

## Agenda Item No. 6

West Midlands Regional Assembly – 5 April 2006

West Midlands Region – Incorporating A City Region and Sub-Regional Approach

Report of the Director of Policy

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### 1. PURPOSE OF THE REPORT

To receive an update on progress on the City Region approaches in the West Midlands and to revise the Statement approved at the meeting on 18<sup>th</sup> January.

### 2. RECOMMENDATIONS

That the Assembly:

- Notes progress made on establishing two City Region approaches, the requirement of both to deliver the urban renaissance priority of the Regional Spatial Strategy for the West Midlands and emerging governance structures for each;
- Approves the amendment to the Mission Statement (West Midlands Region – Incorporating a City Region and Sub-Regional Approach) attached as appendix 2.

### 3. BACKGROUND

3.1 In January the Assembly agreed a Statement on its support to the City Region approach being developed by the seven metropolitan authorities (<sup>1</sup>Metro City Region) and the approach being developed by Stoke-on-Trent. Since that meeting the national and regional context has shifted, this report therefore brings Members up to date on those changes and developments; it also suggests how the previously agreed Statement should be revised to reflect the current situation.

3.2 An important rider to this report on the development of the Metro and Stoke City Regions is to stress that the national and regional City Region agenda is evolving and very fluid. The City Region approach is new and untried, however leaders nationally, regionally and locally agree it has real potential to secure economic benefits for the West Midlands and to enable this region to compete more effectively not only with the South East and London and the Northern Way, but also internationally.

### 4 NATIONAL DEVELOPMENTS

4.1 The past six weeks has seen a flurry of activity from Government in relation to the role of cities as catalysts for regional economic growth and development. Three major papers have been published:

- “*A Framework for City Regions*”, ODPM, Feb 2006. (Synopsis: based upon comprehensive academic research, this paper sought to provide government with policy options in respect of: a possible national framework for city regions, governance and city regions’ optimum role in respect of economic development

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<sup>1</sup> The name Metro City Region is used in this report to describe the seven Met authorities and now incorporating Telford, it is not an officially adopted name.

and growth. It also provided government with options about how to define city regions geographically).

- “*State of the English Cities*”, ODPM, March 2006. (Synopsis: This paper identified all 56 ‘Primary Urban Areas’ in England having a population of more than 125,000 and defined city regions with reference to these cities’ travel-to-work areas. For the West Midlands Regions, this meant the 7 Metropolitan Council areas of Birmingham, Dudley, Sandwell, Solihull, Walsall and Wolverhampton (as one statistical primary urban area), plus Coventry, Telford and Stoke-on-Trent. The paper went on to analyse the relative performance of these city regions, both within England and compared with other European cities. Finally, the paper shortened the policy options identified in the February paper).
- “*Devolving decision making: meeting the regional economic challenge: The importance of cities to regional growth*”, HM Treasury, DTI, ODPM, March 2006. (Synopsis: Released by HM Treasury in the context of the Chancellor’s 22<sup>nd</sup> March budget statement, this paper accepts the ODPM definition of city regions and confirms a thematic review as part of the 2007 Comprehensive Spending Review, to “consider how to further improve the effectiveness and efficiency of existing sub-national arrangements for economic development and regeneration.” With a number of caveats, it supports ODPM’s’ policy of devolving decision-making to the most appropriate level).

4.2 ODPM defines “Primary Urban Areas” (PUAs) as cities and large towns having a minimum threshold of 125,000 population (2001 figures). Nationally, there are 56 such PUAs. There are four in the West Midlands. These are Birmingham (statistically incorporating Birmingham, Dudley, Sandwell, Solihull, Walsall and Wolverhampton), Coventry, Stoke-on-Trent and Telford.

4.3 HM Treasury makes the following statement when commenting on the economic role of cities:

*“The economic performance of local areas, cities, and regions is inter-related and the growth of each depends on the success of the others in reaching their full potential. Cities draw on their surrounding hinterlands, which provide additional skilled labour and affordable housing for a non-metropolitan workforce. The hinterland benefits from increased investment in infrastructure, higher employment levels and increasing prosperity. Often, the interactions between cities and their surrounding areas leads to a coming together of similar types of businesses and people in agglomerations.”* (Devolving decision making: meeting the regional economic challenge: The importance of cities to regional growth”, HM Treasury, DTI, ODPM, March 2006). Appendix 1 to this report looks at the contribution cities make to the national economy and Government’s urban policy.

#### Metro City Region – Meeting With David Miliband MP - 23 March

4.4 Representatives from the Metro City Region met with the Minister for Communities and Local Government (Rt Hon David Miliband) on 23<sup>rd</sup> March. The Chief Executive of the Regional Assembly, and the Chief Executives of AWM and regional LSC attended that meeting along with the Leaders of Birmingham, Coventry, Sandwell and Solihull, Councils and Chief Executives of Coventry, Dudley, Solihull, and Telford. Also attending was the newly appointed City Region Project Director (Dr Simon Murphy). A press release issued prior to the meeting with David Miliband is

attached as appendix 3.

- 4.5 The discussion was extremely positive. It is nevertheless clear that there remains a great deal more work to be done. The Minister confirmed that he wishes to reflect the work which is being undertaken jointly between the city region and regional bodies to inform the Local Government White Paper which is to be published in the summer.
- 4.6 The Assembly will be kept involved through your Chairman and Chief Executive in the ongoing discussions with the metropolitan urban core city region.

#### Stoke City/North Staffs Region – Meeting With David Miliband MP – 19 May

- 4.7 As part of his programme of mini summits in PUA towns and cities throughout England, David Miliband has accepted the Elected Mayor's invitation for an event to be held in Stoke. The mini-summit, scheduled for 19 May, will focus on underlying methodology of this complementary city region and how it will deliver added value to partnership, economic growth and sustainability at local, regional and national levels. A key element of that event will be the active contribution of local authorities and cross-sectoral partners whose remit includes parts of the North West and East Midlands regions. It will, in addition, highlight the need for better cross-regional working and effective partnerships between city regions to secure long term objectives. To that end, it will also set out proposals and implications for governance that are tightly focused on city region-specific [issues](#).

### **5.0 REGIONAL DEVELOPMENTS**

- 5.1 The West Midlands Regional Assembly approved a City Region Statement at its January 2006 meeting. This Statement conceived of two city region approaches. One would incorporate the seven metropolitan council areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton – Metro City Region; the second would be focussed around Stoke-on-Trent.
- 5.2 As Telford is now defined by Government as a 'primary urban area' alongside the Metro and Stoke City Regions (see para 4.3), it considered the option to form its own Telford City Region and work independently from the seven Mets, or collaborate with the Mets by developing the existing economic, housing and transport links. The following paragraphs explore past, current and likely future circumstances which influenced the proposition to include Telford within the Metro City Region.

#### Telford and the City Region

- 5.3 Next to Milton Keynes, Telford demonstrated the highest household growth of any primary urban area in the country between 1991 and 2001. With a current population of 131,000, Telford's growth implies a much changed regional urban form than that employed to create the urban-focussed West Midlands County Council in 1974.
- 5.4 While Telford's past development is impressive, this should be viewed against a *planned* growth, to a population of 225,000 by 1991. Telford's infrastructure (including the under-used M54) has been built on this basis. English Partnerships (as the successor to the Telford Development Corporation) owns a considerable portfolio of developable land in the town.

5.5 In the context of new challenging RSS housing targets and of the aspirations of the Black Country authorities to grow their population and to diversify their economy, Telford represents an opportunity, to:

- Build mainly *affordable* housing, thereby complementing the planned growth in A and B households in the Black Country;
- Grow and diversify the sub-regional economy (Telford currently has a 29% manufacturing base), using Telford's employment land in such a way that it complements the Black Country Economic Development Strategy and the proposed i54 development.

5.6 It is the view of the seven Met authorities that the best way of addressing the Telford issue is to work with them in the context of a West Midlands urban core city region partnership. To do so will:

- Provide the optimum governance and operational arrangements to assure complementary growth and economic diversification, particularly between Telford and the Black Country;
- Help to address the wider urban/rural interdependencies of the hinterland of Telford town.

5.7 The decision of the seven metropolitan councils is to accept that the *town* of Telford (as a primary urban area) should be part of the city region urban core. The *Borough* of Telford & Wrekin includes a rural area and the market town of Newport. Both are to be regarded in the same way as other non-primary urban areas.

#### Stoke/North Staffs City Region

5.8 Stoke-on-Trent is not a member of the Core Cities group. But the mix of social, economic and environmental relationships that characterise the North Staffs conurbation and its surrounding area are of a scale and intensity that justify a city region form of governance. These relationships –notably housing and labour markets and the public transport networks - extend demonstrably into the North West and East Midlands regions and are complex. Unlike administrative areas, city regions have fuzzy boundaries. Hence, there is considerable overlap - not just between the Stoke/North Staffs city region and Metro, but also with Manchester, Liverpool and the East Midlands Three Cities.

5.9 Because of this, the Stoke/North Staffs City Region initiative has a different character and remit to Metro, focussing on bottom-up and cross-cutting issues. Key priorities include:

- Creating a better understanding of local social and economic drivers by integrating baseline information that is currently divided between three regions and largely geared to the strategic visions of each region;
- Maximising sustainability of existing sub-regional regeneration initiatives, including the North Staffs RZ and Housing Pathfinder, by aligning the spatial basis of partnerships to that of the local private, voluntary and community sectors;
- Identifying opportunities for improving competitiveness within and across Stoke/North Staffs, including specialist business corridors and other ways of harnessing the potential of the knowledge economy; and
- Working with surrounding city regions and administrative regions on an agenda to create a sustainable national economy.

- 5.10 Stoke City Council has been leading a wide, ongoing programme of engagement and scoping with neighbouring local authorities, MPs and MEPs, the ODPM Select Committee, regional and local public agencies, key business partners, educational institutions and community groups. A cross-sector team is now working to prepare a city region prospectus that will provide a strategic basis for integrated development, governance and marketing plans. The city's LAA embraces a city region agenda and this perspective is being extended across its strategic framework.

### West Midlands Region

- 5.11 The Shire Counties will work with the Assembly and the City Regions to ensure that as the City Region approach develops the benefits accrue to the wider region not just the major urban areas and that the urban-rural interdependencies of our region are fully understood and recognised. To support this objective the Shire Counties will be supporting a new dedicated post to work alongside the Assembly and City Regions.

## **6 DELIVERING BENEFITS FOR THE WEST MIDLANDS REGION**

- 6.1 The Assembly's support for the City Region approach is predicated on it being beneficial, compatible and accountable to the region and delivering the strategies and policies of the West Midlands Regional Assembly. The City Region approach must lead to coherent and integrated regional policy which is deliverable and developed with the West Midlands Region.
- 6.2 The Assembly will want to ensure that both City Regions are accountable to the Assembly for the delivery of the urban renaissance element of the **RSS** and therefore delivering benefit through appropriate linkages to the wider West Midlands region. The former will be achieved through RSS monitoring arrangements and through the Planning Partnership. The latter will be achieved through a **governance** framework for each of the Metro and Stoke City Regions which embraces the Assembly.

## **7 CITY REGION APPROACH – DELIVERING THE REGIONAL SPATIAL STRATEGY**

- 7.1 As the Regional Planning Body (RPB), the Assembly will want to ensure that the City Region approaches continue to be developed in the context of the Regional Spatial Strategy (RSS) and other regional strategies including the Regional Economic Strategy. The Metro and Stoke City Regions will be the key delivery bodies for the urban renaissance element of the RSS. Both are expected to play an active role in the RSS Revision Phase 2 and the RES Review – both processes are described elsewhere on the agenda. In respect to the RSS Revision Phase 2 the RPB is required by ODPM to consider new household projections for the West Midlands.
- 7.2 The concept of 'primary urban area' is not currently recognised by the West Midlands RSS. Instead, RSS defines eight 'major urban areas' (the seven Metropolitan Council areas) and Stoke-on-Trent. In addition there are five 'sub-regional foci', including Telford. WM RSS makes it clear that the presumption for priority over development and regeneration is in the major urban areas.

- 7.3 The City Region approach will operate in the context of West Midlands RSS. Telford is currently defined in RSS as a sub-regional foci, not a major urban area. There are five sub-regional foci which support local development and will act as 'safety valves' should growth in the major urban areas not be achieved. The anomaly that may exist in respect of Telford's status will be addressed through the current West Midlands RSS Revision Phase 2.
- 7.4 The West Midlands Regional Assembly has asked all strategic planning (Section 4.4) authorities to provide advice to the Regional Planning Board to help shape options as part of the RSS Revision Phase 2, on which there will be consultation in Autumn 2006. The group of eight West Midlands primary urban area authorities will respond jointly to this request, in the context both of the City Region partnership and of the existing West Midlands RSS.
- 7.5 The eight primary urban area authorities have also responded jointly and through the West Midlands Regional Assembly to the request by government to bid for Growth Point status. Although such status permits growth beyond RSS targets, Telford will not be included as a Phase One Growth Point.
- 7.6 Discussions have also been held with the West Midlands Rural Affairs Forum at its meeting in March. It has been agreed that further joint work will be undertaken between the metropolitan urban core authorities, and the Forum to explore these interdependencies. This will build on previous work which was commissioned previously exploring these links. This will be undertaken jointly with AWM

## **8 PROPOSED GOVERNANCE ARRANGEMENTS**

### METRO CITY REGION

- 8.1 In proposing a governance framework for the Metro City Region, a central role for a Programme Board has been assumed, which embraces regional bodies and the region's local authorities (see below). This is in cognisance of the often fuzzy boundaries of the city region and of the relationship between the core of the city region and adjacent areas and vice-versa.
- 8.2 Arising from the Assembly's previous comments, considerable further discussion has taken place between Chief Executives, the Assembly, AWM, Learning and Skills Council, Shire authorities and business. The aim of these discussions has been to clarify the linkages between the proposed Metro City Region and regional structures.
- 8.3 The principle elements which have been agreed are:
- That the Executive Board for the Metro City Region will consist of the Leaders of the eight councils (Birmingham, Coventry, Dudley, Sandwell, Solihull, Telford, Walsall and Wolverhampton) with the Chairmen of AWM, the regional LSC, and the co-options of the Chairman of the Regional Assembly, and a representative of the business community.
  - That this will be supported by a City Region Steering Group comprising of the City Region Project Director and key Chief Executives from the above mentioned authorities/organisations.

- That a Programme Board will be established drawn from a wider regional constituency of interests. This is currently operating as “shadow” Board and has met twice to date, with a further meeting planned for early May.

This framework is set down in the attached diagram –appendix 1.

#### 8.4 The Executive Board will approve:

- The City Region Development Plan, which is currently under preparation, and which will show how the city region will deliver the urban renaissance priority for the region
- The City Region Area Agreement with government, which will embrace the commitment between the city-region and government to deliver high level outcomes.
- The Joint Investment Plan(s) between the city-region and its regional partners for the implementation of investment to achieve the high level outcomes

#### 8.5 Underpinning this framework, the Metro City Region will be setting up an accountability framework which will include for example the following elements:

- It will work within the regional policies as laid down by the Regional Assembly – the Regional Spatial Strategy and Economic Strategy being key examples.
- It will be scrutinised by the Regional Assembly ensuring that this is happening, that the city region Area Agreement and City Region Development Plan are being delivered and that the core principle of the metropolitan City Region being able to benefit the West Midlands region as a whole is happening.
- There will be an Annual conference with an Annual report, and an Annual Youth Conference.
- There will be year round visibility and publicity activity ensuring local people know what the City Region is about, who is taking the decisions, what they are working on and what to do if you are unhappy about it.
- There will be a series of Policy Advisory Boards/Delivery Vehicles eg for housing, transport and skills, which will draw membership from the Metro City Region and other authorities/agencies with direct interests/economies/geographic linkages.

These elements reflect the commitment made by the regional Assembly in its January statement on the city region approach.

## Stoke/North Staffs – City Region

8.6 Because the Stoke/North Staffordshire City Region is being pursued from a bottom-up and cross-cutting perspective, the determination of governance issues will emerge at a later stage in the process to Metro. In addition, the need to cross regional boundaries and negotiate agreements with agencies and partnerships beyond the West Midlands will create a different series of challenges and opportunities.

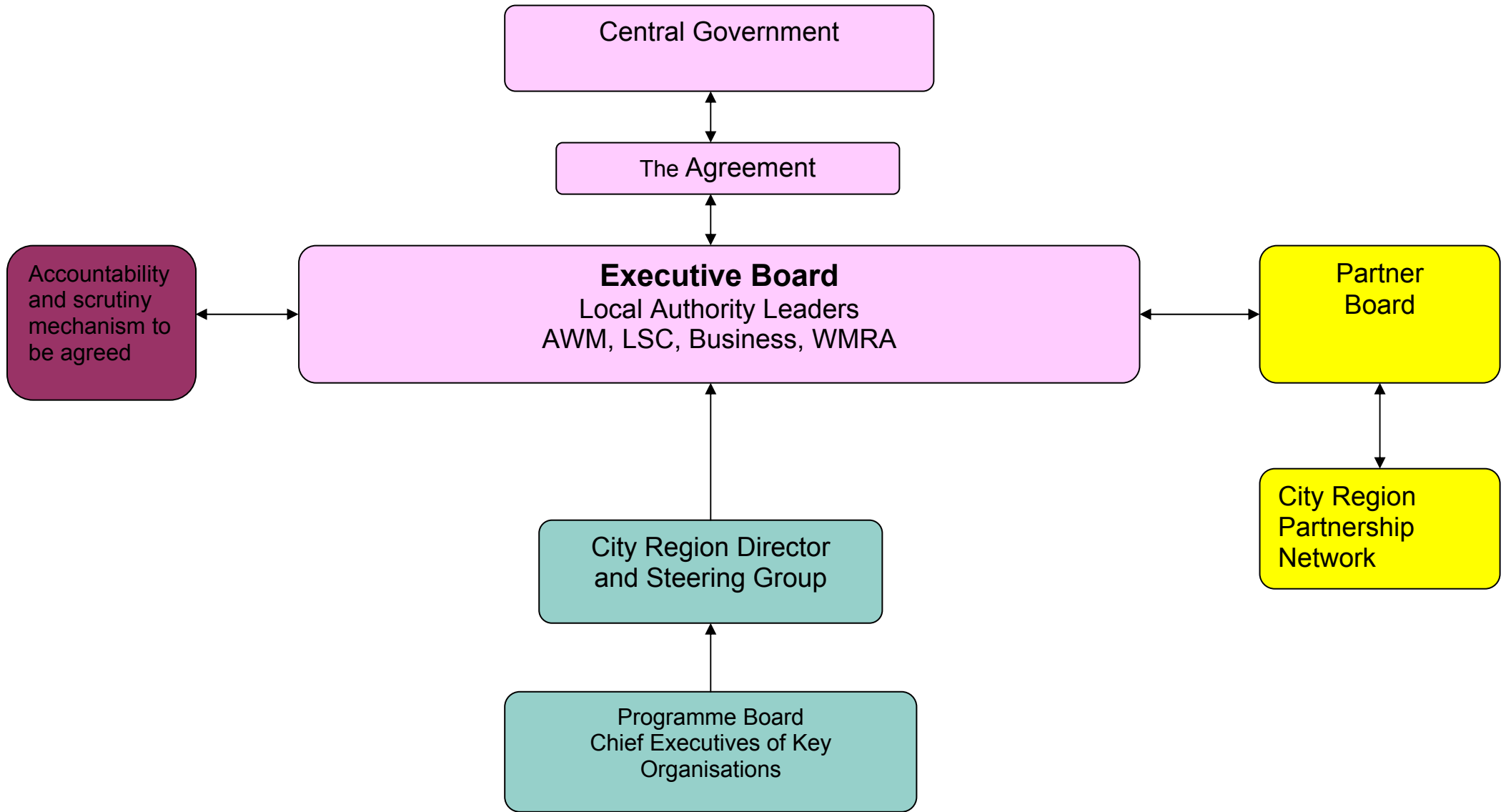
## 9 **STATEMENT – WEST MIDLANDS REGION – INCORPORATING A CITY REGION AND SUB-REGIONAL APPROACH**

9.1 The City Region approach continues to evolve, as will the expectations of the Assembly of the City Regions. It is therefore appropriate that the Assembly's Statement is revised as the approach develops. Attached as appendix 2 is the revised Statement which the Assembly is invited to consider and approve. Further reports will be brought to future meetings as the issues set out in this report develop.

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**Appendix 1 - PHASE 1**

**Leadership And Decision-Making**



**Delivery and Performance Management**

## Appendix 2

### ***CITY REGION STATEMENT (as amended from the 18 January Assembly meeting)***

#### ***West Midlands Region – Incorporating A City Region and Sub-Regional Approach***

The overriding objective of West Midlands Regional Assembly is to achieve the long term sustainable regeneration of the region. We are committed to working together and in partnership with national Government and other partners to achieve our purpose. Our response to the Government's challenge to consider the City Region approach is positive and proactive.

#### ***One***

A key role of the Assembly is to facilitate regional strategic partnership work. This Mission Statement - "West Midlands Region – Incorporating A City Region and Sub-Regional Approach" has been developed in that spirit of partnership.

The West Midlands Regional Assembly supports sub-regional partnership working and the move taken by Birmingham, Solihull, Coventry, Walsall, Wolverhampton, Dudley, Sandwell and Telford to develop a Metro City Region approach at the heart of the West Midlands Region. The West Midlands Regional Assembly supports the steps taken by Stoke-on-Trent to explore such an approach.

#### ***Two***

The Assembly recognises that the City Region approach is:-

- A challenge from ODPM to which the Region, its sub-regions and partners is responding positively.
- A key delivery vehicle for the Regional Spatial Strategy, Regional Housing Strategy especially the Urban Renaissance element and Regional Economic Strategy.
- Capable of balancing demands and needs of other settlements and centres as part of a polycentric West Midlands Region.

#### ***Three***

The Assembly will work with City Region to ensure it:-

- Develops within the framework set by the Regional Spatial Strategy.
- Recognises the realities of economic, travel, leisure/cultural, study/learning, and housing patterns but acknowledge administrative boundaries.
- Strengthens the Region's profile in the UK, Europe and globally.
- Recognises and supports the role of and linkages to other cities, towns and settlements in the West Midlands Region.

- Recognises and enhance the interdependence between urban and rural areas and economies to ensure a successful City Region approach.
- Is able to demonstrate/evidence how the City Region approach will contribute to the Region's competitiveness.
- Is able to add value to the social, economic and environmental well-being of the West Midlands Region.
- Helps to achieve sustainable communities.
- Is integral to and accountable to the whole West Midlands Region through appropriate governance arrangements.

#### ***Four***

The Assembly makes the following commitments:-

The Assembly is committed to working with Birmingham, Solihull, Coventry, Walsall, Wolverhampton, Dudley, Sandwell and Telford to develop a Metro City Region and Stoke-on-Trent City Region and all other local authorities to secure robust and transparent governance arrangements and working links with partners from national Government, local government, the private, public and voluntary sectors. Our objective is to ensure that the City Region approach is compatible and accountable to the region in which it is based and to West Midlands Regional Assembly.

Our commitment to regional working and the City Region approach is to continue to facilitate discussion leading to coherent and integrated regional policy which is deliverable and developed with, and owned by sub-regional partnerships and local authorities and agencies.

April 2006

**The Metropolitan Urban Core Councils of Birmingham, Coventry, Dudley, Sandwell, Solihull, Telford, Walsall and Wolverhampton**

**PRESS RELEASE**

**CITY REGION GOES TO LONDON TO SEEK NEW POWERS**

Council Leaders, regional agencies – Advantage West Midlands (AWM), Learning and Skills Council (LSC), West Midlands Regional Assembly - and business from the urban core of the West Midlands region are going to London on Thursday 23<sup>rd</sup> March to make their case for greater powers to be devolved to the City-Region. They will meet with the Minister for Communities and Local Government – David Miliband.

This follows the successful visit of the Minister to Birmingham on 16<sup>th</sup> September last year, when he spent the whole day hearing the views of Council Leaders from across the City-Region, business leaders, and young people.

Since his visit, important discussions have taken place with the Regional Assembly, Advantage West Midlands (AWM), the Learning and Skills Council (LSC), and with the business community to develop a new approach for government to devolve strategic policy and funding decisions from Whitehall to the City-Region.

Cllr Ted Richards (Leader of Solihull Metropolitan Borough Council and Chairman of the West Midlands Metropolitan Joint Committee said

“We are making a very strong case to government that we believe will bring real benefits to local people - more jobs, prosperity, better transport and better housing. We have three clear demands:

- Control of government funds on Housing, Skills, Transport, Regeneration and Economic Development which comes into our City-Region, to be devolved to the Executive Board of Leaders, Regional Chairmen and Business
- Independent decision-making responsibility to spend this money on the strategic priorities we agree locally - without controls from Whitehall
- Support from the Minister for our proposals for strong and accountable local leadership.

We do value the support that the ODPM is giving to develop a government wide agenda on City Regions. We are eager to secure a new agreement between us and government by the autumn of this year.

Our proposals are sound, will make the difference we all need in our local economy, will make local government more accountable and importantly make central government and its agencies accountable locally as well”

Cllr Mike Whitby, Leader of Birmingham City Council, said

” I have met with city leaders across the world – in China, the USA, and in Europe. It is clear from my discussions with them that to achieve our full potential, this City Region must be given greater freedom locally. The research that has emerged in recent weeks, including the “State of the Cities” report, shows that devolution of power from the centre to City Regions is the key to local economic growth.

We have a City-Region model, which we believe is the best for our area. We are committed to raising the competitiveness of the whole City-Region. The proposals we are submitting on Thursday are the only ones which make sense, and we have the support locally to make this work”

Ian Squires, Managing Director of ITV Central representing the City Region businesses during the visit, said:

"It's overdue for business to be back at the heart of regenerating our cities. Birmingham was transformed by the civic and business leadership of great Victorians such as Matthew Boulton and Joseph Chamberlain and as late as the 1950s local business leaders were supporting Birmingham's growth.

“By engaging business in this City-Region agenda, we can ensure the new local powers are used to maximise the productivity and creativity of our businesses to deliver exceptional economic growth with locked-in efficiencies.”

In addition, since the Minister's earlier visit to the City-Region, the Borough of Telford & Wrekin has now been included in the City Region as Telford is the remaining primary urban area of the West Midlands not involved in the City-Region and it is an area of significant population and economic growth. Cllr Keith Austin, Leader of the Council said:

“I am very excited that Telford has been recognised for its contribution to the region and the partnership approach that has been developed to benefit the whole region and the major urban centres.”

## **NOTES FOR EDITORS**

The proposals being presented to the Minister call for the setting up of an Executive Board with decision-making powers. In agreement with government, the Board will set challenging high level outcomes to deliver sustainable long term improvements to jobs, prosperity and quality of life.

It will look at and take responsibility for a wide range of funds which are currently spent within the City-Region and which require a clear strategic overview at City-Region level.

The work of the Board will be guided by a City Region Area Agreement with government. The future strategic direction of the City Region will be set in the preparation of a new City Region Development Plan. This is currently under preparation and will be available for wider discussions in early summer 2006. This Plan will set a clear framework to

- Raise productivity
- Increase employment
- Grow the population
- Move towards carbon neutrality

The Board would look across the range of transport, economic development, skills, regeneration and housing policy and funding areas to review and put in place more effective and efficient decision-making structures.

The first priority will be to simplify the current range of decision-making and steering groups on Transport. The Board would be an accountable body for receiving and managing the current levels of public expenditure which are already spent in the City-Region on transport (bus, rail, metro), housing and economic development (including skills development)

These responsibilities would be undertaken within the framework of the Regional Spatial Strategy and other regional strategies, including the Regional Economic Strategy.

**For more information contact the Solihull Council Press Office on 0121 704 6136**