



West Midlands
Combined Authority

Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>Single Settlement: Local Growth & Place Functional Strategy</i>
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Report has been considered by	<i>n/a</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

(1) To note the work being undertaken by WMCA officers and constituent authorities to develop place-based strategies.

1. Background

1.1 The West Midlands agreed a Deeper Devolution Deal with Government in March 2023¹, which was ratified by the WMCA Board in November. The Economic Growth Board has shaped the major economic themes of those activities² and ensuring the West Midlands has the priorities, institutions and private sector partnerships to fulfil the opportunity.

1.2 The Single Settlement is a major component of the Deal as it will empower and resource the region to lead change over a multi-year period that reflects

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1143002/West_Midlands_Combined_Authority_Trailblazer_deeper_devolution_deal.pdf

²<https://governance.wmca.org.uk/documents/s11945/Report.pdf>

regional conditions. Government and the WMCA agreed a Memorandum of Understanding³ in November 2023 about the Single Settlement, including more detail on the local growth and place pillar.

- 1.3 This report provides information about the initial development of the Local Growth and Place Functional Strategy of the Single Settlement.

2. Single Settlement

- 2.1 The Single Settlement recognises that the current system of funding for mayoral combined authorities is fragmented, overly reliant on centrally administered funds and lacks clear, lean and proportionate accountability structures.
- 2.2 The Single Settlement will set a single capital and revenue funding regime in the next Spending Review. With a streamlined, overarching, single accountability framework coordinated by DLUHC, rather than multiple frameworks administered by different departments, the settlement will increase the region's autonomy, ability to prioritise decisions locally, and ability to reprioritise across its own budgets.
- 2.3 In order to agree how the Single Settlement funding allocated to the region is invested, the region has agreed to develop what are being referred to as 'functional' and 'place based' strategies.
- 2.4 A **functional strategy** will cover an entire Spending Review period, setting out the objectives and investment priorities for each functional pillar of the single settlement. It will set out how the outcomes, yet to be negotiated with government, attached to the single settlement would be met.
- 2.5 There is a need to develop a Local Growth and Place functional strategy which will cover the following activities, which will be the basis of the future devolved funding we receive for this pillar of the single settlement:
 - a. Activity that promotes place-based economic development, improves productivity, and aims to reduce inter-and-intraregional spatial economic disparities.
 - b. Coordination and delivery of local programmes to drive business productivity whilst ensuring integration between local and national business support activity, enabling businesses to access support.
 - c. Regeneration, place-making, and improvements to local infrastructure.
 - d. Activities that promote pride in place, including but not limited to measures to improve social cohesion, the improvement of public facilities and the public realm, for instance on high streets.

³https://assets.publishing.service.gov.uk/media/655d0945d03a8d001207fe19/Memorandum_of_Understanding_for_the_Single_Settlements_with_Greater_Manchester_and_West_Midlands_Combined_Authorities_FINAL.pdf

2.6 There is lots of work to do to clarify the scope, agree outcomes and delivery details, and the EGB will be briefed about those positions ahead of more detailed reports in spring/summer 2024.

2.7 Alongside these functional strategies, each local authority is being asked to develop a **place-based strategy** that identifies, for a key geography, how functional strategy spending, wider levers from the devolution deal, other sources of funding and potentially public sector improved ways of working will come together to regenerate these areas. Local authorities will write these, tying them to their local priorities and the outcomes of the single settlement. Place based strategies will be developed according to the following high-level principles:

GEOGRAPHY	BUILDING A CASE AND PRIORITISING
<ol style="list-style-type: none"> 1. Can be a large continuous corridor or several smaller corridors. 2. Should include a mix of sites across each corridor. 3. Can cross local authority boundaries, if appropriate. 	<ol style="list-style-type: none"> 1. Led by local authorities with clear political leadership and support. 2. Underpinned by a compelling vision and narrative. 3. Require investment interventions from all five functions of the single settlement as defined in the MoU – helping to align with future funding and, critically, the outcomes framework and WM Inclusive Growth Framework. 4. Based upon a timeframe of between 10 and 20 years. 5. Built upon existing strategies, spatial plans, programmes and initiatives – local and regional. 6. Evidence-based and supported by material made available through the regional mapping exercise (economic need, economic opportunity and existing spatial programmes/initiatives). 7. Focused on Single Settlement but complementary funding aligned from a wide range of other sources – including private investment, universities etc. 8. Address issues around governance and delivery mechanisms – both in terms of short-term activation and management and longer-term governance and accountability.

2.8 In the coming months, the WMCA will work on the Local Growth and Place pillar functional strategy with:

- Local authorities via Directors of Economic Development and Business Support Officers Group.
- Business via the Regional Business Council, Business Insights Forum and direct work with business representative groups.
- Government departments via the Strategic Productivity & Innovation Partnerships and joint strategy activity like the International Strategy.

2.9 For place-based strategies, local authorities are identifying a range or potential geographies. These will be prioritised in spring 2024, followed by a locally-led process to develop the details of place-based investment plans over spring/summer 2024. These will set out the investment required to deliver transformational 10- to 20-year change in localities and will inform the functional pillars.

3. Financial Implications

3.1 There are no direct financial implications arising from this report.

3.2 Resources to develop the functional strategies and place-based strategies are covered by existing resources, though where there are significant pressure points of efficiencies by not duplicating, the WMCA will work with local authorities to explore how that work can be resourced.

3.3 Should this require investment outside existing funding and resources as part of formulating or delivering the Single Settlement strategies, this would need to follow the WMCA governance routes to ensure alignment with strategic direction and represent value for money.

4. Legal Implications

4.1 There are no direct legal implications arising from this report. Any potential legal implications arising from this work will be assessed during the development and approval process.

5. Equalities Implications

5.1 Different communities have different priorities so by developing functional strategies alongside place-based strategies, the WMCA will ensure the Single Settlement reflects the different needs of communities, determined by constituent local authorities.

6. Inclusive Growth Implications

6.1 The Single Settlement will relate to an Outcomes and Accountability Framework with inclusive growth at its heart.

7. Geographical Area of Report's Implications

7.1 The Single Settlement and pillar strategies will relate to the WMCA's constituent authority area – across the 7 Met authorities. There is flexibility and local autonomy in the development of place-based strategies to reflect functional footprints which relate to how the economy operates, including housing and labour markets.