

WMCA Single Settlement Memorandum of Understanding

Scrutiny Board

21 February 2024

Presenter:

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Recommendations for action or decision

Scrutiny Board is recommended to:

- Consider and comment on the Single Settlement Memorandum of Understanding (MoU).

Recommendations for noting:

- The high-level next steps for Single Settlement negotiations and implementation between the West Midlands Combined Authority and His Majesty's Government.

Purpose and Background

- On the 6 September 2023 Cabinet formally endorsed the West Midlands Combined Authority Trailblazer Deeper Devolution Deal.
- A significant part of the deal was the single settlement – this would essentially see the WMCA funded like a Government department.
- Over the last few months, the WMCA, LAs and HMG have developed the ‘key principles’ of how the single settlement will operate.
- The result was Memorandum of Understanding published by HMG on 22 November 2023 at the Autumn Statement.
- Constituent LAs of the WMCA are now seeking to individually consider the single settlement MoU through their own governance processes.

Single Settlement Overview

- At every spending review the WMCA will be allocated a single funding allocation for funds aligned to:
 - Local Transport
 - Housing and Regeneration
 - Adult Skills
 - Local Growth and Place
 - Buildings Retrofit (Pilot)
- The funding received will cover the length of the spending review - it will be calculate using allocation formulae.
- We will not know the full amount of funding we will receive through the Single Settlement until the next spending review (likely November 24).

Key Information for Scrutiny

- Funding Streams: SS will not include any funding which falls within scope of the local government finance settlement or LA functions.
- No Detriment: The MOU states the single settlement will 'deliver the principle that they (WMCA) are not worse off than had the single settlement not been in place'
- Flexibility
 - As well as the single pot – the other significant benefit is flexibility.
 - There will be the opportunity to move funds across pillars (e.g local growth to skills) and between capital and revenue to meet local priorities.

What does this mean for Wolverhampton?

- Crucially, this removes the short term, ad hoc, restrictive grants the region currently receives – simplifying in one pot.
- Ending (in large part) the competitive, time consuming and resource intensive bidding process Council's face.
- This enables us to focus on long term planning – delivering local priorities.
- Each constituent LA in the WMCA will develop a 'Place Plan' – setting out to the WMCA – how we want the single settlement to deliver for Wolverhampton.

Next Steps

- We expect to receive the first single settlement at the beginning of the first financial year after the next spending review – likely 1 April 2025.
- Work continues between WMCA and HMG develop further detail of the single settlement.
- This includes work to understand which ‘funds’ are in scope for the single settlement.
- This will ensure we are ready to ‘deliver’ as quickly as possible post spending review.
- Further reports to Cabinet and Scrutiny Board as this develops.

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