

Meeting of the Cabinet – 27th April, 2009

Report of the Cabinet

City Region Pilot Proposal

Purpose of Report

1. To update Members of the development of a proposal to designate the Birmingham, Coventry and Black Country City Region as a 'Pilot City Region'

Background

2. In *The UK Economy: Addressing the Long-term Strategic Challenges* (November 2008) the Government set out the increasingly vital role that cities and City Regions will play in driving regional and national prosperity. Building on the *Review of Sub-national Economic Development and Regeneration* (July 2007) and development of Multi Area Agreements (MAAs) in particular, the Government will support City Regions to fulfil this role by agreeing, on a voluntary and tailored basis, a set of devolutionary proposals with local authorities in City Regions to increase further their ability to drive economic growth and contribute to sustainable development.
3. The Government intends to announce new agreements with at least **two** forerunner City Regions within the 2009 Budget. These proposals will support stronger integration of planning, housing, transport, regeneration, employment and skills to drive sustainable growth and economic development, ensuring policy decisions are made at the right spatial level. The proposals will be underpinned by new statutory arrangements for sub-regional cooperation between local authorities, supporting strong local capacity, governance and accountability at the City Region level.
4. On the 22nd December 2008, the Chief Executives of upper-tier Local Authorities and Regional Development Agencies were invited to approach the Government with expressions of interest in benefiting from these pilot City Region proposals. Following this invitation, the Chief Executives of Birmingham, Coventry and the Black Country authorities agreed to submit a draft Expression of Interest. This was circulated to all relevant Councils for comments and agreement.
5. The draft Expression of Interest is non-committal on some of the core issues such as the functions that would be undertaken at City Region level. The purpose of the Expression of Interest submission was, as a region, to present ourselves to Government and to convince them the Birmingham, Coventry and the Black Country City Region should be in the running for pilot status. Formal

proposals were due for submission by 27th February and an announcement of two successful Pilot City Regions was made on 9th March 2009. The Government will evaluate the impact of these arrangements before considering whether to extend the new policy to other City Regions.

Proposal for a Pilot City Region (Birmingham, Coventry and the Black Country)

6. The City Region partnership was formed in 2002 as a result of the joint Government / Core Cities work on city competitiveness. In 2003, it produced its first Prospectus, "*Creating a Distinctive European City Region*". Since 2003, the Partnership's membership has changed and it currently comprises seven local authority areas:
 - The Core City of Birmingham;
 - The four Black Country authorities (Dudley, Sandwell, Walsall and Wolverhampton); and
 - Solihull and Coventry

7. Since February 2006 the Borough of Telford and Wrekin has been a full member of the Partnership. In light of paragraph 83 (3) of the Local Democracy, Economic Development and Construction Bill, Telford and Wrekin has decided to formally withdraw from the City Region. It is the intention of the Partnership and Telford and Wrekin to continue to work closely on a collaborative basis on issues of mutual interest, most specifically in the first instance on a Multi Area Agreement (MAA) for Employment and Skills. The Partnership includes the Regional Development Agency (Advantage West Midlands), Learning and Skills Council, Regional Assembly, Jobcentre Plus and representatives from the business community. Warwickshire County Council is collaborating with the City Region in the preparation of a proposal for a Pilot City Region and the development of a Multi Area Agreement on employment and skills. The City Region includes two acknowledged sub-regions; the Black Country and Coventry/Solihull/Warwickshire. The City Region is also embraced within the new regional political management arrangements through the West Midlands Local Authority Leaders Board.

8. The aspirations sought from achieving Pilot City Region status include:
 - the power to co-ordinate and align the existing investment made in the City Region by local authorities, Government departments and national and regional agencies;
 - the power to raise additional resources, particularly for capital investment in infrastructure, through innovative funding mechanisms; and
 - the power for member local authorities to pool resources and risks and to invest anywhere in the City Region.

9. Whilst the justification for designating the Birmingham, Coventry and the Black Country as a Pilot City Region is supported by the City Region Partnership the following practical challenges should be noted if the proposal is successful:

- There may be a need to review the governance arrangements of the existing City Region structure and potentially each Council's own arrangements; particularly at a sub-regional and regional level;
 - There would be a need to grow partners' capacity to develop and deliver proposals; and
 - There would be a need to build effective and collaborative arrangements with the rest of the region
- 10 On consideration of the above, the Cabinet, at its meeting held on 18th March, 2009, resolved to recommend the Council as set out in paragraph 14 below.

Finance

11. While there are no direct financial implications arising from the report's recommendations, the potential financial impact of a City Region Pilot, both directly to Dudley MBC, and to the wider region, is likely to be considerable. As the programme and specific strategies develop, the likely financial impact on the Council will need to be monitored and reported through to relevant senior officers and Members as soon as it becomes known

Law

12. Part 1 of the Local Government Act 2000 empowers the Council to take action to implement measures it considers likely to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough.

Equality Impact

13. The City Region Partnership believes that the Pilot City Region initiative provides a major opportunity to make progress towards the following Public Service Agreements, namely:
- PSA 2: Improve the skills of the population to ensure a world-class skills base by 2020
 - PSA 4: Promote world class science and innovation in the UK
 - PSA 5: Deliver reliable and efficient transport networks that support economic growth
 - PSA 6: Deliver the conditions for business success in the UK
 - PSA 8: Maximise employment opportunity for all
 - PSA 20: Increase long term housing supply and affordability

Recommendations

14. It is recommended that:-
- Members note progress to date with regard to the development of a proposal for a Pilot City Region for Birmingham, Coventry and the Black Country; and

- In the event that the Proposal for a Pilot City Region is successful, the Interim Chief Executive, in consultation with the Leader of the Council, be authorised to progress further stages of the bid to take the process forward on behalf of the Council.

David Caunt

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Leader of the Council