



Date	2nd December 2022
Report Title	Trailblazer Devolution Deal update and West Midlands International Strategy
Portfolio lead	Councillor Ian Brookfield, Leader of City of Wolverhampton Council WMCA portfolio lead for Economy and Innovation
Accountable Chief Executive	Laura Shoaf - Chief Executive, WMCA Email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director - Strategy, Integration and Net Zero Email: ed.cox@wmca.org.uk
Report has been considered by	Mayor and Met Leaders (18 November) – TDD elements

Recommendations

Economic Growth Board is recommended to:

- Note the progress made to date and the revised commitment and timeline arising from the Government's Autumn Budget Statement.
- Agree to the development of a West Midlands International Strategy, with the West Midlands Growth Company to develop the strategy in partnership with local and national stakeholders.

1 Purpose of Report

- 1.1 To update Economic Growth Board's (EGB) on progress of the Trailblazer Devolution Deal (TDD), the latest timeline following the Government's Autumn Statement and the status of negotiations. This includes an associated opportunity to capitalise on potential for a West Midlands International Strategy.

2 Update on Trailblazer Devolution Deal

Timeline and process

- 2.1 Working in conjunction with partners and the political oversight arrangements put in place across the region, the WMCA continues to drive negotiations forward at pace, and the Department of Levelling Up Housing and Communities (DLUHC) has recently confirmed their preferred timeline and process to conclude the deal. Their timeline is ambitious and currently builds in very little contingency time for any challenges in the negotiations.



- 2.2 However, we understand the Secretary of State for Levelling Up is keen to press ahead quickly. DLUHC's intention is to announce the West Midlands and Greater Manchester deals close together, if not at the same time. DLUHC's revised, and challenging, timeline will drive Departmental engagement across government to finalise text.
- 2.3 The (draft) revised timetable that the WMCA and DLUHC are following is¹:

Late November / early December	Continuing officer-level negotiations, with DLUHC supporting WMCA Core TDD Team and Workstream Leads to agree deal text
28 November	Draft V2 deal text shared with local authority CEX for discussion on 2/12
Early December	High-level negotiating team meetings with Ministers to press for agreement on outstanding issues
16 December	Near final deal text to Mayor & Portfolio Leaders for discussion
w/c 19 December	DLUHC to engage in cross-government sign offs of substance of deal and deal text
Early January	Confirmation from DLUHC of clearance on deal text wording
13 January	WMCA Board sign-off of final deal text
Mid- / late January	Signing and announcement of deal

- 2.4 The Autumn Statement on November 17th confirmed this timeline:
"5.73 Trailblazer devolution deals - The government will deliver the Levelling Up White Paper commitment to sign new 'trailblazer' devolution deals with Greater Manchester and the West Midlands Combined Authorities by early 2023. The government is in discussion with the Mayors of these areas to devolve powers to deliver levelling up in areas such as skills, transport and housing, including through consolidating funding. These 'trailblazer' deals will act as a blueprint for other areas to follow."

Status of negotiations

- 2.5 The DLUHC Secretary of State is prioritising a growth-focused set of policy areas for the Trailblazer Devolution Deals: i) housing; ii) transport; iii) skills; iv) fiscal devolution and funding simplification; v) net zero and retrofit; and vi) international trade.
- 2.6 Officers continue to stress to DLUHC that the region wishes to conclude a more broadly scoped deal, and they concede that this is not off the table. However, DLUHC's priority is concluding the deal swiftly, so it is expected that there will be a cut-off point in early December, whereby negotiations on areas

¹ EGB Members are asked to note that this timetable is subject to revision at short notice.



outside of that priority list that have not been successfully progressed by that point will be taken off the table for this deal and pursued in a slower timeline.

2.7 WMCA workstream leads are progressing negotiations with Departments with an expected intensification of activity over the next three to four weeks.

2.8 The region's overall devolution proposition drives inclusive economic growth consistent with the West Midlands #2041 net zero ambition. Devolution asks of particular relevance to the work of the Economic Growth Board are:

- **Business support** – for the West Midlands Combined Authority, via the Economic Growth Board, to take on formal responsibility for the integration, promotion and oversight of publicly-funded business support programmes in the West Midlands. This relates to Item 8 on UKSPF and business support
- **Trade, tourism and investment** – Development of a West Midlands International Strategy, jointly developed with Government to deliver regional and national priorities by aligning tourism, and trade and investment, narratives with local sector & cluster strengths. More detail on this activity is included in para 2.10 below.
- **R&D and Innovation** – building on the Innovation Accelerator to develop a formal, co-designed investment plan between WMCA and Innovate UK, with the WM maintaining a pipeline of R&D projects for UKRI which influences a doubling of public R&D spending in the region by 2030. This relates to Item 11 on the Innovation Accelerator.

2.9 **Funding Simplification:** The Autumn Statement also sets out the potential for revised and simplified funding for the West Midlands Combined Authority in future:

*“5.74 **Single settlements for mayoral combined authorities** - As part of negotiations on trailblazer deals, the government will explore with Greater Manchester Combined Authority and West Midlands Combined Authority the potential to provide single departmental-style settlements at the next Spending Review. This could give local partners more flexibility and accountability over key economic growth funds, moving away from competitive bidding processes. Subject to progress of these discussions, the government will consider the eligibility of other mayoral combined authorities for these settlements, noting the need to ensure appropriate accountability structures are in place.”*

Forging ahead with a West Midlands International Strategy

2.10 With international trade a priority of ministers and partners within the region, there is an opportunity to capitalise on the direction of discussion on the region's trade, tourism and investment ambitions to rewire the existing relationship between Whitehall and the West Midlands across these key



functions in order to secure more foreign direct investment, exports and major international conferences and events.

- 2.11 At the heart of the proposal is the development of an International Strategy for the region; a strategy which is co-developed with the Government and will deliver local, regional and national priorities by aligning tourism, trade and investment narratives with local sector strengths. The Strategy will lead to a shared delivery plan which will align resources from across the public, private and academic sectors of the West Midlands with those of Government. The creation of the Strategy which will internationalise the region's Plan for Growth has the support of the Department for International Trade (DIT). It is therefore proposed that the work on it does not need to wait until a TDD has been signed.
- 2.12 The region has recently demonstrated the impact it can make internationally through its recent trade mission to India. Given current economic challenges, the time is now right for the region to coalesce behind a cohesive international strategy which will help address:
- the highly competitive market for inward investment and tourism
 - the region's relatively weak performance in international trade
 - the need for the region to compete for international students and promote itself as an attractive location for capital investment, talent and R&D
- 2.13 It is proposed that the Economic Growth Board commissions the WMGC to lead the strategy development process on behalf of the region. As this will be the region's strategy - and not the WMGC's strategy - its development can therefore progress alongside (and independently of) the WMGC Review (see Item 7). Consultation and engagement will sit at the heart of the strategy development process. This will include key stakeholders in government, business and business representative bodies, education and our cultural assets, with the WMCA and local authorities at the fulcrum of this process.
- 2.14 Subject to the Economic Growth Board's approval, Directors of Economic Development will be tasked to work with WMGC to establish and agree an appropriate terms of reference and governance model for the development of the International Strategy and delivery plans, capitalising on the commitment from the region and partners like DIT.

3 Financial Implications

- 3.1 There are no direct financial implications as a result of this report, but the TDD settlement will ultimately shape the level of funding available for economic development activities across the region. The Autumn Statement commitment for potentially a single settlement for key economic growth funds will transform



the approach to the next Spending Review process (potentially in Autumn 2024).

- 3.2 The resource requirements for the development of the International Strategy will be managed within existing resources to March 2023.

4 Legal Implications

- 4.1 There are no direct legal implications from this report. The TDD process seeks greater powers alongside investment. This also comes with additional accountability requirements, and the details of those

5 Equalities Implications

- 5.1 There are no direct equalities implications as a result of this report.

6 Inclusive Growth Implications

- 6.1 The TDD seeks to foster inclusive growth right across the region. The economic aspects of the TDD covered in this report complement other ambitions across the breadth of the TDD agenda.

7 Geographical Area of Report's Implications

- 7.1 The report relates to the TDD process and powers which relates to the whole of the WMCA area.

8 Schedule of Background reports

Autumn Statement: [AUTUMN STATEMENT 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)



India Trade Mission

The West Midlands BATP India Trade Mission took place in November. This brief provides an overview of the visit content and objectives and summarises initial visit outcomes.

1.0 Objectives

1.1 INVESTMENT

- **Future Mobility:** Engage existing and potential investors. Promote the region as the UK's leading Future Mobility Cluster.
- **Creative, Digital & Tech:** Engaging existing and potential investors. Promote the UK's fastest growing Tech Cluster and position the region as the ideal place for UK market entry for high-growth, India Tech businesses. To include Data Driven Health Care.

1.2 EDUCATION/R&D

- **Future Mobility:** Promote world leading R&D infrastructure. Engage existing and potential investors.
- **Data Driven Health Care:** Position University of Birmingham health data/clinical trial capabilities to pursue related R&D/trials opportunities
- **Learn:** Promote the region to potential India students. Engage ex University Alumni.

1.3 CULTURE, PLACE AND CONNECTIVITY

- **Direct Air Route:** Promotion of regional direct air route opportunity.
- **Region to Region Partnerships:** Government to Government and/or past practice, innovation etc.
- **Political Engagement:** Regional and National government
- **Sports:** Promoting and pursuing opportunities in Cricket & Kabaddi

* **TRADE:** The original intent was to run an integrated DIT led Future Mobility Trade Delegation, ultimately DIT were unable to make this happen.

2.0 Content

Delegation: Led by Mayor Andy Street and Councillor Ian Brookfield, Portfolio Lead for Economy, the delegation consisted of senior representatives from West Midlands businesses, universities, local authorities and arts organisations, including University of Birmingham; Wolverhampton University; Warwick University (WMG); MTC; Kagool; Bruntwood Scitech; Infinity Labs and Coventry City Council.

Geographic Scope: Five cities were engaged during the visit: Chennai; Hosun (Bangalore); Hyderabad; Mumbai; and Dehli.

Delegations: Five interconnected delegations covering: Future Mobility; Creative, Digital and Tech; Data Driven Health Care/Life Sciences; and Cross-Programme (Strategic political, business and cultural engagement)

Content: The visit consisted of a variety of engagements, ranging from direct company engagement; sector specific round tables, cultural engagements and larger, key-stone receptions.



Feed-back from the Foreign Commonwealth and Development Office was that this was one of the most ambitious and impactful city-region led India Trade delegations ever undertaken.

3.0 Outcomes

3.1 Increased Profile:

Over the week, hundreds of organisations and businesses were engaged. Significant media coverage was also secured:

- **1.8m views** within the Indian market over the duration of the paid campaign so far, delivering **34,620 engagements**.
- **230,000 views** delivered during mission week, resulting in **4,798 engagements**.

3.2 Cultural/Business Linkages:

During the mission, a number of business-focused Memorandums of Understanding (MoUs), were created to advance key economic corridors. In Hyderabad, these included agreements between start-up incubator, T-Hub and Birmingham City University's STEAMhouse innovation centre, as well as between the University of Wolverhampton's Cyber Quarter and the Cybersecurity Centre of Excellence, Data Security Council of India (CCoE, DSCI). Both had the aim of building a strong technology corridor between Hyderabad and the region.

In Mumbai, the West Midlands Growth Company (WMGC) signed an MoU with the Confederation of Indian Industry (CII), designed to promote close working relations between India and the West Midlands, creating trade and business opportunities for Indian companies in the region. CII will also help drive awareness among Indian scale-ups and start-ups of the WMGC Global Growth Programme; a comprehensive, fully funded soft-landing support package for companies wanting to establish and accelerate their growth in the UK market.

The Birmingham Repertory Theatre entered into an agreement with India's National Centre for Performing Arts (NCPA), with the objective of facilitating cooperation around originating and sharing the costs of new theatre productions in both Birmingham and Mumbai, as well as promoting broader cross-cultural exchange between the two organisations. A cultural partnership was also formed between Birmingham Repertory Theatre and the Indian Council for Cultural Relations (ICCR) during a visit to their Delhi headquarters.

3.3 Region to Region Linkages:

Hyderabad: Meeting undertaken with Deputy Chief Minister building on relationship developed over the past 18 months. Agreement to conclude multi-sector Trade and Investment Plan for the next 24 months.

Maharashtra: Meeting undertaken with Chief Minister. Agreement to conclude MOU to outline further collaboration activity in relation to Future Mobility.

3.4 Strategic Investor Engagement:

C-Level engagement of key strategic investors and investment projects currently in-play.

Mayoral-led meetings took place with: Mahindra Group; TVS; Tata Group; Tata Tech; Tata Motors; Switch Mobilty/Ashok Leyland; Amalgamations; KP Energy. Apollo Healthcare.

Linked investment announcements expected in this financial year from Mahindra Group and TVS. A number of opportunities discussed and progressed with Tata companies ranging from energy storage; R&D and investment



**West Midlands
Combined Authority**

3.5 Investment Lead Generation:

As a result of activity undertaken WMGC expects 30-40 new small/medium size investment projects to enter the West Midlands investment pipeline.

3.6 Direct Air Connectivity

Meeting undertaken with COO of Air India re increased frequency and new BHX routes involving Birmingham Airport representatives and the Mayor. Strong potential for expansion. Follow-up work in hand.