

WEST MIDLANDS REGIONAL ASSEMBLY

14 January 2009

Regional Funding Advice Round 2

1. Purpose of the Report

- 1.1 To inform the Assembly of the arrangements that are being made to respond to the Government's request for advice on how the funding coming into the region for transport, housing and economic development should be spent.

2. Recommendation

- 2.1 That the Assembly notes the arrangements being made to respond to the Government's request for Regional Funding Advice for the period to 2018-2019.

3. Background

- 3.1 The Assembly will be familiar with the process that was put in place to respond to the Governments Round One request for Regional Funding Advice. Experience gained as part of that process has informed the approach that is now being taken in Round Two. This process is summarised in "Briefing Note One" attached to this report. The advice will shape the pattern of public investment in the region of the order of £1 bn. Per year.
- 3.2 It is important to note that this exercise is being undertaken within the long term framework of the Regional Spatial Strategy and the Regional Economic Strategy to achieve urban and rural renaissance for the West Midlands Region, to close the output gap between the region and the UK as a whole and to expand skills and employment.

- 3.3 The RFA Advisory group has provided the following guidance to the work in hand:
- To identify short term interventions that address the current economic downturn, but which adhere to the objectives of the RSS and RES
 - To be realistic about the length of time it takes to develop big projects (and thereby potentially, release RFA funding for shorter term interventions)
 - To emphasise projects/programmes that include measures to tackle unemployment
- 3.4 A proposal has been made to the Regional Minister that there would be considerable benefit if all construction and transport projects with a capital cost of under £10m could be approved at a lower level rather than having to be submitted to Central Government agencies for approval. A list of the schemes and the issues that this would both raise and address is being collated and in part falls within the RFA process.

4. Current Position

- 4.1 Officers from the RFA Advisory Group are now actively seeking details of potential RFA schemes from regional partners and stakeholders. This information will be collated and matched against the details of schemes/projects identified as part of the RFA Round 1 process, many of which are still relevant and unfunded. The initial deadline for return of scheme details was 28 November.
- 4.2 A regional event is planned for 19 January 2009 at the Lakeside Conference Centre, Aston University. It is intended that this will be a chance to engage a wider audience of regional stakeholders and partners in order to shape the final submissions.
- 4.3 The Advice will be signed off by the new Joint Strategy and Investment Board and submitted to Government by the end of February deadline.

Olwen Dutton
Chief Executive
WMRA

WEST MIDLANDS REGIONAL FUNDING ADVICE – ROUND 2
Briefing Note Two - November 2008

This is the second in a series of Briefing Notes on Regional Funding Advice. Government has asked all regions to submit 'Regional Funding Advice' against indicative budgets for economic development, transport and housing and regeneration for the period up to 2018-19. Regional Funding Advice (RFA) will cover public investment in the region of £1bn per year and must be submitted by the end of February 2009 and be no longer than 35 pages.

The partners leading the development of the RFA submission - AWM, Local Government, West Midlands Regional Assembly, Highways Agency and the Homes & Communities Agency – have arranged a regional briefing on 19 January 2009, 10.00 – 12.00 at the Lakeside Conference Suite to update partners on how the RFA is shaping up.

If you would like to attend the RFA Briefing on 19 January 2009 please complete the attached form and return it to Ali John at alisonjohn@advantagewm.co.uk

The 'shadow' Joint Strategy and Investment Board (JS&IB) met for the first time on 13 November 2008 to consider how best to develop the RFA. They have asked officers to prepare the advice within the following parameters: -

- The RFA must build on the priorities set out in the RES and RSS but not repeat the extensive consultation recently undertaken to develop both strategies. We also need to factor in the Regional Transport Priorities. RFA must not jeopardise or undermine our collective efforts to support the agreed RSS position into the Examination in Public of the RSS in April.

Early discussions have identified that the following headline will provide the strategic framework for the advice: - Closing the £10bn Output Gap by -

- Sustaining and strengthening the West Midlands' economy
- Delivering urban and rural renaissance – including housing growth and provision of affordable homes
- Expanding skills and employment
- RFA will need to set out short term interventions which address the current economic downturn but these must adhere to/support the above agreed long term objectives. Advice will need to be realistic, well argued and alive to the challenges of the current economic climate.
- Deliverability is key, there must be clarity about timescales, funding packages and key milestones.

- All programmes, projects and schemes included in RFA will need to demonstrate how they benefit the economy.
- RFA will need to identify very clear priorities for public spending to secure the greatest multiplier effect, reduce risk for private sector investment and, in current circumstances, act as a catalyst for a more buoyant economy in the future.
- Regional partners must address the issues that have prevented the region from spending its transport allocation in particular.
- RFA will seek freedoms and flexibilities from Government to secure a more integrated approach to sustainable economic growth and regeneration in the West Midlands – to break down the constraints to integration currently presented by individual Departmental funding regimes. It is recognised that there will be some ‘quick fixes’ and some that might take longer to negotiate. In addition, regional partners must examine existing custom and practices to ensure there are no built-in inhibitors to progress.
- The opportunity to explore innovative funding arrangements will be taken eg ADZs as will the use of local authority powers and flexibilities previously given by Government to support the MG Rover Task Force.

**** RFA 2 Regional Briefing ****

Monday 19 January 2009

The Lakeside Centre, Aston University, Birmingham, B4 7ET

<http://www.abs.aston.ac.uk/conferenceaston/documents/DirectionsLakeside2008.pdf>

Registration at 9.30am

Briefing at 10.00am

Close at 12noon

To register, please fill in the form below:

Yes, I would like to attend the RFA 2 Regional Briefing.

My details are:

Name:	
Organisation:	
Address:	
Telephone:	
Fax:	
Email:	

If you have any queries, please contact Ali John at alisonjohn@advantagewm.co.uk or 0121 503 3351.