

# **West Midlands Combined Authority Strategic priorities and delivery**

**Julia Goldsworthy, Director of Strategy**  
**16.11.2018**



**West Midlands**  
Combined Authority

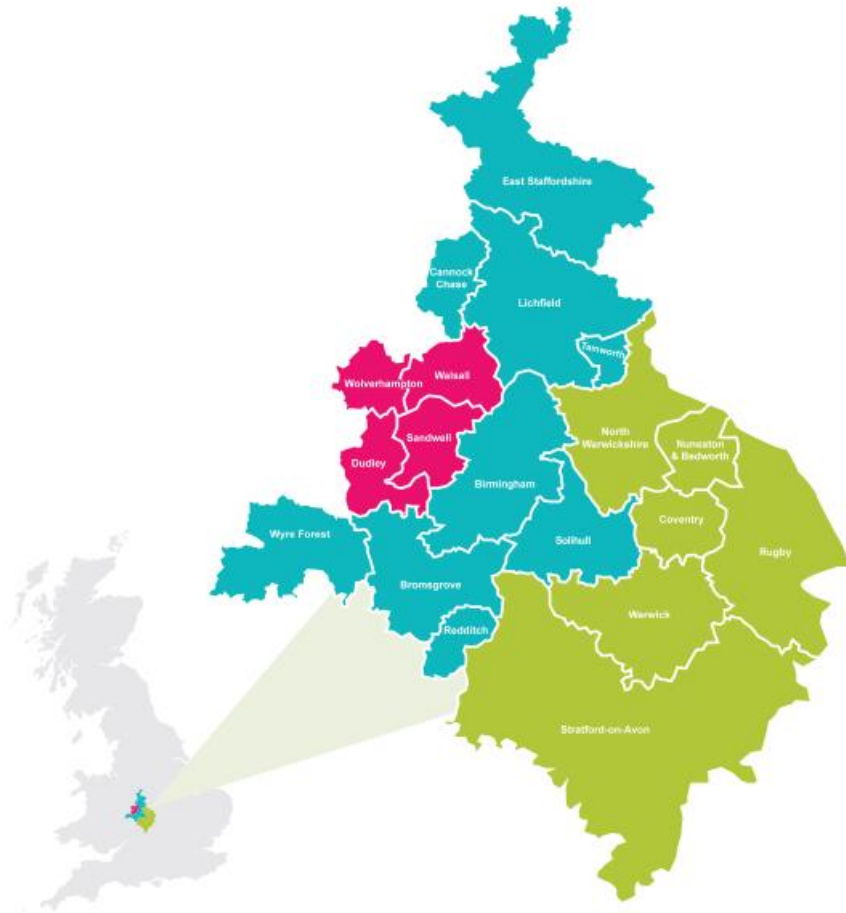
**Delivering inclusive growth**

# Our Vision

*To drive inclusive economic growth in the West Midlands region and enable a healthier, happier, better connected and more prosperous population*



# How we work



- Mayoral CA – new model and opportunity to define our own agenda
- An approach led by our economic geography
- Collaboration at our core
- Joining the dots – systems and investment
- Clear about what we want to achieve and the actions needed
- Strong delivery focus
- Devolution as a process, not an event



# Where we act:

- **Housing and Regeneration**
- **Economy**
- **Public Service Reform**
- **Transport**
- **Environment**
- **Productivity & Skills**





# Playing to our strengths

We are growing fast and we understand the strengths we have and how we can build on them

The West Midlands is a major part of the UK economy, generating £92bn GVA (5% of UK economic output) and achieving over 20% growth in the last 5 years

Youngest most diverse population outside London. 25% under 30. 70% of West Midlands born college leavers return here

Distinctive competitive advantages in future mobility, health diagnostics and testing, our full service BPS sector and creative sector

90% of UK markets within 4 hours. HS2 will put the region 38 mins from London. First 5g urban connected economy



# Backed by investment

Massive 10 year programme of investment – as we continue to build a connected, inclusive and innovative economy, integrating private and public capital:

- £50m investment to create the UK's first multi-city 5G test bed across Birmingham, Wolverhampton and Coventry
- Commonwealth Games 2022 – Athletes Village, investments to Alexander Stadium and facilities across the city
- City of Culture 2021 – unlocking investments and productivity improvements in arts, culture, visitor economy and a Year of Wellbeing
- 9 new sub-urban rail stations and over 31km of new track will provide 20,000 new seats
- 215,000 new homes by 2031, providing high quality places to live, with real choice
- £350m to support development of new skills – provided in ways that meet the needs of how people live and work.
- HS2 –with a £4.4bn HS2 Growth Strategy, including the Curzon Masterplan and 20 transport schemes to fully connect HS2 stations to local transport networks and communities
- A new Metro system, including East-West Metro with light rail extensions to Dudley/Brierley Hill and through East Birmingham to North Solihull and the HS2 Interchange station
- £10bn opportunities in identified and investor ready sites
- The home to the UK's first multi-city 5G test bed



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# To address big challenges in productivity



**£3.2bn**

Insufficient skills levels

**£6.8bn**

Fewer residents in  
employment

**£6.9bn**

Weaker performance  
in competition,  
investment, enterprise  
and innovation

GVA per head £4,178 lower than UK average

## ... and in life chances too:

- Social mobility, wage growth and access to opportunity lag economic growth and vary widely in the region
- Youth unemployment remains stubbornly high
- Healthy life expectancy lags the UK average
- Skills levels are improving, but from a low base
- BAME employment rates 15% lower than for white groups
- Concentrations of low employment and high unemployment and deprivation





# Inclusivity

- Inclusive growth means all our residents being able to touch, taste and feel the benefits of rising prosperity within the region
- The West Midlands is on the rise again – but we know it will take a proactive, targeted approach to ensure that those communities left behind can play a full part
- The case for inclusive growth is clear – both in terms of the need for a national economic re-balancing, and the regional case for productivity improvement through closing skills, public health and housing gaps
- Our opportunity is to use our Industrial Strategy and the potential of devolution to act boldly where we have the levers to do so





# Our measures of success

## Economic Growth

Developing the regional economy underpins our ambitions. As the export centre of the UK, our economic success is vital to Britain's future.



Improved GVA in line with the UK Average

## Business Competitiveness & Productivity

Britain's businesses are facing considerable uncertainties because of Brexit, but in the West Midlands we are steadily rebooting our reputation.



Improved the productivity of our businesses focusing on our growth sectors;



Improved competitiveness through energy and resource efficiency and stimulated new technology and business

## Skills

Building the right skills is key to delivering improved productivity and prosperity - enabling all groups to access jobs.



Improved skills levels so that people have the skills and qualifications to access jobs

## People

We want improved life chances for all residents, including those facing particular disadvantages or difficulties.



Improved life chances for all;



To reduce our health inequalities and improve the health and wellbeing of our population including physical activity and mental health;



To reduce offending and re-offending

## Place

We will improve the connectivity of people and businesses to jobs, markets and housing- developing local places and communities.



Improved the connectivity of people and businesses to jobs and markets;

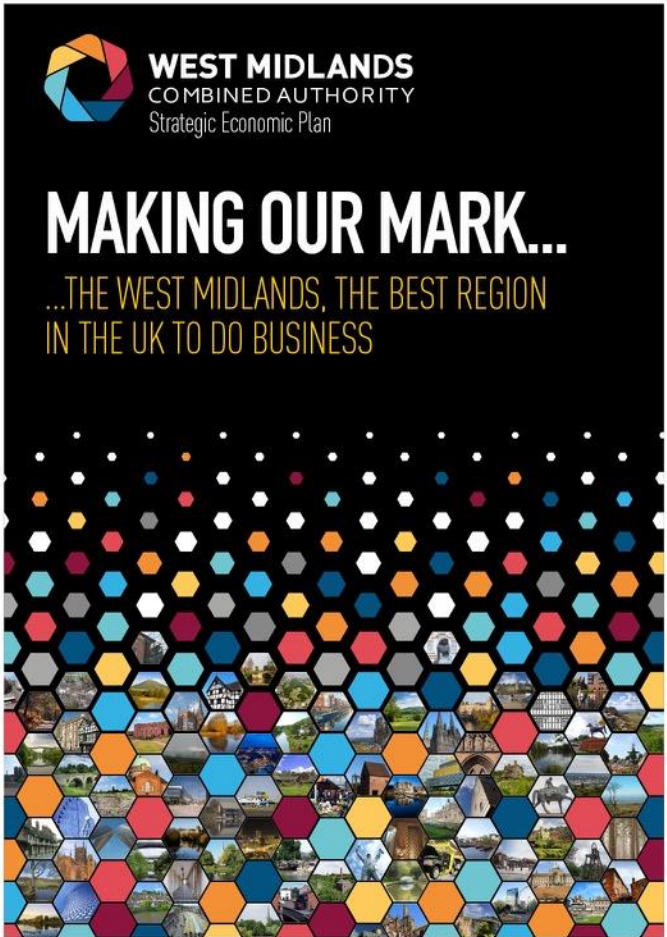
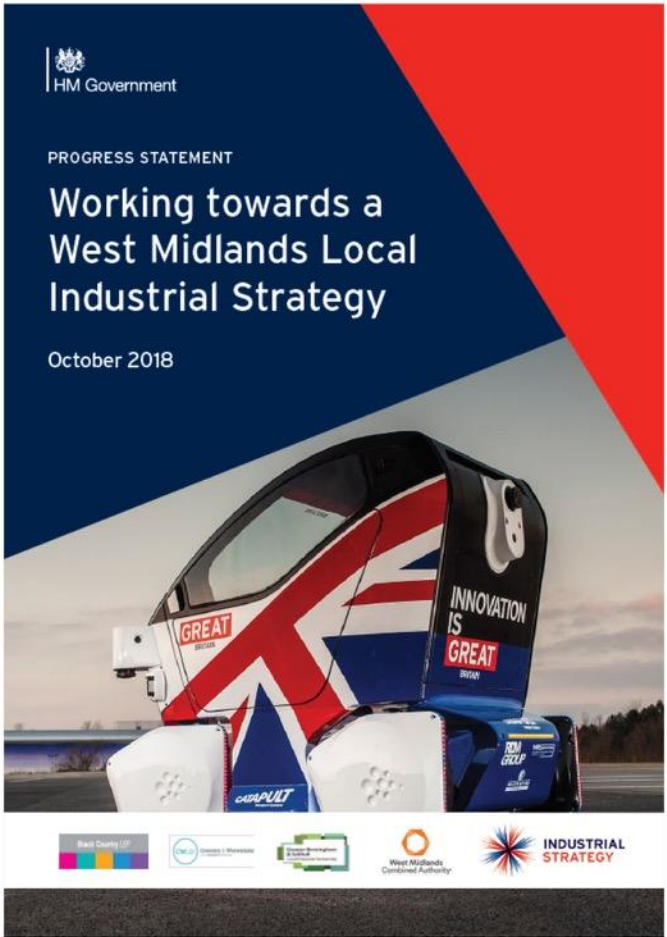


Improved the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs

*The WMCA is committed to pursuing and defining success in social and economic terms that feel real to citizens and bring benefits to all who live and work here.*

**Delivering inclusive growth**

# WMCA – a trailblazer for local industrial strategy



Mayoral Combined Authorities  
- What can they do for us?

16<sup>th</sup> November 2018

**[wmca.org.uk](http://wmca.org.uk)**



# Financing Devolution in England

Tony Travers

London School of Economics & Political Science



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# Devolution in England

- Kilbrandon Report
- Labour's post-1997 proposals
  - killed off by the 2004 North East referendum
- City regions
  - Metropolitan counties (1974 to 1986)
  - GLC (1965 to 1986) then GLA (Mayor and Assembly)
  - Post-abolition AGMA
  - Combined authorities at end of Labour government
  - Greater Manchester Agreement (2014)
  - Cities and Local Government Devolution Bill [HL]

# Devolution and sub-national taxation

- Kilbrandon, Layfield, Raynsford/Lyons
  - Much study by committees and commissions, but no reform
  - No reform of local government finance, either
- Devolution in 1999 and 2000
  - Scotland, Wales, London
  - Little fiscal freedom
  - But, dynamic for more reform...
  - Latterly income tax and other tax devolution to Scotland and Wales
- Calman, Holtham
  - Reviews for Scotland and Wales
- Scottish independence debate/Devo Max...

# The past was different: local government income compared to all UK tax

	Rates	Grants	Rates:Grants	All UK tax	Rates as % of all UK tax
1872	17.6	1	18:1	73.1	24
1914	71.3	22.6	3:1	198.2	36
1939	191.4	140.2	1.4:1	1006.2	19
1980	6122	11684	0.5:1	54331	11
2012	26300	110000	0.23:1	542.5	5

# Tax take, by level of government

- UK is a significant outlier

**Table 1: Taxation revenue attributable to sub-national and central/federal government as a percentage of GDP, 2013**

	Local government	State/regional government	Local and state/regional	Federal or central government	Social security	Total
Canada	2.8	12.1	14.9	12.7	2.9	30.5
France	5.8	0.0	5.8	15.1	24.0	45.0
Germany	3.0	8.0	11.0	11.5	13.9	36.5
Italy	7.1	0.0	7.1	23.6	13.1	43.9
Spain	3.2	4.5	7.7	13.8	11.1	32.7
Sweden	15.8	0.0	15.8	21.4	5.5	43.7
United Kingdom	1.6	0.0	1.6	24.9	6.2	32.9
United States	3.7	5.1	8.8	10.5	6.1	25.4
OECD total	3.9	4.9	8.8	20.4	8.4	34.2

UK



Source: OECD Revenue Statistics

# Scotland and Wales compared to England

- Since 1999 there has been significant devolution to Scotland and Wales
- The Edinburgh Parliament and Cardiff Assembly are, effectively, permanent
  - Despite the lack of constitutional protection
  - Evidence of a loss of sovereignty by Westminster
    - At least until Brexit...
- Radical fiscal devolution now in place
  - Weakens Treasury's position re other parts of UK – in the longer term
  - If it can be done for Wales, why not the West Midlands?
- England left as a single, centralised unit
  - Unique compared to other major countries
  - Suggests that national politicians believe sub-national political capacity is incapable of good government and/or determining taxation
  - Given recent events....this is surely a little hypocritical?

# Literature on the impact of devolution and decentralisation

- Academic evidence is mixed
- Little consensus on whether fiscal devolution is beneficial to economic growth or not
- Measuring the degree of fiscal devolution in a region is difficult
- Outcomes for regions are influenced by many factors - such as existing regional disparities, regional policy and national economic performance
- Preference for immobile taxes where fiscal devolution takes place

# Tax options – if there is agreement about the need for greater autonomy

- Local determination or assignment?
  - Can lead to full tax devolution in the medium-term
- Immobile taxes probably best
- Property taxes good
  - Council tax, Stamp Duty
  - NDR retention pilots are a good step
- VAT devolution not lawful under EU rules
  - But, sales tax?
- Income tax: works well in Scandinavia and some federal countries
- Smaller revenues, eg tourist tax, environmental taxes, road pricing...



# City/city regional taxation

## - international comparisons

England	Paris	Berlin	New York
Property tax (council tax plus business rate supplement)	Business value added tax	State (Land) taxes:	Real estate taxes (including payments in lieu)
	Property taxes (including residence tax, business owners' property tax and commercial floor area tax)	Race betting and lottery tax	
		Beer tax	
Frankfurt	Flat-rate tax on network companies	Real estate transfer tax	Sales and use taxes:
Local trade tax	Household waste removal tax	Inheritance tax	General sales
Property tax	Street cleaning tax	Fire brigade tax	Cigarette
Tax on gambling	Parking fees		Commercial motor vehicle
Dog tax	Electricity tax	Local taxes:	Mortgage
	Land transfer tax	Trade tax	Stock transfer
Shared taxes:		Property tax	Auto use
Income		Dog tax	
Value added tax		Entertainment tax	
	Tokyo	Second home tax	Income taxes:
	Metropolitan inhabitant tax on individuals, corporations, interest income		Personal income
Madrid	Enterprise tax on individuals and corporations	Share of state taxes:	General corporation
Property tax	Real property acquisition tax	Income tax	Financial corporation
Business tax	Golf links tax	Value added tax	Unincorporated business income
Vehicle tax	Automobile acquisition tax		Personal income (non-resident city employees)
Tax on land value increase	Light-oil (gas-oil) delivery tax	Share of national taxes:	Utility
	Automobile tax	Wage tax	
	Mine-lot tax	Allocated income tax	Other taxes:
Shared taxes:	Fixed assets tax	Corporate tax	Hotel room occupancy
Personal income tax	Special tax on land holding	Capital income tax	Commercial rent
Value added tax	Hunter tax	Solidarity charge	Horse race admissions
Excise taxes	Establishment tax	Customs	Conveyance of real property
- alcohol and spirits	Urban planning tax		Beer and liquor excise
- beer	Accommodation tax		Taxi medallion transfer
- tobacco			Surcharge on liquor licences
- fuel	Shared taxes:		Refunds of other taxes
- construction	Local consumption tax		Off-track betting surtax
- other	Metropolitan tobacco tax		
	Local transfer taxes		

# The need for inter-area transfers

- There is often a fear that city-regions or regions could not be autonomous
- Wales and Scotland show that it is possible to re-distribute resources from the UK taxpayer to different national, regions and potentially city-regions
- UK government is very skilled at inter-area equalisation
- However, there needs to be real local tax-raising and the capacity to benefit from growth
  - A strengthening tax-base can allow borrowing to fund investment
    - Crossrail is two-thirds funded by London itself

# Conclusions

- England remains very centralised by international standards
- Fiscal centralisation is even greater
- City-regional and combined authority governance provides an opportunity to go further – though there may need to a consistency across the country
- London has shown how a version of partial devolution with financial power can work within England
- Time for an experiment with other city regions/combined authorities and, then, a national shift of fiscal power away from the centre?

# Financing Devolution in England

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# ***Impact of Devolution on Economic Growth in Greater Manchester***

Dr Georgina Blakeley and Professor Brendan Evans

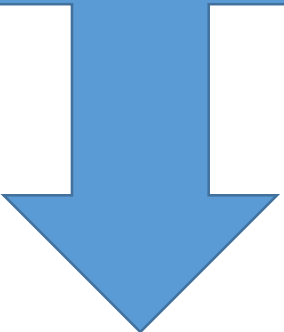


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# Achieving devolution: top-down factors

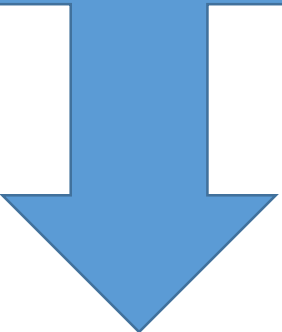
Economic  
argument was the  
prime driver



International push  
towards  
agglomeration  
economics



National push from  
think tanks



Long history of  
attempts to  
counter  
centralisation of  
British State



# Achieving devolution: bottom-up factors



Pre-existing  
structures in  
Greater  
Manchester

Various steps on  
the way to city-  
region status,  
especially, the  
MIER

Long-standing  
partnership-  
working between  
business and  
politicians

Building of  
economic  
development  
capacity at city-  
region level

# Achieving devolution: political agency

Important role of  
Northern  
Powerhouse speech

```
graph LR; A[Important role of Northern Powerhouse speech] --> B[Political agency brings together top-down and bottom-up factors]; B --> C[ ]; D[Devolution deal signed 2014 but the price was a metro-mayor] --> E[GMCA approved by Government in 2011]; E --> F[ ]
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The diagram consists of four blue rectangular boxes arranged in a 2x2 grid. Each box contains white text. From the top-left box, a blue arrow points to the top-right box. From the bottom-left box, a blue arrow points to the bottom-right box. From the top-right box, a blue arrow points to the right edge of the frame. From the bottom-right box, a blue arrow points to the right edge of the frame.

Political agency  
brings together top-  
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Devolution deal  
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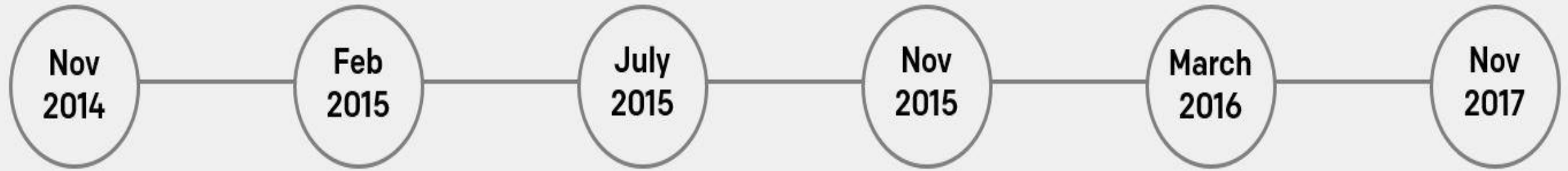
# The Mayoral-Model

- The metro-mayor conceived as the 11<sup>th</sup> member of the GMCA – a model which involves shared powers between the metro-mayor and the GMCA
- Many of the powers from the devolution deals are devolved to the GMCA rather than the figure of the metro-mayor: unanimity is required to approve the strategic plan and a two-thirds vote can overrule the Mayor's budgetary proposals
- Burnham had the advantage of being able to hit the ground running because of pre-existing context
- Yet the disadvantage of not being able to handpick his own team and pre-existing context can constrain as well as enable

# Understanding economic growth

- Both LEP and GMCA using a broad definition of economic growth
- Includes not just policies focused on economic growth but policies on transport, health, education, housing, clean air, crime and policing, culture and tourism – in other words, the whole policy bundle
- Also emphasis on inclusive growth – to be successful economic growth has to benefit the whole population
- Yet is inclusive growth an oxymoron?

# Greater Manchester's Six Devolution Deals



## Deal 1: Nov 2014

New powers for the GMCA on condition of agreement to an elected mayor

Powers covering transport, business support, employment and adult education, spatial planning, crime and policing, housing investment, earnback and governance reforms

## Deal 2: Feb 2015

Devolution of health & social care. Bringing together a £6bn budget

In late 2015, the £450m GM Health and Social Care Transformation Fund was agreed

## Deal 3: July 2015

- Fundamental review of service for children
- Creation of a Greater Manchester Land Commission
- Transfer of Fire & Rescue responsibilities to the GM Mayor

## Deal 4: Nov 2015

- Further transport devolution (including looking at options for control of rail stations)
- Social housing reform
- Control of EU funding

## Deal 5: March 2016

- Establishment of GM Life Chances Fund
- Criminal Justice Devolution
- Piloting of 100% business rates retention

## Deal 6: Nov 2017

- Local industrial strategy pilot
- Homelessness funding
- Additional transport funding
- Discussions about post-16 education and training
- Mayoral capacity funding

# GM's approach to inclusive growth

- The MIER was a 'game-changer' and led to a holistic approach to inclusive economic growth
- MIER asked what GM's potential was and although the answer was that it was massive – only second to London – it also said it wouldn't be achieved because health of population is too poor.
- Health and social care therefore has to play a key role in economic growth
- This leads to a story about successful lives – employment as an attractive health outcome and health as a necessary outcome for economy – these were the two ends of devolution.
- 'Life course' approach underpins refreshed GMS four aims which in turn underpin economic growth:
  - All children to start school ready to learn
  - Young people equipped for life
  - Good quality housing, and an end to rough sleeping
  - GM to pioneer a positive vision for growing older

# Health focus leads to a broader vision of reforming public services to achieve economic growth

- With the devolution deal of 2014, there was a desire to harness the NHS to a broader socio-economic agenda and both George Osborne and Simon Stephens bought into that deal.
- Control over health and social care budget became the driver for a place-based, person-centred approach to delivering public services (already piloted in Wigan)
- Reform of public services is seen by the LEP as key to achieving economic growth

# Economic developments with a social dimension

- Two social aims against which the Mayor wants to be judged also impact the economy: ending rough sleeping and free bus pass for 16-18 year-olds
- Business advisory panel advising on Good Employment Charter to encourage employers to sign up to good working practices
- Burnham's Town Centre Challenge in harmony with the Chancellor's Future High Streets Fund
- Successful Working Well programme which gets people far from the employment market back into work

# Economic Developments

- Despite holistic approach, there is a separate economic portfolio held by the Deputy Mayor, Sir Richard Leese
- From March 2016, establishment of a single pot for investment in economic growth
- Transforming Cities Fund - £243 million initial allocation to allow investment in transport with a further £69.5 million allocated in the October 2018 budget
- Power to convene: holding of various summits including inaugural Green Summit in 2018, 'Health and social care summit in October 2017, digital summit in July 2017
- Working at the scale of both the North-West and at the scale of the Northern Powerhouse with the Convention of the North
- Ambassadorial role to attract foreign direct investment

# Local Industrial Strategy

- Underpinning idea of the national industrial strategy is that economic powers will be exercised at an appropriate level
- Agreed in Autumn 2017 budget that GM is one of three places which will be piloting a Local Industrial Strategy
- Metro-mayor has been charged with leading on the Local Industrial Strategy as from March 2019 whereas in non mayoral combined authorities, the LEP leads the Local Industrial Strategy
- From March 2019, the metro-mayor will lead a two-year implementation plan with Government
- Local industrial strategy will align to national priorities on skills, infrastructure, science and innovation, supporting high-value businesses
- Expert panel to provide impartial, evidence-based advice based on an updated MIER with particular themes to explore such as productivity, skills and global competitiveness



# Place-based skills strategy

- Burnham's manifesto stressed education policy should be less University-oriented for many and is setting up a UCAS-style system for vocational pathways
- Burnham condemns Government's apprenticeship levy for reducing apprenticeship numbers and failing to devolve the underspend to the GMCA
- GMCA compromised with Conservative views and promotes the idea of employer-led training policy-making
- GMCA plans place-based adult education strategy post-April 2019 with the commissioning role involving FE, high-quality private providers, small firms, the voluntary sector and social enterprises
- Three-year contracts to providers with periodic checks on progress of individual learners measured by increased average earnings and lower unemployment and focused on the deprived particularly white, working-class males

# Limitations: Assessment

- Economic developments are currently fragmented initiatives and therefore hard to isolate the variable of these initiatives from what would have occurred anyway
- It is difficult to isolate the impact Burnham might make from the impact that the GMCA might make or the impact of earlier initiatives
- Evaluation of initiatives such as school-readiness and a focus on digitalisation and low-carbon will only be possible in the long-term
- Both Burnham and the GMCA are accountable to many different masters

# Limitations: Brexit

- Diversion of Government away from other matters – a Brexit policy-blight?
- Negative impact on the GM economy at least in the short- to medium-term: 58% of GM's exports go to the EU against the national figure of 44%
- Unclear to what extent the Shared Prosperity Fund will adequately replace the European funding
- Scarcity of meetings between Government and GMCA leaders on Brexit
- Yet there are possible opportunities: freedom from EU contracting rules of benefit especially to SMEs
- Forced focus on training local people – e.g. 'Be a Greater Manchester Nurse'

# Limitations: Central Government

- Limited nature of devolution – there is no control over key agencies and levers such as the DWP, the National Planning Framework, schools, Highways England, Network Rail
- Even transport, one of the only concrete mayoral powers, is constrained by inattention and inactivity by central government, e.g.:
  - Failure to electrify the Manchester-Leeds train link
  - Failure to promote cross rail for the North (HS3)
  - Lack of power over rail stations
  - Abandonment of the trans-pennine motorway between Manchester & Sheffield
- IPPR claims that the North received £289 per head on transport, while London received £708 per head on average over the last ten years.
- Real game-changer would be gaining control over post-16 education and DWP

# Emerging tensions

- Internal tensions within the GMCA
  - GM is skilled at presenting a united front in public, but challenges arising from different needs of each local authority and the different personalities involved
- Varying perspectives on the extent to which Burnham is simply the 11<sup>th</sup> member of the GMCA
- Focus on core cities holds back towns and leaves them off the agenda: is Manchester as remote from Wigan as Westminster?
- Short-term of metro-mayor's first term in office compared to longevity of the GMCA and the LEP

# Is inclusive growth an oxymoron?

- Small-scale nature of devolution funding compared to local government cuts as a result of austerity
- Major economic interests in the North-West such as housing development companies and Peel Holdings (known locally as Peel Takings) drive the agenda
- Burnham deeply committed to inclusive growth but initiatives at the level of the city-region are small scale in the face of wider global economic structures such as potential trade war between China and the US
- Some critics in GMS argue that the interests of global capitalism drives the economic agenda

# Introduction



West Midlands  
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# Devolved housing ambitions

£350 million Government investment

215,000 new homes

1/3 more output



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# The right homes in the right places





# Partnerships for purpose



# Developing a business case



# Conclusion



Homes  
England



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# Energy and Devolution

*Energy Systems – How devolution is critical to accelerating innovation and delivering clean growth*

Devolution in England Conference

Matthew Rhodes

**Chair, Energy Capital West Midlands**

16 November 2018



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# Energy Capital exists solely because of devolution and the frustrations of (almost) the entire energy sector and most customers with UK energy system governance

- Responsible to the Mayor through the Energy Capital Board
- Public-private partnership
- Energy core to our local industrial strategy
- £8bn p.a. spent on energy services
- 50,000 jobs
- 4 million people
- 2 million homes
- 200,000 homes in energy poverty
- 215,000 new build
- ~27M t CO<sub>2</sub> p.a.

“European court annuls  
State Aid clearance for  
GB Capacity Market”

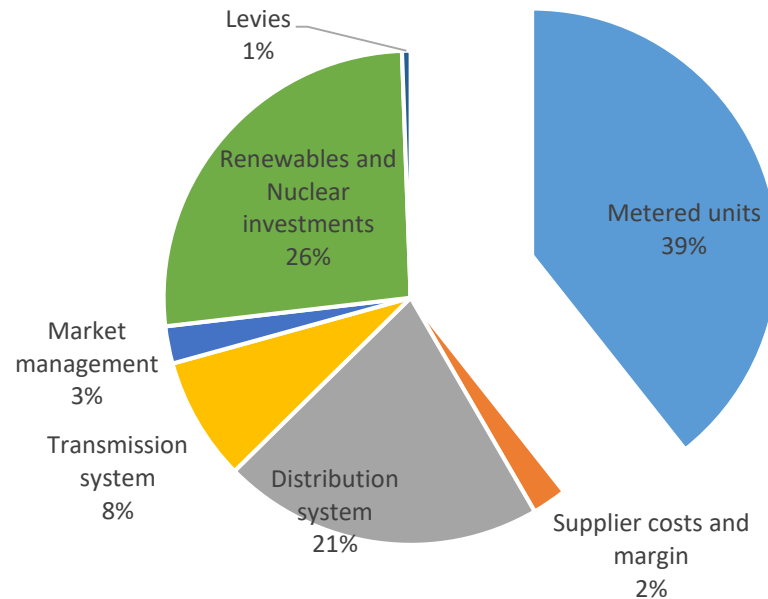
- WMCA
- Cadent
- National Grid
- WPD
- Severn Trent
- Engie
- JLR
- Housing (BCHA)
- Climate KIC
- Energy Systems Catapult
- University of Birmingham
- University of Warwick
- University of Aston
- EEF
- Sustainable Energy Association
- Ofgem
- BEIS

Our sole objective is to secure devolved powers from London to enable this region (and others) to deliver the clean, low cost energy our citizens and businesses need

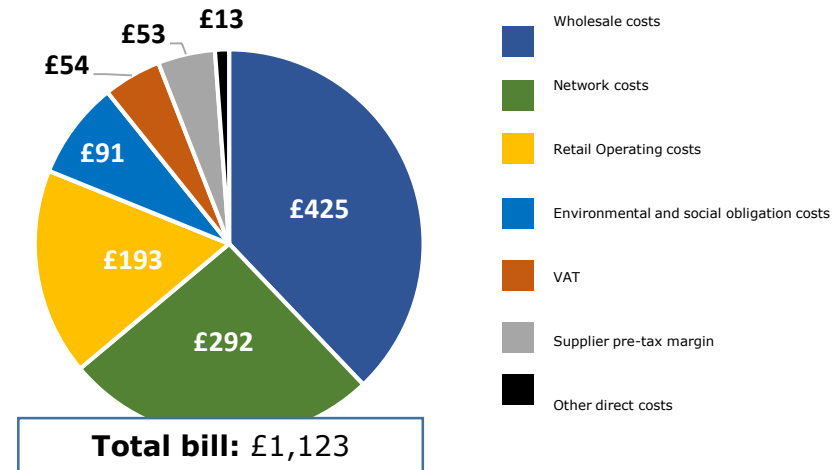
- The economics of energy increasingly local, sensitive to geography
  - Digitisation and storage
  - Decarbonisation
  - Resilience and security of supply
- It's all about infrastructure, stupid!
  - Allocation of infrastructure costs is a political question, with different degrees of willingness to accept these by local area depending on history and ambition
  - Infrastructure investments require customers with a long-term perspective
  - Energy infrastructure cannot be considered in isolation from transport, housing, economic, waste, environmental infrastructure – *but – uniquely in the UK, it is!*
- Customer engagement matters, especially for demand-side activities

# It's all about infrastructure, stupid!

Breakdown of electricity costs for a medium-sized Black Country manufacturer (November 2017)



Breakdown of domestic energy bill (2016)



Source: Ofgem (2016 figures)

So who chooses and pays for infrastructure?

All we know is that it is a decision with long-term (multi-generational) consequences...(including the creation of full or partial monopolies)

It is a serious societal choice. ***Markets, today's customers, national and local governments are all imperfect candidates to make this choice, but it's clear that local government is best placed to lead.***



# Devolved authorities have a key role to play in an increasingly dynamic and challenging energy sector

- Markets are too short-term to make infrastructure choices *but good at keeping short-term costs down (when free and open)*
- Individual customers lack the necessary knowledge and perspective to make strategic choices but are *good at demanding quality, integrated outcomes*
- National government cannot be sufficiently sensitive to context (information diseconomies and overload; inability to exploit local opportunities and competitive advantages in a timely way) but can *hold large corporates to account and manage significant societal risks*

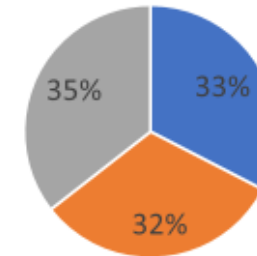
The optimal *national* approach is for local government – at regional level for optimal cost/benefit - to lead on energy, working in partnership with national institutions, markets and with the full engagement of local customers and voters.

# There is a confluence of interests, particularly in this region

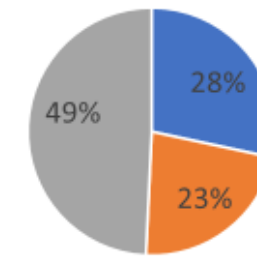
- Fuel poverty
- Fundamental changes in transport and energy systems
- Manufacturing energy costs
- \$3 trillion global market opportunity
- An economic imperative towards local control

## Comparison of energy used by sector and spend by sector

Percentage of WM energy used by sector  
(GWh 2015)



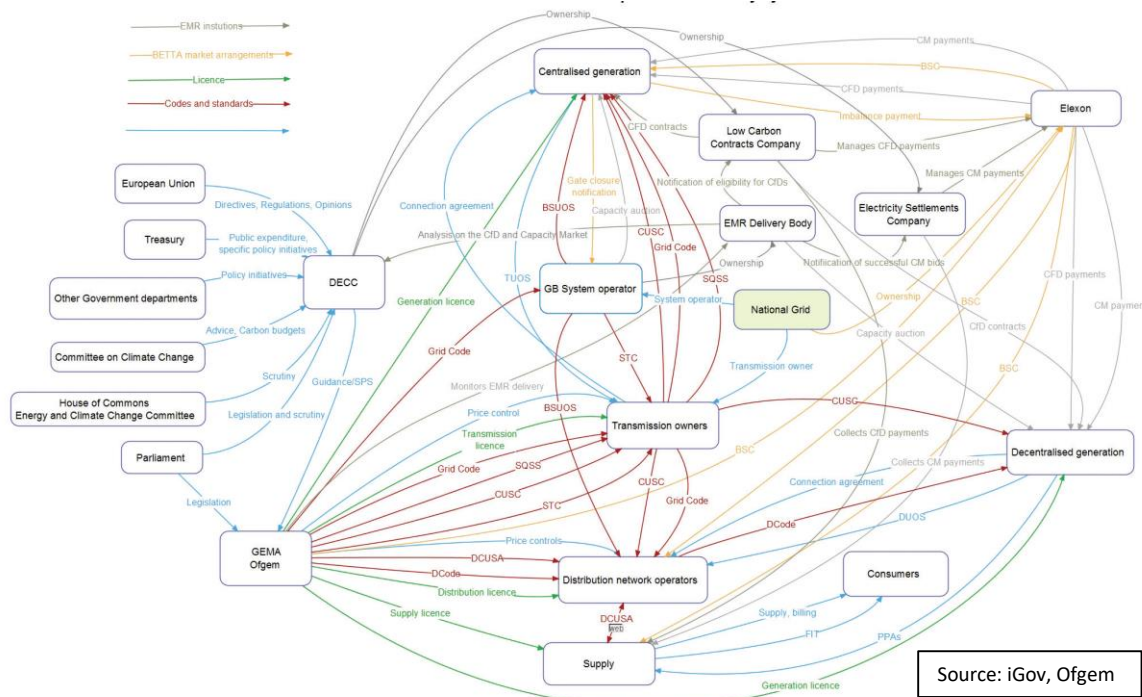
Percentage of WM Energy Spend by Sector  
(2015)



■ Domestic  
■ C&I  
■ Transport

Sector	Average price paid per kWh energy (across all fuel types)
Domestic	£0.05
Commercial and industrial	£0.04
Transport	£0.08

# But the governance, resourcing and cultural challenges are immense



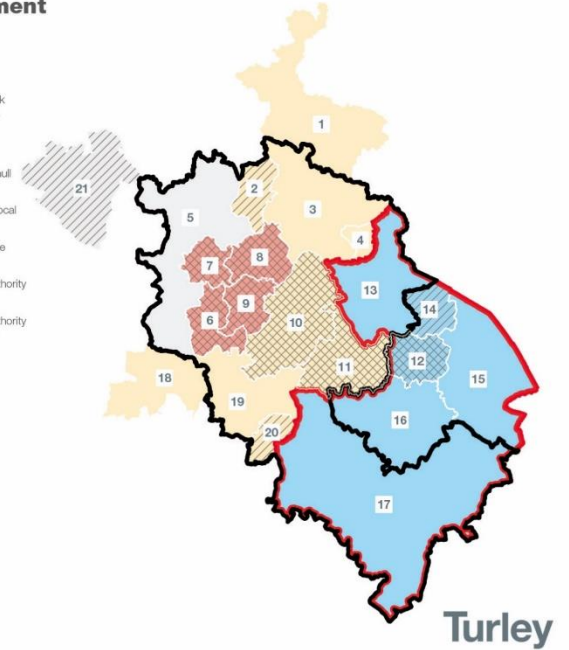
## Planning and Economic Development in the West Midlands

### Local Planning Authority

- 1 East Staffordshire
- 2 Cannock Chase
- 3 Lichfield
- 4 Tamworth
- 5 South Staffordshire
- 6 Dudley
- 7 Wolverhampton
- 8 Walsall
- 9 Sandwell
- 10 Birmingham
- 11 Solihull
- 12 Coventry
- 13 North Warwickshire
- 14 Nuneaton and Bedworth
- 15 Rugby
- 16 Warwick
- 17 Stratford-upon-Avon
- 18 Wyre Forest
- 19 Bromsgrove
- 20 Redditch
- 21 Telford and Wrekin

- Greater Birmingham and Black Country Housing Market Area
- Coventry and Warwickshire Housing Market Area
- Greater Birmingham and Solihull Local Enterprise Partnership
- Coventry and Warwickshire Local Enterprise Partnership
- Black Country Local Enterprise Partnership

- West Midlands Combined Authority – Constituent Authorities
- West Midlands Combined Authority – Non-constituent Authorities



# Devolution is an opportunity to build appropriate new institutions with long-term powers – right place, right time

- LEPs successful locally in the West Midlands
  - Business-led, LA governed
- Tradition of co-operation in energy – existing bodies
  - Birmingham Green Commission; Black Country Green Growth Group; Science City
- Energy Innovation Zones as a framework – LA control and governance
- Publicly-controlled regional support institution (Energy Capital)
  - LEP model: business-led, publicly-governed
  - Investment funding
  - Devolved powers to EIZs
  - Democratically-accountable
- Clear strategic targets

# We have drawn inspiration from communist China

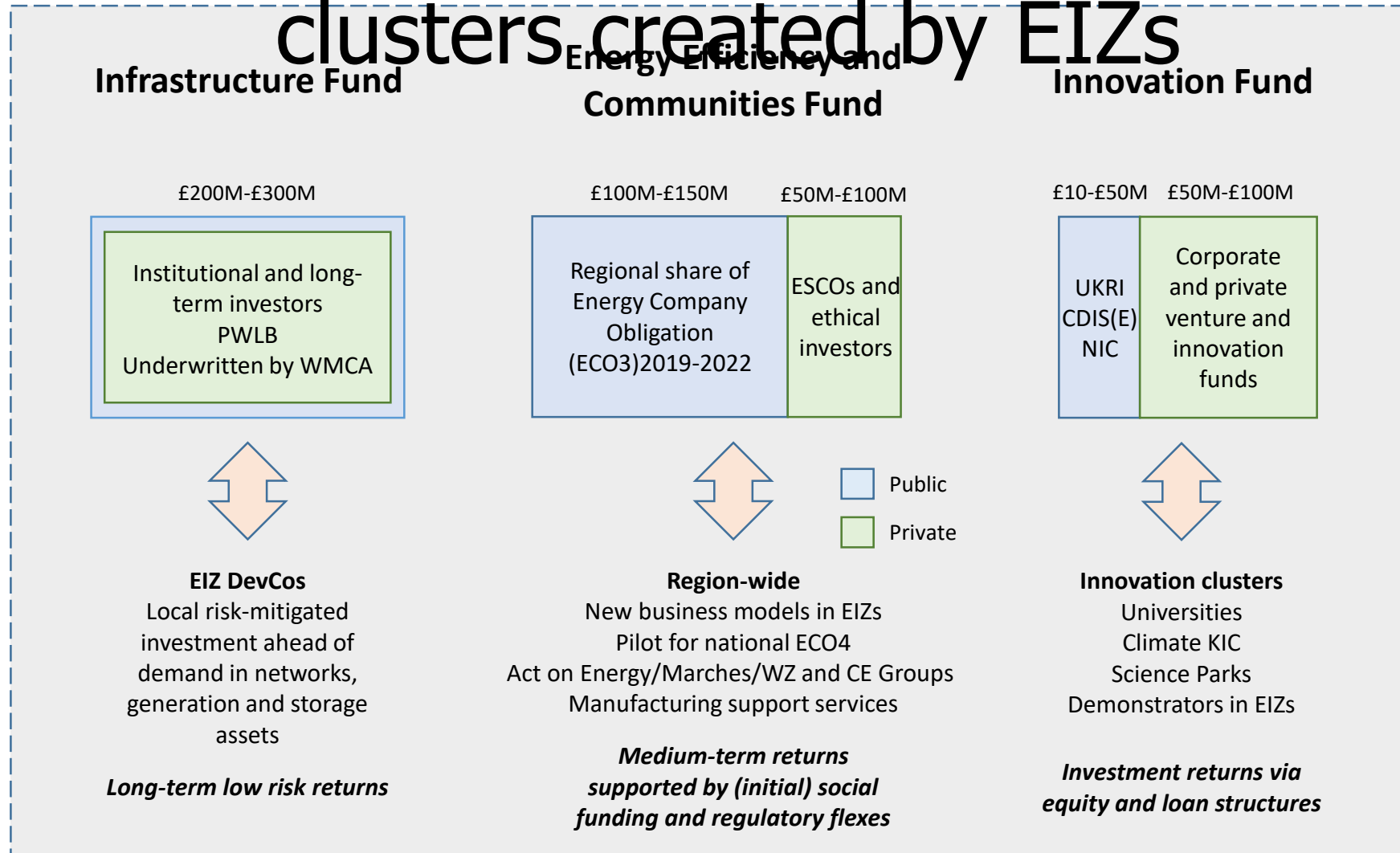


- EIZs are commercially significant areas where we can:
  - change the rules
  - take an integrated, strategic perspective on infrastructure investment
- be democratically-accountable
- manage risk, with our friends in Ofgem and BEIS
- deliver

# Investment Fund Structure

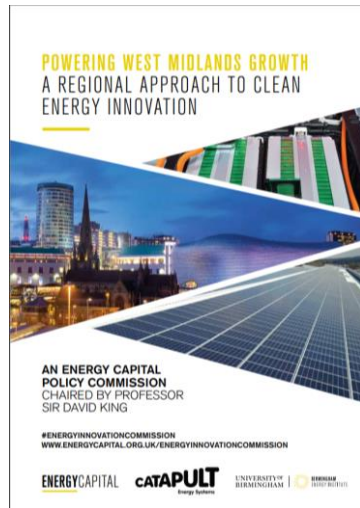
## Three funds to support the thriving markets and clusters created by EIZs

EIZ Context

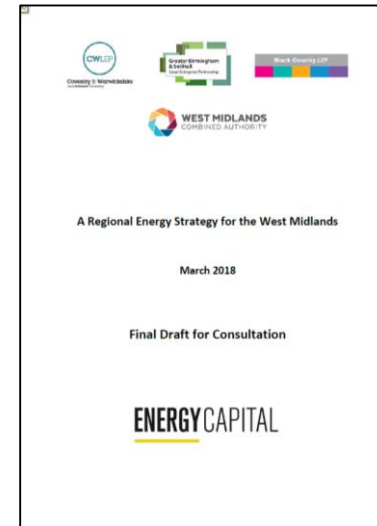
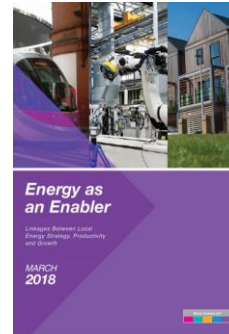
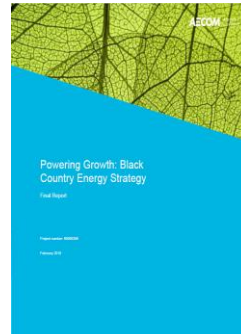
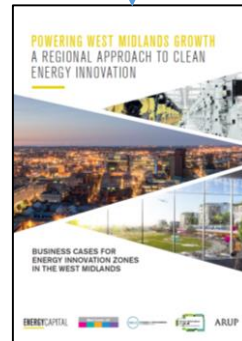


# We've found willing partners and are making good progress

- EIZ Framework
- Ministerial commitment
- Ofgem



£490M immediate scope of work



Regional engagement and consultation

Project/investment opportunities

£1bn GVA benefit

# More information

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Devolution in England Conference  
Birmingham City University  
16 November 2018

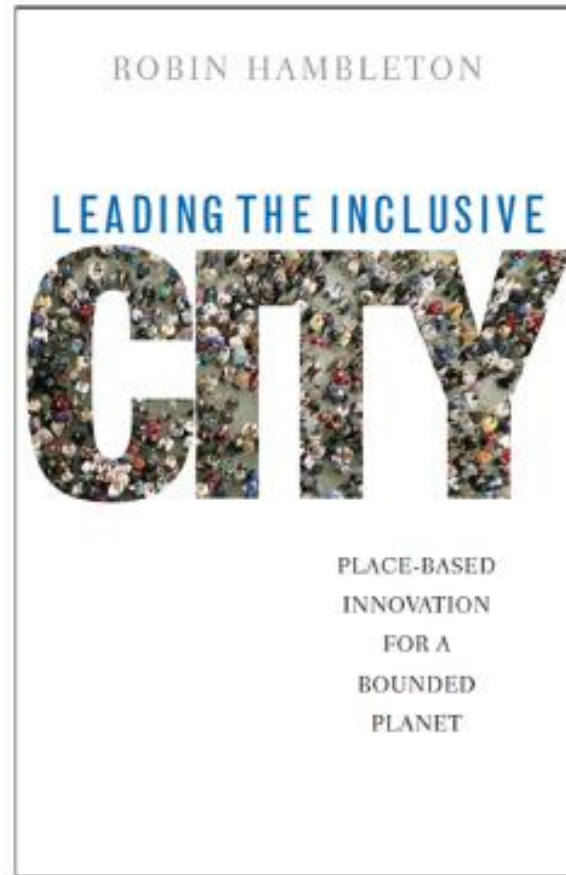
# Learning from sub-national governance in other countries

Robin Hambleton

University of the West of England, Bristol,  
UK and Director, Urban Answers



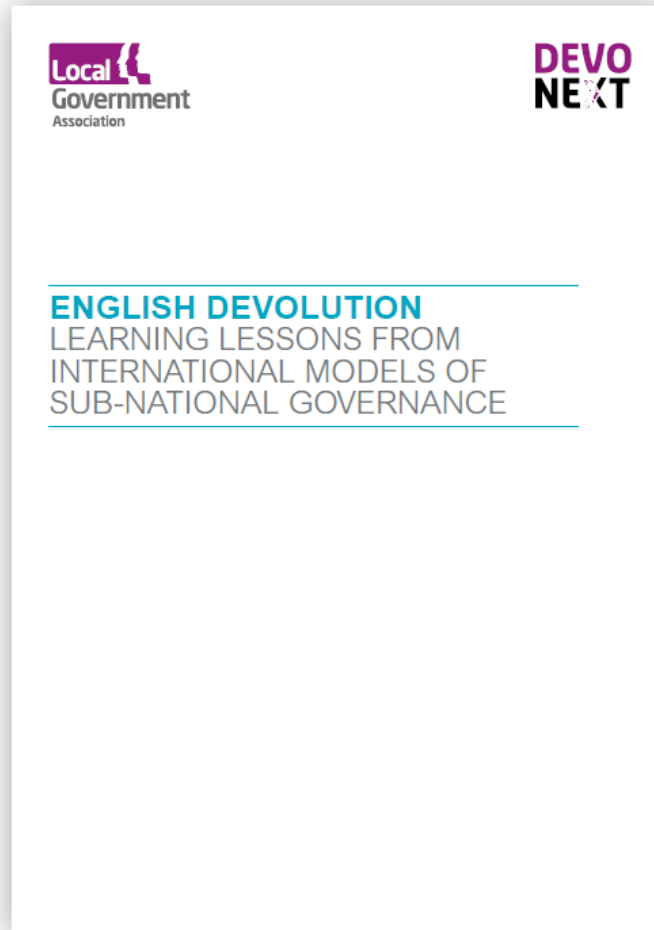
# Leading the Inclusive City



A book examining innovations in city leadership across the world

Published by Policy Press, Bristol in 2015

# English devolution: Learning lessons from international models of sub-national governance





An aerial photograph of a city, likely Manchester, showing a dense urban landscape with numerous buildings, streets, and green spaces. A large, semi-transparent grey circle is overlaid on the left side of the image, containing white text. The city extends to the horizon under a clear sky.

# Key international themes in metropolitan reform



# International driving forces for metropolitan reform

- The rise of challenges that reach beyond individual municipalities
- Place-based international economic competition
- The need to address growing economic and social inequalities and climate change
- The need to strengthen the democratic accountability of city region governance

## Metropolitan reform options

- Merge existing units of local government into larger units
- Pragmatic adjustment (including inter-local agreements and introducing an upper tier)
- Promote self-interested competition

Source: Kantor *et al* (2012) *Struggling Giants. City region governance in London, New York, Paris and Tokyo*. Minneapolis: University of Minnesota Press

# Principles of good governance

1. Civic leadership
2. Effective decision making
3. Transparency and efficiency
4. Accountability
5. Public involvement
6. Business engagement

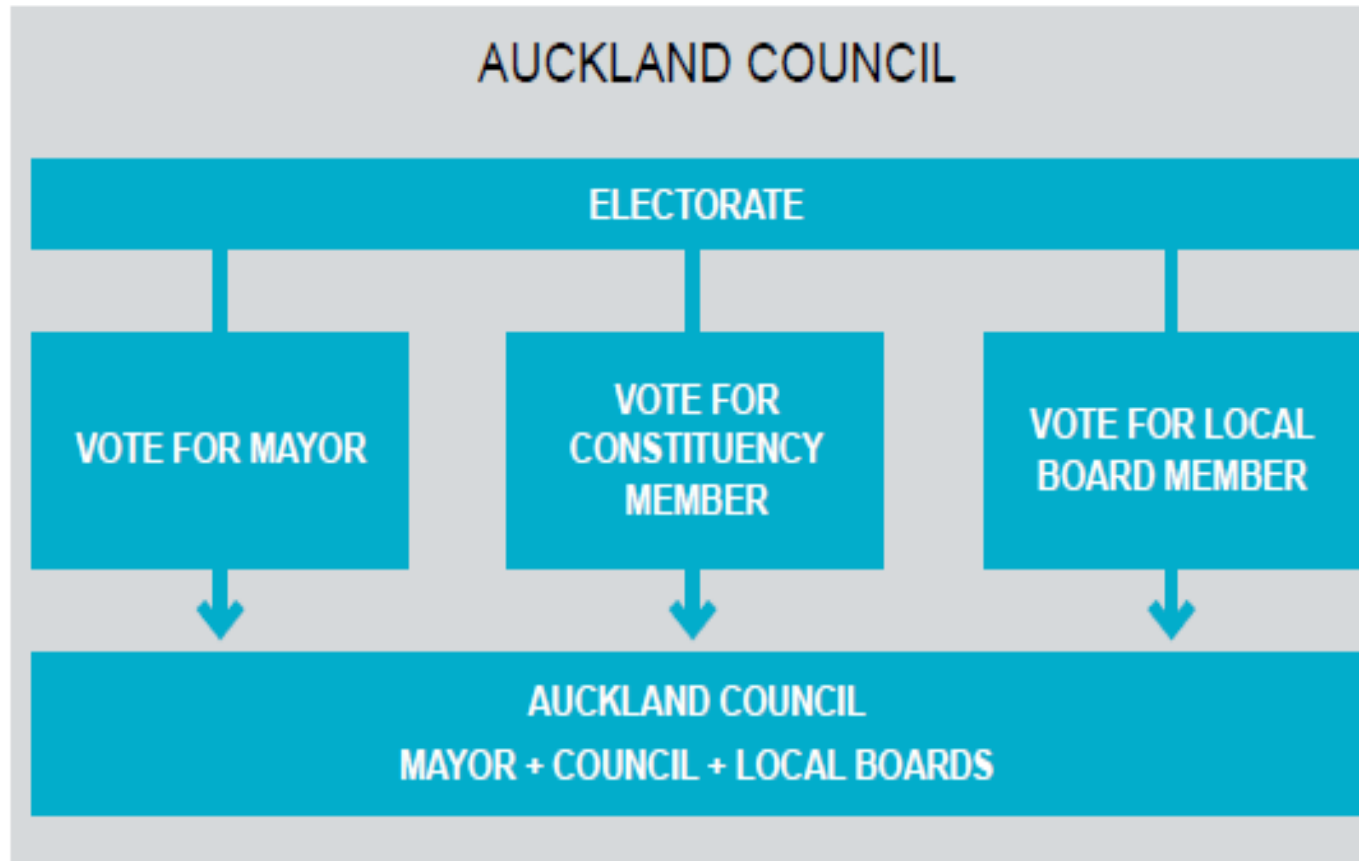



Auckland, New  
Zealand

The merger route  
with a mayor



# Auckland Council, New Zealand

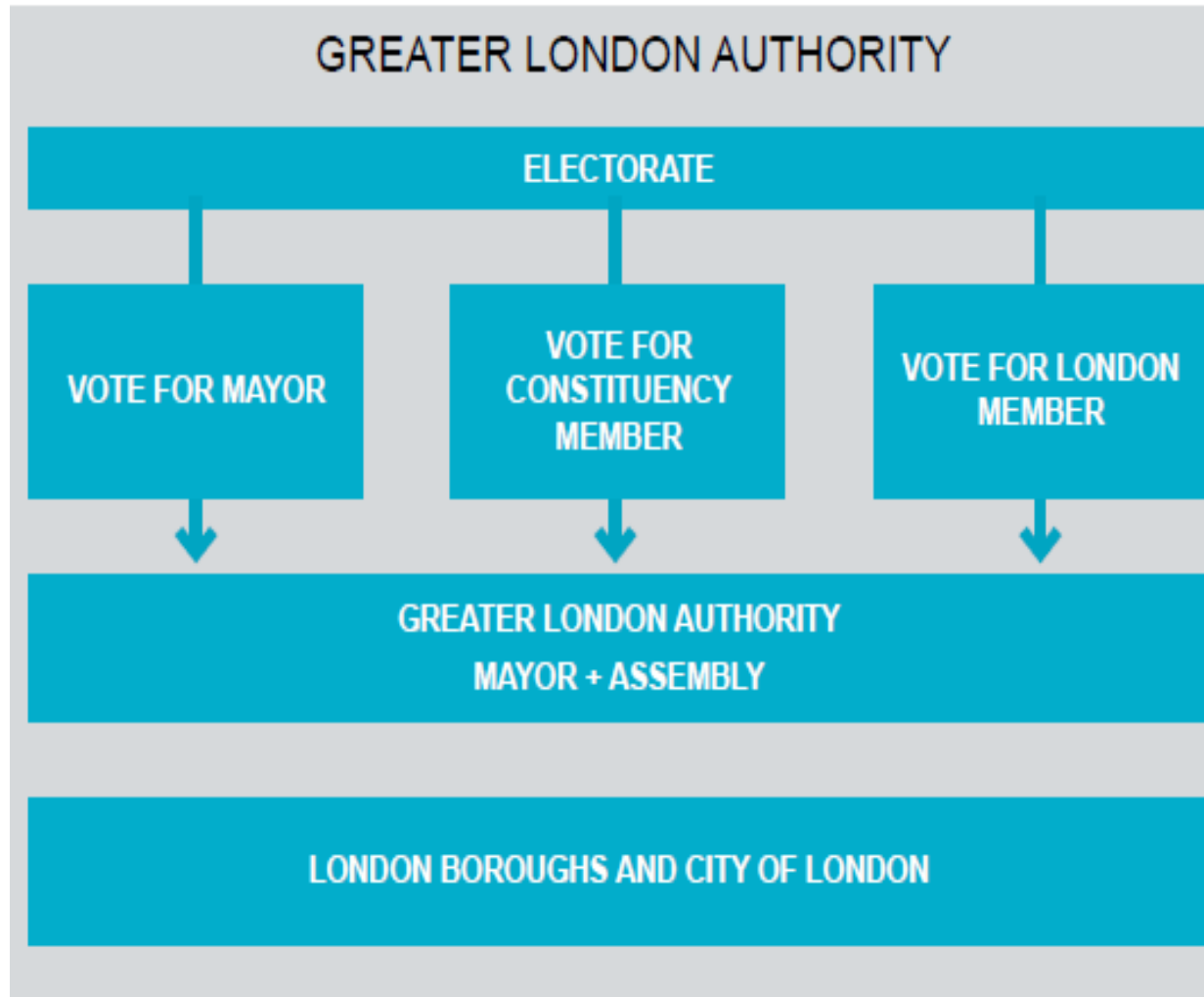


An aerial photograph of London at sunset. The sun is low on the horizon, creating a bright orange and yellow glow across the sky and reflecting on the River Thames. In the foreground, the ornate domes and spires of St. Paul's Cathedral are visible. The city's dense urban landscape, including various buildings and the London Eye in the distance, is bathed in the warm light of the setting sun.

Greater London,  
UK

The two-tier  
route with a  
mayor

# Greater London Authority, UK



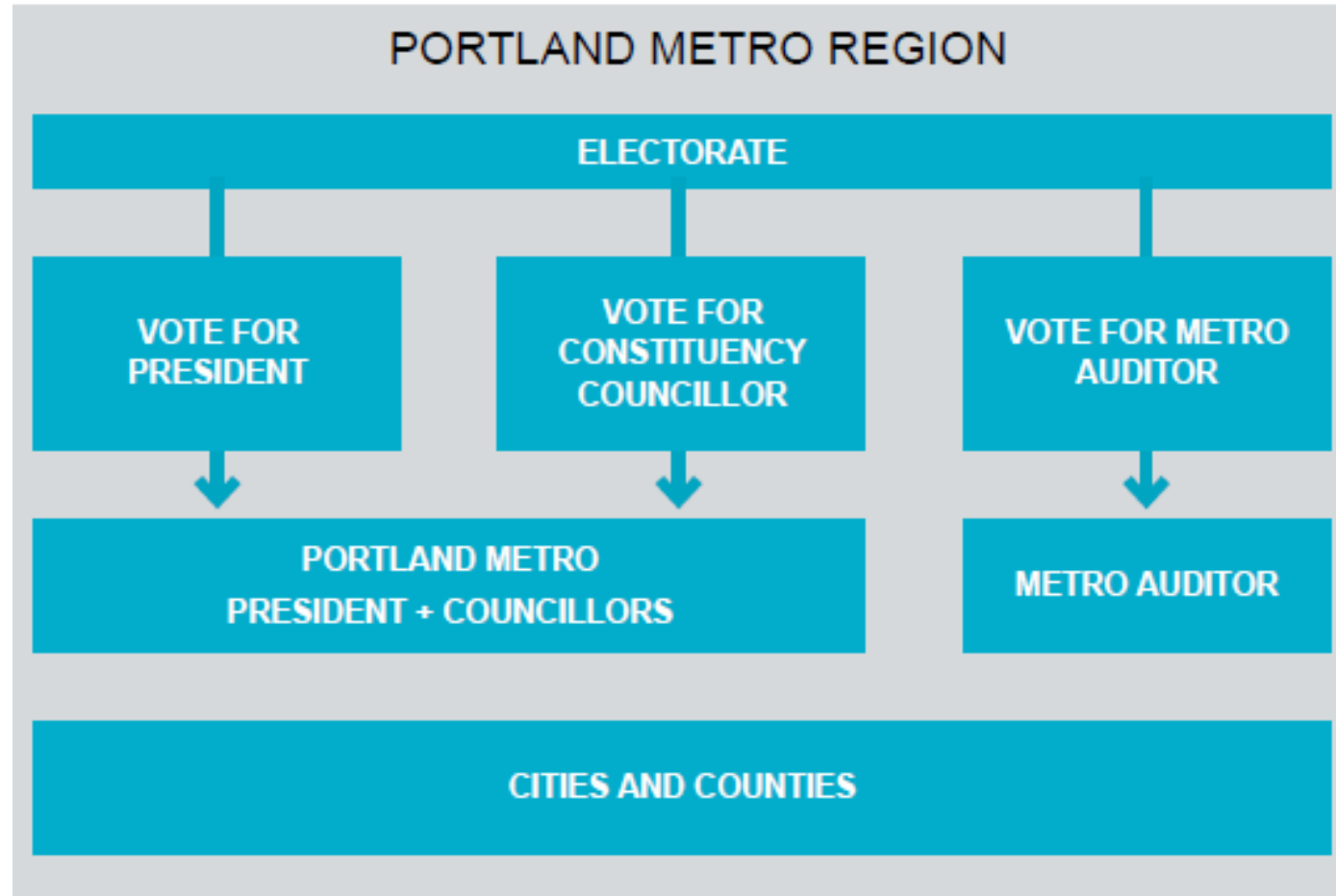




Portland Metro,  
Oregon, USA

The two tier  
route without a  
mayor

# Portland Metro, Oregon, USA



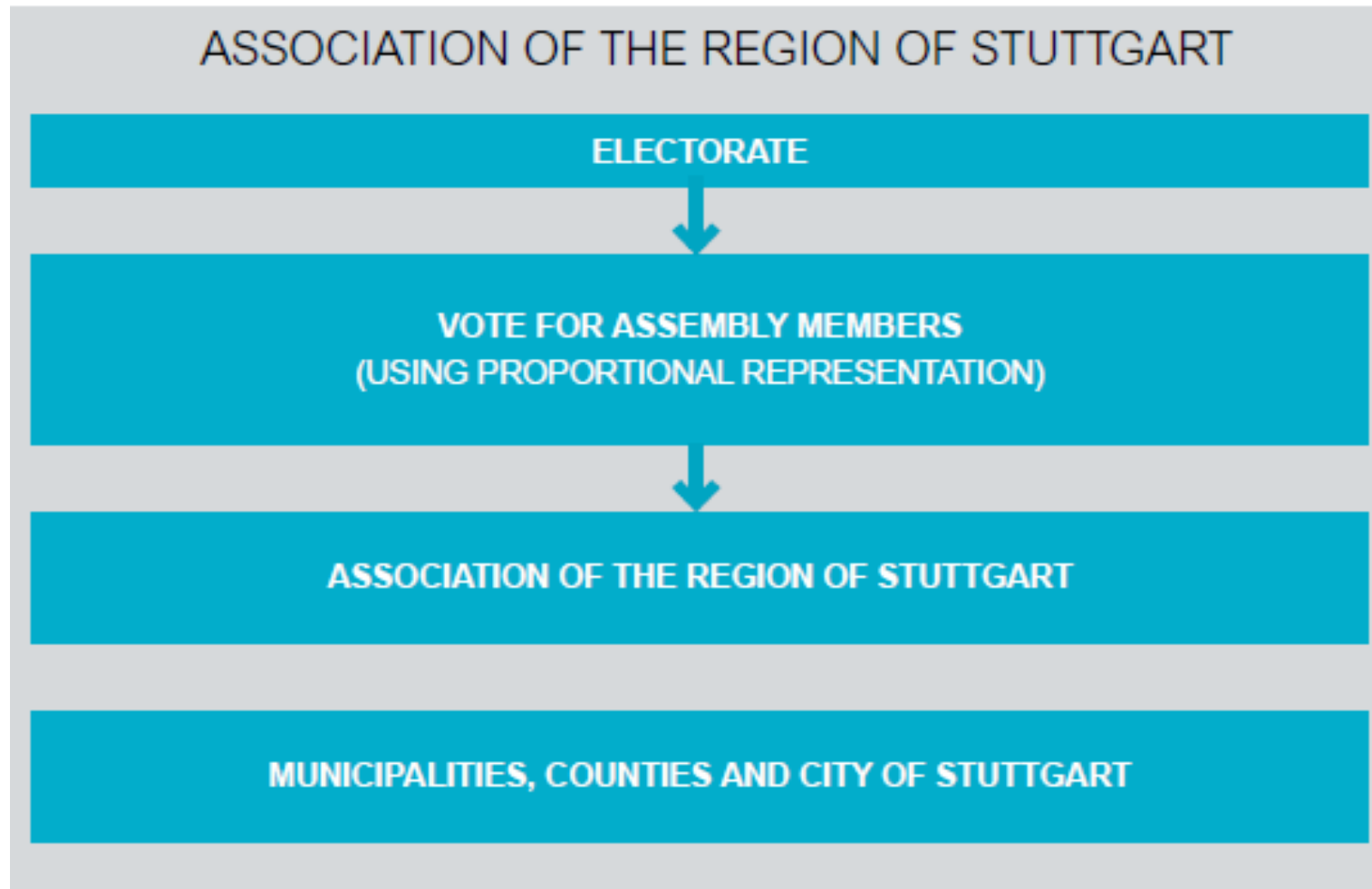


An aerial night photograph of Stuttgart, Germany, showing the city's lights and the Neckar river. A large grey circle is overlaid on the left side of the image, containing text.

# Association of the Region of Stuttgart, Germany

The two-tier route  
without a mayor

# Association of the Region of Stuttgart, Germany







# Lessons for devolution in England



# What does the international evidence suggest for devolution in England?

1. Many other countries have much stronger devolution to city regions and to local government as a whole
2. England has become a super-centralised state and serious consideration should now be given to rebalancing local/central power relations
3. Effective devolution requires the local level of governance to have:  
1) Substantial local tax-raising powers, and 2) Constitutional protection from central government interference
4. The international experience reveals a variety of sub-national governance models that perform tolerably well against the six principles of good governance
5. You do not have to have directly elected mayors to develop an impressive system of sub-national governance



**THANK**  
YOU

Robin Hambleton | Urban Answers

