

Appendix 1 Warwick District Council's Statement on Combined Authorities

Warwick District Council supports in principle the emerging proposal for a Combined Authority as the constitutional basis for securing the devolution of funding and powers from Central Government and its various departments and agencies.

This support is based on the recognition that many decisions over significant areas of public expenditure and policy would be better, and more timely, if made locally, and so would better serve our local communities.

A. Objectives - i.e. why would want to do this?

1. We note that on the 19th March 2015, the CW Shadow EPB is to be commission a group of officers to develop proposals for a Combined Authority, to help inform that work and to answer the question more broadly of why WDC would want to enter a Combined Authority, our priorities for our communities are as follows:

2. The initial priority areas that we would want to see devolved are based on the current areas of joint work in the CW LEP; CW City Deal and the Shadow EPB (Please note that for the sake of brevity references to CW will always include Hinckley and Bosworth), i.e. strategic economic development and regeneration; skills development; strategic transport; strategic land use planning; and, strategic housing matters. Whilst recognising that this process will require the need for the Local Authorities to pool their existing powers and resources, the emphasis of such work should be at the larger than local level. WDC recognises however, that alongside this work greater freedom financially also has to be granted.

3. More specifically, though this is not an exhaustive list by any means, WDC would hope to see as part of any devolutionary agreement, the following:

- * The provision of a large capital investment which can be used on a revolving basis to forward fund infrastructure to support employment and housing growth but also to deliver social elements, such as, schools, leisure, open space and health, and transport solutions;
- * An amendment to the New Towns Act to enable Councils to better capture any enhanced land values in order to be able to invest in long term infrastructure and promote development in appropriate locations;
- * The removal of the borrowing cap on Council's Housing Revenue Accounts in order to allow them to be able to invest in more affordable housing;
- * Devolved control over key HCA's capital investment programmes and its local assets;
- * Devolved control over the Highways Agency and Network Rail capital investment programmes and their surplus local assets;
- * A duty to co-operate requirement on all other Government departments and agencies to co-ordinate their capital investment and service delivery programmes locally with the Combined Authority;
- * Local control over the Work Programme and similar programmes to enhance and better tailor apprenticeships and job opportunities for our local communities;
- * Local control over any BIS programmes to support local businesses and to attract inward investment;
- * A range of financial instruments, such as retention of all of business rate growth and Tax Increment Financing (TIF) to both enable Councils to become more self-supporting financially but also to be able to both fund and obtain a return on infrastructure and economic development;

* The ability to set regulatory fees and charges at levels that allow for full cost recovery to ensure that Councils can maintain the services that will aid economic recovery;

* Multi-year financial settlements to help provide stability for service provision.

WDC considers that a package along these lines would unleash the latent growth potential of the local economy leading to a better business environment; more and better jobs, more security for such jobs; more housing for families of all incomes; and, put a supportive economic and social infrastructure in place. It would also enable Councils, communities and families to be more financially self-supporting and therefore independent.

4. WDC considers that this approach could also translate into a reduced welfare bill by enabling more local, working age people to enter well paid jobs and so be less reliant on welfare payments. However, to maximise this latter potential WDC believes that a second priority area for the Combined Authority would be to seek from Government, the local management of Job Centres and national welfare payments systems to allow a local integration of all benefit systems but also to allow for the integration of job creation activities (economic development) with job filling activities (getting more local people into local and better jobs).

5. WDC believes that if the Combined Authority can demonstrate success in the areas above it would then be well placed to then seek further devolution in the fields of Health and Social Care; and in Policing and Community Safety leading ultimately to the brief for a complete Whole Place budgeting over all public policy areas that can be localised.

B. Governance - how do we want to manage it?

1. WDC realises that all of the above represents a tremendous "Ask" and will no doubt be accompanied by "Asks from Government". It understands that such trading is part of the discussions the Combined Authority will have to enter into with the Government. However, at this stage it does not consider that an "Ask from Government" for an elected Mayor is an acceptable "Ask". Another tier of authority and decision making in an already complicated field is not the approach our communities are seeking nor that they deserve.

2. In terms of Governance WDC seeks a Combined Authority in which all participating authorities are present at the decision making table with equal voting rights. Each authority should have equal standing, responsibility and contribute towards its cost.

3. The matter of what "geography" a Combined Authority relates to, is an important issue but a complicated one. It is clear from the economic analysis that Coventry and Warwickshire work as an economic entity and for them to be in separate Combined Authority areas would be not be in the interests of anyone, certainly not the local communities who do not live their lives according to local authority boundaries.

4. WDC's first preference is that a Combined Authority should be based on the CW City Deal area (including Hinckley and Bosworth) although WDC would also welcome Solihull Council's membership in this grouping. Further afield, WDC sees little benefit of a Combined Authority that also includes Worcestershire, Northamptonshire or Oxfordshire. Economic links with these areas are relatively weak and it is noted that Northamptonshire and Oxfordshire are in any case promoting their own Combined Authority with Buckinghamshire.

5. WDC recognises that overall, if not for the WDC area itself, that there may well be merits in a CW Combined Authority which also extends to Leicester and Leicestershire.

6. Involvement with a Combined Authority that involves the Greater Birmingham, Solihull and Black Country (GBSBC) presents an especially difficult problem. WDC understands the arguments about economic scale and in particular that a CW Combined Authority may from some vantage points be seen as too small to secure a significant deal or to have an appropriate voice but it does not necessarily agree that being part of a larger body is always better. There can be diseconomies of scale. The critical element is effectiveness and WDC believes that a CW Combined Authority can be more effective.

7. WDC understands that some other parts of the CW area do have stronger links with Birmingham and Solihull than WDC's area and may be attracted to a GBSBC/CW City Deal sized proposition. However, if a Combined Authority based on the real economic footprint of a GBSBC plus the CW City Deal area were to be put in place then the Combined Authority would have 24 Councils as members (this includes all of the District Councils in Worcestershire (3) and Staffordshire (4) that are presently part of the Greater Birmingham and Solihull LEP, Worcestershire and Staffordshire County Councils, plus South Staffordshire District Council which shares an Enterprise Zone with Wolverhampton City Council). Inclusion of Telford would take membership to 25 Councils. Even a Combined Authority for GBS only plus CW City Deal area would involve 14 Councils. By comparison, Greater Manchester, the oft quoted example of Combined Authorities, has only 10 participating Councils; the North East only has 7; West Yorkshire 9 (if one includes the 3 non-voting Districts); Sheffield 9 (if one includes the 5 non-voting Districts); and Merseyside 6. A GBSBC plus CW City Deal area may represent a significant economic scale but it is impossible to see how all participating Councils could be equally and positively involved in such a large scale venture. Equal participation is a key value for WDC and consequently there is no appetite to be part of a large body effectively the same size as AWM with all the bureaucracy that it engendered as it is unlikely to be very effective.

8. However, it may be the case that the benefits of scale and the necessity for equal participation could be reconciled over the whole Midlands area if instead of the creation of one large Combined Authority, that a different approach is considered, perhaps a coalition of Combined Authorities for particular matters as and when needed.