

West Midlands Funding for Growth Programme

Briefing Paper

Context to the West Midlands Funding for Growth Programme (“FGP”)

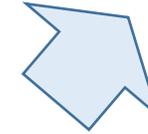
- With a total budget of £8 billion over a 30 year period, additional resources are required in order to fill the funding gap and allow the aims of the WMCA across Housing, Transport, the Economy, Skills, and other areas to be delivered.
- To drive additional funding for the Midlands, both in terms of both devolved fiscal power from Government and, more importantly, seeking new funding mechanisms in the region, a programme is to be established to map out the options available for additional funding and the key actions/measures to be implemented in order to crystallise this funding and ultimately deliver on the WMCA's targets.
- The programme will benefit from a diverse range of skills and expertise from its members, who will comprise private sector, funding/financing, public sector and West Midlands local government backgrounds. Given the range of areas to be covered by the programme flexibility will be given to the programme board to utilise additional expertise in specific areas, such as housing or skills, as necessary.
- The programme will be led by a programme board, with a Chairperson appointed to lead the group's work.
- The programme's output will be a formal report (or series of smaller reports) summarising the funding streams to be prioritised and the key actions required to deliver such funding.
- It is hoped that the programme will be in a position to report its initial findings by the end of 2017.
- The initial priority for the programme will be to assess existing funding mechanisms available to the WMCA and to prioritise investigation into new measures that may be introduced to drive incremental funding for the region.
- This paper summarises the key objectives of the programme, the proposed structure, operations and and timeline for its work. These are subject to final agreement.



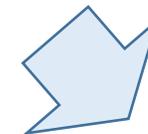
Key objectives of the FGP

The following sets out the core objectives of the programme; these will be focused on by different groups within the programme, as set out later in this document.

1. Consider existing financing/funding powers and sources that are available to the WMCA, recent evolution of these, and comparison of these powers/sources to those devolved to London and selected other cities.
2. Analyse the West Midlands region, in terms of levels of public expenditure and tax revenue, and how this compares to the UK as a whole, to consider the extent to which we get our 'fair share' as well as the size of the funding gap in the region.
3. Consider the potential options available to the West Midlands, in terms of additional powers (i.e. tax revenues and control over spending) that could be devolved from Government, and **incremental** funding sources that could be used locally. In particular focus will be on:
 - Potential size of the funding that could be achieved and the benefits this could bring;
 - Control over the use of the funds;
 - The likely timeline to achieve access to the funding; and
 - Additional steps required in order to access the funding stream considered.
4. Make recommendations as to how the West Midlands could increase control over local spending and create new funding opportunities, based on the options assessed.
5. Consider further objectives and areas that should be considered for ongoing focus following the completion of initial evaluation and reporting, and how such further objectives can be delivered.
6. Input into West Midlands Devolution Deal II workplans, to ensure a joined-up and consistent approach
7. Engage with HM Government on an ongoing basis to discuss plans and measures considered

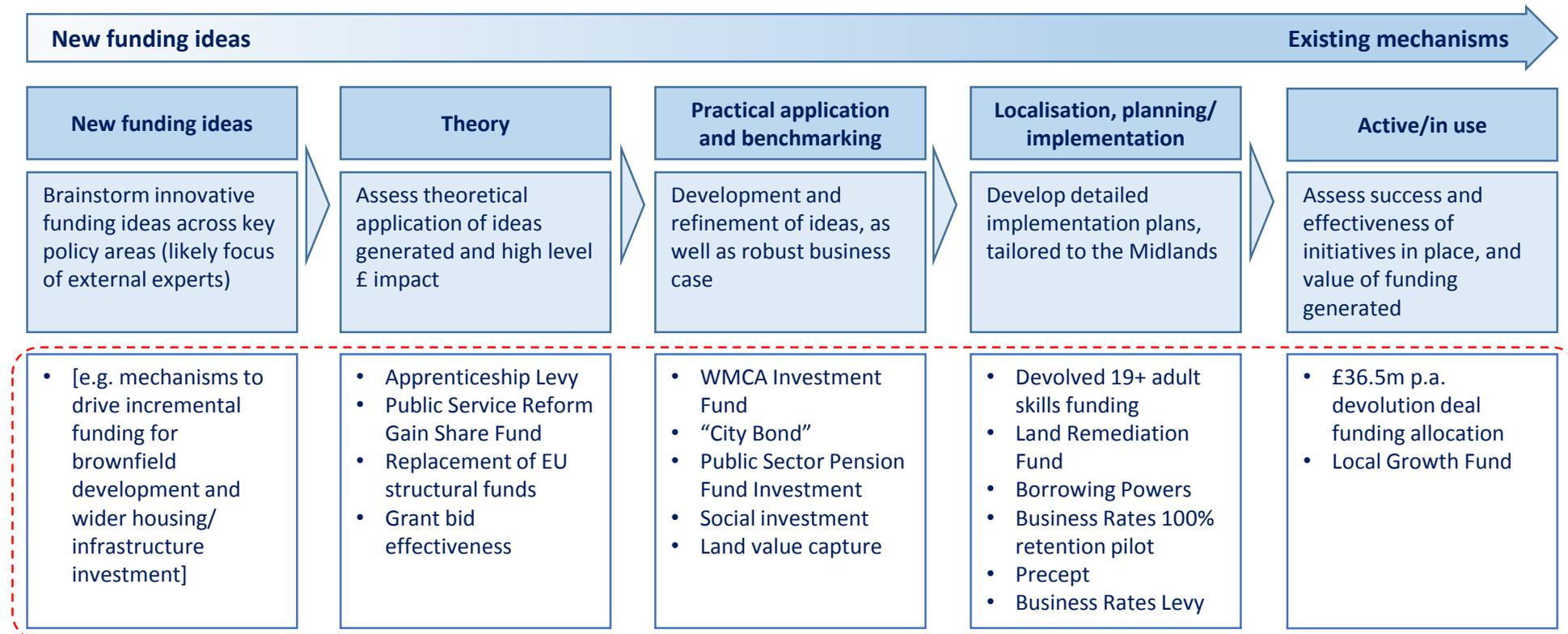


Fill the
funding gap
to drive
investment
in key policy
areas



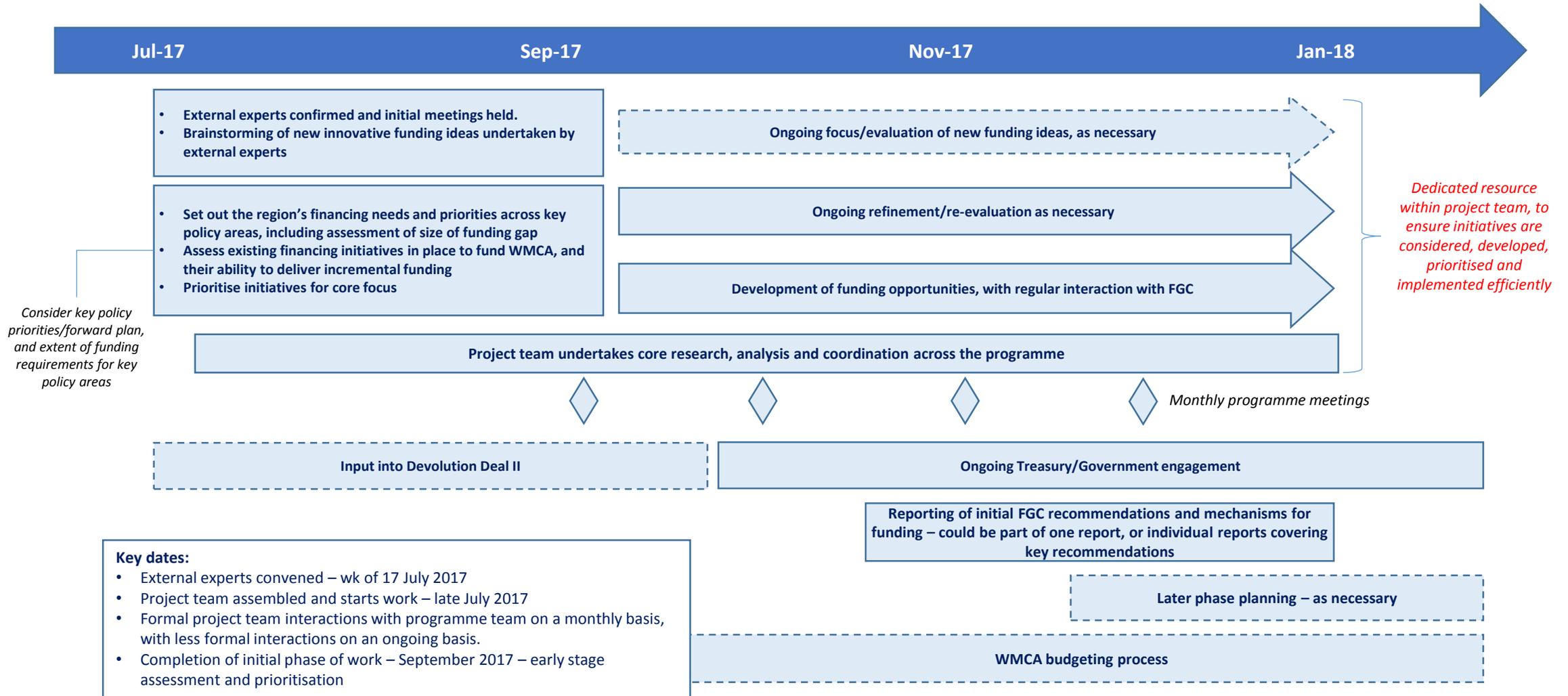
Proposed approach – evaluating the potential funding options

The programme will assess a broad horizon of funding sources and initiatives. This will include active funding streams in use by WMCA now, and other potential areas, both in development or at early stage of implementation.



Existing proposals for consideration

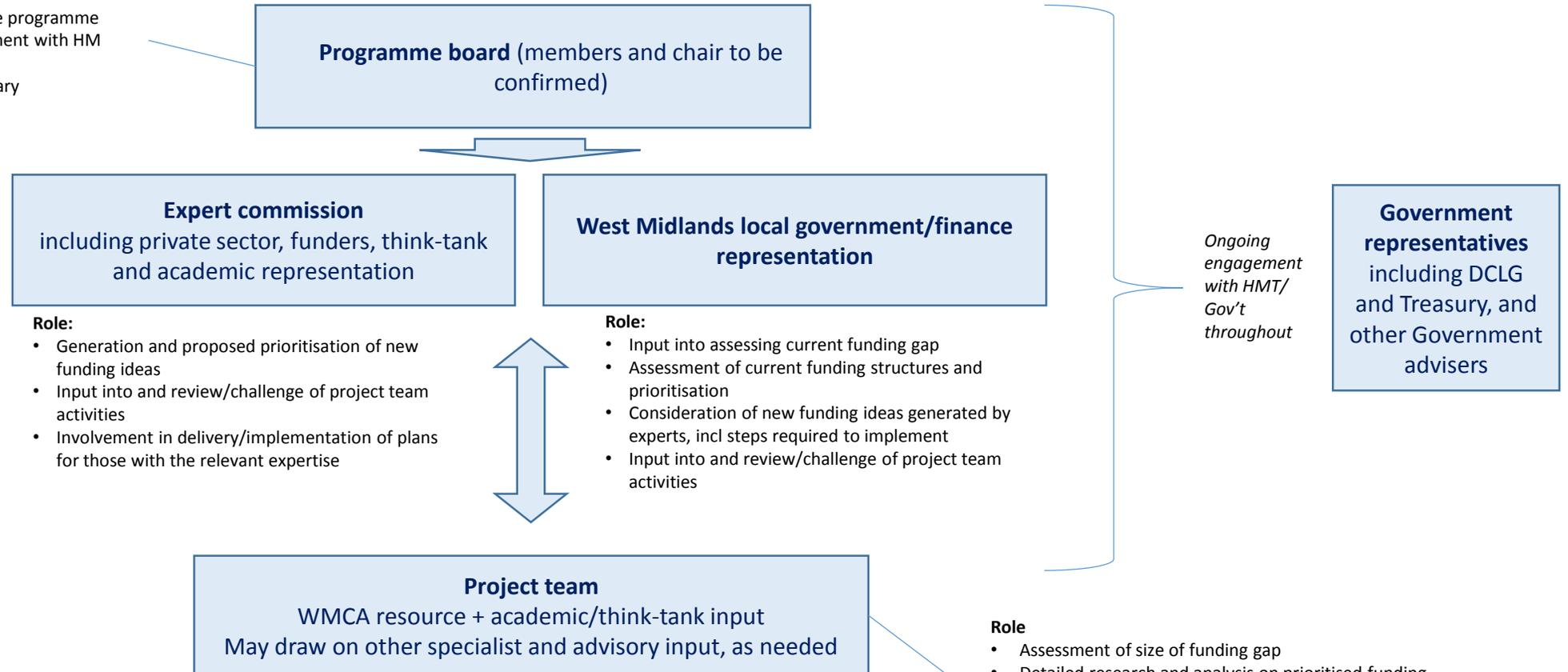
Proposed timeline of the programme



Proposed structure of the programme team

Role

- Oversight and steering of the programme
- Periodic liaison and engagement with HM Treasury/Government
- Mayoral briefings, as necessary



Remit of members

- Members of the FGP will be required to provide their expertise and input into the programme over the initial core timetable of delivery, being July to December 2017.
- Time requirements are not expected to be extensive over this period, however we would envisage the following:
 - Availability for initial brainstorming meeting during July 2017, during which:
 - plans for the programme will be discussed; and
 - Initial thoughts/observations/ideas on funding in the West Midlands are to be discussed.
 - A full programme meeting will be held in early September 2017
 - Formal consultation with the project team and other members periodically, during 'challenge sessions' to be held as individual stages of the project team's work are completed. This is likely to comprise monthly round table discussion with all members of the FGP, any may be supplemented by smaller group sessions/calls focused on specific areas, as necessary.
 - Support in refining conclusions, positioning and testing proposals with key stakeholders, including providing input in FGP outputs, as necessary.
- During this period there will likely be requirement to provide ad-hoc advice and consultation to the project team and wider Mayoral team, in order to ensure efficiency of the overall plan and delivery of programme outputs within the timeframes set out.
- Members will also be expected to link into existing WMCA bodies with relevant expertise around specific policy areas (e.g. transport, housing, skills) on a regular basis. In particular, the programme may seek experts to provide input in specific policy areas, where such expertise is considered value-adding to the programme members' own experience.

