

Dear Cllr Bayton

I am writing further to the Overview and Scrutiny Committee's report of 8th March summarising the findings of the 'Economic Needs of the Black Country' Scrutiny Review. I understand that the committee seeks further detail on the action we are taking in response to your findings, and I am more than happy to provide that to support your ongoing work.

The key issues raised in the report are at the core of our agenda as a Combined Authority, and are reflected in the Corporate Strategy which I know the Committee have been involved in shaping. Truly inclusive economic growth means that communities in every corner of our region benefit from investments in infrastructure, skills and employment programmes, and interventions to support business and enterprise. As we work to tackle the climate crisis as part of our WM2041 strategy, it is even more important that those communities who have the highest level of social and economic need are the key beneficiaries of the transition to a green economy.

I want to set out the action we are taking in relation to each of your findings, which I have summarised below for reference:

1. *'Coherence of the Funding Landscape - Complex funding streams and processes can hinder delivery of impactful projects. Future devolution agreements need to simplify funding to the region and ensure funding is available where it is needed.'*

I am proud of the significant new funding that the WMCA have attracted from Government to date, particularly to support new transport and housing programmes in the Black Country. However, I agree that in its current form, ringfenced and short-term Government funding pots do not always provide the flexibility for our region to invest in the way that we need to. In our submissions to Government around Budgets and Spending Reviews we have made this point clear, and continue to do so through our proposals for a further West Midlands Devolution Deal.

The WMCA Single Assurance Framework ensures consistent and fair consideration for allocation of all WMCA funding and appraises impacts and benefits for the region. The Governance process ensures approvals to investment of devolved funding are considered by representatives from across the region, including constituent and non - constituent Authorities and LEs. Ultimately, it is a board decision where the funds are invested to the greatest regional benefit.

2. *'Scaling-up immediate support for businesses and people whose jobs were at risk... urgently review regional skills plan... need for an employment taskforce to address the economic needs of the Black Country'*

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Country... brokering a region-wide common understanding and vision for the skills, training and employment needs of the Black Country.'

I recognise that this recommendation was crafted when lockdown measures were still in place and the economy was in hibernation, but it is still clear that the economic impact of Covid will be profound in our region. The NPI report on 'The State of Economic Justice in Birmingham and the Black Country' brings together the data and evidence to make this point clearly, so thank you for highlighting it as part of your recommendations.

The CA have recently established an Economic Growth Board, chaired by Cllr Ian Brookfield as the Economy Portfolio holder and empowered to drive delivery across the region in pursuit of inclusive economic growth. I see the work you have outlined as a critical part of the activities of the Board.

Action 1: Chair and Members of Economic Growth Board to consider as part of their developing work programme the requirements and differences of sub-regions, including the Black Country.

Action 2: Overview & Scrutiny Committee to consider if it would be helpful to repeat the deep dive into local skills delivery, with lead local members.

3. *'Working towards a long-term, whole-life approach - ... in recognition of the inter-dependency between education, skills, employment and health.'*

I agree with the Committee that we cannot see economic development in isolation. Our Corporate Strategy gives us the ability to take a more holistic approach as an organisation, and hopefully helps the Committee see how our work on inclusive economic growth (Aim 1) relates to access to opportunity, connecting our communities, reaching net zero, and securing further devolution (Aims 1-5).

I am also conscious that education and health are areas where Local Authorities and partner agencies take the lead. I would therefore propose that we take a collaborative approach to the activity of the Economic Growth Board working closely with partners from other agencies where economic growth relates to education or health. This would ensure that we adopt a whole-life perspective to our work, leveraging the convening role that the CA can play.

Action 3: Chair and Members of Economic Growth Board to consider how to bring perspectives on education, health, and other areas to contribute to agenda items where they particularly impact on inclusive economic growth.

4. *'Co-ordination, governance and accountability across the Black Country... vital that decisions made by the region's public bodies were joined up, and best practice shared widely... important that the structural architecture existed that enabled this knowledge of place to shape wider regional economic strategy.'*

I agree that the region's economic architecture may not be right to face the new challenges presented by Covid, and our more longstanding issues around economic productivity and

unemployment. In the past six months, the Strategic Economic Development Board considered a report on the future of business support, which suggested new ways that institutions could work together to promote growth and create jobs. Whilst taking forward the recommendations of this report, we are also awaiting the outcome of the LEP Review and a Levelling Up White Paper which may set a new direction for local growth funding. Once we have these announcements from Government, the Economic Growth Board will lead work to determine the new regional economic architecture. I can commit to that work coming for pre-decision scrutiny before it is agreed by the Economic Growth Board and the WMCA Board, to ensure your Committee can shape it.

Action 4: Paper on the future of regional economic development architecture to be considered by Overview and Scrutiny as a piece of pre-decision scrutiny, with a particular focus on how it will serve the Black Country.

I would like to thank you and the Committee for undertaking this Scrutiny Review and highlighting the challenges faced by the Black Country. I hope the actions above, and the broader work of the CA, give you confidence that we share your ambition for the potential of this area. I am happy to answer any further questions on this issue at the upcoming Mayoral Policy Q&A session with the committee.

Yours sincerely



Laura Shoaf
Interim Chief Executive for West Midland Combined Authority