



Environment & Energy Board

Date: Wednesday 9 March 2022

Time: 10.00 am **Public meeting** Yes

Venue: Hybrid - Room 116, 16 Summer Lane, Birmingham, B19 3SD / Microsoft Teams

Membership

Councillor Ian Courts (Chair)	Portfolio Lead for Environment, Energy & HS2
Councillor Oliver Butler	Walsall Metropolitan Borough Council
Councillor Maria Crompton	Sandwell Metropolitan Borough Council
Councillor Steve Evans	City of Wolverhampton Council
Councillor Andy Mackiewicz	Solihull Metropolitan Borough Council
Councillor Jim O'Boyle	Coventry City Council
Councillor Simon Phipps	Dudley Metropolitan Borough Council
Matthew Rhodes	Energy Capital
Suzanne Ward	Environment Agency
Councillor Waseem Zaffar	Birmingham City Council

Quorum for this meeting shall be the Portfolio Lead for the Environment, Energy & HS2 *and* at least three other members.

If you have any queries about this meeting, please contact:

Contact Craig Evans, Governance Services Officer
Telephone 07584 009024
Email craig.evans@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
1.	Welcome and Introductions	Chair	None
2.	Declarations of Interest Members are reminded of the need to declare any disclosable prejudicial interests they have in any item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None
3.	Apologies for Absence	Chair	None
4.	Notice of Substitutes	Chair	None
5.	Chair's Remarks (if any)	Chair	None
6.	Minutes - 1 December 2021	Chair	1 - 4
7.	Behaviour Change - Retrofit, Right Tree Right Place and CWG Food	Jackie Homan / Katie Jepson	5 - 12
8.	Levelling Up White Paper	Ed Cox	13 - 56
9.	Retrofit - SMART Hub and Net Zero Neighbourhood	George Simms	57 - 64
10.	Marches Energy Agency and Act on Energy	George Simms	Verbal Report
11.	Any Other Business	Chair	None
12.	Date of Next Meeting - to be advised	Chair	None



West Midlands
Combined Authority

Environment & Energy Board

Thursday 1 December 2021 at 10.15am

Minutes

Present

Councillor Ian Courts (Chair)	Portfolio Lead for Environment, Energy & HS2
Matthew Rhodes	Energy Capital

Participating via Microsoft Teams

Jim Davies	Environment Agency
Councillor Steve Evans	City of Wolverhampton Council
Councillor Waseem Zaffar	Birmingham City Council

In attendance

Councillor Peter Fowler	Overview & Scrutiny Committee
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17. Apologies for Absence

Apologies for absence were received from Councillor Oliver Butler (Walsall), Councillor Maria Crompton (Sandwell), Councillor Andy Mackiewicz (Solihull), Councillor Simon Phipps (Dudley) and Suzanne Ward (Environment Agency).

18. Chair's Remarks

(a) Visit to Tyseley Energy Park

The Chair thanked Tyseley Energy Park for the guided tour of the facilities that had been given to members ahead of the meeting, and for hosting this particular meeting of the board.

19. Minutes

The minutes of the meeting held on 9 September 2021 were agreed as a correct record.

20. WMCA COP26 Briefing Note

The board considered a report of the Director of Inclusive Growth & Public Service Reform and the Head of Environment setting out the international outcomes that were agreed during the COP26 meeting in Glasgow held between 31 October - 12 November. The report also covered the Mayor's activities at COP26 in Glasgow and the 'COP26 Regional Roadshow' event hosted at the University of Wolverhampton.

One hundred and ninety-six countries met in Glasgow for the 26th Conference of the Parties (COP26). The negotiations confirmed the importance of tackling climate change and the urgent need for drastic emission reductions. The COP resulted in an agreement referred to as the 'Glasgow Climate Pact'. The Government considered that this pact had kept the critical 1.5°C global warming goal alive, although the Nationally Determined Contributions continued to fall short of this target.

The Chair stressed the importance of maintaining the momentum created by the COP26 conference, including by taking advantage of the central location of the West Midlands in promoting local supply chains. The Director of Inclusive Growth & Public Service Reform indicated that work was being undertaken on a behaviour change programme and he would bring a report on this to a future meeting. Matthew Rhodes highlighted the role of food distribution in reducing carbon emissions, and the Director of Inclusive Growth & Public Service Reform also committed to bringing a report on this to a future meeting. Councillor Waseem Zaffar highlighted the importance of the HydroFLEX hydrogen-ready passenger train in helping Birmingham in its ambitions to promote and develop the hydrogen economy.

Resolved:

- (1) The report outlining the implications of the COP26 conference in Glasgow be noted.
- (2) The next steps to build on the work at COP26 be noted and supported.

21. Natural Environment Update

The board considered a report of the Director of Inclusive Growth & Public Service Reform and the Head of Environment on progress in delivering the Natural Environment Plan, particularly on Local Nature Recovery Strategies, a bid to the Woodland Trust to establish a West Midlands Forest Partnership and progress on the Community Green Grants.

The Natural Environment Plan articulated a vision for the region, bringing together different initiatives covering a broad range of natural environment projects focusing on tree and hedgerow planting, improving access to green space for all communities across the West Midlands and developing wildlife corridors. The aim of the plan was to improve these environments in their own right, promoting biodiversity net gain, as well as for all the region's communities to enjoy.

The Chair stressed the importance of this work linking with local authority planning policies. The Natural Capital Programme Manager indicated that Natural England was yet to fully understand how Natural Environment Plans aligned with, and influenced, Local Development Plans. Councillor Waseem Zaffar highlighted how the pandemic had increased the value local communities now placed on green and blue space, and he welcomed the work outlined within the report. The Chair recognised that defining communities was an important part of this work, and the Director of Inclusive Growth & Public Service Reform explained that the New Economics Foundation had undertaken a mapping exercise in support of this which he would share with the board.

Resolved:

- (1) The progress of the different elements of the natural environment programme be noted.
- (2) The West Midlands Forest Partnership concept be supported.
- (3) The progress of conversations with Natural England on the Local Nature Recovery Strategy be supported.

22. Energy Capital Governance

The board considered a report of the Director of Inclusive Growth & Public Service Reform and the Director of Energy Capital seeking to ensure that the consultation that Energy Capital would be undertaking with constituent authorities regarding its future governance was formally considered and supported by the WMCA. The issues raised within the report would be discussed with constituent authorities directly over the next three months.

Energy Capital was established in 2016 as part of the creation of the WMCA to develop and take forward energy devolution asks, set out in the original devolution deal, as originally advocated by the Black Country LEP. Since 2016, the Energy Capital Board, containing strong energy sector and local leadership representation, had reported into the Strategic Economic Development Board and, more recently, this board. With the increased emphasis on climate change mitigation, the approval and focus on delivery of the #WM2041 five year plan, and developments in national energy system governance, the Energy Capital Board felt that it was timely and important to set out what it believed was the most effective governance model to achieve these goals going forward.

The Chair welcomed the report but stressed the importance of constituent authorities understanding clearly the current governance mode of the Energy Capital Board and why the proposed changes would lead to better outcomes. The Director of Inclusive Growth & Public Service Reform highlighted the vast infrastructure that underpinned energy production and supply within the country, and the proposed governance changes were being driven by a desire to enable local authorities to become engaged and involved in this work to a greater extent.

Resolved:

It be noted that Energy Capital was undertaking a review of its governance in the light of national and regional energy system developments, and the outcomes of this review be considered by the WMCA as part of its own current governance review.

23. Energy Collaboration Days

The Director of Inclusive Growth & Public Service Reform reported that plans were currently being developed that would enable energy sector representatives to work out of Tyseley Energy Park on a monthly basis to help improve engagement, collaboration and network opportunities between them.

Resolved:

The proposals to create energy collaboration days be noted and supported.

24. Any Other Business

(a) West Midlands Climate Risk Assessment and Adaptation Plan 2021-26

Jim Davies reported that Sustainability West Midlands had worked with the Environment Agency to produce a West Midlands Climate Risk Assessment and Adaptation Plan. The plan set out the climate change adaptation actions that should be considered for implementation by decision makers in the West Midlands, to ensure that the natural environment, people, infrastructure, buildings and businesses were prepared for the impacts of climate change, including greater incidence and severity of flooding, a higher likelihood of water scarcity and more intense and prolonged heatwaves. He undertook to circulate to board members a copy of the plan for their information.

25. Date of Next Meeting

Thursday 3 March 2022 at 10.00am.

The meeting ended at 11.40am

Environment and Energy Board

Date	9 th March 2022
Report title	Environment Behaviour Change Update
Portfolio Lead	Councillor Ian Courts - Environment, Energy & HS2
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Director of Public Service Reform email: ed.cox@wmca.org.uk Katie Jepson, Environment Behaviour Change Project Officer email: Katie.jepson@wmca.org.uk

Recommendation(s) for action or decision:

The Environment and Energy Board is recommended to:

- a) Note the opportunity and resources available for councillors through Involve's Local Climate Engagement Programme on participatory and deliberative public engagement.
- b) Note Commonwealth Games Carbon Literacy training for volunteers, citizens and businesses across the region.
- c) Consider, in your role as local leaders, how you could engage in future behaviour change campaigns and support the communications activity.

1. Purpose

This paper provides a progress update on delivery of the behaviour change programme relating to the Environment and Energy Board remit, covering citizen engagement as well as forthcoming and future campaigns.

2. Background

2.1 In May 2021, the Behaviour Insights Team (BIT) were commissioned to create a strategy and plan for how WMCA could effectively communicate ambitions and positively influence people's behaviour to achieve the region's net zero by 2041 goal, whilst ensuring we create a more equal, prosperous region.

2.2 In the research, BIT used different framings within environment communications to understand what messaging resonates the most with the public. Whilst all framings worked well, BIT recommended environmental communications should be kept

simple wherever possible. In addition, they identified that aligning messaging on climate change with co-benefits is a more successful way of promoting behaviour change. This is particularly the case when benefits can be identified as also improving health.

- 2.3 In addition to understanding how to frame messages, BIT surveyed almost 2,000 people across the region to understand the most effective messaging for our communications. The most popular strapline that emerged from this research was ‘West Midlands Greener Together’. In response to the BIT work, “West Midlands Greener Together” branding guidelines have been developed and internal presentation templates are now being used by the Energy & Environment teams. WMCA environment campaigns have adopted the logo with assets developed to increase visibility of the brand. A dissemination plan is being developed to see the logo adopted by willing organisations across the region, to build a network of local partners who are working together on ensuring the region achieves net zero by 2041.
- 2.4 It is key to note that communications alone will have a limited impact on scaled and sustained behaviour change. Communication campaigns should be implemented in line with specific behaviour change interventions and plans, which were identified by BIT and which we have built on. The three areas of focus that their work initially pointed to were campaigns on the natural environment, sustainable food and home retrofit (outlined in the sections below).
- 2.5 BIT provided behaviour change frameworks to support implementing programmes and campaigns. Their EAST framework (make it easy, attractive, social and timely) are four simple principles for applying behaviour insights which are based on their own work and academic literature. The EAST framework has been used to develop the Right Tree Right Place campaign the WMCA launched in February 2022 and will be used, alongside other frameworks to plan future work.

Natural Environment Campaign

- 2.6 **Right Tree Right Place.** Within the Natural Environment Plan, published in September 2021, the CA committed to running a ‘Right Tree, Right Place’ campaign to support climate mitigation and adaptation and nature recovery across the region. The principles of ‘right tree right place’ were published on the Virtual Forest website.
- 2.7 The campaign launched on Monday 21st February, focusing on engaging the public to plant trees in their gardens or community spaces and register these on the Virtual Forest. To encourage this, three tree giveaways were organised to give away trees for gardens or community spaces;
- i. Monday 21st – joined the University of Birmingham half term activities called ‘Secret Life of Trees’ at The Exchange alongside Birmingham Tree People. The Mayor attended to support handing out 100 Rowan, Crab Apple and Hazel trees to the public.
 - ii. Wednesday 23rd – joined the City of Wolverhampton Council at Springvale Park to hand out 150 trees to the public. The Environment Team joined the

rangers and the Woodland Trust to help plant 1000 trees secured through the Emergency Tree Fund.

- iii. Thursday 24th – joined Coventry City Council park rangers at Allesley park to giveaway 150 trees to the public, joining the ranger’s half term children activities.

- 2.8 All 400 trees were claimed with numbers on the Virtual Forest rising to 71,000. The giveaways were a trial to see what type of activity was the most popular, and lessons from these giveaways will help to shape the campaign for the 2022-23 tree planting season. Next season will focus on engaging educational institutions and businesses across all authorities in the WMCA area.
- 2.9 As well as the giveaways, a ‘Choosing and Planting Trees’ guidance document was created to help guide people in the best types of trees to plant in their gardens as well as how to plant and care for their trees. The guidance document is available to download on the [Virtual Forest website](#).

Natural Environment Awards

- 2.10 The awards will aim to showcase good practice across the region to enhance and protect the natural environment. Through the awards, we want to promote the creation of wildlife corridors and improvement of our natural corridors (both green and blue) whilst directing applications involving tree planting, to register these on the Virtual Forest. The awards will be open for nominations between May – June with winners and highly commended organisations announced in September each year by the Mayor of the West Midlands. We will work with relevant organisations to co-sponsor the following award categories:

Community – a community group/charity who deserve recognition for continued and ongoing effort to improve the natural environment. Applications must provide evidence of impact, how you engaged with the local community and ongoing maintenance of your project.

Businesses - a business (including SME’s) who deserve recognition for continued and ongoing effort to improve the natural environment. Applications must provide evidence of impact, and of good leadership/championing practice in engaging and inspiring others within the sector as well as ongoing maintenance of your project.

Local Authorities - a local authority who deserve recognition for continued and ongoing effort to improve the natural environment. Applications must provide evidence of impact, stakeholders involved and schedule of maintenance. All local authorities within the West Midlands are encouraged to apply.

Education - a nursery, school, college or university who deserve recognition for continued and ongoing effort to improve the natural environment. Applications must provide evidence of impact, engagement with pupils and/or parents and of good leadership/championing practice in engaging and inspiring others.

Sustainable Food Campaign

- 2.11 The WMCA Environment Team secured £15k from DCMS to trial a behaviour change approach to encouraging sustainable food consumption at the Birmingham 2022 Commonwealth Games (CWG). The WMCA is working closely with the Sustainability Team at the CWG Organising Committee to design interventions that will reduce carbon emissions and increase sustainable food options bought at the Games.
- 2.12 Various interventions are being explored such as carbon labelling menus, as used by COP26 caterers, changing language on menus to avoid 'meat-free' and 'vegan' and instead promoting food provenance and taste, and incentivising sustainable options through meal deals and 'athletes' choice'. Interventions have been decided upon through desktop research and conversations with University of Birmingham Economics Professor, Dr Johannes Lohse, to understand the potential impact interventions will have at the CWG. The research will be shared with catering companies/venues across the region, to show which interventions were impactful in encouraging consumption of sustainable food options and the findings can support future events in the region in delivering sustainable food choices.
- 2.13 Catering contracts were awarded in January 2022, and WMCA presented at the CWG catering contractor workshop on 14th February to present the initiatives we are keen to trial in partnership with the caterers. Exploratory meetings are now planned with Amadeus (NEC caterers), Edgbaston Stadium caterers and Russell Partnership (University of Birmingham caterers).

Home Retrofit Campaign

- 2.14 The WMCA Energy Capital Team is developing a significant programme of work to support retrofit across all communities in the West Midlands, recognising the challenges of addressing fuel poverty and improving the home energy efficiency of low-income households. This work is being led by the SMART Hub.
- 2.15 In addition to this, retrofit will also need to work with the 'able to pay' and the work that the Behavioural Insights Team produced included an implementation plan to design a retrofit communication campaign aimed at homeowners with disposable income. Working with colleagues in Energy Capital, this campaign is currently being developed into a "Is your home fit for a heat pump?" campaign as well as a campaign to encourage homeowners to obtain an Energy Performance Certificate (EPC).
- 2.16 "Is your home fit for a heat pump?" campaign will launch before April 1st when the government opens the Clean Heat Grant that aims to help existing small domestic buildings transition to low carbon heating systems for heating their homes. To ensure home occupiers are informed on the right retrofit choice for their home, the information campaign will launch to detail what is needed to install a heatpump and

what retrofit measures you will need to ensure your heatpump is efficient and householders aren't left with high energy bills.

- 2.17 EPCs contain information about a property's energy use and typical bill costs and recommendations about how to reduce energy use and save money. EPC's are valid for 10 years and are needed when renting and selling your home. This information campaign will promote the benefits of obtaining an EPC and is a low-cost solution to receiving advice on how to reduce energy use in the home, which will be a topical campaign in the current energy crisis.
- 2.18 Both campaigns are currently being developed and additional funding/ partnerships will be sought to lend credibility to the campaigns. Will explore possible collaborations with BIT to ensure the campaign is underpinned by behavioural science and communicated with the right approach.

Citizen Engagement

- 2.19 **Net Zero Citizens Panel.** A Citizens Panel is being formed to allow the public to co-design and co-produce elements of the developing Environment Team and Energy Capital work. Following on from soft market testing conducted in November 2021, an invitation to tender is being developed to appoint public participation specialists to create the panel. The appointed specialist would be required to develop a clear and strategic programme that will bring a representative group of people from across the West Midlands together to make decisions and influence policies and interventions to achieve our net zero targets.
A budget of £150k has been allocated to support this work over two years.
- 2.20 **West Midlands Greener Together Community Forum.** The purpose of the Forum is to create a space for environmental NGOs, climate activities, community groups, the public and others from across the region to discuss the route to net zero and inspire collaboration. The Forum will provide an open and inclusive platform for the sharing of information which is relevant to the region's journey to net zero as well as providing a space for the WMCA and other organisations to update one another and the wider community on the work being undertaken to achieve these targets.
- 2.21 The first meeting will be held on Thursday 31st March 6-8pm online, with future meetings taking a hybrid approach and held in accessible venues across the region. Ed Cox (WMCA Director of Inclusive Growth and Public Service Reform) will take the role as co-chair and to ensure the Forum is representative of the region. At the first meeting, a second co-chair will be nominated and appointed. Terms of Reference for the Forum have been drafted and shared with local climate groups and environmental NGOs for comment and the TORs will be agreed upon at the first meeting.
- 2.22 **Carbon Literacy for the Commonwealth Games.** As part of creating a legacy from the games, WMCA in partnership with the CWG Organising Committee's Sustainability Team is creating Carbon Literacy training for volunteers, citizens and businesses within the West Midlands. The objective of the training, in line with

[Carbon Literacy Project](#) (CLP) guidelines is to enable people to understand and confidently communicate the climate emergency. Also, to identify what actions both as part of a group or organisation and as individuals they can take to tackle the emergency. Participants will be required to complete 8 hours of learning, through online modules, documentaries and an online participation workshop in order to gain official CLP accreditation.

- 2.23 Funding has been secured from BEIS, the CWG Organising Committee and WMCA and will allow approximately 5000 participants to gain accreditation. The training shall be launched in May 2022 to the CWG volunteers and a post-games plan shall be in place by July 2022 to ensure the training is delivered to citizens across the region.
- 2.24 **Local Climate Engagement Programme (LCE).** WMCA applied and has been successful in being accepted onto [Involve's LCE programme](#), designed to support local authorities and partnerships to plan, commission and deliver high quality public engagement with climate decision-making, in a way the benefits both WMCA and the local population. WMCA are in the coaching group, where 5 officers will join other local authorities in an intensive training course and mentoring group.
- 2.25 The programme includes a 2-hour self-guided resource for councillors to support them to think through how participatory and deliberative public engagement relates to their role. Self-guided learning resources are also available for the Senior Leadership Team and Senior Managers. WMCA will share the resources with the Board once they are available, as well as plan communications activity to ensure that everyone who could benefit from the course is aware of it.

Future campaigns

- 2.26 In addition to the development of the campaigns outlined above, it is anticipated that future campaigns will include:
- **Air quality** - the decision to develop a regional air quality framework was approved by the February Combined Authority Board. Interventions identified had a number linked to behaviour change and the CA will work with local authority partners to understand where regional campaigns may be beneficial.
 - **Sustainable food** – building on the outcomes of the CWG work, plans are to develop a programme of work associated with ensuring sustainable food is affordable, accessible and encouraged across the region. The CA will work with local partners to understand current campaigns, such as Birmingham City Councils Food Trails project and support WMCA's circular economy workstream.
 - **Citizen survey** – to understand the impacts of the Energy & Environment teams work, an annual attitudes survey will be conducted to understand how the CA's work is influencing the public's knowledge and attitudes towards addressing the climate emergency. Possibility to use the BIT survey as a baseline and to continue to understand public perception of the CA's current and future work.
 - **Transport for West Midlands (TfWM)** – behaviour change is a priority in the Local Transport Plan, particularly around demand reduction and a shift to sustainable forms of transport. Early conversations are being had with TfWM to discuss shaping

the CA's approach to behaviour change by setting aims and objectives and linking with a wider piece of work on citizen engagement.

- **Support for adaptation measures** – these might include activities to support nature-based solutions for making places and communities more resilient, e.g. how to plant gardens to reduce flooding (rain gardens).

3. Financial Implications

There are no finance implications as a result of this paper. Any financial implications will be considered on a project-by-project basis, with funding and approval sought through the appropriate channel/authority.

4. Legal Implications

There are no legal implications as a result of this paper. Any legal implications will be considered on a project-by-project basis.

5. Equalities Implications (*)

The work that has been undertaken and planned to address behaviour change is central to the addressing the challenges related to climate change; as achieving net zero requires significant behaviour change. However, we have been clear from the outset that WM2041 must also have significant social and economic benefits for the region. The work that we will be taking forward to address these issues will be driven by behaviour change principles and data available to us, ensuring interventions consider equalities issues in their design and therefore constructed and targeted appropriately and equitably.

6. Inclusive Growth Implications

This report links to a number of the WMCA's eight inclusive growth priorities, which are identified as 'a catalyst for improved and sustained outcomes for people place, co-designed with partners and beneficiaries'. Delivering a behaviour change programme of work will support outcomes around:

- reduction of health inequalities;
- addressing climate resilience through the promotion of nature-based solution to dealing with climate change;
- Improving education and learning around the climate emergency;
- supporting the principle of powerful communities through engaging in deliberative democracy to help citizens feel influential; and,
- equality (reducing the numbers of people living in deprivation, which includes lifting people out of 'green deprivation' and fuel poverty).

7. Geographical Area of Report's Implications

The behaviour change programme of work covers all local authorities of the West Midlands and the delivery will also involve non-constituent members, where appropriate.

8. Other Implications

None.

9. Schedule of Background Papers

None

Environment and Energy Board

Date	9 th March 2022
Report title	Levelling Up White Paper and Trailblazer Devolution Deal
Portfolio Lead	Cllr Ian Courts Portfolio Holder for Environment, Energy and HS2
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Director of Inclusive Growth & Public Service Reform Ed.Cox@wmca.org.uk

Recommendation(s) for action or decision:

Environment and Energy Board is recommended to:

- (1) Note the publication of the Levelling Up White Paper and reflect on its implications for the WMCA area.
- (2) Consider and provide feedback on the collaborative governance for developing the Trailblazer Devolution Deal.
- (3) Consider how to maximise the opportunities for environment and energy within the Trailblazer Devolution Deal.

1. Purpose

- 1.1 To inform the Environment and Energy Board of the elements of the Levelling Up White Paper (LUWP) which impact on its priorities.
- 1.2 To propose plans for coordinating the WMCA response to the invitation to negotiate a Trailblazer Devolution Deal (TDD).
- 1.3 To invite feedback and reflections on the implications, challenges and opportunities inherent in the above.
- 1.4 To consider whether it might want to schedule any extra informal meetings before June in order to discuss further developments relating to the TDD.

2. Context

2.1 The Levelling Up White Paper (LUWP) was published on 2nd February 2022. Within the paper, it defines 'levelling up' as:

- Increasing opportunity across the UK, and
- Reducing disparities between and within regions.

Importantly, it challenges some of the existing orthodoxy on regional growth and development, which could have positive implications for local ambitions for inclusive growth, devolution and the role of public services and social innovation in the WMCA area. However, at this stage there is relatively little new investment to realise these ambitions.

2.2 The LUWP sets out 12 levelling up 'missions' for 2030 to unlock enduring systems change, driven by spatial policy considerations and devolution to regions, localities and communities. These missions – established by Government – are as follows:

1. By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
2. By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
3. By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
4. By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
5. By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
6. By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
7. By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.

8. By 2030, wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing.

9. By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.

10. By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.

11. By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.

12. By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

- 2.3 Framed by these missions and alongside the new analysis, the LUWP announced several policy initiatives for the WMCA area, including an Innovation Accelerator, an additional £28m from the Brownfield Housing Fund and further funding for Digital Bootcamps in the region. The full briefing note produced by WMCA (Appendix 1) covers the analysis and policy topics discussed in the paper in more detail.
- 2.4 A key enabler of the above is devolution. The WMCA and Greater Manchester Combined Authority have been invited to negotiate 'trailblazer devolution deals' (TDDs) with Government which go further than those they will consider for other areas. Crucially, the TDD will be the means through which the region draws down the powers and resources it needs to level up. The WMCA and its partners are committed to an ambitious set of devolution asks, spanning all identified policy areas, that meet this moment.

3. Principles, opportunities and workstreams

- 3.1 There have been a number of informal meetings of the mayor, local authority leaders and other regional stakeholders, as well as initial meetings with government officials and ministerial aides. Based on these, a number of principles have been articulated to help guide the TDD process. These can be framed as follows:
- It is essential that we are very clear about our priorities and focus our efforts on those matters that align with local and regional plans which align with the levelling up missions.
 - There needs to be extensive involvement of local authorities and wider stakeholders, including the private and voluntary sectors, throughout the policy development and negotiation process.

- It will be essential to secure private sector support for many of our devolution propositions and, where relevant, demonstrate their co-investment in key priorities.
- In order to address intra-regional inequalities and local pockets of deprivation, it is important that the devolution process makes provision for the ‘double-devolution’ of certain powers and resources.
- The opportunity provided by the TDD should be focused on drawing powers down from government and not ‘sucking powers up’ from local authorities.
- There will be a strong emphasis on data and accountability and the ability to demonstrate progress on achieving the levelling up missions for any devolution proposition.

3.2 The LUWP is extensive and mentions in excess of 100 different policy topics on which we could take a stance or seek deeper devolution. WMCA has identified 20 workstreams that will comprise the region’s TDD asks:

Inclusive economic growth	Innovation
	WM Smart City Region
	LEP Integration
	Trade and Investment
	Business Support System
Building human capital	Skills
	Education
	UKSPF (Multiply)
Connecting communities	Housing, regen and planning
	Transport
	Net Zero (BEIS)
	Digital
Building social capital	Homelessness prevention
	Health
	Crime, community safety and resilience
	Social capital and social economy
	Culture
Cross-cutting	Funding
	Non-cons and geography expansion
	Data and transparency

Each workstream will be expected to deliver four products to inform the TDD negotiations:

- A stakeholder engagement plan;
- An engagement log;
- A bilateral plan with relevant Government departments; and
- A timetable that sets out key milestones.

Specific observations in relation to environment and energy

3.3 The Levelling Up White Paper refers to six key ‘capitals’ that are critical for thriving places. These are:

- Physical capital – infrastructure, machines and housing.
- Human capital – the skills, health and experience of the workforce.
- Intangible capital – innovation, ideas and patents.
- Financial capital – resources supporting the financing of companies.
- Social capital – the strength of communities, relationships and trust.
- Institutional capital – local leadership, capacity and capability.

There is no direct reference to environmental/ natural capital as a central part of levelling up in this context. Further, whilst the White Paper makes some reference to energy and environment (e.g. in the context of Local Nature Recovery Strategies, already announced in the Environment Act, 2021), the opportunities around net zero are not as central as we might expect. In terms of improving resilience of places and communities, there is also no inclusion of climate adaptation in the White Paper.

3.4 However, as indicated above, the WMCA is making net zero one of its priority areas and the Environment and Energy Board will play a key role in discussing and shaping the direction of the TDD in relation to this workstream. This builds on work that Energy Capital have already started in relation to devolution needed for an energy system that works better for local areas. Conversations with BEIS have been ongoing since March 2021 when 10 devolution asks were presented to BEIS as part of the [West Midlands' Net Zero Pathfinder Proposal](#). This has positioned Energy Capital well and they were referenced in the LUWP as a way that the West Midlands has shown local leadership in *founding Energy Capital to bring together business, utilities and academics to provide low cost, clean and efficient power.*

3.5 From our initial list, some of the asks have been addressed through other routes. Discussions with partners have also led to some new asks being considered and the remaining asks being prioritised following initial testing with BEIS and DLUC. The current list includes:

Problem	Solutions (Devolution Asks)	Key details	Outcomes
Stimulating the low carbon and smart energy sector The West Midlands has a burgeoning low carbon economy but this goes unrecognised as national attention seems devoted to energy generation rather than on energy reduction, distribution and storage.	WM FDI Subsidies & Incentives Fund with low carbon focus (cf WMGC proposal)	<ul style="list-style-type: none"> • TBC – WMGC 	Further stimulation of low carbon sector – especially future mobility, smart grid and storage.
	Network connections and flexibility fund	<ul style="list-style-type: none"> • Using Energy Capital to work with industry and network operators to implement innovative mechanisms to facilitate decarbonisation 	Expansion of clean manufacturing strengths and supply chain opportunities around 'zero carbon industrial hubs'
	Expansion of Repowering the Black Country Industrial Cluster	<ul style="list-style-type: none"> • Additional £6m to extend scope of RBC programme. • Co-commissioning of regional allocation of Net Zero Innovation Portfolio and Industrial Energy Transformation Fund (c.£100m total) 	Retention of skilled manufacturing jobs / job transition opportunities

<p>Decarbonisation of heat (retrofit) Current approaches to domestic retrofit are failing to stimulate market development and address fuel poverty and net zero ambitions.</p>	<p>Streamlining government retrofit funding through a Retrofit Commissioning Framework</p>	<ul style="list-style-type: none"> • C.£500m over next 5 years • Same model as that with DLUHC Single Commissioning Framework for housing funding • Already delivering piecemeal funds effectively • Working with local authorities, colleges & supply chain to build capacity and skills 	<p>More rapid deployment of government retrofit funding to tackle fuel poverty / energy bills</p> <p>Stimulation of regional supply chain and green skills opportunities</p> <p>Demonstrator model and centre of excellence for scaling-up retrofit delivering cost efficiencies and tech innovation</p>
	<p>Co-investing in WM Net Zero Neighbourhood Demonstrator Programme and WM Centre for Decarbonisation of Heat</p>	<ul style="list-style-type: none"> • First 3 neighbourhoods identified and £2.5m committed from WMCA • Revised NCDH proposal of £20m – targeting Levelling Up Fund • Private sector interest in both 	
<p>Local Area Energy Planning Energy infrastructure spending is not aligned with local economic priorities which is proving a significant barrier to business investment.</p>	<p>Giving WMCA a formal role in energy infrastructure investment as part of the Future Systems Operator model</p>	<ul style="list-style-type: none"> • Established shadow Net Zero Infrastructure Delivery Panel involving all key players including WPD, Cadent, National Grid and BEIS • Significant modelling carried out – Regional Energy Systems Operator Project (RESO) 	<p>Smart, resilient local energy systems reducing costs to business and consumers and encouraging business investment</p> <p>RESO modelling suggests this approach could generate a net present value of £720m over the next 30 years</p>
	<p>Giving WMCA responsibility and resource for driving forward Local Area Energy Planning</p>	<ul style="list-style-type: none"> • £5-7m to develop Local Area Energy Plans • Strong local authority buy-in and opportunities to link with statutory local planning processes • Significant experience with various SLES projects eg. Rugeley, Coventry, 	

3.6 In addition to this, the Environment Team is working across the different workstreams identified above to incorporate priorities around natural environment, adaptation, air quality and the circular economy where appropriate. This includes workstreams on:

- Housing, regen and planning
- Net zero
- Health
- Social capital and social economy

4. Proposed governance of the TDD

4.1 A proposed governance framework for the TDD will be considered by the Mayor and Portfolio Leads Group as part of its meeting on 25th February 2022. This will be presented to the PSR Board at its meeting if agreed.

4.2 The full extent of the timetable for TDD negotiations is not known at this stage, but WMCA plans to have a draft proposal by June 2022. However, as referenced in section three, there are several white papers and other pertinent documents that may have an impact on this.

5. Financial Implications

5.1 The process outlined above is intended to elucidate the resources required to level up the WMCA area. This will ensure that the WMCA and its partners do not face the risk of taking on new powers or responsibilities without the necessary resources.

6. Legal Implications

- 6.1 The process outlined above is intended to elucidate the legal implications of the TDD, but this paper does not create any new implications.

7. Equalities Implications

- 7.1 The spirit of the LUWP is one of inclusion and closing the gap, but the WMCA TDD proposal will have to be specific on how the benefits of new powers and investments will accrue to people with protected characteristics. Furthermore, this will need to be reflected in how the current 'state of play' for levelling up is baselined, monitored and evaluated.

8. Inclusive Growth Implications

- 8.1 The Inclusive Growth Framework – containing the eight fundamentals of inclusive growth - articulates the region's vision for what good looks like for levelling up. As such, this will have to be used to frame the baseline, monitoring and evaluation of any new activity, in a way which ensures local and regional leadership is recognised alongside national leadership.

9. Geographical Area of Report's Implications

- 9.1 The LUWP and TDD have the potential to accrue benefits to places across the WMCA area, and the governance outlined above is intended to shape the region's asks to this effect.

10. Other Implications

- 10.1 None.

12. Schedule of Background Papers

- 12.1 None.

13. Appendices

- 13.1 WMCA LUWP briefing note.

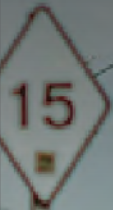
- 13.2 Levelling Up White Paper:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf

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Levelling Up White Paper: Full Briefing Note

8 February 2022



West Midlands
Combined Authority

Introduction

This briefing note has been developed by the WMCA's Policy Working Group to analyse the key announcements from the Levelling Up White Paper, published Wednesday 2 February. This note serves to breakdown the main elements of the White Paper announcements, extrapolating many of the implications for the West Midlands, with additional context and comment where appropriate. It does not attempt to be completely comprehensive.

1 System Change: A New Policy Regime for Levelling Up

The Levelling Up White Paper runs to 332 pages and is intended to tackle the stark geographical inequality in the UK. It is founded on the principle that to achieve this the programme will need to be “broad, deep and long-term”. It provides significant critique of the failures of past policies, summarising these failures as a lack of:

- longevity and policy sufficiency
- policy and delivery coordination
- local empowerment
- evidence, monitoring and evaluation.
- transparency and accountability

The White Paper attributes the lack of longevity and policy sufficiency to a failure to “provide the stability and predictability necessary to nurture long-term investment by the private sector and civil society”. This uncertainty also creates difficulties for programming by public sector bodies, who could not plan or budget for the long term. The White Paper recognises that the centralised nature of decision-making has hampered past efforts to level up, and says the Government “under-utilises local knowledge, fails to cultivate local leadership and has often meant anchor institutions in local government have lacked powers, capacity and capability.” It also provides significant critique of ‘standard economic theory’.

To address these issues, the White Paper sets out five mutually reinforcing pillars that provide the framework for future success.

- Firstly, the Government will set **medium term ambitious missions** to provide consistency and clarity over the levelling-up policy aims. (See below).
- Secondly, the decision-making in central government will be reoriented to align policies with the levelling up agenda and **hardwire spatial considerations across Whitehall**.
- Third, the UK Government will **empower decision-makers in local areas** by giving leaders and businesses the resources that they need.
- Fourthly, the UK Government will change its approach to **data and evaluation** to make local decision-making better. The Office for National Statistics’ Subnational Data Strategy aims to improve the UK’s subnational data, mapping local economic geographies and helping improve transparency to the public.
- Fifthly, the UK Government will create a **new regime to oversee its levelling missions** creating a duty to publish an annual report which will analyse progress, as well as a new Levelling Up Advisory Council.

The White Paper also highlights six ‘capitals’ that contribute to driving levelling up:

- physical capital
- human capital
- intangible capital
- financial capital
- social capital
- institutional capital

When these six factors come together places benefit from having highly skilled people, outstanding schools, good roads and public transport systems, and fast internet. In places whereby these factors don’t, the pride in local communities declines as well as the overall quality of life and living experience.

There is extensive analysis of these factors in the White Paper. At a very general level, the West Midlands could be identified as an ‘average’ performer in relation to other regions. However, the region has some notable weaknesses including:

- In terms of human capital: it has three LAs meeting three of the following criteria - the bottom quartile for level 3+ equivalent skills in the adult population, Gross Value Added (GVA) per hour worked, Median Gross Weekly Pay and healthy life expectancy.
- In terms of social capital: all 7 WM LAs, life satisfaction is in the bottom three quintiles, community need is in the highest two quintiles, and people’s satisfaction with their local area is the lowest of all regions at 74%.

The 12 Missions to Level Up the UK

The vision for Levelling Up is incorporated into 12 ‘Missions’, as below. These have been aligned with WMCA Aims and Objectives in Annex 3.

1. By 2030, **pay, employment and productivity** will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
2. By 2030, **domestic public investment in Research & Development** outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.

3. By 2030, **local public transport connectivity** across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
4. By 2030, the UK will have **nationwide gigabit-capable broadband** and 4G coverage, with 5G coverage for the majority of the population.
5. By 2030, the number of primary school children achieving the expected standard in **reading, writing and maths** will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
6. By 2030, the number of people successfully completing **high-quality skills training** will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
7. By 2030, the gap in **Healthy Life Expectancy (HLE)** between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
8. By 2030, **well-being** will have improved in every area of the UK, with the gap between top performing and other areas closing.
9. By 2030, pride in place, such as people's **satisfaction with their town centre and engagement in local culture and community**, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
10. By 2030, renters will have a **secure path to ownership** with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
11. By 2030, **homicide, serious violence, and neighbourhood** crime will have fallen, focused on the worst-affected areas.
12. By 2030, every part of England that wants one will have a **devolution deal** with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

2 Trailblazing Devolution Deal

The White Paper makes provision for a new framework to extend, deepen and simplify local devolution in England with opportunities for every part of England to have some form of Mayoral Combined Authority (MCA) if it wants one.

The West Midlands has been identified as an area that will be at the forefront of devolution and serve as a model for other MCAs, in line for a ‘trailblazer’ deepening devolution deal: “We will open negotiations on trailblazer deeper devolution deals with the West Midlands and Greater Manchester combined authorities. These deals will act as the blueprint for other mayoral combined authorities (MCAs) to follow, with bids for more powers welcome.”

Annex 1 provides an indication of the types of powers and functions that will be considered for each devolution level. These are not minimum offers. Some powers may only be available to certain authorities or geographies. There will also be scope to negotiate further powers, on a case-by-case basis, and an opportunity to adopt innovative local proposals to address specific challenges and opportunities – for example, the improvement of health and social care outcomes.

In addition to the core elements in the table, there may be scope to consider public sector boundaries on a case-by-case basis, when requested, to support devolution. Proposals to pool local authority functions, where it can improve services and increase efficiency, will also be supported.

The devolution framework therefore acts as a starting point, and details that advanced areas can explore ‘off-menu’ items. This is particularly important as it will allow us to continue to push our existing asks around additional skills powers like on careers and powers of trade and investment that are not listed in the framework. This framework is designed to be dynamic so that it can evolve and be informed by devolution deal discussions over the coming years. Many of the functions listed in the framework will allow local leaders to help shape partnerships with key public sector bodies including Great British Railways, Homes England and/or the Department for Work and Pensions.

Only a small number of WMCA’s ‘devolution asks’ (see Annex 2) have been addressed directly in the White Paper but the commitment above makes it clear that we can now enter into a process of negotiation on some of our key asks. The WMCA will identify a process by which regional stakeholders will be able to have a meaningful contribution to this process and it will maintain consistent communication with partners as this process develops.

3 Policy commitments and spending allocations

The White Paper sets out many policy commitments and spending allocations. Much of the spending was already announced as part of the Comprehensive Spending Review 2021 but the White Paper provides a little more detail to these. Similarly, there are many policy commitments which will require further details from relevant Government departments.

Some of the most relevant headline commitments are set out below:

UK Shared Prosperity Fund ['SPF']

- The White Paper commits to giving mayoral combined authorities control of SPF: “Institutions with already existing strong and accountable governance should be given full responsibility to plan and manage investment of the fund from the outset.” ‘Pre-launch guidance’ was published alongside the White Paper providing further details.
- Places will be allocated (and not compete for) an SPF envelope based on a formula taking account of need. Places will be asked in the spring to develop a local ‘Investment Plan’ to be submitted in the summer for Government sign-off.
- The purpose of the SPF is to deliver, by March 2025, visible, tangible improvements to the places where people work and live, giving communities up and down the UK more reasons to be proud of their area. The Investment Plans will cover the three elements of the SPF:
 1. Communities and place: including strengthening social fabric, green spaces and crime prevention.
 2. Local business: including support for new jobs, start-ups, retail/leisure/hospitality sectors and business collaboration and innovation.
 3. People and skills (local activity in 2024/5 only): including boosting core skills, helping adults progress in work, tackling economic inactivity and helping disadvantaged people in a way that complements mainstream support.

- SPF funding confirmed as:

FY	Total	Notes about coverage
2022/3	£0.4bn	No locally initiated activity on People and skills. National Multiply programme plus HMG will maintain flexibility to fund voluntary sector organisations delivering local people and skills provision, where this is at risk due to the tail off of EU funds
2023/4	£0.7bn	
2024/5	£1.4bn	
3yr period	£2.6bn (incl. £0.3 cap)	

- Delivery is expected to encompass procured activities, local competition and in-house delivery. Strategic lead authorities like MCAs will be able to top-slice for administration, assessment, monitoring and evaluation costs; and there could be further support to bolster the capability of institutions.
- Use of the SPF should seek to complement other funding programmes, such as larger-scale capital funds like the Levelling-Up Fund and Community Ownership Fund.

The suggested next steps are for lead authorities to start early conversations, especially with constituent authorities and other local partners, to ensure that the needs of places within the strategic geography can be effectively addressed. These conversations should take account of the Fund’s objectives and investment priorities, based on insight from local partners and stakeholders about needs and visible outcomes. Lead authorities are also able to collaborate with neighbouring areas if interventions – particularly on employment and skills – make it sensible to do so.

Innovation/Research and Development

- **SR21 committed to spending £20bn on public R&D support by 2024-25 as a step towards the economy-wide target to invest 2.4% of GDP in R&D by 2027.** This represents an increase of £5bn, with Government committed to increasing the share invested outside the Greater Southeast to at least 55% by 2024/25.
- **The Government will target £100m of investment in three new Innovation Accelerators.** Private-public-academic partnerships which will aim to replicate the Stanford-Silicon Valley and MIT-Greater Boston models. These will be piloted in Greater Manchester, the **West Midlands** and Glasgow City-Region.

The £100m is BEIS R&D capital money that will be administered by UKRI, who will have a decision-making role. The majority of funding will be spent in 2023/4 and 24/5.

Along with the potential funding, the intensive BEIS-led Accelerator development process offers a valuable opportunity to build relationships across Government to strengthen the West Midlands' broader innovation ecosystem, including potentially:

- Helping universities forge stronger links with UKRI and research councils, particularly where the region currently does less well.
- Supporting new and existing translational innovation facilities like the MTC, WMG, Tyseley Energy Park and National Brownfield Institute, Wolverhampton.
- Providing public support for stimulating demand-led business innovation and connecting innovation opportunities across sectors.
- Linking innovation strengths and needs to stronger internationalisation activity.
- Helping target business support to innovative firms or potential innovators by using HMRC data about R&D tax credits and Super deduction.

The White Paper says Accelerators will build on the R&D strengths of each area – it mentions the future of mobility and data-driven population health in the West Midlands. While it's useful to build on strengths, one of the reasons why the West Midlands was identified is because of our imbalance between private and public R&D spend (with much of the former focused on future of mobility). Therefore, there is an opportunity to diversify the region's publicly funded R&D base to crowd-in new private investment.

The private sector-led West Midlands Innovation Board will lead this process, advising, and accountable to, the Economic Growth Board. Its membership will be refined to cover specific private sector perspectives and reflect the region's diversity.

- **Smart City Region proposal included with commitment from Govt to necessary financial pump-priming:** “The programme will be managed through a special purpose vehicle (SPV) that will bring together the public sector, a range of private sector players – from start-ups to leading institutional investors – and the region’s leading research institutions, all under the leadership of the region’s metro mayor. The UK Government welcomes the innovative, partnership approach being taken by the West Midlands and will provide the necessary financial pump-priming support for the proposal as part of the deeper devolution deal process”.

This programme will be developed by partners across the region for discussion through the Deepening Devolution Process to draw together digital opportunities across:

- Scaling-up health tech, future mobility and smart energy programmes.
- Practical business support for digital start-ups (drawing on learning from 5PRING) and a supply of patient venture capital to attract global innovators.

Housing and Regeneration

- **Wolverhampton is named as one of the two first (of 20) transformational regeneration places in England** (the other being Sheffield). This will move forward ambitious plans developed by the council to reinvigorate the city centre, creating a more diverse housing offer and mix of land uses, and giving the city a new economic purpose by attracting new residents and businesses and builds on the £20m Levelling Up Fund investment in the City Learning Quarter.

The document notes that Homes England will be asked to work with the Council and West Midlands Combined Authority to promote transformational regeneration opportunities that not only benefit the City itself but also maximise benefits to the wider area including across the Wolverhampton to Walsall Corridor.

- **West Midlands to get new brownfield funding** (NB these figures don’t include the departmental underspend also expected). £28 million for WMCA from the £120m total for MCAs. In total £1.8bn Brownfield & Infrastructure Funding will be allocated “to regenerate underused land and deliver transport links and community facilities”.
- HMG Regeneration policy programme to focus on:
 - a) transformational projects;
 - b) high street rejuvenation; and
 - c) green spaces

WMCA Housing & Regeneration team are in ongoing discussions with senior officials at DLUHC to secure further funding from the £1.8bn fund – arising from the Commercial Land proposal in the Spending Review representation and targeting a broader impact on unlocking commercial, residential and mixed-use schemes and enabling infrastructure.

- The ‘80/20 rule’, which resulted in HMG housing funding being targeted towards London and the South East, will be scrapped, with much of the £1.8 billion brownfield funding instead being diverted to transforming brownfield sites in the North and Midlands.
- The government has also launched a £1.5 billion Levelling Up Home Building Fund providing loans to small and medium sized builders and developers to deliver 42,000 homes with the vast majority going outside London and the South East – helping to rebalance the economy and spread prosperity and opportunity more equally.
- Homes England is to play a wider role in regeneration by “supporting mayors and local authorities” to realise their ambitions for new affordable housing and regeneration in their areas.

“In England, the UK Government will refocus Homes England so that it uses its extensive statutory powers to partner with local leaders to unlock barriers and drive forward regeneration. Homes England will deliver a practical regeneration offer to places by:

- a) forming partnerships with local leaders and wider government to support places’ levelling up and regeneration ambitions;
- b) using its statutory powers, funding and expertise to support delivery of regeneration schemes, with a focus on unlocking barriers that are preventing the private sector from investing;
- c) working with relevant partners to enable the pooling of funding, including from local sources and from across government, to maximise the impact of specific schemes;
- d) tailoring opportunities to be attractive to institutional investors to crowd-in private sector investment to deliver on long-term change; and
- e) establishing the right delivery vehicle that will give both local leaders and their communities a voice, but also deliver surety of decision making for the long-term, to establish credibility and confidence in plans.”

The WMCA Housing & Regeneration team is working closely with regional Homes England colleagues and the national leadership team to develop stronger partnership working – collaborating to maximise investment in the region.

Skills, Education and Employment

- **55 Education Investment Areas**, where school outcomes are weakest, have been identified for investment, support and action over the next decade. In the West Midlands, this includes **Dudley (8th), Walsall (16th), Sandwell (18th) and Coventry (29th)**. Selection criteria for areas is based on sustained low attainment at key stage 2 and key stage 4 – See annex for further detail. Birmingham is ranked 54th but not included as an EI area.

While the WMCA welcomes the focus on underperforming areas, it is not yet clear what interventions and investment will be made in these areas – and the extent to which this will be imposed nationally. WMCA does not currently have a role on schools and does not anticipate doing so.

- **A national mission to ensure 90 per cent of children leaving primary school in England are reaching the expected standard in reading, writing, and maths by 2030**. In 2019, just 65 per cent of pupils met all three standards, with the proportion substantially varying across the country.

The focus on raising literacy and numeracy levels within the school system is welcome. However, concerns have been expressed across the sectors about whether the target will distort and narrow the curriculum. Mindful that inequalities are often baked-in before children reach primary school, a focus on early years support would be beneficial. Although the WMCA does not currently have, nor does it anticipate having, a role on schools, through adult skills funding it delivers English and maths training to adults who left their formal education with poor skills in these areas.

- **A new skills mission to support 200,000 more people to train each year by 2030**, including 80,000 more completing courses with the lowest skills levels. The target will be measured against pre-Covid (2018/19) 19+ further education and skills training achievement.

The WMCA welcomes a focus on increasing participation and achievement in adult skills. Achieving this target, however, would merely be a return to 2016 levels, reversing only a quarter of the fall since 2010. There is no new investment associated with this target, though engagement with DfE on further devolution of existing skills funding is ongoing.

- A new **Future Skills** Unit to look at the data and evidence of where skills gaps exist and in what industries.

The WMCA welcomes the creation of a Future Skills Unit to support a better understanding of skills needs. There is appetite to develop a strong relationship with the Unit, so that it supports better regional intelligence to underpin devolved policy and programmes.

- A **£560m National Youth Guarantee** providing access to regular clubs and activities, adventures away from home and volunteering opportunities by 2025.

The WMCA welcomes additional investment in activities for young people, and would want to ensure that this is connected into the WM network of Youth Hubs. The WMCA would also welcome further discussions about how a ‘youth guarantee’ could be extended to include access to skills and employment opportunities.

- **Walsall to get a Pathfinder:** “These will bring together local delivery partners from DWP and DfE, including Jobcentre Plus, careers services, local employers, education and training providers, and local government to respond to intelligence about local employers’ skills needs, supporting people into work and identifying progression opportunities for people in part-time work. These employment and skills Pathfinders will help individuals and employers take advantage of the extensive range of skills provision on offer”

The WMCA is excited about this opportunity to build on our already strong relationships with DWP to develop a coherent high quality employment offer, that can then be replicated across the region. In particular, we are keen to use this opportunity to co-develop/co-commission locally tailored provision that will support residents into work and support in-work progression.

Transport

- **New powers on the Key Route Network and taxis:** “The UK Government will also explore devolving more transport powers and responsibilities in England. In MCA areas, the UK Government will provide new powers of direction to increase mayors’ control over Key Route Networks. The UK Government will also explore transferring control of taxi and private hire vehicle licensing to both combined authorities and upper-tier authorities.”

The WMCA area responded to a technical DfT consultation on fully devolved road powers for Mayor’s in Summer 2021. The West Midlands response did not support this approach.

That consultation identified the possible advantages of the Mayor having full access to London style highway duties for the KRN. It was felt that those arrangements would undermine the progress made on collaborative delivery and management of the network over the last 5 years (RTCC etc) and the principles of the original Devolution Deal.

However, the constituent authorities and Transport for West Midlands (TfWM) did reach a regional consensus on exploring how a ‘power(s) of direction for the Mayor over the KRN’ could potentially help regional collaboration and improve cross boundary delivery of critical infrastructure projects (i.e. Sprint – BRT and Cross City Bus projects). This could also be aligned to an emerging WM LTP.

The WMCA currently has no role in taxi and private hire vehicle licensing and is not a licensing authority. This solely sits with the constituent authorities and whilst the issue has been raised in the past, to date there has been no desire to coordinate this at a WMCA geography.

Subject to the ambitions of our LAs, collaboration on taxis and PHVs could be explored on the standardisation of licencing conditions (i.e. vehicle ages, vehicle emission standards, shift zero emission vehicles, enhanced DBS checks) across the WMCA area. This consistency could be achieved without changes in powers.

- **Bus Service Operators Grant commitment:** “As set out in the National Bus Strategy, in line with previous devolution of bus funding to Transport for London and Transport for Greater Manchester, the UK Government will work to devolve the Bus Service Operators Grant, including once it has been reformed, to MCAs and other LTAs that request it. Devolving this funding further empowers LTAs to drive improvements in local bus services.”

The WMCA welcome this commitment. TfWM have already published an ambitious Bus Service Improvement Plan (BSIP) and regional Enhanced Partnership Plan, which these reforms would support. Reforming BSOG is essential in achieving our aims of a zero emission WM bus fleet by 2030 and wider #WM2041 targets.

- **Further support for Local Transport Plans:** “The UK Government will support all LTAs by publishing new guidance on Local Transport Plans, so that all LTAs can deliver updated plans by the end of this Parliament, with clear project pipelines and comprehensive strategies to improve local transport for people and reduce carbon emissions.”

The WMCA welcomes this updated guidance to LTPs; this helps to support the emerging West Midlands LTP and draft CRSTS programme. Setting defined carbon targets aligns to the ambitions of a draft new LTP Core Strategy. TfWM are beginning public engagement on the Core Strategy from the 7th February 2022.

- **Confirmed role for local leaders in GBR via partnership agreements:** “As set out in the Williams-Shapps Plan for Rail published last year, the UK Government will also use the newly created Great British Railways (GBR) to give local leaders greater say over how their local railways are run through new partnership agreements.”

WMCA fully supports this. TfWM, working through West Midlands Rail Executive, have already begun close engagement with GBR on how local leaders can specify and influence a future West Midlands Rail Franchise.

Health and Communities

- **Potential for more health duties for mayoral combined authorities:** “Opportunities will be explored for MCAs to take on a duty to improve the health of their residents, concurrent with the existing duty of their constituent upper-tier councils.”

The WMCA currently has no devolved statutory role in health and care. This solely sits with the constituent authorities and whilst the issue has been raised in the past, there is no indication from the system that a move towards any statutory responsibilities would be welcomed.

The WMCA did however publish the Health of the Region report in late 2020 to shift focus as a system towards addressing health inequalities. We have worked with the local health and care system to carve out a role in addressing health inequalities using the devolved powers of the WMCA which correlate with the wider determinants of health that drive inequalities.

There was broad regional consensus on this approach as well as sign off from the WMCA Wellbeing Board. There is willingness from the newly formed ICS's to consider a convening role around health inequalities.

It should be noted that the White Paper has left a lot of details on addressing inequalities to be answered through the forthcoming white paper on Health Disparities expected later this year. Any decisions we do take in regard to additional responsibilities in this space may well be impacted by this paper.

- The Government will consider a Community Wealth Fund, financial inclusion and other social investment as part of its consultation on £880m in Dormant Assets funding, and focus lottery cash to reach into the most deprived small areas of the country.

The WMCA identified the importance of a flourishing community and voluntary sector during the pandemic and its Community Recovery work recommended both a Radical Health Prevention Fund and a VCSF Resilience Fund. A Community Wealth Fund could also be targeted to support the region's Social Economy Growth Strategy.

Culture and Creative

- **The Government will launch an expansion of the Creative Scale Up Programme with more than £18m of new funding** to support high-growth businesses in regions outside London. More than £8m of funding will help support start-up businesses and young entrepreneurial talent in the video games sector through the Dundee-based UK Games Fund.
- The Government intends to publish a Creative Industries Sector Vision in 2022, and will collaborate with the devolved administrations to make this a UK-wide strategy to support the creative industries.
- **The White Paper commits to distribute 100% of the additional funding for Council England (ACE) agreed at SR21** to support culture and creativity outside London.
- **London-based organisations will be encouraged to establish a presence outside London.** ACE will identify a number of nationally significant as well as smaller NPOs that wish to establish a presence outside London and provide them with support to succeed. This will mean encouraging London-based organisations to establish new long-term offices, venues or partnerships outside London, and giving them practical and financial support to do so.

- **DCMS to identify over 100 levelling up priority places outside of London** that will be the focus for additional ACE engagement and investment. This will mean that places like Stoke-on Trent, Barnsley, Rochdale and Wigan are given the support they need to build on their rich cultural heritage – from the world-renowned ceramics of Stoke to Kirklees’ plan for a vibrant cultural centre in Huddersfield.

The WMCA welcomes the decision to distribute 100% of Arts Council Funding outside of London and indeed the identification of 100 levelling up priority places outside of London for additional investment. To be truly proportionate of population, a large number of other places in the West Midlands will need to be identified as part of the Priority Places List.

The West Midlands has a number of assets in the culture sector, including the world-renowned RSC. The commitment to increase the impact of London-based organisations is a worthwhile pursuit but may be to the detriment of our own regional assets.

Other funding mechanisms

As well as these specific policy and funding commitments, the White Paper also addresses some possibilities for wider reform of sub-national funding including:

- **New funding sources for Combined Authorities:** “Alongside the upcoming revaluation in April 2023, Government will explore with the Combined Authorities further flexibilities to enable them to raise their own funding through the business rates system to fund local priorities.”

It is worth noting that this refers only to the business rates supplement. WMCA previously perused this funding as a pillar of the Investment Programme but the Mayor and Leaders opted not to proceed to a ballot of effected businesses. The text in the White Paper suggests “MCAs will need to consider the impact on business” which implies the requirement for a ballot could be dropped from the existing legislation.

- **Streamlining funding.** “The Government will set out a plan for streamlining the funding landscape this year which will include a commitment to help local stakeholders navigate funding opportunities.”

The WMCA strongly welcomes this reform, in line with previous representations made to HM Treasury around fiscal devolution. This, alongside the devolved approach to UKSPF distribution, is certainly a step in the right direction.

- **Local Government Pension Scheme to increase local investment.** Infrastructure investment by the LGPS has grown from under £1bn in 2016 to £21bn in 2021. To build on this established capacity and expertise, and ensure that all LGPS funds play their full part, the Government is asking LGPS funds, working with the LGPS asset pools, to publish plans for increasing local investment, including setting an ambition of up to 5% of assets invested in projects which support local areas. The new UK Infrastructure Bank, will explore opportunities alongside LGPS.
- **Financial Resilience of Local Authority Partners:** The paper references a commitment to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources. Over the coming months, the UK Government will work closely with the sector and other stakeholders to update the needs assessments and look at the challenges and opportunities facing the local government sector before consulting on any potential changes. As part of this, the UK Government will look at options to support local authorities through transitional protection.

This is welcomed by WMCA who have consistently lobbied Government in various CSR submissions to address this matter.

- **Levelling Up Fund:** The Levelling Up White Paper includes no further, specific details on the LUF other than to reference it as a £4.8bn national fund which stretches beyond 2024/25 and that, as a cross-departmental fund, it is illustrative in demonstrating how the complexity of the funding landscape can be addressed.

WMCA submitted a bid for £50m during LUF phase one which was not successful, and it is understood WMCA can continue to re-apply for up to £50m (for Transport only) until it is successful in obtaining LUF funding.

4 Changes to Institutions and Systems

The White Paper identifies a number of opportunities for changes in regional institutions and systems to drive effective delivery of the Levelling Up agenda. These include:

- **The Government is encouraging the integration of LEPs with MCAs:** “Government is encouraging the integration of LEPs and their business boards into MCAs, the GLA and County Deals, where these exist. Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy. Where devolution deals cover part of a LEP, this will be looked at on a case by case basis. Further detail on this transition will be provided in writing to LEPs as soon as possible.”
- **PCC functions and Fire Governance to be “folded in under MCA where geography permits”:** “The UK Government will look to have all Combined Authority Mayors lead on public safety, taking on the PCC role, where boundaries align.... Where there are existing or planned Mayoral Combined Authorities with coterminous boundaries to PCC’s and Fire and Rescue Authorities the UK Government will look to transfer these functions to the Mayor.”

The White Paper suggests this will strengthen the Mayor’s role on public safety, public health and resilience. The White Paper suggests the possibility of a consultation process and removing local barriers to enabling the transfer of powers.

The three main implications (beyond the transfer or establishment of office structures) will be:

- the need for the Mayor to have a Police and Crime plan clarifying if this is a Mayoral document or a WMCA approved plan;
- the determination of where corporation sole lies following the transfer (i.e., with the Mayor, the head of paid service, or the WMCA Chief Executive);
- and establishing the level of innovation this model can bring to governance and accountability.

- **Changes to MCA geography possible:** “We will likewise recast the geography of MCAs, where necessary, to ensure there is greater economic coherence.”
- **Levelling Up Directors to be appointed:** “The UK Government is pursuing a new approach to places through Levelling Up Directors, forming a key bridge between local actors and central government; and act as champions for their places.”
- **Levelling Up Advisory Council to advise Government.** The Council will be charged with providing independent expert advice on matters relating to the design and delivery of levelling up. Its analysis will be commissioned and published, at the discretion of the Levelling Up Cabinet Committee, chaired by the Secretary of State for Levelling Up, working with other ministers.

The WMCA is looking forward to further details of these proposed changes.

5 Data and Transparency

The White Paper also places significant emphasis on the importance of data in order to enhance public accountability for those with responsibility for delivering the Levelling Up agenda.

- **Government Statistical Service’s Subnational Data Strategy:** This strategy was published in December 2021 and provides a framework for producing and disseminating more timely, granular and harmonised subnational statistics. To reach this objective, it has four aims:
 1. Produce more timely, granular and harmonised subnational statistics, particularly for small area geographies. This will provide users with the flexibility they need to select geographical options according to their needs, including user-defined areas.
 2. Build capability and capacity by improving the way data, methods and expertise is shared across government, devolved administrations and private sector organisations.
 3. Improve the dissemination of subnational statistics so that local decision makers and residents can access data-led evidence.
 4. Creation of the **Explore Subnational Statistics** service on the Office for National Statistics, which is a tool for local users and decision makers to extract insight from a wide range of local authority level data on economic and social outcomes. This should in turn create more transparency and accountability.
- **Spatial Data Unit:** To complement the Government Statistical Service’s Subnational Data Strategy, the Department for Levelling Up, Housing and Community will establish a new Spatial Data Unit to drive forward the data transformation required in central government. It will also support the delivery of levelling up by transforming the way the UK Government gathers, stores and manipulates subnational data so that it underpins transparent and open policy making, and delivery decisions.

“The UK Government intends to base the headquarters of the new body outside of London, and will co-design this proposal with local government to ensure that it reflects and supports local ambitions.”
- **Investment in Spatial Modelling Techniques:** The Government recognises that most local government functions do not have in-house spatial modelling capability. The Government is therefore investing in spatial modelling techniques to help local government in their planning. This will be supported by a small team of modellers and hopes to avoid replication of modelling effort and expense in multiple local jurisdictions.

- **Transparency:** Well defined policy goals and mechanisms for evaluations are essential for credible policy regimes. Therefore, the Government will introduce a statutory obligation to report annually on progress to meeting the Levelling Up Missions. This will draw on the metrics set out in the Whitepaper to monitor progress against reducing regional disparities. This report will be published annually and subject to external and parliamentary scrutiny. As referenced above, a Levelling Up Advisory Council will be established to bring a diverse, independent and expert group of voices into the policy making process.

The WMCA welcomes the renewed emphasis on data and transparency and looks forward to working with government to co-design the various arrangements and services to ensure they complement existing strengths and local approaches.

6 Notable mentions

The West Midlands appears several times throughout the White Paper, which highlights a number of success stories from the region – some of which are listed here:

- **Devolution - Adult Education Budget:** The WMCA was mentioned in relation to benefits of devolution which is complemented by strong leadership and accountability. The White Paper also references the WMCA's devolved responsibility in managing the Adult Education Budget, which allows it to “invest in the skills provision that reflect local needs”. Some of the examples include the skills needed to retrofit buildings, undertake electric vehicle maintenance and one of the areas to pilot new digital bootcamps.
- **Devolution - Energy Capital:** The Energy Capital project, created and led by the WMCA was highlighted in relation to the benefits of devolution as it brought together businesses, utilities and academics to provide low cost, clean and efficient power.
- **Coventry High Street Heritage Action Zone:** The Coventry High Street Heritage Action Zone was referenced as a demonstrator project for the Heritage Action Zone (HAZ) Scheme. The project received over £2m in funding, enabling the transformation of The Burges and Hales Street area of the city centre. This was an excellent example of cross-organisation partnership as it was led on the ground by Historic Coventry Trust, with support from the Coventry Business Improvement District and Coventry City Council. The project attracted new businesses to the area, including Draper's Hall, which was previously abandoned, and now reborn as a concert and events venue.
- **Sprint:** The West Midlands was mentioned regarding transport connectivity boosting productivity through bringing people and businesses closer together. Here, the “Sprint” project, a new bus rapid transit system which is a cross between a bus and a tram, was referenced as it aims to connect Birmingham Airport with Solihull and Walsall with Birmingham City Centre. This is being led by Andy Street, Mayor of the West Midlands.
- **Coventry Very Light Rail System:** Coventry was noted for developing a brand-new railway system (Very Light Rail System) for Coventry City, starting with a demonstrator route between Coventry Rail Station to Pool Meadow Bus Station.
- **Coventry City – all electric bus city:** Coventry City was awarded £50m to become the first all-electric bus city, with almost 300 new zero emission buses to be delivered over the coming years.

- **Transport-led regeneration:** In relation to transport-led regeneration, the Curzon Street Station project in Birmingham City Centre which will eventually house HS2 project was used as an example of unlocking land around public transport sites. The HS2 Growth Strategy anticipates 43,600 gross, and 19,600 net, additional jobs, along with 2,200 new homes and £1.6bn per annum in net additional GVA around the Curzon Street area.
- **Public-Private Partnerships:** The WMCA was referenced as an example of public sector-led partnerships with the private sector to realise the ambition of the West Midlands to become a “Smart City”. The West Midlands Smart City Region Programme will Scale-Up Digital opportunities across the region using a special purpose vehicle (SPV) that brings together the public sector, the private sector (including start-ups and leading institutional investors) as well as the region’s pioneering research institutions, under the leadership of the WMCA Mayor, Andy Street.
- **West Midlands 5G:** The West Midlands 5G programme was highlighted as success story as one of the 5G Testbed and Trail areas, in relation to digital connectivity. The Government provided £21m over three years, alongside support from local government and private sector organisations, such as Mobile Network Operators, to create the West Midlands 5G programme. This resulted in the roll out of 5G in the West Midlands being accelerated by over 6 months, meaning that the West Midlands is among the best-connected places for 5G in the UK. Alongside this, WM5G has delivered several firsts, including a 5G road sensor network, 5G connected ambulances and capsule endoscopy trials.
- **Institute of Technology:** The Black Country and Marches Institute of Technology in Dudley was used as a case study in reference to the policy of strengthening institutions. It outlined how the Black Country and Marches Institute of Technology delivered high level technical training in areas such as manufacturing, construction and medical engineering in order to meet the needs of the local employers and learners. The Department for Education will be investing £17m in new facilities and equipment for this institute of technology. The courses were co-designed with local such as Avensys, Fulcro Engineering, Thomas Dudley Ltd and the Dudley Group NHS Foundation Trust.
- **Commonwealth Games:** The Commonwealth Games was highlighted as a case study of good practice in public sector procurement. It has embedded social value in its business and supply chain to measure the difference the Games can make to Birmingham, the West Midlands and its people. This includes the benefits and changes for local people around jobs, sustainability, health and well-being, inclusivity and human rights.

Annexes

Annex 1

Devolution Framework

Level 3 – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

Level 2 – A single institution or County Council without a DEM, across a FEA or whole county area

Level 1 – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align^			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

Annex 2

Summary of our regional asks (based on September 2021 paper agreed by Mayor & Leaders)

Category	Ask	Situation following LUWP
Building Human Capital	Endow MCAs with single devolved funding pot aligning the Adult Education Budget with the National Skills Fund and the 'people' element of UKSPF	UKSPF secured for MCAs. No explicit devo commitment on NSF – will have to be part of negotiations
	Devolve services provided by the Careers and Enterprise Company and National Careers Service to MCAs	No explicit commitment here - will have to be part of negotiations
	Give MCAs co-commissioning responsibilities for technical and vocational training for 16-18 year olds, including T Levels	No explicit devo commitment here - will have to be part of negotiations
	Give MCAs co-commissioning responsibilities for employment support programmes such as Restart	MCAs to be able to get “role in designing and delivering future contracted employment programmes” – exact scope TBD in negotiations. Walsall to get employment and skills pathfinder
Supporting Growth and Enterprise	Ensure that the multi-billion increase in R&D spending guaranteed at the last Budget is targeted outside the golden-triangle, including by directly devolving appropriate R&D budgets to MCAs (such as UKRI's Strength in Places fund)	R&D mission commits to substantial rebalancing by 2030 of where R&D budget goes
	Invest in strategic assets that enable translational innovation linked to regional cluster growth opportunities	WM to be one of three innovation accelerators. To also get support for Smart City Region proposal
	Close the gap between the South East and the West Midlands in SME investment by providing funding to support a WM SME Investment Fund	No explicit devo commitment here (CSR commitments around more money for BBB etc rehearsed) – will have to be part of negotiation
	Devolve DCMS funding relating to urban connectivity and trials and testbeds to MCAs	Smart City Region Proposal may cover this (not clear which funds it will draw from)
	Ensure a strong role for MCAs in the specification, selection, and management of rail contracts as Great British Railways is rolled out	Secured
	Ensure that MCAs have maximum freedom of manoeuvre to manage contracts with bus operators (within the context of agreed enhanced partnership of franchising models), in particular by giving MCAs any further Covid recovery bus funding and the ability to agree how this should be disbursed with operators	Commitment to BSOG devolution noted but Recovery Funding not mentioned explicitly

Category	Ask	Situation following LUWP
Supporting Growth and Enterprise (Cont...)	Devolve further investment promotion powers to the region	No explicit devo commitment here - will have to be part of negotiations (NB OfI establishing regional presence and other activities driven from centre will not substitute for devo here)
	Resource regions to enhance their ability to handle all relevant trade investment and promotion responsibilities, and so that they can create strategic subsidy and incentive funds to compete for high value investment	No explicit devo commitment here - will have to be part of negotiations (NB OfI establishing regional presence and other activities driven from centre will not substitute for devo here)
Net Zero	Provide MCAs with a clear role in delivering regional energy infrastructure investment alongside the Future Systems Operator	No explicit devo commitment here - will have to be part of negotiations
	Give MCAs responsibility and resourcing for Local Area Energy Planning through a Net Zero Infrastructure Delivery Board	No explicit devo commitment here - will have to be part of negotiations
	Expand the powers and scope of regional Energy Innovation Zones	No explicit devo commitment here - will have to be part of negotiations
	Devolve further portions of existing retrofit funds in BEIS through a regional Retrofit Commissioning Framework	No explicit devo commitment here - will have to be part of negotiations
	Devolve portions of existing EV infrastructure funds to MCAs (such as OZEV's LEVI and Project Rapid funds) to deploy critical infrastructure such as rapid-charging spines	No explicit devo commitment here - will have to be part of negotiations

NB. These proposals were submitted for a proposed devolution deal. Whilst some will have been directly address by the White Paper, the majority will form part of the Deepening Devolution Deal negotiations.

Annex 3

Leveling Up White Paper 12 missions – and alignment with WMCA Aims & Objectives

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging		
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each region containing a globally competitive city, and the gap between the top performing and other areas closing.	<p>Create optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed. [1.2]</p> <p>Ensure public and private investment opportunities create good work opportunities for local people and more contracts for local businesses. [1.5]</p>
Research & Development (R&D)	By 2030, domestic public investment in R&D outside the Greater South East will increase by at least one third over the Spending Review period and at least 40 percent by 2030, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.	<p>Drive growth by developing regional strategies and plans focussed on priority clusters, boosting innovation, and securing investment. [1.1]</p> <p>Support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners. [2.3]</p> <p>Be national pioneers in advanced methods of construction, zero carbon housing... [4.2]</p> <p>Convene partners to drive industrial decarbonisation and grow the low carbon and circular economy. [4.3]</p> <p>Pioneer and embed transport innovations and behaviour change to reduce emissions, improve air quality and create green jobs. [4.4]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing	<p>Deliver and operate a safe, accessible, affordable, reliable and sustainable transport system together with our partners. [3.1]</p> <p>Build and develop transport infrastructure that is sustainable, active, low congestion and integrated with key projects like HS2. [3.2]</p> <p>Work with partners to attract investment in and deliver programmes to support net zero development and infrastructure. [4.1]</p> <p>Pioneer and embed transport innovations and behaviour change to reduce emissions, improve air quality and create green jobs. [4.4]</p>
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.	<p>Create optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed. [1.2]</p> <p>Work with partners to identify and address the different barriers faced by our diverse communities [2.2]</p> <p>Work with partners to attract investment in and deliver programmes to support net zero development and infrastructure. [4.1]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Spread opportunities and improve public services, especially in those places where they are weakest		
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.	<p>Work with partners to identify and address the different barriers faced by our diverse communities [2.2]</p> <p>Work with partners to understand their priorities, convene around shared opportunities, and deliver together. [5.1]</p>
Skills	By 2030, the number of people successfully completing high quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.	<p>Create optimum conditions for businesses to grow, by ensuring they have the support needed to start up, scale up and succeed. [1.2]</p> <p>Invest in training and skills programmes that help businesses grow and our citizens secure good jobs. [1.3]</p> <p>Work with partners to give our communities access to training and employment support to secure and succeed in new opportunities. [2.1]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.	<p>Work with partners to identify and address the different barriers faced by our diverse communities. [2.2]</p> <p>Support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners. [2.3]</p> <p>Work with partners to understand their priorities, convene around shared opportunities, and deliver together. [5.1]</p>
Wellbeing	By 2030, measures of wellbeing will have improved in every area of the UK, with the gap between top performing and other areas closing.	<p>Work with partners to identify and address the different barriers faced by our diverse communities. [2.2]</p> <p>Support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners. [2.3]</p> <p>Work with partners to understand their priorities, convene around shared opportunities, and deliver together. [5.1]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Restore a sense of community, local pride and belonging, especially in those places where they have been lost		
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.	<p>Work with local authorities to support the role of culture and sport in making the region a good place to live, work, visit and invest. [1.4]</p> <p>Work with partners to identify and address the different barriers faced by our diverse communities. [2.2]</p> <p>Deliver and operate a safe, accessible, affordable, reliable and sustainable transport system together with our partners. [3.1]</p> <p>Build and develop transport infrastructure that is sustainable, active, low congestion and integrated with key projects like HS2. [3.2]</p> <p>Invest in and support housing and regeneration schemes, working closely with private sector and local authorities to unlock to unlock and accelerate sustainable delivery. [3.3]</p> <p>Support and deliver co-ordinated investment packages with our partners across key corridors and local, town, and city centres. [3.4]</p> <p>Pioneer and embed transport innovations and behaviour change to reduce emissions, improve air quality and create green jobs. [4.4]</p> <p>Work with partners to increase investment in nature and our surroundings. [4.5]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas	Invest in and support housing and regeneration schemes, working closely with private sector and local authorities to unlock to unlock and accelerate sustainable delivery. [3.3]
Crime	By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.	<p>Work with partners to identify and address the different barriers faced by our diverse communities. [2.2]</p> <p>Support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners. [2.3]</p> <p>Deliver and operate a safe, accessible, affordable, reliable and sustainable transport system together with our partners. [3.1]</p> <p>Work with partners to understand their priorities, convene around shared opportunities, and deliver together. [5.1]</p>

12 Levelling Up Missions		WMCA Aims & Objectives
Focus Area	Mission	Aligned Objectives
	Empower local leaders and communities, especially in those places lacking local agency	
Local leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution with a simplified, long-term funding settlement	<p>Work with partners to understand their priorities, convene around shared opportunities, and deliver together. [5.1]</p> <p>We will work with central government to gain new powers and resources for the region, including double devolution. [5.2]</p>

- Effectively WMCA Objective 5.2 – We will work with central government to gain new powers and resources for the region, including double devolution – aligns with all 12 Missions and underpins the Levelling Up White Paper’s identified ‘deeper devolution deal’ opportunity.



West Midlands
Combined Authority

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Environment and Energy Board

Date	9 th March 2022
Report title	SMART Hub Update
Portfolio Lead	Councillor Ian Courts - Environment, Energy & HS2
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Director of Public Service Reform email: ed.cox@wmca.org.uk Cheryl Hiles, Director Energy Capital email: Cheryl.hiles@wmca.org.uk

Recommendation(s) for action or decision:

- To note the work of the SMART Hub in supporting retrofit across the WMCA area.

1. Purpose

This paper is to update on progress on the Energy Capital team's SMART Hub (Sustainable Market for Affordable Retrofit Technologies) programme, which focuses on home retrofit.

2. Background

- Homes account for around 28% of carbon emissions in the WMCA area. To meet the aims of making the West Midlands net zero by 2041, the vast majority of the region's 1.2 million homes will all require some degree of retrofit to reduce energy demand for heat, power and cooking and install low carbon heating systems. Based on a 40 hour working week, this means that to meet the 2041 target and interim targets set out in the Five Year Plan, one home every two minutes will need to become net zero. In June 2021 Investment Fund approval was secured for the SMART Hub programme for an initial period of two years with the aim of creating a core capacity in the region to unlock funding and support the development of a sustainable retrofit market. At the same time, funding was secured for the £2m Net Zero Neighbourhoods demonstrator.

- 2.2 The aim of the SMART Hub programme is to build capacity across local authorities and other partner organisations in the West Midlands region and to lay the foundations for longer term growth in the market for home retrofit.
- 2.3 To establish the SMART Hub and Net Zero Neighbourhoods programmes, the Energy Capital team has recruited three officers:
- SMART Hub Lead (George Simms)
 - Net Zero Neighbourhoods Programme Manager (Becky Lane)
 - Affordable Warmth Delivery Manager (joining April 2022)
- 2.4 The activities of the SMART Hub can be grouped into three headings:
- Capacity building: leading and coordinating bids with Local Authority (LA) and Registered Provider (RP) partners to make sure the region gets the most out of the available funding; Helping partner organisations acquire the knowledge and experience needed to deliver high-quality retrofit; taking opportunities to represent the region's retrofit needs to government
 - Demonstrator projects: developing and delivering demonstrators in partnership with LAs/RPs, for example the Net Zero Neighbourhoods programme; ensuring that demonstrator projects provide high quality outcomes for households; gathering useful learning to inform the direction of subsequent activity
 - Market development support: engaging supply chain and finance providers to understand opportunities and needs; understanding housing stock and customer needs; gathering learning and market intelligence and undertaking data analysis to identify key opportunities and issues; identifying and supporting the necessary innovation to remove market barriers to long-term customer demand and supply chain growth

The current activities under each of these headings are set out in more detail below.

Capacity building update

- 2.5 To date, the SMART Hub has helped to secure £26.6m funding for retrofit activity across the region, through the BEIS funded Sustainable Warmth Competition and Social Housing Decarbonisation fund, and is also providing technical advice and expertise to help partners develop and deliver retrofit projects
- 2.6 Sustainable Warmth Competition: WMCA worked with local authorities across the region and the Midlands Energy Hub to submit a successful consortium bid for this competition, which includes two funding streams – Local Authority Delivery Phase 3, which covers retrofit funding for low-income homes with poor energy performance that are connected to the gas network and the Home Upgrade Grant, which covers retrofit funding for low-income homes with poor energy performance that are not connected to the gas network. The business case for this project has gone through

the Single Assurance Framework and has been formally approved by the Statutory Officers. The allocation of funding within the region is as per the table below:

Local authority	LAD3 (£)	HUG (£)	SWC total (£)
Birmingham	6,935,500	2,013,000	8,948,500
Solihull	352,000	913,000	1,265,000
Sandwell		137,500	137,500
Dudley	55,000	220,000	275,000
Walsall	319,000	1,298,000	1,617,000
Wolverhampton	456,500	1,364,000	1,820,500
Coventry	275,000	1,908,500	2,183,500
WMCA	2,860,000		2,860,000
TOTAL	11,253,000	7,854,000	19,107,000

- 2.7 LAD 2 technical support: The Midlands Energy Hub is currently funding the SMART Hub team to provide technical support and advice to local authorities delivering phase 2 of BEIS' Local Authority Delivery programme
- 2.8 Social Housing Decarbonisation Fund: WMCA led a consortium of seven Registered Provider (RP) partners to bid successfully for £7.5m funding for retrofit measures in 622 social housing units across the region. Each partner is also providing match funding, making the total size of the project £14.7m, as per the table below. This funding will also cover the costs of consortium management and support from the SMART Hub team. The business case for this bid is currently being assessed through the Single Assurance Framework and will formally go to WMCA Board in March for approval.

Partner name	SHDF grant (£)	RP match funding (£)	Total costs (£)
Sandwell MBC	3,073,895	1,517,888	4,591,783
Wrekin Housing Group	464,480	232,240	696,720
Orbit	854,981	2,511,955	3,366,936
Midland Heart	2,060,262	2,411,646	4,471,908
Community Housing Group	299,211	149,605	448,816
Wolverhampton Homes	139,500	69,750	209,250
Solihull MBC	619,019	309,510	928,529
Total	7,511,348	7,202,594	14,713,942*

* Does not include £399k non-recoverable VAT costs incurred by Midland Heart

- 2.9 Net Zero Neighbourhoods programme: SMART Hub has been working with the seven constituent member authorities to support them in developing expressions of

interest to host the first Net Zero Neighbourhood demonstrator. We are currently in the process of awarding grants of £50k to each local authority for them to develop a more detailed plan. We anticipate awarding £1.65m funding to the first Net Zero Neighbourhood in April 2022, but expect that the development plans will provide a pipeline of investable projects to form the basis for subsequent phases of the programme. The plans will:

- identify the decarbonisation pathway for the neighbourhood
- identify all investment opportunities
- match the investment opportunities to current funding opportunities and develop partnerships with private sector partners
- identify the first phase for the Net Zero Neighbourhood project

Demonstrator projects update

- 2.10 Sustainable Warmth Competition: Following engagement with local authority partners, we have identified two areas to invest WMCA's £2.86m share of SWC funding; Foleshill in Coventry and Elmdon in Solihull. These fit the criteria for the SWC funding and will also help us to demonstrate the place-based principle of the Net Zero Neighbourhood programme.
- 2.11 We are now mobilising for delivery of the funding, which will be used to support 300 owner-occupied low-income homes, through the installation of a range of retrofit measures including: solid and cavity wall insulation, loft insulation, floor insulation, draught proofing, windows and doors, solar PV and ventilation. The works are due to be completed by the end of March 2023.
- 2.12 Procurement and legal teams have been engaged and a grant funding letter with Midlands Energy Hub has been signed, which will release the first 10% of funding. Midlands Energy Hub. Midlands Energy Hub have procured customer support partners on behalf of every local authority in the region, to help process applications to the scheme and provide additional energy advice and support to householders. The customer support partner for Coventry and Solihull is Act on Energy, and we are working with them and the respective councils to develop a plan to engage households in the two areas.
- 2.13 Social Housing Decarbonisation Fund: As consortium lead, we are currently mobilising partners to initiate this project. WMCA will manage the consortium, ensuring that deadlines and reporting requirements are met and providing technical advice and expertise. To help with this, we are in the process of recruiting a retrofit consortium manager and Retrofit Coordinator who will support our partners to undertake the works to which they have committed.
- 2.14 The project will see retrofit work undertaken in 622 homes across the region, with a focus on reducing energy demand to a level of 90 kWh/m²/year. This will be achieved

through a range of measures, but external wall insulation (EWI) and improved ventilation are likely to be the most common measures installed. The project will cover a range of measures and housing types, which should enable us to gather a large amount of learning and best practice to inform how future projects are undertaken. The works to the homes must be completed by the end of March 2023. However, it should be noted that there are some potential issues relating to this deadline; retrofit assessment and design work will need to be undertaken on each home, and in many cases these services will need to be procured, in addition to a contractor(s) to undertake the work. This means that work may not commence until summer 2023, but external works are dependent to a large extent on good weather.

2.15 A Business Justification Case setting out how the project will be delivered is being prepared, and legal support has been engaged. The grant Memorandum of Understanding with BEIS has been signed, and a consortium agreement with our partners is currently being prepared.

Market development support update

2.16 Housing stock assessment: the SMART Hub team has identified a preferred delivery partner to undertake analysis of the region's housing stock, which will build a shared evidence base to support funding applications across the region and develop realistic pathways to net zero. We will be working with West Midlands local authorities to help steer this work and make it as useful as possible. As well as helping identify opportunities for future funding bids, the project will build up a picture of likely supply chain needs and help to inform development of future demonstrator projects by revealing specific opportunities (e.g. likely readiness for heat pump installation). The work, which is likely to be complete by mid-May 2022, will:

- Analyse the energy performance of every single home in the West Midlands (constituent member authorities only) using a broad range of datasets. This will also consider healthcare and fuel poverty data to build up a picture of vulnerability.
- Assess the likely best pathways to reach net zero for each home in the region, setting out required measures and costs.
- Create a database that can be accessed by local authority partners, providing detail on the above.

2.17 Programme plan: we are currently exploring other opportunities to help accelerate retrofit market development in the region, including engaging with private sector partners. In addition to public sector funding (e.g. SHDF and SWC), we are aiming to develop opportunities to engage owner-occupied households, improve skills and business support provision and develop customer offers that can help expand market activity rapidly. These opportunities will be informed by the stock assessment work and engagement with public and private sector partners and will be set out in a medium-term programme plan. This plan will set out planned activities and funding

requirements under each of the three headings set out above, and how these will contribute to meeting targets set out in the 5-year plan and WM2041 strategy. We aim to complete a first draft of the plan by summer 2022.

3. Financial Implications

- 3.1 There are no immediate financial asks within this paper, as the purpose is to provide an update on the SMART Hub programme.
- 3.2 The projects outlined above do not require WMCA funding, as they are either fully grant funded (Sustainable Warmth Competition) or are match funded by consortium partners (Social Housing Decarbonisation Fund).

4. Legal Implications

There are no legal implications as a result of this paper.

5. Equalities Implications (*)

The work that undertaken through the SMART Hub programme is central to the addressing the challenges related to climate change. However, we have been clear from the outset that WM2041 must also have significant social and economic benefits for the region. Home energy consumption is an area where there are currently clear inequalities due to the variable quality of housing stock and where the effects of fuel poverty amplify health and welfare issues. These inequalities will increase due to current energy price rises. For the last 50 or more years, natural gas has provided the majority of the UK's home heating demands, relatively cheaply. The transition to net zero will involve significant costs, which have the potential to increase existing inequalities unless careful consideration is given to allocation of the costs of upgrades and the running costs of new technologies. The work that we will be taking forward will look to address this, using the market intelligence and data available to us.

6. Inclusive Growth Implications

This report links to a number of the WMCA's eight inclusive growth priorities, which are identified as 'a catalyst for improved and sustained outcomes for people place, co-designed with partners and beneficiaries'. Improving the energy performance of homes will support outcomes around:

- reduction of health inequalities by making homes warmer, more comfortable and better ventilated
- addressing climate change and climate resilience by reducing emissions and ensuring that retrofits deal with overheating risks and improve ventilation
- increasing job opportunities by supporting growth of the retrofit supply chain

- equality (reducing the numbers of people living in deprivation, which includes lifting people out of fuel poverty).

7. Geographical Area

The SMART Hub programme covers all constituent local authorities of the West Midlands Combined Authority and delivery will also involve non-constituent members, for example through the SHDF project.

8. Other Implications

None.

9. Schedule of Background Papers

None

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