

WMCA Board

Date	15 July 2022
Report title	Update on Trailblazer Devolution Deal
Portfolio Lead	Levelling Up - Councillor Brigid Jones
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director, Strategy, Integration & Net Zero email: ed.cox@wmca.org.uk

Recommendation(s) for action or decision:

The WMCA Board is recommended to:

1. Note the progress being made in relation to the Trailblazer Devolution Deal.

1. Process update: engaging local leaders

- 1.1 The Trailblazer Devolution Deal process is continuing with devolution proposals being developed across a wide range of themes. Proposals are being developed in accordance with the principles and plans previously agreed by the WMCA Board. In particular, proposals have a clear focus on drawing down powers and finance from Government: the roles and responsibilities held by local authorities must not be drawn away from them through this process.
- 1.2 Following the Mayor and Portfolio Leaders' meeting in April, steps have been taken to ensure the more direct involvement of Leaders in this process. A first round of meetings has taken place between Leaders and the Chief Executive of the WMCA in order to discuss particular hopes and concerns, and the second round of meetings has commenced.

- 1.3 We are still expecting the process for the development of proposals and negotiations to run to the autumn. This means that there is more opportunity for Leaders to discuss draft proposals and for local areas to bring forward their own proposals.
- 1.4 The timetable ensures that all proposals can now follow a clear sequence of meetings. Devolution position papers are being discussed by relevant local authority officer groups and thematic boards, then by the Senior LA Officers Group and LA Finance Directors, then by the Devolution Strategy Group comprising LA Chief Executives, before finally coming to LA Leaders. Given the pressures on Leaders' diaries, some position papers are being sent out to Leaders for response by correspondence. Position papers are amended and adapted at each stage.
- 1.5 A meeting has been arranged for the Mayor and local Leaders to meet on 21 July to discuss the devolution deal and the fiscal dimensions in particular, in the wider context of priorities for the WMCA for coming years. A further meeting of this kind can be organised later in the process if required before the proposals are considered formally by the Board.
- 1.6 Over the summer, we are pulling all of the proposals together into a single document which is being described as a West Midlands levelling Up Prospectus. We are expecting this and a final set of proposals to be considered formally by the Board. Given the current timetable, it may be necessary to schedule an extraordinary Board meeting in October in order to discuss this.

2. Government engagement

- 2.1 Despite the changes at the heart of government, at the time of writing (7 July) DLUHC officials have confirmed that devolution negotiations should proceed as planned. This seems to be supported by media reports concerning instructions given to the department by Sue Gray and the appointment of Greg Clark MP as Secretary of State – a long-standing supporter of devolution.
- 2.2 An initial series of formal negotiation meetings with officers scheduled for mid-July. Officers are working in liaison with officials at the Cities and Local Growth Unit at DLUHC as well as specific departmental leads across Whitehall. We are involving local authority colleagues in these meetings. Ministerial meetings remain informal at this stage. While the first tranche of meetings deals with topics in areas where we have seen devolution previously, we have been clear that we expect similar negotiation meetings in all of the policy areas in which we are developing proposals, in order to truly deliver levelling up in the West Midlands.

- 2.3 Government officials remain clear that we should be working alongside Greater Manchester in bringing forward ambitious proposals that might represent a blueprint for future devolution across England. Officers are working closely with colleagues in Greater Manchester to ensure some alignment of ambition while recognising that there are important differences between the two city-regions.
- 2.4 There remains an important imperative that proposals must be evidence-based and that any further devolution must be accompanied by clear proposals for enhanced accountability and transparency. For this reason, a West Midlands Outcomes Framework is being developed to provide a levelling up evidence base with explicit outcome measures for monitoring and evaluating progress. This is being based on existing frameworks and processes for measuring and monitoring progress in the region.
- 2.5 Government officials are also placing significant emphasis on the opportunities for ‘funding simplification’ – streamlining the various funding streams currently received by the WMCA and their bidding processes and monitoring mechanisms. More detailed proposals of this nature will be brought to a future Mayor and Portfolio Leaders meeting.
- 2.6 Government has stepped back from the intention to produce some form of joint statement or framework agreement between government and the two trailblazer devolution deal areas before the summer recess. This is helpful as it means efforts can be dedicated to developing the deal itself.

3. Draft devolution proposals

- 3.1 The Mayor and Portfolio Leaders meeting on 20 May considered proposals concerning:
- Transport
 - Skills
 - Housing and Regeneration
 - Local Area Energy Planning
 - The West Midlands Smart City Region

There was general support for these proposals with some concerns raised about the precise nature of proposed ‘Town Centre Investment Zones’ and the implementation of proposed enforcement powers.

- 3.2 The next batch of proposals, shared with Mayor and Portfolio Leaders for feedback by correspondence cover:
- Economy – business support, trade and investment, innovation
 - Industrial Decarbonisation
 - Retrofit
 - Health
 - Homelessness Prevention

- 3.4 Proposals are presented as summary documents using a defined template. **More detailed position papers are available upon request.** The summaries explicitly highlight where we would expect to see local benefits or double devolution in each case.
- 3.5 Further batches of proposals will be shared with Mayor & Portfolio Leaders during the summer according to the proposed timetable.
- 3.6 As we start to clarify the details around our main proposals, it is becoming easier to consider pulling the different strands back into a single articulation of our overall proposition. During the summer we intend to pull all of our work together into what is being described as a 'West Midlands Levelling Up Prospectus'. We will also begin work, with government, on the text of what will become the formal agreement.

4. Financial implications

- 4.1 The varying devolution proposals have quite different financial implications. Each is being considered separately. The process is being guided by the principle that the WMCA should not take on any additional responsibilities that are not properly resourced.

5. Legal implications

- 5.1 The varying devolution proposals have quite different legal implications including, in some cases, the potential need for primary or secondary legislation. Officers are working systematically with workstream leads to identify such implications and open discussions with relevant officials in DLUHC.

6. Equalities implications

- 6.1 The primary purpose of the Trailblazer Devolution Deal is to address the pressing need for levelling up both between English regions and also within the West Midlands. The government has identified 12 levelling up missions to give direction to this purpose. All devolution proposals are being assessed against their potential to deliver one or more of the levelling up missions. The West Midlands Outcomes Framework will become the means by which progress in addressing regional inequalities will be measured.
- 6.2 The Race Equalities Taskforce and the Young Combined Authority are each carrying out special activities in order to engage with and shape the emerging devolution proposals.

7. Inclusive Growth implications

- 7.1 See section on Equalities above.

8. Geographical area of report's implications

- 8.1 The Trailblazer Devolution Deal will be agreed with the 7 constituent authorities of the WMCA. Non-constituent authorities are involved in the development of devolution proposals with a view to identifying where there might be broader benefits for the wider West Midlands area. This includes involvement on the Senior LA Officers Group and Devolution Strategy Group.
- 8.2 The Levelling Up and Regeneration Bill has provisions to make it easier for additional local authorities to become constituent members and for non-constituent and 'associate' members to join or leave.

9. Other implications

- 9.1 None.

10. Schedule of background papers

- 10.1 None.