

Cabinet
Council

17 October 2023
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Name of Cabinet Member:

Cabinet Member for Policy and Leadership - Councillor G Duggins

Director approving submission of the report:

Chief Executive

Ward(s) affected:

All

Title:

West Midlands Combined Authority Devolution Deal

Is this a key decision?

Yes - The proposals involve financial implications in excess of £1m per annum and are likely to have a significant impact on residents or businesses two or more electoral wards in the City.

Executive summary:

The Deeper Devolution Deal (the Deal) was agreed in principle by the West Midlands Combined Authority (WMCA) Mayor and Portfolio Leaders on 10 March 2023 and announced in the Chancellor's Budget on 15 March 2023.

Following the announcement, a formal ratification of the deal is required by the WMCA and its constituent Local Authorities (LA's). The WMCA is expected to take the decision to approve the Deal at its Board Meeting on 13 October 2023. A two thirds majority of voting Constituent Members is required for the Deal to be ratified.

The devolution of the Bus Service Operators Grant (BSOG) to the WMCA is a public authority function, which can be dealt with under section 105B of the Local Democracy, Economic and Construction Act 2009. It requires a scheme, governance review and the consent of the LA's before the laying of the order by Government. An in-principle agreement of the devolution of the BSOG (the order) is part of this paper and will be considered at the WMCA Board on 13 October 2023.

The Order will then be considered through the constituent authorities governance, before returning to the WMCA Board later in the year for final approval.

This report provides an overview of the background to the Deal, the main elements, the proposed implementation, and next steps.

Recommendations:

The Cabinet is requested to recommend that the City Council:

1. Approves the ratification of the West Midlands Devolution Deal as set out in this report and attached Appendices, including the in-principle devolution of the management of Bus Services Operator's Grant as a Mayoral function.
2. Notes the performance to date of the West Midlands 100% Business Rates Retention pilot.
3. Agrees to the development of the Memorandum of Understanding (MoU) with Government, as outlined in this document, regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Devolution Deal.
4. Delegates authority to officers, overseen by the Chief Executive, and following consultation with the appropriate Cabinet Members, to engage on the detailed implementation of the agreed elements of the Devolution Deal, which will include aspects that require further negotiation and future decision making.
5. Requests that further reports are received by Cabinet (and Council if appropriate) on specific issues relating to the detail of the Devolution Deal such as approval of the making of the Statutory Instruments following the receipt of a draft order for BSOG.
6. Requests that throughout the duration of the implementation of the Devolution Deal, half yearly updates be submitted to Cabinet and Scrutiny to outline progress.

The City Council is recommended to:

1. Approve the ratification of the West Midlands Devolution Deal as set out in this report and attached Appendices, including the in-principle devolution of the management of Bus Services Operator's Grant as a Mayoral function.
2. Note the performance to date of the West Midlands 100% Business Rates Retention pilot.
3. Agree to the development of the Memorandum of Understanding (MoU) with Government, as outlined in the this document, regarding the offer of 10-year, 100% Business Rate Retention for the West Midlands, in accordance with the Devolution Deal.
4. Delegate authority to officers, overseen by the Chief Executive, and following consultation with the appropriate Cabinet Members, to engage on the detailed implementation of the agreed elements of the Devolution Deal, which will include aspects that require further negotiation and future decision making.
5. Request that further reports are received by Cabinet (and Council if appropriate) on specific issues relating to the detail of the Devolution Deal such as approval of the making of the Statutory Instruments following the receipt of a draft order for BSOG.
6. Request that throughout the duration of the implementation of the Devolution Deal, half yearly updates be submitted to Cabinet and Scrutiny to outline progress.

List of Appendices included:

The following appendices are attached to the report:

- Appendix 1 – WMCA Devolution Deal Thematic Summaries
- Appendix 2 – WMCA Devolution Deal Implementation Plan
- Appendix 3 – Business Rate Retention Performance and Proposed Memorandum of Understanding
- Appendix 4 – Draft Business Rate Retention Agreement (MoU)

Background papers:

West Midlands Combined Authority Trailblazer Deeper Devolution Deal (2023):

<https://www.gov.uk/government/publications/west-midlands-combined-authority-trailblazer-deeper-devolution-deal/west-midlands-combined-authority-trailblazer-deeper-devolution-deal>

West Midlands Combined Authority Second Devolution Deal (2017):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/662138/A_Second_Devolution_Deal_for_the_West_Midlands.pdf

West Midlands Combined Authority Devolution Agreement (2015):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/477421/West_Midlands_devolution_deal_unsigned_final_web.pdf

Other useful documents

None.

Has it or will it be considered by Scrutiny?

The implementation approach of the Deal will be the subject of Scrutiny at a date later in the municipal year.

Has it or will it be considered by any other Council Committee, Advisory Panel or other body?

No.

Will this report go to Council?

Yes. 17 October 2023.

Report title: West Midlands Combined Authority Devolution Deal

1. Context (or background)

- 1.1. In 2016, Coventry City Council joined the West Midlands Combined Authority (WMCA), along with Birmingham City Council, Solihull Metropolitan Borough Council, Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Council and Wolverhampton City Council. Forming the WMCA allowed the seven constituent authorities to seek devolved funding and powers from Government.
- 1.2. The first “devolution deal”, an agreement between WMCA, Constituent Members and Government setting out which responsibilities would be devolved to the region, was agreed in 2015 in preparation for the formal establishment of the WMCA the following year. This gave the WMCA the responsibility for a devolved transport budget, devolved adult skills funding, and provided funding to establish the WMCA Investment Programme which finances projects including City Centre South.
- 1.3. This was followed in 2017 by a second Devolution Deal which provided for the establishment of a West Midlands Industrial Strategy. Over the last year, a third devolution deal has been negotiated between WMCA and Government, in consultation with the constituent local authorities. The latest deal covers more than twenty themes. These include proposals for the WMCA to receive a single funding settlement rather than multiple individual grants, extension of business rate retention for a further 10 years, additional funding for affordable homes and a new Strategic Productivity Partnership with Government. This report provides a summary of the deal and how it will affect Coventry. WMCA is due to approve the Devolution Deal formally at their Board meeting on 13th October, and the seven constituent local authorities are being asked to ratify the deal through their individual political processes. Ratification will be followed by further development of the implementation plan to develop the details required for delivery.
- 1.4. The table below provides a summary of the funding opportunities available through the Deal and their potential benefit to Coventry.

Fund	Value	Potential Benefits to Coventry
10-year Business Rates Retention	c£3m per year	Analysis shows the 100% arrangement has been advantageous to Coventry in financial terms by c. £9.5 million over the last three financial years.
Single Regeneration Fund	£100m	Friargate Phase 2, Cultural Gateway, City Centre South and other locally identified priority projects in Coventry may be included in the investment pipeline.
Levelling Up Zones	c.£0.5bn	Coventry airport zone now part of wider Investment Zone.
Smart City Region	£10.1m	Funds available to pilot 5G solutions.
Digital devices and data	£4m	Access to devices to reduce digital inequalities.
Affordable Homes Programme	£200m - £400m	Providing the opportunity for major investment in new and redeveloped estates.

Industrial decarbonisation	£10.5m	Opportunity for alignment with existing Coventry programmes.
Cultural heritage programmes	£4m	Opportunity to bid for funds to support cultural programmes.
Natural environment	£1m	Objective to attract investment in natural capital environmental schemes. Coventry will have the opportunity to put forward schemes to be considered for investment.

- 1.5. A copy of the latest WMCA Devolution Deal Thematic Summaries and WMCA Devolution Deal Implementation Plan can be found in Appendix 1 and 2 respectively.

2. Options considered and recommended proposal

- 2.1. Coventry City Council could decline to approve the Devolution Deal. However, if Coventry chose not to ratify the deal, this could prevent Coventry and the region from accessing the additional funding and powers available. It would also undermine the relationship between the WMCA and Government and make future cooperation on devolution or other policy topics far more difficult. This option is therefore not recommended.
- 2.2. The recommended approach is for Coventry City Council (CCC) to ratify the new Devolution Deal based on an examination of all the opportunities, and the associated risks of the proposals contained within the deal. Officers in the Council have worked to understand the implications of each of the themes within the deal, and ways to maximise the opportunities for the city whilst monitoring and mitigating risks as far as possible. Consideration has also been given to how the deal can help to deliver the aims of the One Coventry Plan. The Council will ensure that it works to get the most out of the new deal by having the right involvement from members and officers in the various WMCA groups responsible for each of the devolution themes.
- 2.3. Each of the key themes in the deal, and the risks and opportunities associated with them, are summarised in the following sections of this report.
- 2.4. **Single Settlement.** Instead of being funded through 50+ individual grants, it is proposed that the WMCA is instead funded by a single funding settlement covering a full spending review period, in the same way that a Government department would. The Devolution Deal sets out five “functional pillars” for the settlement: Local Growth & Place, Transport, Housing and Regeneration, Adult Skills and Net Zero. The WMCA and its constituent authorities would be accountable to Government to achieving an agreed set of outcomes across these themes, but there would be flexibility to move funding between priorities to meet local needs. The aim is that working in this way will be more efficient, freeing up funding, that would otherwise be required for management of individual programmes, for use in delivery of the region’s priorities. WMCA and the Treasury are in the process of preparing a Memorandum of Understanding (MOU) setting out how the single settlement will work. Coventry, along with the other 6 West Midlands Metropolitan authorities are being consulted in this process, and the proposed final document is expected later in the Autumn. The WMCA is working towards the settlement being established on a “no detriment” principle, with the ability to attract any new or incremental funding made available by the Government meeting the agreed definition of each function. However we will need to review the final MOU before being able to confirm the principles for engagement with the Government.

- 2.5. There are some potential risks to Coventry and other constituent members of this approach. For example, CCC would be ineligible to bid for certain funds under these arrangements. Instead, when new funding becomes available nationally, the WMCA would receive an additional allocation as part of the single settlement, and CCC would need to be confident that it would get its fair share of funding by working through the WMCA's governance processes. However, in principle this is the right way for the WMCA to be funded by Government, and officers recommend that CCC should support this approach subject to continuing to work closely with the WMCA and the other constituent members to negotiate as far as possible that there is no detriment to Coventry's financial position as a result.
- 2.6. **Levelling Up Zones.** The Devolution Deal proposes the establishment of Levelling Up Zones (LUZs) which would allow business rates retention and provide priority access to skills, housing and regeneration funding. The deal named Coventry Airport, site of West Midlands Gigafactory as one of these zones. Since the deal was published, Coventry Airport has been proposed as an Investment Zone (IZ) site, which would provide additional benefits beyond those provided by LUZs. Therefore, it is not necessary to pursue a LUZ linked to the Gigafactory proposals, but there is no reason for Coventry not to support this part of the Devolution Deal which will be a useful tool in other parts of the region. Note that since the Devolution Deal text was agreed, Government is now referring to Levelling Up Zones as "Growth Zones".
- 2.7. **Business Rates Retention (BRR).** The deal is proposing to allow constituent members of the WMCA to retain business rates generated for a further 10 years. The drafting of an MoU is at an advanced stage with Government, the basis of which would effectively allow the continuation of the current West Midlands pilot BRR scheme in place since 2017. This has provided beneficial additional resource to rating authorities over the previous regime of 50% retention and 50% redistribution as Revenue Support Grant (RSG). Appendix 3 of this report provides a detailed explanation of the proposals including protections sought to mitigate risk.
- 2.8. **Single Regeneration Fund.** The WMCA will receive at least £100m of devolved funding with a target for delivery of 4,000 new homes as a result. For the first time commercial developments will also be eligible. The WMCA Housing and Land Board and supporting officer group (the Delivery Steering Group – DSG) will be key forums for deciding how this funding is used. Coventry will require a strong presence on the DSG to shape recommendations on the focus of this fund and make sure that Coventry projects feature in the pipeline. Similarly, Coventry will require a strong presence on the WMCA Housing and Land Delivery Board.
- 2.9. **Skills and Employment Support.** The Devolution Deal proposes the establishment of a Post-16 Technical Education and Skills Board, and to increase flexibility in funding for Boots Camps and Free Courses for Jobs. There is a need for clearer involvement for LAs in the WMCA's decision making in this area of work, which is being progressed through improved governance.
- 2.10. **Transport.** A range of transport options are included in the deal. Significantly this includes devolving powers for the payment of the Bus Service Operators Grant (BSOG) to the Mayor. The current BSOG process allocates in the region of £22m per year directly to bus operators, from the Department of Transport, to subsidise fuel costs. The new arrangements will provide the region with greater control to influence how the money is allocated.

- 2.11. In addition there will be a focus on developing the West Midlands to become a test bed for regulatory improvements which will lead to new transport innovations. Coventry Very Light Rail (CVLR) will potentially benefit from this approach for example by reducing the regulatory hurdles for the city demonstrator. Overall the transport package plays to Coventry's strengths in the transport innovation area of work.
- 2.12. The Government also commits to a Round 2 of City Region Sustainable Transport Settlement (CRSTS). The Single Settlement presents a possible opportunity for funding transport schemes in the future, allowing funding across years and potentially across spending review periods. It is to be noted however, that there are possible risks to be noted with future CRSTS rounds, including budgets potentially being used to meet existing inflationary and other major project pressures. Coventry will need to ensure that any such budget pressures do not impact on the ability to fund and deliver Coventry Very Light Rail and other transport schemes in full. This will be overseen through the Deal's implementation governance with the constituent members and the WMCA.
- 2.13. **Data and Smart Cities.** The Devolution Deal commits Government and WMCA to transform its approach to using, sharing, and reusing data. The WMCA would be considered as a Local Authority for data purposes, which would improve our ability to share data with them (and vice versa). In addition, the deal proposes establishment of a Smart City Region, which will have a strong focus on Health and Social Care. This includes the Devolution Deal committing additional funds to pilot 5G solutions in areas such as remote monitoring and early diagnosis. The Deal also provides opportunities for Coventry to work with WM5G to ensure that the next stage of the Smart City Region has a strong mobility focus, which will benefit Coventry. Both activities are being progressed as part of our "business as usual", however, the devolution deal does give this extra focus and impetus.
- 2.14. **Affordable Homes Programme (AHP).** Homes England will invest at least £200 million and up to £400 million of AHP funding within the WMCA area by March 2026 with a clear ambition for the WMCA, local partners and Homes England to work together to build more social and affordable homes by 2026. As with the Single Regeneration Fund, CCC needs to work closely with WMCA's officers to have stronger influence over the more detailed design and focus of the funds, and ensure that priority Coventry projects feature strongly on the Fund pipeline. Ensuring Coventry is appropriately represented on the WMCA Land & Property Board will support this.
- 2.15. **Homelessness.** There will be an expansion of the Live and Work Model previously trialled in Sandwell. The scheme provides accommodation for young workers, who may otherwise be at risk of homelessness, giving them an affordable place to live without reliance on the benefit systems. In addition a new pilot for rent simplification is also proposed which will help young people in supported accommodation to transition into work. Coventry will support these pilots and actively seek to get involved.
- 2.16. **Innovation, Business Productivity and Trade.** A new Strategic Innovation Partnership between the WMCA and UK Research and Innovation (UKRI) is proposed, as well as a Strategic Productivity Partnership which would allow WMCA and its members to shape the national model for provision of business support in the region. The deal also proposes the appointment of West Midlands Growth Company (WMGC) as the region's lead agency working with Department for Business and Trade on inward investment. CCC must continue to work through routes such as the WMCA Directors of Economic Development to make sure that appropriate links are made between innovation and business support, and to shape any additional business support activities which are devolved to local control. The Council must also work closely with WMGC,

ensuring that they are actively working to add value to Coventry's priorities, and constructively hold them to account as funder and shareholder.

- 2.17. **Culture and Tourism.** The Devolution Deal allows the West Midlands to retain Commonwealth Games funding underspend of c. £70m to make the most of the of culture, heritage and sport in terms of economic opportunities and improved wellbeing for the region's population. Coventry will need to make sure that the parameters of these funds and the application processes are structured in a way that will benefit the city and its residents, but the ability to retain these funds in the region is to be welcomed. This theme in the deal also establishes WMGC as the region's Destination Development Partnership, and it will be necessary to continue to work closely with WMGC to make sure this approach complements the work of Destination Coventry and the Local Visitor Economy Partnership in Coventry and Warwickshire. Government will also provide £25m for cultural, digital and environmental projects in the West Midlands subject to approval of suitable business case.
- 2.18. **Energy and Environment.** This theme of the deal will establish a pilot scheme to devolve net zero funding to WMCA from 2025 onwards, through the Single Settlement, rather than through competitive national bidding. The Deal also recognises the region's involvement in wider energy system management and planning, responsibility for heat zone designation, and energy efficiency advice. The Deal sets out commitments for improving the natural environment, climate change adaptation and proposes additional regional monitoring of air quality. CCC will need to make sure it has a strong voice in the WMCA Environment and Energy Board and make the case for double devolution of these funds when appropriate to continue the city's very successful work on this agenda.
- 2.19. **Health and Wellbeing.** The Devolution Deal set out plans to agree a new formal duty on the WMCA to improve public health, however this element of the deal could only progress if all seven constituent authorities wished to pursue it. This was not unanimously supported by the region's LAs and so the public health duty will not be progressed. The Data and Smart Cities theme outlined above has a strong focus on health and wellbeing.
- 2.20. **Governance and Accountability.** A new requirement will be placed on LAs to strengthen scrutiny arrangements. The details are not finalised but it is understood they will include the West Midlands Mayor and the WMCA's portfolio holders being given the option of attending a Council meeting of one of the constituent authorities every year if appropriate and invited. In addition there will be the establishment of an enhanced Mayor's Question Time. Further arrangements will be put in place to allow local MPs to scrutinise the work of the Mayor.

3. Results of consultation undertaken

- 3.1. Since April 2022, the WMCA has held regular liaison (minimum one meeting per fortnight) with Senior Officers from Coventry City Council and those in the other 6 Constituent Authorities (plus engagement with non-Constituent Authorities) to establish each locality's key priorities and how these should shape the focus of the Deal. This included a series of workshops specific to each Theme within the Deal from officers representing the relevant service areas. WMCA also consulted with relevant working groups or specialist regional organisations for specific themes where required, such as the WMCA Innovation Board for the Innovation theme, Economic Impact Group for the Business Productivity theme, and West Midlands Growth Company for Trade & Investment. The collective priorities were considered by government, and then after a negotiation period with the WMCA during February and March 2023 when government feedback was considered, the final Deal text was produced.

4. Timetable for implementing this decision

- 4.1. The WMCA is due to approve the Devolution Deal at its board meeting on 13 October 2023. Another imminent milestone is the agreement of an MoU between themselves, Government and the 7 local authority members in November 2023 in respect of Business Rates Retention. The next major milestone after that will be the publication of the MOU between the WMCA and Treasury regarding the single funding settlement. The funding settlement itself would not begin until April 2025, but work to understand the implications of such a deal on the WMCA and its constituent authorities has already commenced. Other elements of the deal such as Commonwealth Games Legacy funding will commence immediately.
- 4.2. In addition, the Bus Services Operating Grant will require further negotiations with Government. The outcome of these negotiations will form an order, allocating the BSOG responsibilities to the Mayor. Once further negotiations with Government have taken place, all 7 constituent members of the WMCA will be asked to approve the new arrangements. These will be brought back to Cabinet at the appropriate time for debate and decision.

5. Comments from Chief Operating Officer (Section 151 Officer) and Chief Legal Officer

5.1. Financial Implications

- 5.1.1 The fiscal benefits are as set out in summary form in section 2. The key financial implications for both Coventry and the region will be the single settlement and the business rate retention proposals.

Single Settlement

- 5.1.2 As stated above, the basis on which Single Settlement will work is subject to an MoU which is currently work in progress. However, the expectations are that it will be awarded to the WMCA for each spending review period on a no detriment basis. That is, that whilst the funding will be a much simpler consolidated funding settlement, combining the wide-ranging funding awards currently experienced, the allocation will be on an equal or better basis in totality. The WMCA are seeking agreement with Government in the MoU for the it's board to have the ability to determine how funding is directed in order to achieve agreed outcomes. The WMCA will be the legal accountable body and be accountable therefore to the government to achieve the outcomes set out in the single settlement arrangements.

Business Rate Retention

- 5.1.3 The Council as part of the West Midlands, have been part of a BRR 'pilot' which has existed since 2017, whereby rather than retaining 50%, with the other 50% going to the government for national redistribution as RSG, rates are retained almost in full, less a share to the WMCA. The proposals under the latest deal indicate a new BRR scheme for a period of up to 10 years. The pilot has since 2017 been financially beneficial both to the region as a whole, and individually to each local authority for each year of the pilot, including a collective contribution to the WMCA.

BRR is the subject of a well advanced MoU with Government which will determine how it would work in practise. Appendix 3 provides more detail of the principles and

conditions of the scheme, together with the protections sought from government to ensure the scheme continues to provide a financially neutral or better financial position versus a return to the former 50% redistribution basis. Appendix 4 presents the draft MoU document as currently drafted.

Whilst there are risks related to the continuation of the pilot, it is considered on balance that the risks are a) sufficiently low and b) sufficiently mitigated to provide us with the confidence to support the proposals.

Levelling up Zones

- 5.1.4 Authorities with a LUZ in their area will have the ability to retain business rates for rates generated in the LUZ for specific re-investment in the zone. This does not currently apply to Coventry as the Gigapark site has been named as the main site for the West Midlands Investment Zone, which operates on similar business rate growth retention principles but crucially offers tax incentives for potential investors in the area.
- 5.1.5 Much of the detail in respect of LUZ's (and IZ's) is as yet, still to be determined. As this is more fully understood, any unexpected risks to the Council that materialise would need to be factored into the final agreement to proceed and reported back to members, seeking approval as appropriate.

Legal Implications

- 5.1.6 The Council is one of seven constituent metropolitan local authority members of the West Midlands Combined Authority. Each local authority member (including Coventry) has two votes, and the Metro Mayor has one, for a total of 15 votes on the Board.
- 5.1.7 The WMCA advice is that the new powers in relation to the Bus Service Operators Grant are considered to be public authority functions, which can be dealt with under the Local Democracy, Economic and Construction Act 2009 which will require the consent of the Constituent Authorities to the laying of the order by the government. An in-principle agreement of the devolution of the BSOG is part of this paper and further formal agreement will be needed at a date in the future.

6. Other implications

6.1. How will this contribute to the One Coventry Plan?

- 6.1.1 The thematic areas of the West Midlands Devolution Deal are aligned with the One Coventry Plan's objectives. Coventry will aim to secure new funding, powers and resources through the Deal, to contribute to delivering the objectives of the One Coventry Plan.
- 6.1.2 **Increasing the Economic Prosperity of the City and Region.** This Deal's implementation should contribute towards delivering this objective, primarily because the Strategic Productivity Partnership should provide the conditions for enabling local businesses to prosper, particularly if the West Midlands secures further resources within the next Spending Review Period. The partnership with UKRI should also improve the possibility to secure additional resource to help create good quality jobs, whilst the partnership with Department for Business & Trade should create further opportunities for attracting newer domestic and international investment into Coventry. New funding opportunities through the Transport and Regeneration themes will be crucial in creating the conditions for future job creation and business prosperity.

6.1.3 Improving Outcomes and Tackling Inequalities Within our Communities. Creation of the Transport regulatory innovation framework, the region securing a sufficient proportion of the second round of CRSTS, and more devolution of post 19 skills funding should help to connect Coventry residents with employment and skills opportunities. The new Investment Zones also present significant potential to tackle inequalities by creating new employment opportunities, although the scale of impact the Deal will have on tackling inequalities will depend to a high degree on how much additional funding can be secured through the next Spending Review period.

6.1.4 Tackle the Causes and Consequences of Climate Change. The future devolution of net zero funding provides a significant opportunity for tackling the causes and consequences of climate change and supports delivery of Coventry's draft Climate Change Strategy. The next stage of implementing the Deal, and liaison with government regarding the single settlement, will determine both the scale of additional funds that will be secured (and how much will be directed to Coventry) and how this will be administered.

6.1.5 Continued Financial Sustainability of the Council. The 10 years of business rate growth retention could provide an opportunity to improve the financial sustainability of the Council. Elements of the Single Settlement could also help to contribute positively to the financial sustainability of the Council, particularly if some new funds were "double devolved". Again, the expected scale is likely to be determined in the next stage of implementing the Deal.

6.1.6 Council's Role as a Partner, Leader and Enabler. Both in developing and implementing the Deal, Coventry will act as a key partner to WMCA. The implementation of many themes will also entail Coventry needing to work in partnership with other public sector bodies, education bodies and the private sector. Coventry will need to play an important facilitation role in effectively articulating the needs, opportunities and priorities facing Coventry and thereby securing strong outcomes and additional resources from the Single Settlement.

6.2. How is risk being managed?

6.2.1 The Council has a strong track record of managing risks and maintaining significant financial controls and well-established procedures when managing or delivering new funds. At this stage, the quantum of funds that the Authority could expect to manage through implementation of the Deal is uncertain. There are key risks that need managing:

- **Securing buy-in of all LAs on the details of the Deals Implementation Plan.** Through the development of the Deal, we have had positive engagement and partnership working with the other 6 WMCA Constituent Authorities. We envisage that this strong partnership working will continue, with any uncertainties being cleared up in discussions with the other Authorities, before key formal decisions need to be made through the WMCA governance processes. The WMCA and all 7 LA members are working collaboratively to ensure that as far as possible protections are sought and received from HMG such that financial arrangements, in particular in relation to Business Rate Retention and Single Settlement are as beneficial to the region as possible.
- **Changes in the public funding environment meaning the region is not able to secure as many funds as expected from the next Spending Review Period.** Through CCC's involvement in officer groups, we will communicate developments

on a regular basis, and will work in partnership with WMCA to ensure that any further funding secured is channelled and structured in a way that delivers against Coventry's priorities.

- **Economic uncertainty.** With slow economic growth forecast by the Bank of England and many other economic forecasters for the remainder of 2023 and 2024, we expect that many businesses and residents will continue to face notable challenges. We will therefore work closely with WMCA to ensure that the principles of the Single Settlement are aligned with Coventry's needs and priorities, and also that the Implementation Plan contain sufficient flexibilities to respond to changing economic circumstances.
- **Coventry benefiting sufficiently from new devolved funds.** Through CCC's proactive involvement in the relevant thematic Officer Working Groups, we will ensure that Coventry's priority projects are articulated to the WMCA theme leads and that the necessary development work is undertaken to ensure priority projects are aligned with the parameters of these new funds.

6.3. What is the impact on the organisation?

6.3.1 The Deal will have an impact on staff within the organisation because there will be a need for Coventry staff to work with WMCA and the other 6 Constituent Authorities to further develop and roll out implementation of the Deal. It could also bring additional income into the organisation if Coventry were to secure some of the new devolved funds coming to the region through the deal or additional funds that could potentially be secured during the next Spending Review Period. The deal could also have an impact on Coventry from an ICT standpoint, as it will entail Coventry sharing more data with WMCA.

6.3.2 The activities proposed through the Deal should have positive impacts on the residents of Coventry. These include improving access to employment and training opportunities, improving access to affordable housing, improving local transport opportunities and boosting local businesses and job creation. This should help to reduce reliance on Council welfare services (thereby mitigating against risks of the need to find extra financial resources for additional staff) whilst also having health and wellbeing benefits.

6.4. Equalities / EIA

6.4.1 WMCA undertake Equality Impact Assessments (EIA) as part of the process of developing Business Cases for government for securing each of the new devolved funds that are being offered to the region through the Deal – these include the Single Regeneration Fund, Affordable Housing Fund, and new funding for Culture and Smart City Region activities. The region's Constituent Authorities will be expected to feed into the EIAs before the Business Cases are submitted to government.

6.4.2 The detail of the Single Settlement will also be founded on WMCA's Inclusive Growth Framework, which ensures that equality, diversity and inclusion will be fully factored into the design of how this will work. Again, the Constituent Authorities will be consulted on the detail of this as part of the process.

6.4.3 We do not expect the Deal to have an adverse impact on any groups or areas, but do expect the activities to have positive impacts – for example, the Skills and Employment activities are likely to benefit residents that are either unemployed or further from the

labour market and/or living in the region's most deprived areas. We would also expect the Single Regeneration Fund to benefit the region's most deprived areas.

6.5. Implications for (or impact on) climate change and the environment?

6.4.1 As detailed above, the Deal is expected to contribute positively to the One Coventry Plan's objective of "Tackling the Causes and Consequences of Climate Change" and will also be aligned with objectives of the new Coventry Climate Change Strategy. The Energy and Environment theme will contribute positively to tackling the climate change agenda, by enabling more sustainable approaches to energy system management and planning, heat zone designation, and energy efficiency advice. It will also support improvements to the natural environment through local nature recovery, improved air quality monitoring and climate change adaptation and resilience. Through securing more devolved retrofit funding in the next Spending Review period, the Deal should also deliver a positive impact on energy efficiency and insulation in homes, especially in the region's more deprived areas.

6.6. Implications for partner organisations?

6.6.1 CCC will be working with the other 6 Constituent Authorities and WMCA to further define and roll out all elements of the implementation of the Deal. This will include articulating Coventry's priorities for each theme to help inform WMCA's requests to government for further devolved funds in the next Spending Review period. However, in both further developing and delivering the Implementation Plans for each theme of the Deal, CCC will need to work with key local public and private sector partners.

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Enquiries should be directed to the above persons

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Phil Helm	Head of Finance	Financial Management	14/9/2023	29/9/23
Suzanne Bennett	Governance Services Co-ordinator	Law and Governance	3/10/23	3/10/23
Andy Williams	Director of Business, Investment and Culture	Business, Investment and Culture	14/9/2023	03/10/23
Richard Moon	Director of Property Services and Development	Property Services and Development	14/9/2023	03/10/23
Pete Fahy	Director of Adults Services and Housing	Adult Services and Housing	14/9/2023	03/10/23
Colin Knight	Director of Transportation and Highways	Transportation and Highways	14/9/2023	03/10/23
Allison Duggal	Director of Public Health and Wellbeing	Public Health and Wellbeing	14/9/2023	03/10/23
Barry Hastie	Chief Operating Officer (Section 151 Officer)	Finance	14/9/2023	03/10/23
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Finance: Phil Helm	Head of Finance	Finance	29/09/23	29/09/23
Legal: Julie Newman	Chief Legal Officer	Law and Governance	03/10/23	03/10/23
Director: Julie Nugent	Chief Executive		05/10/23	05/10/23
Members: Name Councillor G Duggins, Leader of the Council	Cabinet Member for Policy and Leadership		05/10/23	05/10/23

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