

WMCA Board

Date	13 October 2023
Report title	Deeper Devolution Deal Ratification
Portfolio Lead	Levelling Up / Devolution - Councillor Sharon Thompson
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Report has been considered by	Mayor & Portfolio Leads Liaison - 29 September 2023 Individual meetings with Leaders and Chief Executives

The WMCA Board is recommended to:

- (1) Formally ratify the 'trailblazer' deeper devolution deal between the WMCA and His Majesty's Government; and
- (2) Approve the Governance Review and Scheme for devolution to the WMCA of the administration of Bus Service Operators Grant under section 154 (1) (3) and (4) of the Transport Act 2000 for submission to the Secretary of State.

1. Purpose

- 1.1 Ratification would enable the WMCA, working with local authorities and other partners, to continue the implementation of the deeper devolution deal.

2. Background

- 2.1 The deeper devolution deal contains over 190 commitments across a wide range of policy areas. [Annex A](#) summarises the contents of the deal, our implementation plan and how we are working with local authorities and other partners to deliver it. The health improvement duty is no longer part of the deal. We need to ratify the deal in order to continue the process of implementation with HMG and, specifically, the implementation of the single settlement.

- 2.2 One of the commitments in the deal is to devolve the Bus Service Operators Grant function. This will confer a new statutory function onto the Mayor, however any policy flexibilities secured as a result of national reforms will be exercised as a WMCA Board function. At this stage of the process, we are asking WMCA Board to decide whether to approve the governance review and scheme for the BSOG function (Annex B) for submission to the Secretary of State for Transport for their consideration. If approved by the Secretary of State, an Order would be laid in Parliament to devolve the function in due course. To note that constituent local authorities will be asked to give further consideration to a draft Order over the coming months and in advance of a further decision by WMCA Board early next year (likely January).
- 2.3 Following the feedback provided at Mayor and Portfolio Leaders on 29 September, we are seeking further amends to the terms of reference for MP Questions. We will bring the terms of reference back to members in due course, once we have a 'final' draft for your consideration.

3. Strategic Aims and Objectives

- 3.1 The deeper devolution deal as a whole provides new funding, relationships with government and its agencies and a new statutory function (see above) which will enhance WMCA's ability to deliver inclusive economic growth across the region.

4. Financial Implications

- 4.1 Ratification of the deal will secure the range of fiscal benefits previously reported to members. Non-ratification of the deal as a whole would mean these benefits would be highly likely to be withdrawn, which will have a financial consequence. Specifically, the release of £100 million for brownfield remediation will not be released until the deal has been ratified. Should WMCA Board ultimately decide to adopt the single settlement, it will bring with it advantages such as allowing WMCA to create financial plans and strategies with more certainty together with more flexibility over how WMCA deploys its funding and selects interventions which are the right ones for the region. The single settlement is not expected, however, to substantially increase funding quantum at a headline level and as such, other options to address WMCA funding deficits over the longer term should remain under review.
- 4.2 With regards to BSOG, our initial assessment is that BSOG devolution, under the current conditions does not introduce financial or commercial risk to the WMCA. The WMCA holds the rights not to enact the BSOG powers in advance of its proposed national reform. The WMCA will continue to work with DfT to shape BSOG policy reform as well assessing the financial and resource implications to fully administer BSOG, once devolved.

5. Legal Implications

- 5.1 Approval of the Governance Review and Scheme for the devolution BSOG to WMCA is a first step in the statutory process under section 105A of the Local Democracy, Economic Development and Construction Act 2009. This will be followed by the issue by the Secretary of State of a draft Order to which the consent of both the WMCA Board and each of the Constituent Authorities will be required before the Secretary of State may make a final Order.

5.2 There are no other legal implications flowing directly from ratification of the Deeper Devolution Deal and the implications of implementation of specific aspects of the Deal will be considered in later reports

6. Single Assurance Framework Implications

6.1 None arising from this recommendation. All funding unlocked by the deal will follow separate approval processes through the SAF.

7. Equalities Implications

7.1 None arising from this recommendation.

8. Inclusive Growth Implications

8.1 The WMCA defines Inclusive Growth (IG), as “a more deliberate and socially purposeful model of growth, measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people”.

8.2 The principles of IG have been fundamental to the development of the deeper devolution deal and are key to the proposed ‘single outcomes framework’ which underpins the Deal and its objectives. The ratification of the deeper devolution deal will enable the creation of a single outcomes framework which aligns all activities in the West Midlands to the eight inclusive growth fundamentals, and the five single settlement pillars, so that all powers, functions and activity in the West Midlands is aligned to the mission to create a fairer, greener and healthier region.

9. Geographical Area of Report’s Implications

9.1 The deeper devolution deal and the BSOG function will benefit all parts of the region albeit in different ways, at different times and to a varying extent between places.

10. Other Implications

10.1 None.

11. Schedule of Background Papers

Annex A: Summary of the deeper devolution deal.

Annex B: Governance review and scheme for the devolution of the Bus Services Operators Grant