

WMCA Board

Date	19 th November 2021
Report Title	Simplifying Economic Governance and Establishing the West Midlands Economic Growth Board
Portfolio lead	Economy and Innovation – Councillor Ian Brookfield
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Accountable Employee	Dr Julie Nugent, Director of Productivity and Skills Email: Julie.Nugent@wmca.org.uk
Report has been considered by	Senior Leadership Team Mayor and Met Leaders Liaison Group – 5 th Nov 2021 WM Programme Board SED Board – 28 th October 2021

Recommendations for action or decision:

The WMCA Board is recommended to:

- a) Agree to establish the Economic Growth Board (EGB) as a decision-making Board for the WMCA, to be chaired by the Portfolio Lead for Economy.
- b) Note that the EGB will formally replace the advisory Strategic Economic Development (SED) Board and the Covid Recovery Jobs Taskforce which will now cease to meet.
- c) Agree the EGB's terms of reference, membership (including voting rights) and draft work programme.
- d) Agree that the EGB can make recommendations to vary its membership as required
- e) Note that further work is required to simplify and/or rationalise the range of groups and boards that previously reported into the SED Board.
- f) Note parallel work to clarify the role of advisory groups comprised of business representatives.
- g) Endorse the need for a new officer group to inform the work of the EGB.

h) Acknowledge the work of the SED Board and the contribution members have made.

1 Purpose

1.1 This report proposes the establishment of a new Economic Growth Board (EGB) with decision-making powers, led by the Portfolio Lead for Economy, which will put regional economic development at the heart of CA decision making.

2 Review of regional governance and simplification of economic leadership

2.1 Leaders of the seven constituent authorities and the Mayor agreed to a comprehensive review of the region's governance. This included a focus on streamlining economic governance and policy-making, and establishing clearer, more accountable decision-making. NB The report notes that the government has not yet concluded on its review of Local Enterprise Partnerships, where recommendations are expected to be published alongside the Levelling Up White Paper.

What is being proposed?

2.2 The proposal agreed in principle by the Mayor and leaders of constituent councils is to:

- Establish an Economic Growth Board to provide strong, democratically accountable economic leadership with decision-making powers. The Board will be accountable to the Combined Authority Board and will provide strategic oversight of the region's approach to driving green and inclusive economic growth.

The Combined Authority Board will delegate the following to the Economic Growth Board:

- such well-being powers as are set out in sections 99 and 102A of the Local Transport Act 2008 in order to promote economic growth and such powers can be exercised in conjunction with general powers granted to the Combined Authority by virtue of Section 113A of the Local Democracy Economic Development and Construction Act 2009 (as amended by the Localism Act 2011).
 - to exercise functions relating to economic growth including but not limited to, the functions set out in the terms of reference in **Appendix 1**.
- Membership of the Board is set out in **Appendix 1**.
 - Voting rights are recommended to follow the Combined Authority's constitution and be held by constituent local authority members only. Where issues under discussion could have a material impact on non-constituent areas then non-constituent authorities would be fully consulted with and/or decisions would need to be taken at full WMCA Board.

- Close the existing and advisory Strategic Economic Development (SED) Board and Covid Recovery Jobs Taskforce.
- 2.3 The EGB will also influence other areas of WMCA delivery – for example, transport and skills – that are direct enablers of economic growth. This will not affect the current governance arrangements for these areas.
- 2.4 These are a range of other Boards and advisory groups in the economic space, including Energy Capital, Cultural Leadership, Create Central, and Tourism (which reports to the Growth Company) etc. These are advisory groups helping to inform WMCA policy – they **are not** decision making. We propose that the EGB oversees work to further streamline and/or clarify the terms of reference for these. Groups that formally reported into SED Board are shown in **Appendix 2**.
- 2.5 The Skills Advisory Board will continue to provide strategic oversight of regional skills needs, with a focus on the Adult Education Budget. This is not a decision-making board.
- 2.6 The WMCA will provide operational support for the Board. The CA will not be replacing the Director of Economy and Strategy role, previously held by Julia Goldsworthy, and Julie Nugent, Director of Productivity and Skills, will provide executive support for this role.
- 2.7 We are proposing a new senior officer working group, drawn from key partners, to support the work programme of the EGB. This will be facilitated by the CA and will replace the informal Regional Economic Implementation Group.
- 2.8 The CA team is working with the LEP teams to support a smooth transition from SED Board to EGB governance with a new work programme.

Business representation

- 2.9 We are keen to clarify the respective roles of business groups and networks as they inform WMCA policy. The fortnightly Economic Impact Group, chaired by the Mayor, will continue to meet on a regular basis, to share insight about the regional economy across a broad range of employers, employer representatives, and interested parties. This group **does not** have decision-making powers.
- 2.9 In addition, the Mayor is establishing a new Business Reference Group, comprised of leading regional businesses. This will meet on a regular basis and **will not** be decision making. This will replace the current Mayoral Business Advisory Group and its membership will be focused on strategic, large businesses.

3 Financial Implications

- 3.1 Whilst the EGB will have decision making powers, it will not have any authority to approve WMCA incurring financial liabilities. To clarify, such decisions to incur cost will remain with the Combined Authority Board and Investment Board only.

- 3.2 There is expected to be a marginal cost to WMCA in operating the Board in terms of the governance and administration requirements together with the costs of any incremental policy input over and above that provided to the Boards the EGB replaces. This is expected to be offset by the savings made from releasing the Director of Economy and Strategy post as detailed within this report and the intention to draw in resource from key partners to support the work programme. Subject to approval of this report, the additional marginal impact of these changes will be factored into the 2022/23 budget as appropriate.

4. Legal Implications

- 4.1 This report sees the Economic Growth Board established as a decision-making Board under the WMCA's constitution.

5. Equalities Implications

- 5.1 There are no immediate equalities implications arising from this report.

6. Inclusive Growth Implications

- 6.1 The EGB will place inclusive economic growth at the heart of CA decision making.

7. Geographical Area of Report's Implications

- 7.1 The report refers to the 3 LEP area and incorporates links with all constituent and non-constituent authorities. Subject to policy decisions by Government and local partners, decision-making over economic growth policies and programmes might relate to either the 7-met WMCA area, or the wider economic footprint.

8. Other implications

- 8.1 None.

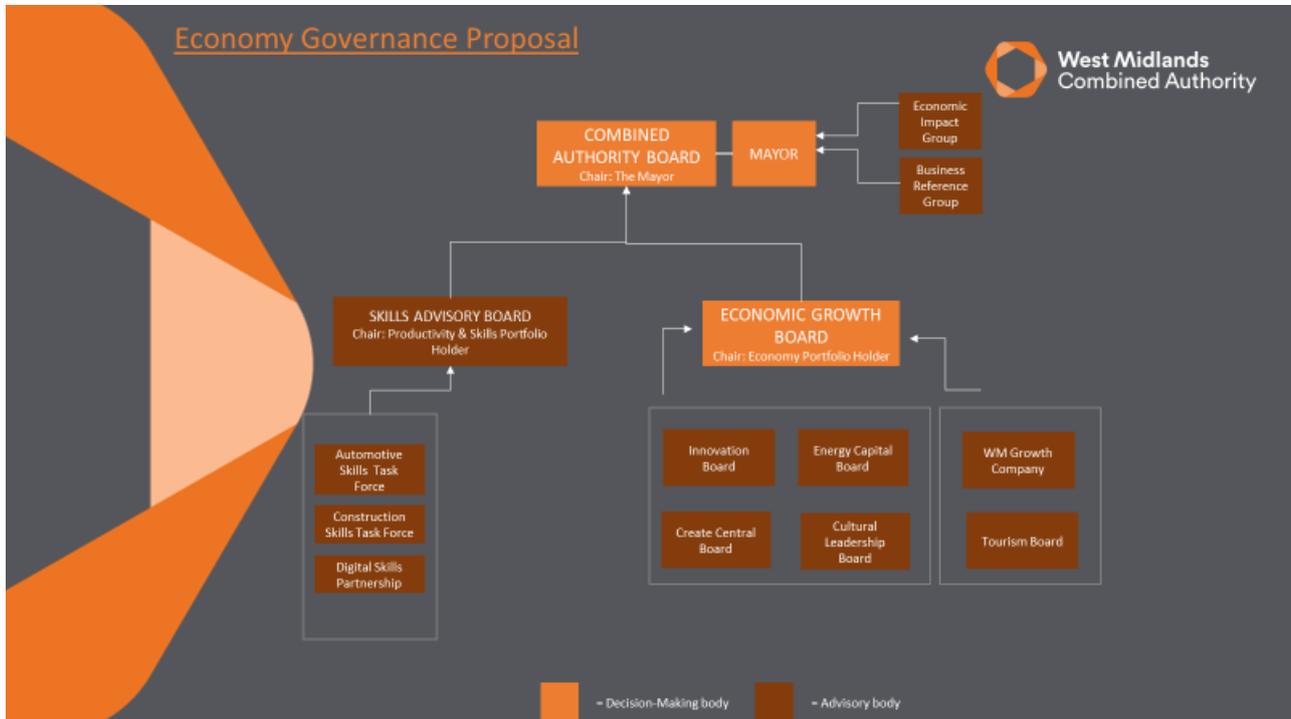
<u>Appendix 1</u>	
Economic Growth Board - Terms of Reference	
Purpose	<p>To provide strong, democratically accountable leadership to the strategic oversight of the region's approach to driving green and inclusive economic growth.</p> <p>To exercise the delegated authority provided to it by the Combined Authority Board on matters of inclusive economic growth.</p> <p>The Board will have responsibility for overseeing the performance and evaluation of the region's economic strategy, monitoring and managing processes as required.</p>
Accountable to	WMCA Board
Accountable for	Innovation Board*
Membership	<p>There will be 18 members of the board:</p> <p>Voting Members:</p> <ul style="list-style-type: none"> • Mayor (x1) • Portfolio Lead for Economy & Innovation (x1) • Leaders of the other Constituent Authorities (x6) <p>Non-Voting Members:</p> <ul style="list-style-type: none"> • Representation of Non-Constituent Authorities (x1) • Portfolio Holder for Finance (x1) • Local Enterprise Partnership Chairs (x3) • Representative of Midlands TUC (x1) • Representative of West Midlands Chambers of Commerce (x1) • Chair of West Midlands Growth Company (x1) • Chair of West Midlands Innovation Board (x1) • Representative of Higher Education sector (x1) <p>Each representative will be able to send a substitute to the meeting if required.</p> <p>EGB may recommend adding to (or varying) the membership of the Board in order to better fulfil its functions in driving green and inclusive economic growth or to reflect organisational changes in the region or nationally. Voting rights would remain</p>

	unaffected, unless the EGB made a separate recommendation to change these.
Chair	<p>Portfolio Lead for Economy & Innovation</p> <p>In the absence of the Chair, the board shall elect from amongst its voting members an Acting Chair until such time as the Chair becomes available again.</p>
Vice Chair	<p>Chair of one of the three Local Enterprise Partnerships.</p> <p>To provide support for the Chair from a business perspective.</p>
Voting - tbc	<p>Only the voting members of the board will be entitled to vote at meetings. The Chair does not exercise a casting vote.</p> <p>Any matters that are to be decided by the Board are to be decided by consensus of the Board where possible.</p> <p>Where consensus is not possible the provisions of this section in the Constitution shall apply as follows:</p> <p>Each Member of the Combined Authority Board is to have one vote and no Member including the Chair is to have a casting vote.</p> <p>Any matter put to a vote will be decided on a show of hands. A decision will require a two thirds majority of voting members present and voting</p>
Quorum	No business shall be transacted unless representatives of five Constituent Authorities are present at a meeting.
Frequency	The board shall meet a minimum of four times a year, or more frequently as required.
Servicing	The board will be serviced by the WMCA's Governance Services team.
Functions	<p>To exercise decision-making powers on behalf of the WMCA in the following areas:</p> <ul style="list-style-type: none"> well-being powers as set out in sections 99 and 102A of the Local Transport Act 2008 in order to promote economic growth and such powers can be exercised in conjunction with general powers granted to the Combined Authority by virtue of Section 113A of the Local Democracy Economic Development and Construction Act 2009 (as amended by the Localism Act 2011).

	<ul style="list-style-type: none"> • Development of a regional approach to inclusive and green economic growth policies and plans, including the development and delivery of regional economic strategies, policies and plans, to be agreed with CA Board where appropriate. • Delivery of a West Midlands Jobs Plan, ensuring local communities are linked to new jobs and opportunities. • Regional support to businesses, including the implementation of a new business support programme. • Regional innovation strategy and supporting programmes. • Ensure that economic strategy, and interventions flowing from it, are underpinned by a robust evidence base (including that derived from key sectors and places) which is reviewed and updated on a regular basis. • To consider and advise upon major policy change within the portfolio. • Provide leadership in developing an approach to future devolution of powers from Government to the region on matters of economic growth • Receive updates on the investment programme as it relates to the economic portfolio and also from other Boards which support the economic agenda, for example Employment and Skills, Environment, Inclusion, as appropriate. • Report progress to the WMCA Board. <p>Support the Economy & Innovation Portfolio Holder by:</p> <ul style="list-style-type: none"> • Providing advice and support to WMCA activity • Helping engage with wider stakeholder networks and activity • Identify and scale up existing good practice within the WMCA area • Identify and secure resources to deliver new opportunities
Review	Annually in June.

*Further work required to clarify which, if any, other Boards report in

Appendix 2



Annex B. Economic Growth Board – Draft Workplan

	Make decisions on	Inform	Review
1. Oversight of regional economic strategies, plans, and their implementation, including influencing plans to attract government and commercial investment.	EGB will lead on ensuring the region articulates a clear and compelling vision for driving inclusive, green growth – putting the region’s home of the green industrial revolution at the heart of economic policy.	EGB would input to the West Midlands Investment Prospectus to ensure that plans reflect broader economic ambition and priorities. EGB would input to the West Midlands Capital Attraction Strategy and devolved commercial land programmes.	Regular updates on the region’s economic position – to inform evidence-based policy making
	EGB will oversee the development of the Plan for Growth – identifying those clusters where the region has competitive advantage and prioritising allied interventions – for government and/or commercial investment – to accelerate economic growth. Final recommendations will go to WMCA Board.	EGB would have the opportunity to influence / endorse significant economic opportunities - eg. Gigafactory – although any investment decisions would be made by the Investment Board.	Monitor progress of existing sector activity to ensure they support business growth and local job creation.
	EGB will consider and lead a West Mids response to the LEP Review , including any region-wide activity to clarify roles and responsibilities in the ‘economic space’.	Influence work on energy policy as it impacts on businesses, although overall responsibility will sit with Energy and Environment Board	

	EGB will confirm role and responsibilities of Boards and groups feeding into EGB to ensure streamlined and impactful business engagement and advice.		
2. Deliver inclusive economic growth through the West Midlands Jobs Plan, ensuring we link local communities to new jobs and opportunities.	Oversee regional activity to link new jobs and opportunities with local people , through training, support and other interventions.	EGB would inform the provision of regional skills provision , ensuring we are giving residents the training needed to take advantage of new jobs and opportunities.	Track progress against West Midlands Plan for Jobs , monitoring employment growth, unemployment etc.
3. Oversee a coherent and complementary approach to business support across the region. [Subject to recommendations from LEP Review]	Oversee the development of a new business customer journey , built around the customer and including key account management of strategic companies (across LEPs, Growth Company, WMCA and LAs).		
	Oversee the development of a consistent universal offer to businesses , visible and accessible to all SMEs across the three LEP area.		
	Agree a new range of premium business support programmes , including innovation adoption activity, with options for sustainable funding.		
	Agree the approach to a region-wide campaign to drive up business demand and usage.		
4. Oversee the work of the Innovation Board	Oversight of the regional innovation strategy , including a strengthened approach to collaboration to boost translational innovation and research.		Review progress of regional innovation programmes (eg Made Smarter)