



Review of the West Midlands Growth Company – draft terms of reference

Purpose

To review and make recommendations to the Economic Growth Board, and the WMCA Board, on the future scope, scale and sustainable funding of activity of the West Midlands Growth Company (WMGC).

Scope

The review has assumed that there is a need for the West Midlands Growth Company to exist, however there is a need to review its scope and scale and to develop a sustainable and affordable model for these activities.

The review will consider what WMGC is best placed to deliver in the context of good practice, the role of the Combined Authority (post-LEP integration), the West Midlands Plan for Growth, and WMCA Board priorities, and how best it should be funded sustainably from resources within the region and from external sources.

The review will take place in the context of wider planning on the region's economic development ecosystem and will take account of that work to ensure there is no duplication, and latterly to optimise arrangements to ensure maximum efficiency and effectiveness.

Objectives

There are 3 key elements to this work, each with specific objectives:

Functions:

What do we require the WMGC to do, that adds value to LA and WMCA activities?

This will reflect good practice domestically and internationally with regards to investment promotion, investment facilitation, destination management and the attraction of conferences and events.

It will also reflect the role of WMGC in internationalising the West Midlands Plan for Growth and in supporting a more strategic relationship with key employers in the region.

The review will establish the proposed core functions, objectives and key results for WMGC, including leading the region's "business as usual" relationship with the Department for International Trade post-LEP integration.

This will also include a costed proposal for future core and additional activity.

Governance:

What is the right governance model for the WMGC?

To consider the role of the Economic Growth Board (EGB) and WMCA Board, the relationship with the WMCA, including all constituent members and their role as individual shareholders of the WMGC, and the need for more robust arrangements around future funding and accountabilities.

This will include a recommended framework for the WMCA, via the Economic Growth Board, to set out clear and transparent reporting arrangements to better evaluate the impact and benefits of WMGC, so that they are understood by all key stakeholders.

To consider the governance of the WMGC, including Board make up.

Funding:

- (i) **Phase 1: how does the region provide assurance for the WMGC as a going concern for 2023/24; and**
- (ii) **Phase 2: what is the right sustainable funding model for the WMGC.**

This will set out options for a sustainable funding model, aligned with the inward investment lifecycle. It will include establishing the core funding required from within the region to discharge those functions, including from the West Midlands Combined Authority (WMCA), local authorities and universities.

It will also identify and reflect the use of external sources of funding, including from the region's UK Shared Prosperity Fund allocation, the Commonwealth Games' residual contingency, the region's trailblazing devolution deal and private sector income.

The Executive support team will maintain a detailed project plan covering all aspects of the review.

Direction and leadership

- *Project Sponsors*: The Review will be overseen by the Economic Growth Board Chair (Cllr Brookfield), Mayor (Andy Street) and Chair of the WMGC (Matt Hammond). Meetings for direction will be set as required.
- *Executive Steering Group* - **Laura Shoaf (LS), Tim Johnson (TJ), Neil Rami (NR)** will lead the review and report key recommendations (and on-going weekly updates) to the Sponsors. A fortnightly meeting tempo has been set.
- *Officer Support* will be provided by the WMCA, City of Wolverhampton Council and WMGC, working in conjunction with Directors of Economic Development and the regional Financial Directors. A weekly meeting tempo has been set.

In the course of the Review, partners will provide substantive input. Updates and soundings will proactively be sought from collectively local authority groups such as West Midlands Chief Executives, Finance Directors and Directors of Economic Development. This includes discussion with Chief Executives over funding commitments, a workshop with Directors of Economic Development about functions (November) and future governance/ways of working (tbc).

Key milestones, reporting arrangements and engagement

The project plan at Appendix one shows the flightpath to agreement by all parties. However, the key milestones are:

- **Economic Growth Board** (23rd September) - Review commissioned
- **Mayor and Met Leaders discussion** (18th November) - to discuss progress
- **Investment Panel** (21st November) - to discuss business case for £4m funding for 2023/24
- **WMGC Audit Committee** (22nd November)
- **WMGC Board (AGM)** (1st December)
- **Economic Growth Board** (2nd December) - to receive update of review
- **Investment Board** (12th December) - to agree business case
- **WMCA Board** (16th December) – recommendation of support of £4m for 23/24 FY subject to funding and conclusions of the review
- **Economic Growth Board** (27th January) – to take a view on the future functions needed in the region and longer-term sustainable funding
- **WMCA Board** (10th February) – WMCA sign-off of review and funding

Supported and guided by:

- Sponsors' meetings;
- Executive Steering Meetings;
- Officer Group;
- CXs and Finance Directors meetings;
- Directors of Economic Development (DoED) (21st October, 21st November)
- Mayor and Met Leaders (MML) 14/10, 16/12, 20/1,

The leadership team will ensure that all key stakeholders, including local authorities, the wider WMCA, universities and WMGC Board are engaged appropriately as the review progresses.