

<b>Marches Enterprise Joint Committee</b>	
<b>Meeting date:</b>	<b>20 July 2016</b>
<b>Title of report:</b>	<b>West Midlands Combined Authority – Non Constituent Membership</b>

## Classification

Open

## Key Decision

This is not a key decision.

## Purpose

To set out the case for the Marches LEP becoming a “Non-Constituent” Member of the West Midlands Combined Authority (WMCA) and the potential long term economic growth benefits to the Marches LEP in so doing.

## Recommendation(s)

THAT:

- a) the Marches LEP applies to become a Non-Constituent Member of the West Midlands Combined Authority (WMCA) at a cost of £25k for 2016/17; and
- b) the Chair of the Marches LEP, or his nominated substitute, be authorised to represent the LEP at the WMCA board and subgroups as appropriate as a non-constituent member.

## Reasons for the Recommendations

- 1 To ensure that the Marches LEP is in the best possible position to continue to secure government funding to support the growth aspirations of the LEP area and to influence regional policy as appropriate

## Summary

### West Midlands Combined Authority (WMCA)

- 2 The Government agreed a Devolution Deal with the WMCA Shadow Board on 17 November 2015. A copy of the Deal can be found on the WMCA website

<https://westmidlandscombinedauthority.org.uk>

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Further information on the subject of this report is available from  
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- 3 The aim of the West Midlands Metropolitan Authorities in creating WMCA was to ensure that the transport, economic development and regeneration functions across the West Midlands could be strategically coordinated and integrated. A Combined Authority also offers the platform for devolution of powers to the WMCA which will enable it to align the devolved programmes and funding streams to local priorities. The Devolution agreement between the WMCA and Government will see it make a projected annual contribution worth £40 million for 30 years to support an overall investment package that will unlock £8 billion, alongside the creation of up to half a million jobs.
- 4 The WMCA came into being on 1 June 2016 and published its Strategic Economic Plan on 10 June 2016. The Constituent Members of the WMCA are the seven Metropolitan Authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. The Non-Constituent Members are the three Local Enterprise Partnerships of Black Country, Birmingham and Solihull and Coventry and Warwickshire and 7 Councils – Cannock Chase, Nuneaton & Bedworth, Redditch, Tamworth, Telford and Wrekin and most recently Stratford-on-Avon District Council and Shropshire Council. Applications were also considered and approved on 10 June from North Warwickshire Borough Council, Warwickshire Council and Rugby Borough Council. It is proposed the first mayoral Election will take place in May 2017.

#### **What will being a Non-constituent Member mean?**

- 5 The Marches LEP is looking to do business with other LEPs and partners in Wales and the West Midlands as well as with central Government in pursuit of policy intentions for :-
  - transport, housing and broadband and mobile infrastructure that will lead to improved physical and digital connectivity;
  - support to business including expansion of advance manufacturing – engineering, agri-food/agri-tech;
  - housebuilding growth and other efforts to optimise land assets including public sector land; and
  - for skilling up of the workforce across all ages and a range of sectors; in particular in higher level skills.
- 6 Becoming a non-constituent member of the WMCA will allow the Marches LEP to further collaborate with stakeholders (LEPs and Local Authorities) at a regional and sub-regional level, and with Government at a national level, in order to maximise the opportunities for the LEP Area to realise its policy intentions for the long term. It will also allow the LEP to build on the actions it is already supporting via the Midlands Engine and Midlands Connect and support its review of the Marches Strategic Economic Plan in which the LEP will identify the common challenges.
- 7 The Marches LEP will be well placed to capitalise on its own geographical position as a bridge between the North West and the West Midlands, plus its proximity to Wales and the importance of its arterial transport routes through to Ireland via Holyhead and the connections with the cities and ports of south Wales.

- 8 It should be noted LEPs can only be Non-Constituent Members of Combined Authorities and initially our role will be as an observer. Also, those Local Authorities not named in the WMCA Devolution deal signed in November 2015 will not be able to directly benefit from this Deal.

### **Alternative options**

- 9 It should be noted that the three Local Authorities have decided to pursue Non-Constituent Membership of the WMCA rather than submit a Marches Devolution proposal. This is because the Government was unlikely to have progressed our Marches proposal due to it not meeting its Combined Authority and Mayoral governance requirements.

### **Financial implications**

- 10 Each non-constituent member contributes £25k for their Membership. This is the figure for 2016/17. The LEP team will also need to attend meetings mainly in Birmingham so there will be additional staff travel costs plus staff time to represent the LEP at relevant meetings. However the existing non-constituent LEP Members do share the attendance of the meetings between them.

### **Legal implications**

- 11 The Cities and Local Government Devolution Act 2016, which received Royal Assent on 28 January 2016, provides for the creation of a directly-elected mayor of a combined authority to exercise specified functions e.g. economic development, regeneration and transport, etc. It also allows public authority functions to be conferred on a combined authority and enables the changing of local government structures e.g. mergers of councils and moves to unitary structures.
- 12 The powers to establish a combined authority are detailed in the Local Government, Economic Development and Construction Act 2009.
- 13 The regeneration, economic development and transport functions of Telford and Wrekin, Shropshire and Herefordshire Council cannot be undertaken by the WMCA, but remain with these council's.

### **Risks, opportunities and impacts**

- 14 By being a non constituent member the Marches LEP will be made aware of the strategic programmes and projects being developed in the WMCA area which have synergy with Marches LEP priorities and by aligning these priorities they are likely to have more impact with Government e.g. A5 duelling, M54 development, HS2, Post-16 Skills budgets.
- 15 If the LEP does not join there is a risk is that it could be seen as ignoring an opportunity to be in at the beginning and work with /support our three Local Authorities and the wider partnership of the WMCA.

- 16 The MEJC and the LEP Board need to ensure limited LEP resources are not diverted/ committed on WMCA work, including LEP Board and MEJC member time, at the expense of core LEP project and programme delivery and management.

## **Consultation**

- 17 Telford and Wrekin Council applied to become a Non-Constituent Member of the WMCA in October 2015. Shropshire Council decided to apply in April 2016 to become a non-constituent member. Both Councils have indicated they would like the LEP to join the WMCA as a non-constituent member. Also Herefordshire Council is considering applying to become a Non-Constituent Member and has indicated it would also like the LEP to apply to join the WMCA.
- 18 Martin Reeves the CEO of the WMCA sought the views of the WMCA Constituent Members and Non-Constituent members on 29 June 2016 and they indicated they would welcome the Marches LEP becoming a non-constituent member along with Greater Birmingham and Solihull LEP, Coventry and Warwickshire LEP and Black Country LEP.
- 19 Tony Bray, the Area Director for BIS has indicated he would welcome the Marches LEP becoming a non-constituent member as he sees there would be value in aligning common strategic priorities and the Marches LEP, where appropriate, delivering its actions through wider strategic partnerships e.g. on transport and skills . He indicated we should also pursue other strategic partnerships e.g. with Wales.

## **Appendices**

None.

## **Background papers**

None