolverhampton), and the second is the Devolution Deal that can be negotiated with Government, with certain aspects of it on a potentially wider geographic footprint.
2. Non-constituent or associate membership is available to those bodies such as councils outside the geographical area covered by the seven current constituent members of WMCA. Non-Constituent Membership could provide the opportunity for such bodies to build on their relationship with the Constituent members and the WMCA as a whole.

### **A. Non-Constituent Members**

#### **Pros for Herefordshire:**

1. Non-Constituent members are at the table and taking part in the discussion;
2. They help shape and identify how growth of the urban core could play a role in driving growth in other areas e.g. non-Metropolitan areas like Herefordshire;
3. They have a sense of greater support in discussions with government;
4. They help shape strategy;
5. They help identify core priorities;

6. Non-Constituent members are being given certain voting rights, so that their voice carries weight, but they cannot out-vote the constituent members. Again, the attempt here is to give non-constituent members a real voice;
7. Devolved power and funding do not extend to non-constituent areas. The WMCA can, though, invest outside the area of the constituent members where there is a clear benefit to the 'core' area of the WMCA; and
8. Non-Constituent members can join other combined authorities. One witness stated that their functional economy goes beyond the West Midlands regions. Hence, being a non-constituent member will give them the freedom to form other partnerships and trading relations.
9. They pay a £25,000 annual membership fee.

#### **Cons for Herefordshire:**

1. They are not part of the devolution deal and may not have access to funding;
2. There will be a significant resource implication in terms of attendance at group and sub group meetings.

#### **Opportunity for Herefordshire**

1. There is an opportunity for non-constituent members to work collaboratively. The chief executives and leaders of non-constituent members and applicants attend non-constituent members meetings which are being organised by the joint chief executive of Redditch Borough Council and Bromsgrove District Council. There is a need to define the terms of reference of this group, and define how it will work with constituent members.
2. The Marches LEP needs to explore its "Ask" which may include skills, transport and possibly tourism, as a separate document from the WMCA devolution deals.

### **B. Constituent Members**

#### **Pros:**

1. The WMCA is one of six pilot areas nationally to test out the new schemes whereby the members will no longer receive any Revenue Support Grant from Government, but will keep all

business rates generated (instead of only half at the moment). Other payments to/from Government will be adjusted to achieve a neutral net position. However, the region will be able to benefit from all of the growth in business rates. Some of this growth will be used by the WMCA to help fund its investment programme. Because this is a pilot, the Government has guaranteed that the WMCA region will not be any worse off than it would have been under the existing financing arrangements. This scheme is seen as a real incentive to work with others to generate growth in the region.

2. Constituent members are part of the devolution deals and are able to attract funding for their economic development projects.

**Cons:**

1. One of the witnesses thinks that the £9 million West of England devolution deal for four local authorities over a 30-year period is not a good deal. He maintained that a better option is to allocate the funding to the LEPs and spend it on infrastructure projects.
2. One witness was sceptical about how much funding would be available for non-metropolitan areas. He maintained that devolution deals are urban centric. He explained that the needs of more rural area authorities are very different to the major urban authorities.
3. If government will not allocate funding for future deals in this parliament, then those applying as constituent members will not have any access to fresh funding.
4. There is a £500,000 annual fee to pay as a constituent member.

**6.3. Understanding other partnership routes to deliver Herefordshire's Strategic Economic Development Strategy, Economic Master Plan, and Corporate Plan.**

1. Herefordshire needs to strengthen current partnerships and relationships. Herefordshire is a member of the Marches LEP which is home to the highly successful Skylon Park Enterprise Zone. The achievements of the Zone to date mean that there is now capacity to take on additional sites and the current sector offering can be amended to make sure the commercial propositions are clearly differentiated, appeal to businesses and deliver for the Marches and wider economy. (Enterprise Zone application, page 11). The Marches LEP is a vital gateway between the Midlands, the west of England, Wales and the Irish export market. It provides an outstanding

business environment with a strong, loyal and proactive private sector and an excellent track record of delivering new housing, jobs and businesses.

2. Herefordshire needs to form new partnerships to deliver its strategic economic plan, economic master plan and corporate plan. One option is partnership with geographic neighbours e.g. Gloucestershire. It would be desirable to work with Wales (Powys) on matters of tourism and transport. However, the Welsh Assembly Government is preoccupied with more pressing issues than cross border work.
3. These partnerships can be built from past and current partnerships e.g. the Herefordshire and Gloucestershire partnership in delivering rural broadband. The Marches LEP should be nurtured as it may continue to be our major source of funding.
4. The Council should be cognisant of options for partnership working with Wales and these should be explored. There was a recognition that the Marches LEP was involved in cross border work with Wales. In the past the West Midlands and Central Wales signed a Memorandum of Understanding aimed to achieve effective cross border collaboration on all aspects of policy development and service delivery which impacted on social, economic and environmental well-being and sustainability in Central Wales and the rural West Midlands. It is suggested that this possible partnership should be revisited.

## 7. Options

### **Option 1: To become a non-constituent member.**

1. If Herefordshire is accepted as a non-constituent member, it will take part in joint lobbying efforts for resources for rail, road, skills and education, etc., and this may lead to a better overall view and shared long term strategic planning for the transport network in the Marches and the West Midlands.
2. According to witnesses there is a resource implication to being a non-constituent member as the leaders currently spend four days a month on WMCA affairs. Likewise, they have one or two officers who spend four days per month attending meetings, networking, etc. This is not seen as wasted time as the officers and leaders are able to build relationships with partners in the WMCA. These relationships result in joint working, exchange of best practice, collaboration and sharing of resources. For instance, local authorities with housing stock are facing Housing Revenue Account (HRA) borrowing restrictions. WMCA is seeking greater flexibility on the HRA borrowing caps alongside a delivery agreement on new housing of different tenures to enable councils to act more commercially to secure new homes.

3. Being a non-constituent member could allow Herefordshire to establish partnership arrangements with other combined authorities, local enterprise partnerships and local authorities. Constituent members are not allowed to join other combined authorities.
4. It would help to prevent Herefordshire becoming isolated.
5. This option is recommended.

### **Option 2: Apply to become a constituent member**

1. Most of the witnesses acknowledged that there are merits in being a constituent member as they will be part of future devolution deals and other funding opportunities. However, it is not clear if the government will allocate funding to future deals.
2. There is a risk that funding from the current parliament may cease, removing the opportunity for Herefordshire to access funding for economic development projects.
3. On the other hand, if parliament decides to re-channel resources to growth and jobs, Herefordshire Council will be able to attract funding via the WMCA's future devolution deals. Ministers are prioritising combined authorities in terms of funding allocation for growth and jobs. Hence, it is important that Herefordshire Council maintains a watching briefing on the WMCA.
4. The mayoral WMCA is not looking to expand the constituent membership in the next 2-3 years.
5. Birmingham City Council is seen as the major player in the WMCA. However, there are concerns about its capacity to help deliver the devolution deals as it is run by an intervention board.
6. The option can be revisited to assess if there are merits in becoming a constituent member. Likewise, the council needs to assess the implications for democratic accountability and council resources as well as the risk and opportunities that come with being a constituent member. A number of authorities have expressed concerns about the role of elected mayors.
7. Herefordshire Council would need to allocate resources (£500,000 annual membership fee and staff resources) to ensure that resources were coming to Herefordshire.
8. Herefordshire should adopt a watching brief on the progress of devolution and decide if it wants to formally join the WMCA as a constituent member.
9. This option is not recommended.

### **Option 3: Form partnerships based on common aims and ambitions**

1. The WMCA recognised that there is a need to define the relationship between the constituent and non-constituent members. Pending a decision on its application as a non-constituent member, Herefordshire attends the WMCA

Board as an observer. Likewise, it attends the meeting of non-constituent members.

2. Herefordshire Council and the Marches LEP need to articulate their potential contributions to the economic growth of the West Midlands and could use this as a bargaining tool for future devolution deals. For instance, Herefordshire and the Marches LEP need to demonstrate that they are open for business and that their economic plans are aligned with the WMCA Strategic Economic Plans and the Midlands Engine. This will open opportunities for Herefordshire to be part of the succeeding devolution deals, which will fund its economic development projects and programmes e.g. skills development, transport and digital infrastructure, etc.
3. Herefordshire Council must be very alert to focus on its ability to create partnerships and the ability of the LEP to act as a facilitator. Herefordshire Council needs to be closely aligned to the Marches LEP.
4. This option is recommended.

#### **Option 4: Seek a devolution deal on our own and/or with our geographic neighbours**

1. This does not seem a viable option at the moment because colleagues in the Marches LEP are looking at different functioning economic geographies. For instance, Shropshire has links with Cheshire and Crewe. The HS2 station at Crewe could provide benefits for the Whitchurch/Wem area. Shropshire and the WMCA share similar economic interests in the M54 corridor.
2. Telford and Wrekin finds the geography of the Marches difficult as its employment flows link to the WMCA rather than Shropshire and Herefordshire. It has potential links with Staffordshire. Metropolitan areas in the West Midlands refer companies to Telford and Wrekin when they themselves cannot accommodate them.
3. As for Warwickshire, its functioning economic geography is linked to Solihull, Coventry, Birmingham and South East England and East Midlands.
4. The Task and Finish Group invited the Worcestershire County Council leader as one of the witnesses. He declined the invitation and Worcestershire County Council decided not to join the WMCA.
5. The government's intention for deals with non-metropolitan areas remains unclear.
6. This option is not recommended.

## 8. Recommendations

### **Recommendation 1**

**The recommendation is that HC should continue to seek non-constituency membership of the WMCA**

- a. The decision to apply as a non-constituent member of the WMCA was the correct one, in accord with the evidence that the Task and Finish Group received.
- b. It is important that Herefordshire Council and the Marches LEP partners work in a coordinated way in the future and consult each other before making decisions in relation to WMCA.
- c. Herefordshire and the Marches LEP need to articulate to the WMCA their potential contributions to the West Midlands functioning economy and the WMCA.
- d. Herefordshire and the Marches LEP need to explore their “Ask” which may include skills, transport and possibly tourism in a document separate from the WMCA devolution deals.
- e. It is also recommended that Herefordshire Council engages with the non-constituent members in defining their role in the WMCA and how they can demonstrate to the WMCA their economic geographies can contribute to the delivery of the WMCA SEP, devolution deals and the Midlands Engine for Growth.

### **Recommendation 2**

**Herefordshire should seek to form partnerships and relations with other local authorities and their LEPs**

- a. Herefordshire should, strive to avoid being isolated.
- b. It is strongly recommended that Herefordshire forms partnerships and relationships with local authorities and their LEPs. These partnerships can be built from past and current partnerships e.g. the Herefordshire and Gloucestershire partnership in delivering rural broadband. The Marches LEP should be nurtured as it may continue to be our major source of funding.
- c. The Council should be cognisant of options for partnership working with Wales and these should be explored. There was a recognition that the Marches LEP was involved in cross border work with Wales. In the past the West Midlands and Central Wales signed a Memorandum of Understanding aimed to achieve effective cross border collaboration on all aspects of policy development and service delivery which impacted on social, economic and environmental well-being and sustainability in Central Wales and the rural West Midlands. It is suggested that this possible partnership should be revisited.



### **Recommendation 3**

#### **Keep a watching brief on WMCA**

- a. It is early days for Herefordshire to contemplate applying as constituent member to the WMCA as this will require the WMCA to re-consult on the combined authority scheme and make a case to the Secretary of State in relation to the evidence for being a functional economic geography and setting out the benefits of an enlarged partnership, but a watching brief should be kept on the developing WMCA and no option should be excluded.

## **8. Appendix**

Appendix A Scoping document