

## Combined Authority Debate WCC –September 3, 2015

### Objective:

- My objectives this morning are twofold :
  - To be as clear as possible on the key points (complex topic easy to get lost in detail) that we must focus on to ensure the best for the people and businesses of C&W
  - And second to recommend a way forward –given current state of proposals (still very fluid)

### Background

- Before give you my recommendation some background is necessary
- MOST IMP....C&W together makes great Econ. & Bus. sense and is a real success story:
  - Impressed with how all LA leaders have worked together despite some of the historical tensions
  - All the data shows C&W is a strong economic entity (77% self containment) and we must not lose this
  - CWLEP with all its partners has seen some excellent results for the people and businesses of C&W
- 3 LEPs across proposed WMCA have recently been engaged by the political leaders to assess the econ opp that the CA potentially represents and to develop the 'Economy Plus' model that a SUPER SEP could achieve that no one area alone could deliver
- Intention is that each LEP will remain in place, we will not merge for the foreseeable future, collaborate on key economic issues but keep local C&W focus and responsiveness that has served us so well
- LEP as well as working with BC & GBS LEPs we are also with other 3 other WM LEPs and the EM LEPs

### Critical Points:

1. C&W is **best together** we must do everything possible to keep this strong econ unit that is working so well...cannot let outside influences break this up
2. CA/Devolution at a WM level gives us the opportunity for scale and leverage that alone we will not have, we should seek to find a way to **both** gain access to this **scale and to keep our speed and responsiveness as C&W**....there is the potential to do both
3. Although not yet finalized or agreed I would expect an **opp to grow GVA by 2030** by an extra 5-10%..above what would be possible alone.....this is a serious potential prize that no one in this room should walk away from without understanding it in detail
4. Contrary to the meeting papers circulated suggest you do have to have influence without transferring powers - the option to become a Non-Constituent Member and to have Voting rights (6.2 Option a N-C Member with Voting)

### Recommendation

- **1<sup>st</sup> priority is to protect the economic unity of C&W**
- **WCC should seek to benefit from the economic uplift that will follow from the CA and Devolution while ALSO maintaining it's local focus and responsiveness**
- **This can be achieved by entering into negotiations to become a Non-Constituent member (with voting rights) of the WMCA (or possibly joining the Joint Committee)**
- **Therefore, if I can be so bold, I would offer the following recommendation:**  
***“That WCC will seek to become a Non-Constituent member of the WMCA subject to understanding the ‘economy plus’ opportunity and the acceptability of the voting rights it will receive.***

## Coventry and Warwickshire

### **Devolution, Delegated Powers and Combined Local Authorities**

#### **Summary of Views & Input from Private Sector**

This Chamber policy paper is based on intelligence and feedback from the business community, gathered through polls and surveys, business luncheons and a CW Chamber 'Big Business' debate hosted by Patrick Burns, BBC Journalist.

Consultation on the emerging issues of devolution, delegated powers, combined authorities and metro Mayors is ongoing.

#### Summary of Views & Input (no particular order of priority)

- ∇ The majority of businesses, across the wider geography of Coventry and Warwickshire, want to see the “partnership” between these two areas continue.
- ∇ There is value in a Coventry and Warwickshire “brand” which offers investors both the value of a great City with the dynamism and beautiful rural areas of Warwickshire.
- ∇ The majority of Business Leaders would recognise and understand the reasons for creating ‘critical mass’ in terms of driving efficiencies and effectiveness in public services alongside the opportunity that a larger economic area could present in bringing together (and attracting) wider infrastructure investment, creating stronger (and wider) business networks including strengthening existing supply chains. Consequently, most Business Leaders acknowledge the arguments and value for combining Local Authorities and creating an Economic Engine of the Midlands.
- ∇ Business Leaders would wish to see the ‘Business Case’ for combined authorities; and would wish to better understand the ‘prize’ for implementing new local Government and/or LEP governance structures. Any new governance structures should not bring with it layers of new bureaucracy.
- ∇ Business Leaders do not believe that a single choice has to be made and, indeed, believe that Coventry City could be supported in its efforts to belong to a Midlands Engine and much bigger critical mass (that could attract greater investment and could drive efficiencies in public services at a time when resources are being squeezed) whilst the “partnership” between Coventry and Warwickshire (neighbouring areas with much joined-up economic activity) should continue.
- ∇ Business would ask that Warwickshire Leaders acknowledge the heritage and advantages of continuing to work in partnership with Coventry particularly on matters such as transport investment & connectivity, housing, planning and the potential creation of, and commitment to, a Midlands Engine infrastructure investment fund.
- ∇ The private sector would wish to influence and input into the refresh of a united Coventry and Warwickshire Strategic Economic Plan and ensure that any Super-SEP views many of the Coventry & Warwickshire priorities as Midlands Engine priorities and opportunities.

- ∇ In any Devo-deal, there may be a number of “business asks”, not least delegated authority around planning (the stopping of calling-in, by national Govt, of local planning decisions); delegated authority around skills to ensure that local skills providers are delivering against the needs of business; and the appropriate governance structure for the creation of a Super-LEP wide investment fund. On issues of business taxation (such as business rates), businesses, via their representative bodies, would wish to see statutory consultee rights.
- ∇ Business Leaders would wish to see clarity around the role of Local Enterprise Partnerships alongside Combined Authorities.
- ∇ The private sector, across Coventry & Warwickshire, are yet to be convinced about the appointment of a Metro Mayor and, at the very least, would wish to see a private sector (and independent of Local Government) appointment.

### Moving Forward

- 1 Ongoing consultation with private sector, further big-business debates/events.
- 2 Letter, from the private sector, to Council Leaders - outlining the thoughts and asks of the ‘Coventry & Warwickshire’ private sector – an attempt to influence, particularly, the thinking of Warwickshire Leaders and request some show of leadership around this issue. **Actioned.**
- 3 CWLEP, FSB and Chamber meet with County and District Leaders. Also, meet with City Leader. **Ongoing.**
- 4 Chamber and FSB are providing ‘input’ into local consultations, e.g. Coventry City Citizens Panel on devolution; Stratford Upon Avon Launch of Consultation on Combined Authority status; Louise Bennett and Ian O’Donnell (FSB) attendance at Warwickshire CC Cabinet on devolution. **Ongoing.**
- 5 An opportunity to use a Chamber/FSB/LEP Business Forum which came together on 6<sup>th</sup> August (with good cross-section of businesses from all sectors, all sizes and across the geography of Coventry and Warwickshire) to further consult and gauge the interest and views of businesses.

Sept 2015



29<sup>th</sup> July 2015

Dear

As leaders of the three West Midlands' Chambers of Commerce, we are writing to offer our support and interest in the early work of a West Midlands Combined Authority.

The Launch Statement, of 6<sup>th</sup> July, from the seven metropolitan authorities and the three Local Enterprise Partnerships provides a powerful basis for a successful Combined Authority.

We would now like to add formally the weight of the three leading business support organisations in the area, representing the private sector that will be vital to the success of a Combined Authority.

We do believe that the Chambers of Commerce should be collectively built into the engagement and development process going forward. The recent growth in our respective LEP areas was private-sector led, with Chambers of Commerce bringing about the inception of many LEPs and continuing to sit at the heart of their progress and it is important that this continues.

Businesses in our regions regard a greater economic entity as a potential opportunity which could put the Black Country, Coventry, Greater Birmingham and Solihull at the heart of an economic revolution so it is important that strong collaboration between the private and public sectors is maintained and built upon and both, work together, to negotiate with Government the benefits of devolution.

By working together, we can deliver the jobs and growth that are vital to the economic development of the region.

As you have pointed out, the achievement of the goal of the Combined Authority will require new ways of working between the local authorities and the three LEPs and the private sector.

We look forward to helping to make that work by being at the heart of the Combined Authorities' development and its future.

Perhaps it would be fruitful to arrange talks between yourselves and representatives of the region's Chambers of Commerce to drive this process forward.

We greatly look forward to hearing from you.

Yours sincerely,



Margaret Corneby  
Chief Executive  
Black Country Chamber  
of Commerce



Louise Bennett OBE, DL  
Chief Executive  
Coventry & Warwickshire  
Chamber of Commerce



Paul Faulkner  
Chief Executive  
Greater Birmingham  
Chambers  
of Commerce

## Statement from FSB

**Ian O'Donnell MBE, FSB Warwickshire & Coventry Chairman said:**

“The local authorities in Coventry, Warwickshire & Solihull have been considering whether to join forces as a WM Combined Authority and throughout this time the Federation of Small Businesses (FSB) have ensured that the small business view is heard and considered. With 98% of firms in Coventry, Warwickshire and Solihull having less than 50 employees it vital that any devolution deal that looks at economic development and tackles issues such as transport, infrastructure and skills, that the deal is beneficial to the 37,740 small firms in the sub-region.

Throughout the debates, the FSB have always championed the need for Coventry & Warwickshire to remain together as one economic geography. Whether that be for both councils committing to the WM combined authority or, for the councils to jointly consider an alternative solution. Businesses do not recognise borders and due to the proximity of the county and the city, the two economies and the jobs markets are naturally intertwined. Ideally, FSB would not want to see the authorities going in different directions.

It is very likely that the City, County and District Councils will look at different options for creating long-term economic growth. In this instance, the FSB will be committed to working closely with all authorities to ensure local firms do not see fractures in the services and trading environments upon which they rely on to trade successfully.

### **He added;**

“Many of the announcements in the Coventry Telegraph about the devolved powers that are being considered by the WMCA are what our members would expect to see from a combined authority. FSB members want to see practical benefits, over and above what is already being delivered, including better mobile and broadband connectivity and an improved planning process, alongside the large scale transport, infrastructure and skills improvements.

However, our members universally tell us that they would not want a combined authority to have the power **to increase tax on businesses in the region by adding a supplementary rates levy**. This is something the FSB would not support.

The FSB in Coventry and Warwickshire would be in support of looking at a larger geography that includes the East Midlands to create a Midlands Engine. Our members have voiced concerns about the dominance of Birmingham City and the need to elect a metro mayor. The FSB feel that a wider geography would bring a balance to the economic geography which, may benefit our sub-region.

We would hope that when the devolution deal is announced, and should a wider geography be considered in the future, that those not currently engaged with WMCA take a watching brief to allow them to evaluate what is the in the best interest of the small firms in their constituency.

Finally, the FSB is committed to lobbying for the combined authority not to become an extra layer of bureaucracy and to ask that quality, accountability and transparency is key to its governance and structure”