

Table 1: Progress in respect of previously agreed recommendation/ resolutions regarding the WMIZ (inc. WMC replies):

<b>Decision Made</b>	<b>Progress</b>
<b>Recommended to Council:</b>	
that an application for membership of the WMCA as a Non-Constituent member be made in the light of the recent enactment of the Levelling Up and Regeneration Act (LURA). (This was agreed subsequently by Council)	A letter of application was made it and it was considered at the WMCA Board meeting on 15 <sup>th</sup> March 2024. WDC is now a non-constituent member of the WMCA.
<b>Resolutions made by Cabinet:</b>	
(1) the aspirations of, and support for the principle of participation in, the West Midlands Investment Zone (WMIZ) proposed to cover the WMCA area and Warwick District, conditional upon there being agreed without detriment position in respect of business rates income, be noted;	The covering report details the position in respect of the no detriment issue which if agreed by Cabinet fulfils this resolution.
(2) a condition of agreeing to participate in the WMIZ there is a full commitment from partners to net zero carbon emissions from the proposed Gigafactory and related development, and to full commitment to bio-diversity net gain provisions, as set out in legislation as a minimum, within the WDC area;	WMCA fully respects WDC's policy in these areas and would expect those to come into play in determining planning applications. It should also be noted that all public sector partners have adopted net zero targets (WMCA 2041) which underpin all our work.
(3) the governance arrangements for the WMIZ as set out in Appendix 1 to the report, being based on either a Joint Committee of the Cabinet or as part of an Investment Zone Board following attaining membership of the WMCA as a Non-Constituent member, using the principles set out in the report, be agreed in principle, but subject to:	See below – i, ii, iii
(i) the Joint Committee/Investment Zone Board is based on one Council one vote;	This has been agreed.
(ii) decisions of the Joint Committee/Investment Zone Board are based on consensus only with any unresolved matters being referred for further discussion;	It is understood that this is the basis for decision making but in the event of no consensus being able to be reached it will lead to a vote.

(iii) a further report being received on the full details of the constitutional arrangements before final commitment and agreement.	This report is the report referred to in the resolution.
(4) the local delivery arrangements as set out at Appendix 2 to the report, be agreed;	These arrangements have been fleshed out in a little more detail but are as reported in November 2023.
(5) an agreement in principle to enter a Memorandum of Understanding (MoU) regarding business rates and their retention across the WMCA area and the Warwick District Council (WDC) area based on the principles in the report, subject to:	The MoU has not been finalised as it was necessary to resolve the without detriment issue first. It is proposed that agreement of the MoU is delegated to the Chief Executive in consultation with the LCG, Head of Finance, Head of Governance.
(i) confirmation from Department of Housing, Levelling Up and communities (DLUHC) providing legislative assurance (or amendments) that enables WDC to share its business rates outside of the District;	WMCA has subsequently raised it with DLUHC colleagues who confirmed that it will be picked up through the formal designation process and regulations. The regulations are now in place.
(ii) The Business Rates Retention (BRR) site is as shown on the map at Plan 1, excluding the UKBIC premises;	An update to date map is attached as Plan A though still needs formal ratification by the Government.
(iii) written assurance from the WMCA that the proposed Investment Plan for the Investment Zone will fully take account of WDC Strategy and requirements as a principle;	WMCA's intent behind the WM Investment Zone has always been that it is a partnership approach, and that is reflected in the proposed governance structures. In developing investment plans we would expect governance and decision-making to consider and respect all the partners' strategic objectives – including WDC's.
(iv) the other principles for determining the BRR spend, set out in the report are amended to reflect a fairness of distribution vis a vis the generation of business rates, after the contribution to initial infrastructure investment in the WMIZ, to deliver visible benefit for and within the District, and without detriment;	Clearly at this stage WMCA is unable to explicit on the areas or quantum of reinvestment of retained business rates. However, the meeting of Finance Directors (inc WDC's) started to address how this might approached in principle and it has informed some of the 'no detriment' discussions too.
(v) the following paragraph is applied in practice, according to a more	This issue has been the subject of extensive discussion and negotiation

<p>detailed definition of no detriment, to be agreed before final agreement and commitment:</p> <p><i>'The allocation of retained business rates to be allocated by the WMCA through the established governance arrangements will be subject to a robust investment plan to be developed and approved by the IZ governance body. There will be a requirement within the investment plan that, over an agreed accounting cycle (not greater than 5-years), sufficient investment will be in projects in those authorities who would otherwise be benefitting from alternative business rate regimes, to ensure that they are no worse off than if they had not agreed to participate in the WMIZ. This will also reflect agreement between WMCA and Government that up until the point of a reset of business rates baselines, Government will allow relaxation of spending requirements within the Investment Zone business rates retention site to allow those rates retained to be invested in local growth.'</i></p>	<p>and the outcome of which is referred to within the covering report.</p>
<p>(vi) written assurance is provided from the WMCA that the BRR funding will only be used for additional expenditure schemes and not be a replacement for any current plans or proposals of the WMCA or its constituent members;</p>	<p>Fundamentally, as the accountable body, the role of WMCA and its governance arrangements is to ensure that all investment from the IZ, both directly and through BRR, needs to align with IZ policy and fulfil the programme's objectives. Again, this has been well-reflected in recent discussions, and hopefully this is sufficient commitment that it is not to be used to fill other shortfalls in local authority finances.</p>
<p>(vii) a further report being received on the full details of the financial arrangements before final agreement and commitment;</p>	<p>This is set out within the covering report.</p>
<p>(6) provision to be made within the budget for 2024/25 and up to a subsequent 4 years for project management, development management, highways and</p>	<p>A proposal has been made as part of the proposed delivery plan for the WMIZ for some £125k per annum to be provided to enable the Council's development management team to be</p>

<p>environmental team and support costs, as referred to in paragraph 1.7.7 of the report financed by up front provision from the Investment Zone government funding (£80m over 5 years) to deliver a prompt and responsive project management, development management, highways, environmental and related support services;</p>	<p>expanded to be able to deal with applications promptly. The first reserved matters applications for the Gigafactory are expected this summer.</p>
<p>(7) the Overview and Scrutiny Committee and the Audit and Standards Committee undertake an annual review of the scheme to assess the costs and benefits to the WDC area and report to Cabinet;</p>	<p>This is a matter for the O and S and A and S Committees to consider in their work plans.</p>
<p>(8) officers consider the financial impact of the amended BRR and of a no detriment position is considered when updating the MTFS;</p>	<p>This is set out within the covering report.</p>
<p>(9) authority be delegated to the Chief Executive in consultation with the Section 151 Officer, Monitoring Officer, and the Leader of the Council to continue negotiations on all the matters above, to enable further reports to be brought forward where required; and</p>	<p>This report is that to which the resolution refers.</p>
<p>(10) all no detriment clauses need to be as robust as possible and officers continue to negotiate on this basis.</p>	<p>This is the principal issue within this report.</p>