

West Midlands Regional Assembly

Agenda Item 9

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Board of Directors

3 December 2008

(Regional Forum of Leaders 15 December)

Regional Funding Advice Round 2

1. Purpose of the Report

- 1.1 To inform the Board/RFL 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 Board/RFL 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 Board/RFL 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

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 One - October 2008

Government has provided indicative regional funding allocations for transport, housing and regeneration, and economic development, and now requires each region to advise on investment priorities. We are also asked for a view on how skills priorities will support the above investment.

Advice is required for the period to 2018-2019 and must be submitted by the end of February. It will cover public investment in the region of £1bn per year.

A key ambition for the West Midlands is to strengthen input into Government policy and public spending decisions that will promote sustainable economic development. We need to help build the Government's understanding of the challenges that we face and help ensure that investments are focused on the right developments, at the right time.

The West Midlands is in the fortunate position of having recently involved partners and stakeholders in extensive discussions to develop the Phase 2 Revision of the West Midlands Regional Spatial Strategy (RSS) and new West Midlands Economic Strategy (RES). The two strategies are aligned in their aspiration to support sustainable economic growth.

The RES and the RSS will provide the long term strategic framework for the RFA. RFA will set out how the funding streams will be used to deliver our long term priorities. It will also set out a strong regional response to the current economic challenges business, communities and individuals are facing. It will need to identify very clear priorities for public spending in the short term to secure the greatest multiplier effect, reduce risk for private sector investment and act as a catalyst for a more buoyant economy in the future.

The Joint Strategy and Investment Board being set up to take forward the Sub- National Review agenda in the West Midlands will operate in 'shadow' form to provide strategic oversight and sign off the RFA submission to Government. The Board will comprise members of AWM's Board and the Regional Forum of Leaders and will work closely with the Regional Minister and funding agencies.

The RFA Advisory Group, comprising chief executives and senior officers from AWM, Local Government, Assembly, Highways Agency, Homes and Communities Agency, Learning & Skills Council and Government Office, will provide counsel to the 'shadow' Joint Strategy

and Investment Board. The process will be led by an RFA Working Group, with members from the above mentioned organisations.

This RFA Briefing Note will be produced on a regular basis as a means of keeping partners informed; and as with RFA Round 1 meetings of the regional partnerships will have regular updates on how the RFA is shaping up. A regional RFA event is being planned for January to secure meaningful discussion with partners and stakeholders, on how RFA is developing.

Contact:-

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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 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.