



Overview & Scrutiny Committee

Date: Monday 29 January 2024

Time: 10.00 am **Public meeting** Yes

Venue: Room 116, 16 Summer Lane, Birmingham, B19 3SD

Membership

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar (Vice-Chair)	Coventry City Council
Councillor Philip Bateman MBE	City of Wolverhampton Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Nigel Lumby	Shropshire Non-Constituent Local Authorities
Councillor Ewan Mackey	Birmingham City Council
Councillor Emma Marshall	Worcestershire Non-Constituent Local Authorities
Councillor Paul Moore	Sandwell Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Jamie Tennant	Birmingham City Council
Amanda Tomlinson	Business Representative
Councillor Adrian Warwick	Warwickshire County Council
Councillor Vera Waters	Walsall Metropolitan Borough Council

Quorum for this meeting shall be 7 members.

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

Contact Janna Simpson, Governance Services Officer
Telephone 07769 301598
Email janna.simpson@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages
Items of Public Business			
1.	Apologies for Absence	Chair	None
2.	Declarations of Interests 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.	Chair's Remarks	Chair	None
4.	Minutes - 6 November and 14 December 2023	Chair	1 - 10
5.	Matters Arising	Chair	None
6.	Mayoral Question Time: Policy - Response to Observations Presented to the WMCA Board on 17 November 2023	Chair	11 - 14
7.	Homes for the Future: Final Consideration	Leo Pollak	15 - 120
8.	West Midlands State of the Region 2023/24	Si Chun Lam	121 - 166
9.	Employment and Skills Strategy for Deeper Devolution	Clare Hatton / Dr Fiona Aldridge	167 - 200
10.	Q3 Performance Reporting Against the Annual Business Plan	Jaspal Seehra	201 - 208
11.	Scrutiny Protocol	Dan Essex	209 - 226
12.	Grant Register	Kate Taylor	227 - 232
13.	Work Programme a) Overview & Scrutiny Work Programme b) WMCA Forward Plan	Lyndsey Roberts	233 - 244
Date of Next Meeting			
14.	Monday 4 March 2024 at 10:00am	Chair	None



West Midlands Combined Authority

Overview & Scrutiny Committee

Monday 6 November 2023 at 10.00 am

Minutes

Present

Councillor Cathy Bayton (Chair)
Councillor Naeem Akhtar (Vice-Chair)
Councillor Philip Bateman MBE
Councillor Andrew Burrow
Councillor Ian Kettle
Councillor Nigel Lumby

Councillor Ewan Mackey
Amanda Tomlinson
Councillor Adrian Warwick
Councillor Vera Waters

Association of Black Country Authorities
Coventry City Council
City of Wolverhampton Council
Solihull Metropolitan Borough Council
Dudley Metropolitan Borough Council
Shropshire Non-Constituent Local
Authorities
Birmingham City Council
Business Representative
Warwickshire County Council
Walsall Metropolitan Borough Council

In Attendance

Dan Essex
Lyndsey Roberts
Laura Shoaf
Kate Taylor

Governance & Scrutiny Manager
Statutory Scrutiny Officer
Chief Executive
Head of Finance Business Partnering
and Strategic Planning

Item Title No.

161 Inquorate Meeting

This meeting was inquorate for minute nos. 168 - 171 and therefore those decisions would be submitted to the WMCA Board on 17 November 2023 for approval.

162. Apologies for Absence

Apologies for absence were received from Councillor Emma Marshall (Redditch) and Councillor Paul Moore (Sandwell).

163. Chair's Remarks

(a) Letter received from the Police and Crime Commissioner

The Chair referred to a letter received from the Police and Crime Commissioner regarding the Mayoral Q&A session that was held on 19 October. He had requested an opportunity to attend a future meeting of Overview & Scrutiny Committee to discuss the amalgamation of the Police and Crime Commissioner's role into that of the Mayor. As the minutes of the Mayoral Q&A session would be presented to the next meeting of the WMCA Board, it was noted that an invitation would not be extended to the Police and Crime Commissioner to attend a future meeting.

(b) Levelling Up & Regeneration Bill

The Levelling Up & Regeneration Bill had now received Royal Assent and therefore constituent members would now be remunerated at the end of November, which would be backdated to June.

(c) Homes for the Future: Draft Strategy

The Chair explained that she had made the decision to remove the Homes for the Future Draft Strategy report from the agenda, as it was still being finalised with discussions continuing between internal departments and therefore would not have been shared with members in sufficient time to undertake effective scrutiny. The Chief Executive commented that papers need to be acceptable for public consumption and that the information needed to be verified before being released. The Chair acknowledged that there was awareness of this issue and that the process should be sought to be improved.

164. Minutes - 4 September and 19 October 2023

The minutes of the meetings held on 4 September and 19 October 2023, be agreed as a correct record.

165. Matters Arising

(a) English Devolution Accountability Framework – Scrutiny Protocol Progress Update (minute no. 148 refers)

The Governance & Scrutiny Manager explained that Government's scrutiny protocol was expected to be published as part of the Government's Autumn Statement on 22 November 2023, and would be presented for the committee for review following its publication.

(b) Wolverhampton Metro Extension (minute no. 147(b) refers)

In regard to passenger tram services to Wolverhampton railway station, Councillor Philip Bateman indicated that he had not been kept apprised on potential opening dates prior to this information being released in the media. The Chief Executive agreed to look into this matter further and would liaise with Councillor Philip Bateman directly.

166. WMCA Homelessness Taskforce: Update and Key Priorities

The Chair of the Homelessness Taskforce and the Senior Programme Manager presented a report on the current work programme and priorities of the WMCA Homelessness Taskforce.

The Homelessness Taskforce was working to reframe how homelessness was viewed, emphasising the concept of "ultimate exclusion." They shared statistics around the current homelessness picture and updated the committee on how they were working across sectors and regions to address the issue.

Gratitude was expressed to the team and the efforts of the taskforce to eradicate homelessness were commended. The homelessness taskforce raised one of their proposals to raise the local housing allowance (LHA) to reduce the use of temporary accommodation and the long-term economic benefits of increasing this, eliminating the right to purchase social housing, and expanding the availability of affordable homes were discussed.

The committee explored collaboration with the private sector, the difficulties of assisting people experiencing homelessness and concerns about rent-to-buy programs. In addition, the importance of breaking down silos was emphasised as members highlighted the issue of families facing disadvantages due to the limited availability of exempt accommodation.

Suggestions around investigating more effective resource allocation were explored as plans at Walsall to acquire vacant properties were shared. The financial strain on local authority homeless services was raised as the need for a collective effort and problem-solving was emphasised. In response to a question from the chair the Homelessness Taskforce representatives confirmed that collaborative efforts are underway with other regions, but the picture was similar across the country.

Resolved:

- (1) That the homelessness being experienced by vulnerable citizens across the WMCA region is actively inhibiting our ability to create a more prosperous, fairer and inclusive region for all, and that the Homelessness Taskforce has been one of the means by which the WMCA and its partners have collaborated to address this, be noted.

- (2) The Overview & Scrutiny Committee considered how the WMCA, and its partners could align efforts to accelerate progress towards the joint aim of designing out homelessness in all its manifestations, including by continuing to embed homelessness prevention into the mainstream strategies, processes, and programmes of the WMCA through cross-directorate activity and endorse the Taskforce's adoption of a broader focus on all forms of homelessness.
- (3) The Homelessness Taskforce's identified priorities for 2023/24 and beyond, including specific actions to commission a suitably experienced and qualified organisation to help investigate and articulate an evidenced based economic case; and note that the committee to considered how government could be lobbied to improve the current Local Housing Allowance (LHA) model, be endorsed.

167. WMCA Air Quality Framework and Implementation Plan

The Head of Environment and the Air Quality Framework Programme Lead presented the WMCA Air Quality Framework. It was report that the Air Quality Framework and Implementation Plan would be going to WMCA Board on 10 November 2023.

The Air Quality Framework Programme Lead shared the methodology and process of developing the framework including consultation. The Head of Environment updated the committee on the implementation plan and shared how the framework would align with strategic objectives and WMCA Governance before closing with funding wins and other activity to date including funding successes and survey results.

The committee discussed concerns about the potential health risks associated with log burners and the need for stricter regulations. The success of Walsall in requiring a full assessment of the impact of log burners within permitted regulations was highlighted and raising public awareness of the dangers of log burners was also emphasised. Various strategies to improve public awareness of air quality issues, including road signs, air quality alarms for homes, and incorporating air quality information into weather forecasts were suggested.

The group discussed the environmental mitigations and their consideration within the air quality framework. The Environment Lead confirmed that a local nature recovery strategy and an appendix to the framework was being developed by WSP.

It was confirmed that the Air Quality Framework and Implementation Plan would include the Overview & Scrutiny Committee within its governance structure.

Resolved:

- (1) The draft Air Quality Framework Implementation Plan for approval at the November 2023 WMCA Board be endorsed.

- (2) This paper be endorsed for presentation to the WMCA Board in November 2023.
- (3) The recommendation, made by the Transport Delivery Overview and Scrutiny Committee: Air Quality, Congestion and Environmental Impact Members Engagement Group to identify a stretch target for more ambitious air quality limits in the WMCA area than currently set out through the Environment Act 2021, be noted and supported.

168. Levelling Up Zones, Investment Zone, and Place-based Strategies

The Partnership and Strategic Engagement Lead and the Head of Policy and Public Affairs presented a paper to the committee on Levelling Up Zones, Investment Zone, and Place based Strategies. They shared that the work had been undertaken by local authority officers in conjunction with the WMCA around levelling up zones and the west midlands investment zone.

The aim of the Levelling Up Zones would be to focus the efforts of local, regional and central government to align diverse policy, funding and fiscal measures to support outcomes bespoke for each area. The government has also launched an Investment Zone Policy Prospectus, which aim to drive economic growth in 8 combined authority areas in England. The single settlement would be for transport, skills, housing and regeneration, net zero and local growth projects. They concluded and shared that the WMCA was working with local authorities to develop a new approach to place-based investment.

The committee discussed the retaining of business rate incentives for businesses located in the identified growth zones and the potential benefits and challenges of such a policy. It was noted that the scheme would be based on the principle of “fairness”. The committee concluded by recommending that the paper be noted. Officers agreed to continue to monitor the situation and to work with the government to develop a scheme that was fair and effective.

Recommended:

It be recommended that the WMCA Board note the development of Levelling Up Zones and Investment Zone propositions and the opportunity available through the single settlement to develop ‘place-based strategies’.

169. Grant Register

The Head of Finance Business Partnering and Strategic Planning presented the Grant Register. The committee received an update on new grants that had been awarded to the WMCA since the last report. In response to a question from the chair, the Head of Finance Business Partnering and Strategic Planning, confirmed that the biodiversity fund was allocated into regional spend.

Recommended:

The Grant Register be noted.

170. Work Programme

The Work Programme was presented by the WMCA Scrutiny Officer.

Recommended:

The Work Programme be noted.

171. Date of Next Meeting

The next meeting would be held Thursday 14 December at 2:00pm. It would be a Mayoral Q&A on the Proposed Draft Budget 2024/25. In preparation for the Q&A a workshop would be held on Friday 1 December at 10:00am, which would be held in a hybrid format, and attendance was encouraged.

The meeting ended at 12.00 pm.

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West Midlands Combined Authority

Joint Overview & Scrutiny Committee

Thursday 14 December 2023 at 2.00 pm

Minutes

Present

Councillor Cathy Bayton (Chair)	Association of Black Country Authorities
Councillor Naeem Akhtar	Coventry City Council
Councillor Pervez Akhtar	Coventry City Council
Councillor Robert Alden	Birmingham City Council
Councillor Philip Bateman MBE	City of Wolverhampton Council
Councillor Andrew Burrow	Solihull Metropolitan Borough Council
Councillor Amo Hussain	Walsall Metropolitan Borough Council
Councillor Timothy Huxtable	Birmingham City Council
Councillor Ian Kettle	Dudley Metropolitan Borough Council
Councillor Narinder Kaur Kooner OBE	Birmingham City Council
Councillor Ewan Mackey	Birmingham City Council
Councillor Martin McCarthy	Solihull Metropolitan Borough Council
Councillor Miranda Perks	Birmingham City Council
Councillor Josh O'Nyons	Solihull Metropolitan Borough Council
Councillor Lauren Rainbow	Birmingham City Council
Councillor Gurmeet Singh Sohal	Walsall Metropolitan Borough Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Alan Taylor	Dudley Metropolitan Borough Council
Amanda Tomlinson	Business Representative
Councillor Adrian Warwick	Warwickshire County Council

In Attendance

Dan Essex	Governance & Scrutiny Manager
Councillor Barbara McGarrity (joined by MS Teams)	City of Wolverhampton Council
Linda Horne	Executive Director of Finance and Business Hub
Councillor Emma Marshall (joined by MS Teams)	Worcestershire Non-Constituent Local Authorities
Lyndsey Roberts	Statutory Scrutiny Officer
Laura Shoaf	Chief Executive
Councillor Bob Sleigh	Portfolio Lead for Finance
Andy Street	Mayor of the West Midlands

Item No. Title

- 1. Inquorate Meeting**
This meeting was inquorate and therefore any decisions taken at the meeting would be submitted to the WMCA Board on 12 January 2024.
- 2. Welcome and Introductions**

The Chair welcomed the Mayor, Deputy Mayor and members of the committee.

3. Apologies for Absence

Apologies were received from Councillor Carol Hyatt (Wolverhampton), Councillor Mary Locke (Birmingham), Councillor Nigel Lumby (Shropshire), Councillor John McNicholas (Coventry), Councillor Saddak Miah (Birmingham), Councillor Paul Moore (Sandwell), Councillor Jamie Tennant (Birmingham), Councillor Ian Ward (Birmingham) and Councillor Vera Waters (Walsall).

4. Questions to the Mayor and the Portfolio Lead for Finance from Members of the Committee

The Chair initiated the question-and-answer session by asking whether the decision not to set a precept during the entire existence of the WMCA had impacted the stability of the budget. The Mayor confirmed that no precept had been set thus far, and that it had not been the view of the WMCA Board to date that a mayoral precept should have been set. However, he did consider that in the next mayoral term this issue would need to be revisited, given the Government's view as to further fiscal devolution to the region when it considered the WMCA was not making use of revenue raising powers it already had.

The committee explored questions regarding Network North funding and the acknowledgement of the need for subsidy for public transport in urban areas, an increase in the transport levy and support for this across the local authorities to sustain the current offer to residents and financial pressures experienced by local authorities. In addition, the Mayor explained the WMCA's position with regards to Birmingham City Council's highways PFI deal.

The committee sought assurances regarding the financial risk register and risk assurance underpinning the proposed budget. The Mayor explained that the WMCA Board received regular budget monitoring reports and also considered risk mitigation measures. Further topics discussed included the impact of concessionary fare cuts on members of the public who did not have access to a car, and business resilience support contained within the Government's Autumn Statement. Efforts to enhance this support, including the development of a shared pot, were discussed, along with initiatives to simplify access for businesses.

Questions were asked about funding for active travel, the capital budget's effect on the Midlands Rail Hub, and challenges related to transport investment. The Mayor highlighted successful efforts in securing Government funding, investments in clean transport, and plans for a bus franchising assessment in July 2024. Concerns about concessionary fares, bus reliability and accessibility issues were also discussed.

The discussion concluded with insights into the impact of business rates retention, lessons learned from the WMCA's funding approach, and reflections on the cycle hire scheme's financial viability and

sustainability.Resolved:

The draft WMCA 2024/25 budget be noted.

The meeting ended at 4.00pm.

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Cllr Cathy Bayton
Chair of WMCA Overview & Scrutiny Committee

Sent via email

15 January 2024

Dear Madam Chair,

Thank you again for another fair and inquisitive scrutiny policy session on October 19 2023. I think I've said before how important I regard the scrutiny function in holding me and the work of the CA to account, so thank you for your diligent chairing in ensuring that happens effectively.

Following the session, and the subsequent WMCA Board on November 17, there were a number of outstanding issues that you have asked me to address ahead of your meeting this month. I will take them in turn as follows:

Economic Impact of HS2 (Cancellation of Birmingham - Manchester leg)

Following the recent cancellation of HS2 North the Prime Minister announced Network North, which sees the reallocation of £36bn of transport funding into both the North and Midlands. This funding will bring forward a number of regional schemes across both areas providing improvement for regional and locally important connectivity to continue to support economic growth, and in particular £9.6billion allocated to the Midlands.

As part of this funding is £1.75bn to deliver Midlands Rail Hub in full, improving journey times, capacity, and frequency of services, alongside more than £1bn of additional funding allocated to the West Midlands Combined Authority.

The announcement also included funding uplifts for Major Road Network/Large Local Majors (MRN/LLM) schemes already in the CRSTS programme, which have not yet reached Final Business Case stage. A £250 million uplift was announced for the WMCA. An 'MRN2' programme was also announced with £650 million earmarked for the Midlands. Guidance will be issued by DfT on eligibility and process for MRN2 in the spring of 2024. Existing MRN schemes will be informed of the process for the uplift in due course.

In regards to Midlands Rail Hub, the West Midlands Rail Executive will be taking a greater role in MRH governance on behalf of the WMCA. Midlands Rail Hub comprises three key elements: MRH West, Central and East.

An Outline Business Case (OBC) for MRH West / Central, which provides the rail network capacity into central Birmingham for additional services to Bristol / Cardiff, plus a Kings Norton bay platform for Camp Hill services, has been approved by DfT. A second MRH West phase will be required for an additional train to Worcester / Hereford but is dependent on the currently unfunded re-signalling of the Worcester area.

Work on the OBC for MRH East (to Leicester) is still underway, but this will now need to be revised to additionally include infrastructure enhancements between Birmingham and Derby/Nottingham following the cancellation of HS2 East. This will provide improved local and regional capacity by rail and will offset some of the lost benefits from HS2.

With these changes it is important to understand the economic impacts of the removed schemes and those that have been added. To better understand the changes that this will have on economic performance, the WMCA has commissioned a review. This will need to consider how this funding is to be reinvested on new schemes that are regionally and locally significant to deliver against the WMCA's economic, social, and environmental outcomes contained within its agreed policy framework.



The economic impact of the cancellation of the northern leg of HS2 is currently being considered as part of private sector work, which I commissioned alongside Andy Burnham, with contribution from both WMCA and Greater Manchester Combined Authority ahead of planned publication in the spring/summer of 2024. This work is primarily looking at how rail links between Birmingham and Manchester can be improved in light of the HS2 decision, but is also considering economic factors. As this is a large, complex piece of work it is difficult to be able to give an exact date of when the findings will be available, due to the need to collate information from a variety of sources, and to map this against impacts that may/may not be experienced but as soon as more information is available, we would be happy to share with members.

To truly understand the economic impact, this private sector work will be supplemented by a WMCA-commissioned piece of work to look at the specific impacts that will be felt within our region and how these will affect our regional economy. This will hopefully be available in March/April of 2024, and again we will be happy to share with members once complete.

As the elements of Network North develop, TfWM will work with Governance Services to build progress updates into the Transport Delivery & Overview & Scrutiny Committee future work programme.

Energy Creation

The WMCA recognises the need to explore options to unlock barriers to local energy generation. With this in mind, we are working with partners on a number of initiatives, including Midlands Net Zero Hub who are completing a non-domestic solar mapping project. We are also talking with solar developers who are looking at grid-scale solar farms to service increasing industrial electricity demand as our industrial sector looks to decarbonise.

The WMCA is working closely with our local Electricity Distribution Network Operator, National Grid Electricity Distribution, on a nationally-leading project to ensure that we have the underlying network that would support the roll out of renewables at the pace needed to hit our decarbonisation targets (specifically through project PRIDE but also through wider engagement on a range of initiatives). And finally we are building energy generation technologies into our Net Zero Neighbourhood models in order to ensure local co-benefits of a whole systems approach to decarbonisation.

Media Engagement

The WMCA recognises the key importance of communicating and engaging with members, stakeholders, Government and the residents of the region on our work and its impact.

In terms of engagement with Councilors, this responsibility sits within the WMCA's governance team. Recently they introduced a new role of Member Relationship Manager to improve engagement with elected members across the region. By the end of 2023, all 470 Councilors from the region's constituent councils received a survey asking them to set out their thoughts on engagement with the CA to date, and what they would like to see moving forward. This piece of work will shape our engagement activity for 2024. However, we have already started to strengthen relationships by attending the Scrutiny Meetings for all seven constituent councils. To date, visits have happened at Walsall, Wolverhampton and Sandwell, with visits now secured for Coventry, Dudley and Solihull. We are still seeking a date with Birmingham.

The WMCA communications team is then responsible for engagement with residents. They do this through events, media, social media, marketing opportunities and community engagements events. Key project milestones and successes are highlighted with press releases and associated social media is produced alongside it. Events are held to engage or collaborate with stakeholders, or where projects are being delivered or proposed that could have an impact on residents or businesses. Over 2023, the WMCA issued 293 press releases across all portfolio areas and held more than 150 events, attended by more than 8,000 people from across the WMCA region.



Marketing campaigns highlight opportunities for engagement or where a change of behaviour is required, such as during transport incidents. Since July 2023, when the team was formed, they have run 44 campaigns across the region, including the nBus campaign which reached at least 2.5million people across the West Midlands. The engagement team was also formed in July 2023 and have since held or attended around 50 different face-to-face events. Currently engagement events are held around new projects on the ground, but the remit of the team is being expanded to also engage residents on policy development. For example, WM Futures is a policy that will be shaped through public engagement.

Finally, the public affairs team is responsible for engagement with the region’s Members of Parliament (MPs), as elected representatives of communities. Some WMCA to MP communications take place on an ad-hoc basis, notifying parliamentarians of developments that may impact their constituents, as was the case during the suspension of the Metro service. Other communications are more proactive in nature, as we work to keep MPs informed of WMCA activity, establish connections with their respective offices and ensure there is always an opportunity to feedback or ask questions. For instance, throughout the negotiations for the recent devolution deal, MPs were updated on both policy development and negotiation progress by way of a weekly direct email. Ad-hoc briefing sessions are arranged on particularly pertinent issues, as was the case for UKSPF in July 2022 and the Deeper Devolution Deal negotiations in January 2023. This past year we have also worked with the APPG for the West Midlands and the APPG for Levelling Up Birmingham. The WMCA Chief Executive also writes to MPs in the WMCA area every year, ahead of party conference, offering the opportunity to meet in-person either at conference or in constituencies, which many have accepted.

Going forward, the WMCA Public Affairs team will be issuing newsletters to MPs on a monthly basis, giving a snapshot of regional and national news that have relevance to the region.

Labour Market Overview Information

WMCA produces a monthly labour market and research briefing called ‘WISE’. This will be shared with the Committee going forward to provide ongoing updates.

Housing – New Builds and levels of energy standards to be supported by WMCA funding

Residential schemes that are built with WMCA HPR funding after our ‘Homes for the Future’ proposals are officially brought in will be subject to this standard. The specifications of this standard are outlined in the ‘WMCA Homes for the Future Technical Standard’ document accompanying this letter. In short there are three standards, with the first coming in this year, then 2025, then 2030.

In terms of how our Homes for the Future proposals are applied and when, this is currently being consulted on. The proposals are as follows:

Stage of development	Pre-March 31st 2025	Post-March 31st 2025
On site	Current statutory standards apply	If planning permission secured before January 2024, 2023 (Statutory Plus) standards apply
Post-planning and procurement	Current statutory standards apply	Preference to meet most or all WMCA 2025 standards
Pre-application	Expectation to meet WMCA’s 2023 (Statutory plus) standard, and most or all WMCA 2025 FH standards	Expectation to meet most or all WMCA standards
Expression of Interest stage	Expectation to meet most or all WMCA standards	Expectation to meet most or all WMCA FH standards



Effectively, we are proposing that existing projects that have March 2025 or earlier deadlines will be subject to current national statutory standards rather than our new proposed standards – and anything after that will be subject to our new WMCA standards.

As always if any further clarification is required then please come back to me, otherwise I wish you the best for your meeting on the 29th and look forward to appearing in front of you again in October – depending on the results in May!

With very best wishes,

A handwritten signature in black ink that reads "Andy Street".

Andy



Overview & Scrutiny Committee

Date	29 January 2024
Report title	Homes for the Future: Final Consideration
Portfolio Lead	Housing & Land - Councillor Ian Courts
Accountable Employees	<p>John Godfrey, Interim Executive Director of Housing, Property & Regeneration, West Midlands Combined Authority Email: John.Godfrey@wmca.org.uk</p> <p>Leo Pollak, Head of Policy West Midlands Combined Authority Email: Leo.Pollak@wmca.org.uk</p> <p>Mia Higgins, Programme Support Officer, West Midlands Combined Authority Email: Mia.Higgins@wmca.org.uk</p>
Report has been considered by	<p>March, September, November and December 2022; and May, June, September & December 2023 - Housing & Land Delivery Steering Group</p> <p>April, October and November 2022; and January, June & October 2023 - Housing & Land Delivery Board</p>

Recommendation(s) for action or decision:

Overview & Scrutiny Committee is asked to:

- 1) Note progress with the work to date to develop the Homes for the Future programme for the West Midlands, and wide-ranging input from the Future Homes Taskforce and local authority partners across the region, among other relevant stakeholders;
- 2) Discuss and comment on the final draft of the Homes for the Future strategy (attached as Annex 1);
- 3) Discuss the feedback provided from the Homes for the Future event.
- 4) Endorse the official release of WMCA's Homes for the Future proposals

- 5) Consider the release of HMG's Future Homes Standard consultation
- 6) Note the progress, discuss and comment on the work to date on the Homes for the Future Comms Strategy and Implementation Plan
- 7) Consider WMCA's response to HMG's 'The Future Homes and Buildings Standards: 2023 Consultation; Approved Document L - Conservation of fuel and power and minimisation of greenhouse gas emissions Volume 2: Buildings other than dwellings' which considers the standard in relation to non-domestic dwellings.

1.0 Purpose

1.1 The purpose of this report is to:

- summarise the work that has been undertaken under the leadership of the Housing and Land Board on Homes for the Future;
- set out a wider range of references and estimate for cost impacts over different timeframes;
- invite any final comments on the content of the strategy document; and
- summarise the work to date on the Homes for the Future Implementation Plan and Comms Strategy, including the launch event.

2.0 Background

2.1 **In April 2022, the Housing & Land Delivery Board agreed a programme of work to develop a 'Homes for the Future Strategy' in 2022/23.** The scope being to produce a coherent strategy to accelerate the development of the Future Homes Cluster in the Plan for Growth, secure delivery and investment in Advanced Manufacturing in Construction (AMC); zero carbon homes (ZCH); get the region ready for the roll-out of changes to Building Regulations (Part L) set out in the Government's emerging Future Homes Standard; and consequential reduced occupier costs in the new homes.

2.2 **WMCA's Homes for the Future builds on the work already pioneered to date around AMC and ZCH** under the Housing & Land Delivery Board.

This new integrated strategy is a **cross-cutting document** that is directly linked to a range of regional policies and programmes:

- unlocking the potential of the '*Manufacture of Future Housing*' economic cluster in the West Midlands Plan for Growth (launched July 2022);
- the West Midlands brownfield housing and regeneration programme (launched in the 2018 Housing Deal)
- WM2041
- Investment and Levelling Up Zones (March 2023 Devolution Deal)
- The Affordable Housing Programme (March 2023 Devolution Deal)
- The Public Land Programme (March 2023 Devolution Deal)
- the investment opportunity in future homes set out in the West Midlands Investment Prospectus (launched May 2023); and
- the high-level deliverables of the Housing & Land Portfolio agreed by WMCA Board in February 2023.

- 2.3 Housing & Land Delivery Board has previously been updated on the process to develop Homes for the Future including the appointment of Cast Consultancy; the establishment of a Future Homes Taskforce with membership drawn from across the construction and residential development industry; the launch of research projects to create an evidence base to underpin the new strategy; and the detail of a Technical Standard appropriate for the West Midlands.
- 2.4 **This work has been brought together in the form of a Homes for the Future strategy document – a final draft of which can be found under Appendix 1.** In addition, a report on the potential cost implication of complying with the standard can be found under Appendix 2 with the alterations requested previously by Delivering Steering Group.
- 2.5 Homes for the Future has been developed with the oversight of the Future Homes Taskforce. The Taskforce last met on 9th October 2023 where members expressed strong support for the programme of work and stressed the importance of showcasing industry support and early wins through landing a successful comms strategy and continuing work post-publication in the form of a wide-reaching Implementation Plan.
- 2.6 Homes for the Future will take steps to go further and faster than the national Future Homes Standard in order to prepare industry for the introduction of the national standard and anticipated future shifts within the construction industry, as well as supporting the WMCA's environmental commitments and addressing the climate crisis.

3.0 Cost implications

- 3.1 At the request of Delivery Steering Group and Housing & Land Delivery Board, Cast Consultancy were commissioned to research the potential cost implications of the proposed Technical Standard which is embedded in Homes for the Future. Their draft report is attached as Annex 2 for discussion and comment.
- 3.2 Cast has undertaken a review of the potential cost impact of the emerging Homes for the Future Technical Standard for mid-terrace and flat typologies. Their methodology includes a number of assumptions, many of which are susceptible to change over time, particularly as the industry adopts, and adapts to, new standards:
- Their baseline of each typology is based on a 'typical' approach. The modelling then considers the potential evolution of the construction costs based on proposed standards for 2023 (Statutory Plus), 2025 and 2030 including considering the likely methodology that would be adopted to meet the standard (based on current-day costs).
 - They also consider the changes that would be required to achieve the forthcoming Future Homes Standard 2025, which central Government has recently consulted on. They have sought to distinguish between the costs that would be incurred in achieving the WMCA standard and those that developers will need to prepare for regardless of the WMCA strategy, specifically national government's Future Homes Standard 2025.
 - The approach described in the technical report to meeting the WMCA standard is based on a hypothetical scenario in which industry and supply chains respond to new requirements with a potential model that follows a similar cost curve to other newly adopted building components. As such, it must be understood that industry will choose its own means of meeting the targets laid out in the WMCA Technical

Standard. It includes assumptions around changing to a timber panelised approach for the mid terrace property, potential foundation savings for lighter structures, and an allowance for changes to mechanical, electrical and plumbing (MEP) solutions.

- A series of assumptions around the likely cost impact of the technical standards are considered. There are clearly a variety of different approaches that could be adopted; therefore, a cost range has been included to accommodate the variation between different schemes in terms of site, context, scale etc.
- The cost assessment is presented on a £/sq ft basis. For the flat typology this has been derived from taking a typical 8 storey flat block as a baseline to assist in establishing the impact on the % cost impact of the proposed standard.

3.3 The findings of the research are set out in the Cast consultancy technical standard cost appraisal report and may be summarised as:

- Construction labour shortfalls are very likely to increase the baseline cost of construction whereas the WMCA approach which incentivises a shift to different construction approaches, using MMC, a different workforce model and less site labour reliance will be less affected by this trend.
- It is highly likely that the supply chain will adjust and become more efficient. By moving ahead of regulation, WMCA will stimulate the market to evolve sooner.
- It is highly likely that regulation will continue to get stronger and will mirror the approach WMCA is taking now by introducing embodied carbon reduction targets
- WMCA would also signal change sooner to the supply chain, giving regional suppliers an early mover advantage in preparing for future national change.
- The collection of data around embodied carbon that is required under all levels of the standard will prove valuable additions to an emerging data set that will better enable WMCA to understand and evaluate future potential cost differentials, as well as additional environmental benefits.
- Under WMCA's 2023 (Statutory Plus) standard, an expected additional cost of between £2,000 per development for smaller schemes up to 30 units and as high as £10,000 per development for larger schemes for collecting Whole Life Carbon data . This standard will allow developers time to transition, as well as simultaneously improving and expanding the aforementioned data set in relation to embodied carbon.

3.4 Further recent sector-wide studies include the Ready for Zero Report by Arcadis for the Future Homes Hub, Ready for Zero Report, which details cost uplifts associated with building in line with increased standards. The introduction of HMG's Future Homes Standard (referred to Ref 2025) predicts a 5% cost increase in relation to current standards which include HMG's 2021 uplifts (referred to as Ref 2021). At this stage, an additional uplift to WMCA's Homes for the Future Standard 2025 level (referred to as CS3) would result in a 15% for cost uplift. Following the introduction of HMG's Future Homes Standard (Ref 2025), the expected increase to adhere to CS3 is a 9% increase. The relevant data in the report can be found on pages 32-34.

3.5 At the request of Delivery Steering Group, an additional section, exploring the cost to detached properties, has been added to the report. This builds upon the cost analysis of flats and terraced houses.

3.6 Additionally, various real-world examples can provide clarity around costs:

- i. A scheme being funded by WMCA in conjunction with a local contractor and housing association, indicated a 4.4% increase in real post-tender costs as of July 2023 for the MMC homes on the site in comparison with those that were built with traditional construction methods.
- ii. A large build to rent development in the region has recently been procured and entered in contract. From the outset, design specifications for the scheme aligned to Cat 1 MMC and 70% PMV with WMCA-equivalent build methods. This design approach and competition among suppliers to develop the scheme resulted in it being procured at a cost that was lower than the traditional build estimate for the same scheme.
- iii. Cast benchmarking for a development in Bristol, converting a low-rise housing masterplan to achieve a net zero goal which broadly aligns with WMCA's 2025 target, resulting in a 9% increase (for SIPs, 50% PMV) to a 15% increase (for volumetric modular, 70% PMV) compared to the baseline.

3.7 It is recommended for the WMCA Future Homes Standard to be introduced transitionally allowing time for supply chains to respond and any cost impacts minimised, albeit at shorter timeframes than the transition proposed for the national Future Homes Standard. This will mean that schemes being delivered through the existing pipeline and supported through funds that run to end of March 2025 will be subject to current statutory standards, with strong preference given for scheme proposals that meet most or all of the emerging WMCA standard.

Table 1: Transitioning towards the WMCA Future Homes Standard Stage of development

Stage of development	Pre-March 31st 2025	Post-March 31st 2025
On site	Current statutory standards apply	If planning permission secured before January 2024, 2023 (Statutory Plus) standards apply
Post-planning and procurement	Current statutory standards apply	Preference to meet most or all WMCA 2025 standards
Pre-application	Expectation to meet WMCA's 2023 (Statutory plus) standard, and most or all WMCA 2025 FH standards	Expectation to meet most or all WMCA standards
Expression of Interest stage	Expectation to meet most or all WMCA standards	Expectation to meet most or all WMCA FH standards

3.8 Furthermore, WMCA has considered the challenges presented by the market and from members of the group. As a result, the former Statutory Plus standard has been amended to feature as the 2023 standard instead. This will support developers with the transition and also accounts for the alterations made on a national level since the standard was first devised that would have rendered the former 2023 standard less impactful.

3.9 More broadly, further engagement with DLUHC and HMG will be required anyway to ensure intervention rates at future negotiation better reflect changing market conditions and local aspirations. This includes the national transitional period that has already commenced with the introduction of higher building regulations for operational emissions and space heating in the 2023 Building Regulations covering Parts L and F, raising decarbonisation and ventilation standards. For future embodied carbon targets, further work regionally and nationally will be needed to develop low embodied carbon material supply chains, as well as mechanisms for recycling of construction materials.

4.0 Homes for the Future Event

4.1 The Homes for the Future Event occurred on 8th December 2023 at the National Brownfield Institute in Wolverhampton and presented the Homes for the Future proposals to the world. Mayor Andy Street introduced Homes for the Future to the audience, speaking at the event, he said ‘we must have a proper plan in place for future housebuilding in the region. That’s what our Homes for the Future proposals do, and I’m delighted we’ve been able to launch it today.’ Speeches were also delivered from Mark Farmer, Chair of the Future Homes Taskforce and CEO of CAST Consultancy, who stated that the proposals represented ‘a true UK first, and the Pro Vice Chancellor of the National Brownfield Institute who noted key steps they were already taking to support modern building methods.

4.2 Attendees also had the opportunities to ask questions of our panel consisting of Mayor Andy Street; Mark Farmer Chair of the Future Homes Taskforce and CEO of CAST Consultancy; Mary Parsons, Regeneration & Partnerships Director, Lovell; and Councillor Ian Courts from Solihull Council. The event made use of the venue’s state of the art 360° Igloo room to present a video that showcased WMCA’s vision, culminating with the opportunity for networking amongst attendees.

4.3 The event has seen press coverage from the likes of the BBC, Express & Star, and the Birmingham Mail, among others. The proposals have also been shared on WMCA’s social media channels with a long-term comms strategy being developed to continue momentum. WMCA has also secured interviews with residents living in energy efficient homes in Coventry which will feature in a future release.

4.4 There is the opportunity to provide feedback on the proposals until 22nd January 2024. No feedback has been received via official routes thus far, however positive feedback was received at the event itself with many wishing to engage with the programme during its implementation.

5.0 HMG’s Future Homes Standard Consultation

5.1 On 13th December 2023, DLUHC released the ‘Future Homes and Buildings Standards: 2023 Consultation’. The consultation runs until 11:59pm on 6th March 2024 and covers changes to Part 6, Part L, and Part F of the Building Regulations for dwellings and non-domestic buildings and seeking evidence for Part O. A small element of the consultation considers existing buildings. As with the WMCA standard, the objectives of the DLUHC policy are broadly aligned with those of WMCA, to deliver (i) significant carbon savings; (ii) homes which are high quality and affordable, protecting occupants from high bills; (iii) homes which are “zero-carbon ready” - In other words, because they use electric or other renewable energy sources, no work will be necessary to allow these buildings to

achieve zero carbon emissions when the electricity grid is fully decarbonised; (iv) homes which are cost-effective, affordable, practical and safe.

5.2 HMG has presented three options within the consultation.

Option 0 – take no action

Option 1 (preferred option) includes:

- A notional building with:
- a high-efficiency air-source heat pump
- solar PV (photovoltaic) panels
- a wastewater heat recovery system
- increased airtightness
- a decentralised mechanical ventilation (dMEV) system
- high fabric standards to minimise heat loss from windows, walls, floors and roofs (the same as the standards set in the 2021 uplift to Part L)
- a significant increase in performance standards for domestic hot water storage
- a separate notional building for new heat networks.

Option 2 mirrors Option 1, except it does not include the following features in the notional building:

- solar PV panels
- a wastewater heat recovery system
- increased airtightness
- a decentralised mechanical ventilation (dMEV) system

Option 1 prioritises energy costs over capital costs, while Option 2 does the reverse.

5.3 Comparative figures are difficult to obtain between the two standards as firstly, HMG presents multiple options for the Future Homes Standard, and secondly WMCA allows flexibility in how its standard is achieved, leaving individual methods up to the individual. As such, a comparison has been outlined below where it is assumed that an individual might use Passivhaus to achieve WMCA’s Homes for the Future Standard. The current minimum standard, HMG’s required Fabric Standards under both Option 1 and Option 2 are outlined below, and the proposed Fabric Standards that would be required to achieve WMCA’s 2025 standard if a Passive Design model were used have been outlined below.

	Minimum Standard	Proposed Future Homes Standard – Option 1	Proposed Future Homes Standard – Option 2	WMCA Homes for the Future - 2025
External Wall	U= 0.26 W/m ² K	U= 0.18 W/m ² K	U= 0.18 W/m ² K	U= 0.15 W/m ² K
Floor	U = 0.18 W/m ² K	U= 0.13 W/m ² K	U= 0.13 W/m ² K	U= 0.11 W/m ² K
Roof	U= 0.16 W/m ² K	U= 0.11 W/m ² K	U= 0.11 W/m ² K	U= 0.11 W/m ² K
Windows	U= 1.6 W/m ² K	U= 1.2 W/m ² K	U= 1.2 W/m ² K	U= 0.8 W/m ² K
Airtightness	8.0	4.0	5.0	0.6

Proposed fabric specifications have not significantly changed since Part L 2021, however there are changes to air pressure specifications.

- 5.4 While embodied carbon is considered to be out of scope for this consultation, the government plans to consult on their approach to measuring and reducing embodied carbon in new buildings 'in due course'. The consultation does not outline specific proposals around PMV.
- 5.5 In light of considerations by HMG in relation to non-domestic buildings, we would ask the board to consider WMCA's position in relation to non-domestic buildings. Considerations around non-domestic buildings are out of scope for WMCA's Homes for the Future Programme.
- 5.6 WMCA will be preparing a response to HMG's consultation with support from the Future Homes Taskforce.

6.0 Implementation Plan

- 6.1 Through the Homes for the Future Implementation Plan, WMCA will ensure that the programme does not end with publication of the strategy. It is recognised that developers will need support with understanding the standard, sourcing the appropriate manufacturers, understanding how to apply for WMCA funding more widely, and accessing support from WMCA should they require it. This will be particularly important for SMEs and smaller developers.
- 6.2 Additionally, the expanding the skills base that can deliver Homes for the Future will be a key programme of work for WMCA. In order to enable the supply chain to develop, WMCA has the potential to offer support for skills development in relation to Homes for the Future. WMCA has discussed the potential of facilitating a forum upon which relevant WMCA colleagues could engage with key stakeholders to understand where support to develop skills in relation to Homes for the Future is needed, as well as bringing together relevant stakeholders to advance knowledge and research in this field, share best practice, and make meaningful connections with others in the field.

7.0 Next steps

- 7.1 Comments on the final strategy and costs report are invited at this meeting. **This will be the final opportunity** for members to comment on the content of the strategy document prior to its official publication. The proposal documents are now in a brochure format and available on WMCA's website.
- 7.2 An extensive engagement programme has taken place over the summer months to ensure co-development of the document and engagement in the process. Feedback on Homes for the Future proposals will be accepted until 22nd January 2024.
- 7.3 An extensive comms programme has been worked up with communications planned throughout the coming months. Initial proposals and content from the event have already been shared via WMCA's social media channels.
- 7.4 The Implementation Plan will be fleshed out to support delivery of Homes for the Future after publication of the strategy. This will be achieved through working with developers of all sizes to support their understanding and implementation of the strategy, and expanding the skills base that can deliver Homes for the Future.

8.0 Financial Implications

- 8.1 It is noted that the purpose of this report is to summarise the work that has been undertaken on the Homes for the Future strategy and implementation plan; and to provide information used in considering the approach and impact of this strategy, including the cost impacts; with the aim of requesting final comments on the strategy document.
- 8.2 It is understood that the WMCA Homes for the Future Strategy aims to bring in standards proposed in the Government Future Homes Standard at an earlier stage in order to assist in the transition from the current building requirements to the Future Homes Standard 2025 position.
- 8.3 It is clear that there is not one agreed position on the likely cost impacts of undertaking the changes within the Future Homes Standard and the earlier implementation of the WMCA Homes for the Future Strategy; however, it is anticipated that there is likely to be an increase in costs for Developers in building new homes to the new standards, particularly in the short – medium term. Where there are cost increases resulting from the implementation of this standard, this is expected to adversely impact on the intervention rate for housing grants requested from WMCA due to increased viability gaps from building in these requirements. There is an expectation of approx. 5% - 15% uplift in costs for Developers in complying with the Future Homes Standard. In simple terms, assuming the construction cost of a small new home is £125,000 and it is part already part funded via a grant. An increase in cost of 5% to 15% would increase the gap funding required and add a further grant requirement of £6,250 to £18,750 for each home to be developed.
- 8.4 Note, it is understood that the overall cost impact is dependent on how early in the design stage the WMCA Homes for The Future standard is factored in by a developer and that, generally, the cost increases should be tempered the earlier these requirements are included in the design. For example, “real world” tender costs show approx. 4.5% increase for a smaller terraced housing scheme (adapting ‘traditional design’ to MMC), or in the case of Smith Gardens a large build to rent scheme in Digbeth (the only advanced larger scheme typical of those coming through our pipeline comprised of apartment blocks and meeting the WMCA FH standard) a small cost saving compared to a traditional build estimate that the developer tendered for.
- 8.5 For the current Housing Funds, i.e., the Land Fund, Brownfield Housing Fund and National Competitive Fund the average intervention rate has been close to / above target without the requirement to meet Future Homes standards, due to the impact of factors such as inflation, etc.. There is, therefore, pressure on the intervention rates for the remaining funds available in order to ensure the average intervention rate for those funds is met. Based upon historic performance the existing funds will not be able to be deployed, where the intervention rates for future schemes exceed the average rate for the funds.

- 8.6 It may, also, be the case that WMCA may be unable to sell its landholdings for “the best consideration” because of the additional costs that a developer may incur in complying with the Future Homes Standard, before the legislation is in place. As a result, this may, also, impact on the intervention rate of any grant required by the developer and / or the price that WMCA can recover for its landholdings. Furthermore, if WMCA land is sold with conditions attached, i.e., requiring compliance with the Future Homes Standard before this is mandated by law, this would ordinarily bring all land disposals under the Procurement Contract Regulations. This would add time and complexity to any disposals which would require additional resource.
- 8.7 It is noted that there is to be a transition to the standard, as noted in Table 1, above, which would require schemes at an early stage in the process of requesting housing grants to comply with the Standard while those already on site or at post-planning / procurement stage to align with WMCA’s 2023 (Statutory Plus) standard (at a cost of average £3k – £10k per development, depending on the size of development, as advised by Cast Consulting, so not considered to be an onerous cost). This less onerous approach should result in a negligible impact on the viability gaps for those schemes already progressing through the grants process. It is, also, noted that those schemes aligning with the WMCA’s 2023 (Statutory Plus) standard will allow developers time to transition, as well as providing important data to assist in understanding the likely cost and other impacts of these changes, to inform the strategy implementation.
- 8.8 It is noted that the understanding of the findings of the Cast Report and Arcadis reports, on which the Financial Implications assessment has been based, as confirmed by HPR and as noted below.

Report	Findings	Approach	Comments
Arcadis: ‘Ready for Zero’ <ul style="list-style-type: none"> Task Group Report - Evidence to inform the 2025 Future Homes Standard 28.02.2023 	Build cost impact ranges from - £3k to + £17k per house based on achieving the Future Homes Standard 2025 requirements in 2022.	<ul style="list-style-type: none"> Based on end of Terraced House; Based on 5 Contender Specifications to capture the range of approaches to zero carbon ready homes; 	<ul style="list-style-type: none"> Strong disagreement between Taskforce stakeholders on costs of delivering 5 Contender Specifications in new build homes in 2022; Report produced under Terms of Reference from DLUHC
Cast Consultancy		<ul style="list-style-type: none"> mid-terrace and flat typologies; detached dwellings 	<ul style="list-style-type: none"> methodology includes a number of assumptions, many of which are susceptible to change over time “

<p>Real world” examples:</p> <ul style="list-style-type: none"> • A scheme being funded by WMCA in conjunction with a local contractor and housing association • A large build to rent development in the region has recently been procured and entered in contract. • Development in Bristol, converting a low-rise housing masterplan to achieve a net zero goal which broadly aligns with WMCA’s 2025 target. 	<ul style="list-style-type: none"> • 4.4% increase in real post-tender costs as of July 2023 • This design approach and competition among suppliers to develop the scheme resulted in it being procured at a cost that was lower than the traditional build estimate for the same scheme • 9% increase (for SIPs, 50% PMV) to a 15% increase (for volumetric modular, 70% PMV) compared to the baseline 	<ul style="list-style-type: none"> • Comparison of the MMC homes on the site with those that were built with traditional construction methods. • From the outset, design specifications for the scheme aligned to Cat 1 MMC and 70% PMV with WMCA equivalent build methods. • Based on Cast benchmarking 	<ul style="list-style-type: none"> • “Real world” examples provided by HPR – per 3.6 in this report
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8.9 It is noted that, as per Section 5 of this report, on 13th December 2023, DLUHC released the ‘Future Homes and Buildings Standards: 2023 Consultation’, to consider changes to Building Regulations. It is not known what the impact of this will be for Developers, and any resulting grant request and associated intervention rate, and / or how this may impact on / differ from the proposed WMCA Future Homes Strategy. Given this, it will be important to ensure the outcomes of this DLUHC consultation are considered within the decision-making around the WMCA Homes for the Future Strategy, and any further cost implications that may arise, as a result, should be brought back to H&LDB for consideration.

9.0 Legal Implications

9.1 WMCA has the power to impose a grant condition that requires compliance with the Future Homes Standard under Section 113(1)(a) of the Local Democracy, Economic Development and Construction Act 2009. This statute gives WMCA a power of competence appropriate for the purposes of carrying out any of its functions.

9.2 WMCA also has the power to impose a condition on WMCA land disposals which requires a developer to comply with the Future Homes Standard. However, it should be appreciated that to do so may mean that commercially WMCA is unable to sell its landholdings for “best consideration” because of the additional costs that a developer would incur in complying with the Future Homes Standard. Whilst WMCA has power to sell land under its economic development and regeneration function and its transportation function at less than best consideration it has no power on its own motion to do so to sell land held under its housing land and infrastructure function for less than best consideration”

10.0 Equalities Implications

10.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect, equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial. Long-term equalities benefits are likely to include warmer homes for residents, lower energy bills, and healthier properties.

11.0 Inclusive Growth Implications

11.1 Homes for the Future will be used to inform WMCA’s approach to growing the AMC sector, zero carbon homes and new energy standards in an equitable way, maximising economic benefits, housing quality and job/skills opportunities across the region’s communities.

11.2 Inclusive Growth benefits are expected to include supporting tackling fuel poverty, supporting the circular economy agenda, improving the climate resiliency of homes, supporting the goal of zero-waste construction, and health and well-being benefits.

12.0 Geographical Area of Report’s Implications

12.1 The recommendations of this report apply to the whole of the WMCA area.

13.0 Other implications

13.1 None

14.0. Schedule of Background Papers

14.1 None



West Midlands
Combined Authority

Homes for the Future

Proposed
Technical Standard

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Cast 

usefulprojects

8th December 2023

Introduction

The Homes for the Future Technical Standard feeds into our WMCA Homes for the Future Strategy. It clearly lays out the required targets for stakeholders delivering residential development on land that WMCA owns, acquires or invests in with a tiered approach that progressively increases targets over time to allow the market and applicants to adjust to the standard.

The net-zero carbon targets have been developed in relation to the principles established in WMCA's Zero Carbon Homes Charter and Routemap. In order to meet and better our goals of delivering 18,000 high quality sustainable homes per year by 2031, we have aligned both zero-carbon principles along with AMC/MMC strategies. This will enable the scalability of zero-carbon homes, as well as addressing current challenges with the traditional skills sector. Through optimising the number of pre-manufactured components utilised within projects through the use of Modern Methods of Construction (MMC) there is also the potential to reduce whole life carbon of homes. The underlying aim of adopting MMC on a construction project is to drive the most efficient design and construction process. These systems work to generate a systemised approach to development, resulting in simpler designs and less overall waste, factory settings allow greater opportunities for waste to be recycled and repurposed.

The means of achieving targets however have been left up to the individual applicant, this flexibility should encourage innovation and support adaptation to the standard. Potential approaches that applicants could apply have been included within this document to provide some ideas as to how the targets could be met. These have been included within the wider context of land use and infrastructure planning that applicants could consider in order to facilitate sustainable living and further sustainable benefits.



Homes for the Future – Principles, targets & alignment

Principles

Homes for the Future is vital to meet WMCA's net zero carbon emissions by 2041 and deliver zero-carbon homes in the region by 2025. It has been developed on the following basis:

- Creating a policy landscape which builds certainty and consistency around the approach to delivering zero-carbon homes in the region
- Building on exemplar industry guidance and emerging standards including the RIBA and LETI challenge targets and the UK Net Zero Carbon Buildings Standard, to provide a clear trajectory for the West Midlands
- Adopting collaborative governance models and delivery processes to maximise resources and enhance knowledge-sharing
- Aligning investments to support the delivery of zero-carbon homes and demonstrating the cost effectiveness of doing so
- Building our capacity, regional skills and expertise in zero-carbon homes
- Facilitating the deployment of zero-carbon technologies to build an innovation-led green economy
- Recognising that land use and infrastructure planning have a material impact on the carbon footprint of a place, consideration of the wider principles of site selection
- Carbon is one component of sustainable placemaking alongside ecosystem resilience, sustainable mobility, circularity, wellbeing and inclusion

Target Setting and Alignment

In order to meet our commitments and long-term objective to deliver zero carbon homes, the following targets have been set for all new homes delivered in the region.

WMCA Net Zero Targets:

2030 Target:

- Energy, EUI: <35kWh/m² operational energy use (including regulated and unregulated energy). Space heating demand of <15KWh/m²/yr
- Embodied Carbon: Upfront embodied carbon of <300kgCO₂/m² (A1-A5).

2025 Target:

- Energy, EUI: <35kWh/m² operational energy use (including regulated and unregulated energy). Space heating demand: <15 KWh/m²/yr
- Embodied Carbon: Upfront embodied of <400kgCO₂/m² (A1-A5).

Statutory Plus Target:

- Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021, or associated updates.
- Embodied Carbon: As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction.

Technical Standard: Overview

The standard sets out three primary requirements to be achieved for each dwelling.

1. Energy Use Intensity (B6)

Energy Use Intensity (EUI) should be measured using appropriate modelling software such as Passivhaus Planning Package (PHPP) for both regulated and unregulated energy, in accordance with CIBSE TM 54. Space heating demand should be reported separately. The standard sets out progressive targets to facilitate the achievement of net zero homes in operation by 2025.

Where targets cannot be achieved at a dwelling level, due to site constraints on orientation, they should be achieved on average within the development boundary. We are also requiring EUI to be assessed alongside overheating risks.

2. Upfront Embodied Carbon (A1-A5)

Upfront embodied carbon should be measured in accordance with RICS Whole Life Carbon Assessment Guidance.

3. Modern Methods of Construction

Measured using the Pre-Manufactured Value metric adopted by the Construction Leadership Council. The aim is to drive pre-manufactured solutions that enable better building performance generally but also contribute to improved sustainability performance specifically, especially relating to measures 1 and 2 above.

2030 Target - Achieve net zero carbon in construction and in operation

Energy Use Intensity:

- EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).
- Space heating demand of <15KWh/m²/yr

Upfront Embodied Carbon:

- Embodied carbon calculation to verify target equivalent to <300kgCO₂/m²

Modern Methods of Construction:

- All developments achieve PMV of 55%

2025 Target - Achieve net zero carbon in operation

Energy Use Intensity:

- EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).
- Space heating demand:15-20 KWh/m²/yr

Upfront Embodied Carbon:

- Embodied carbon calculation to verify target equivalent to <400kgCO₂/m²

Modern Methods of Construction:

- All developments achieve PMV of 50%

Statutory Plus Target - Enhanced measurement and monitoring

Energy Use Intensity:

- Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021

Upfront Embodied Carbon:

- As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction.

Modern Methods of Construction:

- Review opportunity for PMV uplift across all MMC categories

Targets

2030 Target - Achieve net zero carbon in construction and in operation		Commentary and Context
2030	<p>Energy Use Intensity:</p> <ul style="list-style-type: none"> EUI: <35kWh/m2 operational energy use (including regulated and unregulated energy). Space heating demand of <15KWh/m2/yr <p>Upfront Embodied Carbon:</p> <ul style="list-style-type: none"> Embodied carbon calculation to verify target equivalent to <300kgCO2/m2 <p>Modern Methods of Construction:</p> <ul style="list-style-type: none"> All developments achieve PMV of 55% 	<p>This standard sets the expectation of achieving net zero carbon in construction and operation in 2030 (in accordance with UKGBC definition). Again, pilot projects may achieve this standard sooner, although it will require significant learning and sharing of intelligence about the design and construction solutions that enable this standard to be achieved. It will also require the construction sector and materials supply chain to respond to client demand to achieve this level of performance.</p>
Page 31 IC 2025	<p>Energy Use Intensity:</p> <ul style="list-style-type: none"> EUI: <35kWh/m2 operational energy use (including regulated and unregulated energy). Space heating demand:15-20 KWh/m2/yr <p>Upfront Embodied Carbon:</p> <ul style="list-style-type: none"> Embodied carbon calculation to verify target equivalent to <400kgCO2/m2 <p>Modern Methods of Construction:</p> <ul style="list-style-type: none"> All developments achieve PMV of 50% 	<p>This standard sets the expectation of achieving net zero carbon in operation in 2025 (in accordance with UKGBC definition). Pilot projects will likely achieve this standard sooner, and it will replace the current minimum standard in 2025.</p>
Statutory Plus	<p>Energy Use Intensity:</p> <ul style="list-style-type: none"> Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021 <p>Upfront Embodied Carbon:</p> <ul style="list-style-type: none"> As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction. <p>Modern Methods of Construction:</p> <ul style="list-style-type: none"> Review opportunity for PMV uplift across all MMC categories 	<p>A “statutory (plus enhanced measurement and monitoring)” standard has been developed to enable the incremental implementation of the 2025 Target standard. It is certain to be the case that developments will come forward that are at an advanced design stage and are therefore limited in the extent to which an enhanced specification can be deployed. The statutory plus standard will respond in those cases by requiring additional considerations of developers, such as a requirement to measure both whole life carbon and PMV assessments before and after completion. This is intended to drive up understanding of the core issues, solutions for enhanced performance, and ensure that as a minimum all developments start to consider the steps that will be mandatory in future.</p>

Evidence for all standards - Energy

Statutory Plus Target

Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021.

Planning

- Building Regulations compliance modelling to be carried out to verify as-designed energy and carbon performance against target reductions.
- Overheating analysis to be undertaken for all habitable spaces across the scheme to ensure high levels of occupant comfort are achieved (e.g., following CIBSE TM59 Design methodology for the overheating risk in homes).

Design verification

- Planning stage studies to be verified against design updates to ensure proposals remain on track to meet their planning targets

Post-occupancy

- The effectiveness of measures will be reviewed as part of the post completion works to ensure as-designed

2025 Target

<35kWh/m2 operational energy use (including regulated and unregulated energy). Space heating demand:15-20 KWh/m2/yr.

Planning

- EUI to be assessed in accordance with CIBSE TM 54 using modelling software such as the Passivhaus Planning Package (PHPP). The assessment will include both regulated and unregulated energy so that comparison can be undertaken at post occupancy to close the 'performance gap'. Space Heating Demand should be set out as part of this assessment. The assessment shall be undertaken for a representative sample taking account of different typologies and orientation. Details of the fabric and MEP specification should be provided including thermal bridging analysis. Processes for ensuring requirements can be delivered should also be included, such as Passivhaus accreditation, air permeability testing and performance contract requirements
- A comprehensive overheating analysis of all habitable spaces across the scheme shall also be undertaken to ensure overheating risks are mitigated. This should be done in accordance with CIBSE TM59 and be modelled using future climate files

Design verification

- Planning stage studies to be verified against design updates to ensure proposals remain on track to meet the planning and target scenario

Construction

- Air tightness testing to be carried at construction stages to verify building airtightness against the strict targets required to achieve the low energy ambitions

Post-occupancy

- POE verification on the buildings operational performance will be carried out to ensure a positive feedback loop to support future project delivery. POE evidence will include in-use energy consumption data and user satisfaction feedback
- Energy use guidance to be provided to all residents to support reduced operational energy of all electrical equipment, including supplementary lighting

Evidence for all standards - Energy

2030 Target

<35kWh/m2 operational energy use (including regulated and unregulated energy). Space heating demand of <15KWh/m2/yr.

Planning

- EUI to be assessed in accordance with CIBSE TM 54 using modelling software such as the Passivhaus Planning Package (PHPP). The assessment will include both regulated and unregulated energy so that comparison can be undertaken at post occupancy to close the 'performance gap'. Space Heating Demand should be set out as part of this assessment. The assessment shall be undertaken for a representative sample taking account of different typologies and orientation. Details of the fabric and MEP specification should be provided including thermal bridging analysis. Processes for ensuring requirements can be delivered should also be included, such as Passivhaus accreditation, air permeability testing and performance contract requirements.
- A comprehensive overheating analysis of all habitable spaces across the scheme shall also be undertaken to ensure overheating risks are mitigated. This should be done in accordance with CIBSE TM59 and be modelled using future climate files.
- BRE Home Quality Mark (HQM) assessment. HQM measures the quality and sustainable value considering running costs, health and wellbeing, and environmental footprint. HQM assessment is carried out a numerous stages of the design process by an independent assessor to demonstrate high-quality homes within the marketplace.
- Commitments to technologies and evidence of design strategies should be provided.

Design verification

Planning stage design statement should be submitted to verify that design development is in accordance with planning stage carbon statements and confirm proposals remain on track to meet their planning targets.

Construction

- Air tightness testing to be carried at construction stages to verify building airtightness against the strict targets required to achieve the low energy ambitions.

Post-occupancy

- POE verification on the buildings operational performance will be carried out to ensure a positive feedback loop to support future project delivery. POE evidence will include in-use energy consumption data and user satisfaction feedback.
- All developments to have in place a recognised monitoring regime to assess energy use, indoor air quality and risk of overheating.
- Energy use guidance to be provided to all residents to support reduced operational energy of all electrical equipment, including supplementary lighting.

Evidence for all standards - Embodied Carbon

Statutory Plus Target

As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction.

Planning

- Building Regulations compliance modelling to be carried out to verify as-designed energy and carbon performance against target reductions.
- Whole life carbon analysis to be carried out to estimate the predicted whole life carbon impacts of development in accordance with RICS Whole life carbon assessment for the built environment methodology.

Design verification

- Planning stage studies to be verified against design updates to ensure proposals remain on track to meet their planning targets.

2025 Target

Up-front embodied carbon calculation to verify target equivalent to <400kgCO₂/m² (A1-A5).

Planning

Page 34

Whole life carbon analysis to be carried out to estimate the predicted whole life carbon impacts of development in accordance with RICS Whole life carbon assessment for the built environment methodology. Evidence of optioneering to be carried out prior to planning to ensure an optimised construction solution is taken forward. Analysis should be undertaken using BREEAM compliant LCA tools with Environmental Product Declarations for key components. This requires designs to be sufficiently developed (RIBA Stage 3) to support an elemental bill of quantities assessment or a condition to undertake this through reserved matters.

Design verification

- Planning stage studies to be verified against design updates to ensure proposals remain on track to meet their planning targets
- Whole life carbon analysis to be carried at the end of each RIBA Stage, to ensure proposals remain on track to meet the target scenario

Evidence for all standards - Embodied Carbon

2030 Target

Up-front embodied carbon calculation to verify target equivalent to <300kgCO₂/m² (A1-A5).

Planning

- Whole life carbon analysis to be carried out to estimate the predicted whole life carbon impacts of development in accordance with RICS Whole life carbon assessment for the built environment methodology. Evidence of optioneering to be carried out prior to planning to ensure an optimised construction solution is taken forward. Analysis should be undertaken using BREEAM compliant LCA tools with Environmental Product Declarations for key components. This requires designs to be sufficiently developed (RIBA Stage 3) to support an elemental bill of quantities assessment or a condition to undertake this through reserved matters.

Design verification

- Planning stage design statement should be submitted to verify that design development is in accordance with planning stage carbon statements and confirm proposals remain on track to meet their planning targets
- Whole life carbon analysis to be carried out at the end of each RIBA Stage, to ensure proposals remain on track to meet the target scenario

Construction

Construction stage verification of operational and embodied carbon performance and tracking any changes made, especially material or technology choices, and including site emissions of fuels/ power/ waste

Evidence for all standards - Construction

Statutory Plus Target

Review opportunity for PMV uplift across all MMC categories

DfMA and PMV

- PMV estimate at design stage and updated PMV estimate following MMC options review using the Cast MyPMV tool
- Output of MMC options review
- Verification of PMV and MMC solutions deployed

2025 Target

All developments achieve PMV of 50%

DfMA and PMV

- DfMA and PMV reviews undertaken at key design stages
- Verification of 50% PMV both during design and at completion using the Cast MyPMV tool

2030 Target

All developments achieve PMV of 55%.

DfMA and PMV

- DfMA and PMV reviews undertaken at key design stages.
- Verification of 55% PMV both during design and at completion using the Cast MyPMV tool

Statutory Plus – Potential approaches

Energy	Statutory Plus Target	Potential approach	Example Specifications
Page 37	Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021	<p>Passive Design</p> <p>The following passive design strategies meet the Statutory Plus performance requirements:</p> <p>At masterplan-level, priority will be given to higher density accommodation for its improved form factor and associated reductions in heat loss and overall improved massing efficiency.</p>	<p>Fabric specification</p> <p>Design of dwellings will go beyond current building regulation fabric performance standards. Therefore, we would expect dwellings to target the following fabric performance as a minimum:</p> <ul style="list-style-type: none"> • Floor (W/m2.K): 0.13 • External wall (W/m2.K): 0.18 • Roof (W/m2.K): 0.13 • Windows (W/m2.K): 1.40 • Air permeability (m3/(h.m2): 5.00
		<p>Active Systems</p> <p>To achieve operational performance in line with the statutory plus target we anticipate the design to consider the following key features as a minimum:</p>	<p>No Gas</p> <p>Commitment to no new gas installations across the entire masterplan.</p> <p>Zero Carbon Feasibility Study</p> <p>A low zero carbon feasibility study will be used to identify the key measures for implementation at both a site-wide masterplan level and building level.</p>
		<p>Renewables and Net Zero Targets</p>	<p>Renewables</p> <p>Maximise on-site renewable energy generation irrespective of whether carbon reduction targets are already met.</p> <p>PV Panels</p> <p>Roof-top solar PV should be optimised across the site. Evidence will be sought to validate the environmental claims of energy suppliers.</p>

Statutory Plus – Potential approaches

	Statutory Plus Target	Strategies	Example Specifications
Embodied Carbon	As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction	To demonstrate performance in line with requirements set out under the Statutory Plus target, we anticipate the following as a minimum:	Lifecycle Assessment <ul style="list-style-type: none"> Design and completion stage lifecycle assessment of embodied carbon in accordance with BS EN 15978 and in the built environment. Reporting standards should be aligned with relevant industry guidance at the time of assessment (RICS Professional Statement for Whole Life Carbon Assessment)
			Key reporting standards from 2023: <ul style="list-style-type: none"> Assessment to include all works elements (including services, FFE, internal finishes, external works) and min., 95% of building elements as measured by cost, with the exception of on-site renewables and associated infrastructure (e.g.. battery storage), which should be reported separately. Generic values may be used for non-fixed elements (FFE) where no data available. 'Up-front' carbon reporting (life-cycle modules A1-A5) should exclude sequestration (e.g., in timber materials)
Construction	Review opportunity for PMV uplift across all MMC categories	<p>The design process should accommodate an informed reviews of construction methodology and material selection, with a focus on optimising PMV.</p> <p>PMV should be estimated at the design stage, updated to reflect which MMC options have been selected, and subsequently re-measured post-completion.</p>	MMC Cat5: Non-structural Assemblies <ul style="list-style-type: none"> This category can also be combined with elements of categories 2, 3, 6 and 7 to drive further PMV improvement. i.e., Cat 2c frame and Cat 5a bathroom pod creates an 18% uplift to 58% PMV from traditionally built typically at 40% PMV.
			MMC Cat6: Traditional Building Product Led Site Labour Reduction/ Productivity Improvements <ul style="list-style-type: none"> This category can also be combined with elements of all other categories to drive further PMV improvement.
			MMC Cat7: Site Process Led Labour Reduction/ Productivity Improvements <ul style="list-style-type: none"> This category can also be combined with elements of all other categories to drive further PMV improvement.

2025 Target – Potential approaches

	Targets	Strategies	Example Specifications
Energy	<p>EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).</p> <p>Space heating demand: 15-20 kWh/m²/yr</p>	<p>Passive Design</p> <p>We anticipate the following passive design strategies and component choices to meet the 2025 targets:</p>	<p>Fabric specification</p> <p>1. Exemplary façade performance to be achieved through high performance materials specification and build ups:</p> <ul style="list-style-type: none"> • Floor (W/m².K): 0.11 • External wall (W/m².K): 0.15 • Roof (W/m².K): 0.11 • Windows (W/m².K): 0.80 <p>Dwelling design will carefully consider junction details to reduce heat loss and significantly reduce thermal bridges.</p>
			<p>Airtightness</p> <p>1. Airtightness levels to achieve 0.6 air changes per hour @50Pa. This will be achieved through rigorous standards in practice from good design to construction.</p>
			<p>Façade design (Glazing, solar gains and shading)</p> <ol style="list-style-type: none"> 1. Specification of triple glazing to limited heat loss and reduce cold draughts. 2. Layout and orientation of homes to be considered in context of the wider masterplan site to ensure potential solar gain benefits are achieved. 3. Glazing will be optimised to balance daylight and overheating requirements. This will account for up to 25% glazing ratio in southern elevations to avoid excessive heating demand in winter months whilst reducing the risk of summertime overheating. 4. Potential for a natural ventilation strategy should be explored with priority given to cross ventilation.

Table continues on next page

2025 Target – Potential approaches

	Targets	Strategies	Example Specifications
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 40 Energy</p> <p>EUI: <35kWh/m² operational energy use (including regulated and unregulated energy). Space heating demand:15-20 kWh/m²/yr</p>		<p>Active Systems To achieve operational energy performance in line with the 2025 targets we would anticipate the building to incorporate the following active systems:</p>	<p>Heat Pumps</p> <ol style="list-style-type: none"> All electric building services strategy adopting high efficiency heat pump technology. Direct electric space heating can be adopted where high fabric performance achieved.
			<p>MVHR</p> <ol style="list-style-type: none"> Mechanical ventilation with heat recovery (MVHR) including air filtration, improving indoor air quality and reducing dust and allergens: <ul style="list-style-type: none"> MVHR heat recovery efficiency: >75%. MVHR electrical efficiency: <0.45Wh/m²
			<p>Supplementary heating</p> <ol style="list-style-type: none"> Where heating demand is low due to the passive approach, priority will be given to low energy systems that take advantage of post-air heating units within the MVHR ventilation system and/or underfloor heating. Opportunities can also be explored into the use of direct electric heating where high fabric efficiencies are achieved.
			<p>Wastewater Heat Recovery</p> <ol style="list-style-type: none"> Shower wastewater heat recovery (SWWHR) to reclaim typically 40-60% waste heat from shower water.
			<p>Lighting Control</p> <ol style="list-style-type: none"> Automated lighting controls with daylight and occupancy sensing.
			<p>Appliances</p> <ol style="list-style-type: none"> Primary energy appliances: Only highly efficient appliances (A rated washing machines, dishwashers etc.) and equipment (fans, pumps, lighting etc.) must be specified.
		<p>Renewables and Net Zero Targets</p>	<p>Renewables</p> <ol style="list-style-type: none"> Optimise the use of on-site renewable generation (15m² PV/dwelling, 2.5m²/apartment). Build additional resilience into the system through the introduction of battery storage technology at both masterplan and plot level. Consumers can store solar electricity they have generated during off-peak, cheaper hours, rather than buying more expensive grid electricity.
			<p>Energy Procurement</p> <ol style="list-style-type: none"> Ensure mechanisms are in place to enable purchase of 100% renewable energy from credible renewable energy sources. Renewable Energy Certificate's (REC) will be sought to validate the environmental claims of energy suppliers.
			<p>Net Zero Verification</p> <ol style="list-style-type: none"> Verification process to be carried out following the UKGBC guidance for net zero carbon verification. A minimum level of reporting of the buildings' operational performance.

2025 Target – Potential approaches

Embodied Carbon Page 41	Targets	Strategies	Example Specifications
	Up-front embodied carbon calculation to verify target equivalent to <400kgCO2/m2 (A1-A5).	To demonstrate embodied carbon performance in line with the 2025 targets we anticipate designs will need to prioritise the following key construction items as a minimum:	<p>For low-rise housing (<11m):</p> <ol style="list-style-type: none"> Substructure -Incorporation of low carbon spread foundations (where technically feasible). Superstructure- Lightweight construction (e.g.. timber or light gauge steel construction systems), or exemplar low-concrete specifications for in-situ or precast concrete systems. <p>For medium scale housing, requiring further innovation and commitment:</p> <ol style="list-style-type: none"> Massing- Careful planning to minimise building envelope. Podium construction (e.g.. with ground level parking) should be avoided where possible, and basement construction is unlikely to be feasible without significant commitment to low-carbon construction methods. Substructure - Lean foundation systems, considering raft foundations in lieu of deep piles, where technically feasible, or low-carbon concrete piles where not avoidable. Superstructure - Exemplar low carbon concretes (>65% GGBS or equivalent) or high recycled content (Electric Arc Furnace) structural steelwork, where used <p>For all building scales and typologies:</p> <p>Envelope</p> <ul style="list-style-type: none"> Lightweight facade systems (avoiding solid brick or pre-cast systems) Composite, timber or recycled plastic window framing (in preference to aluminum or PVC windows). Avoid plastic insulation products to roofs/facades, with mineral wool or natural insulation materials preferred. <p>Internal Finishes</p> <ul style="list-style-type: none"> Avoid internal finishes where possible, promoting 'fair-faced' elements where possible, and prioritise natural or recycled finishes (e.g.. avoid plastic floors/ carpets and minimise plasterboard quantities where possible) <p>Services</p> <ul style="list-style-type: none"> Best practice specifications for heat pump installations with low-GWP refrigerants (e.g.. R32 in place of R410A refrigerants in ASHPs) <p>External Works</p> <ul style="list-style-type: none"> Careful specification of external works materials, promoting permeable surfaces and recycled surfacing in preference to asphalt or poured concrete surfacing.

2025 Target – Potential approaches

	Targets	Strategies	Example Specifications
Construction Page 42	All developments achieve PMV of 50 and above%	<p>A minimum of 50% PMV is required and the guidance document (to be developed) will specify the typical combinations of solutions that will achieve this.</p> <p>Developers should seek higher performing MMC solutions especially in relation to fabric efficiency to enable net zero homes in operation but should also prioritise suppliers that can substantiate enhanced embodied carbon performance.</p>	<p>MMC Cat1: 3D Primary Structural Systems This category can also be combined with elements of categories 3 and 7 to drive further PMV improvement</p>
		<p>PMV targets should be established at the outset, alongside a commitment to DfMA principles and likely digitally enabled design and data capture approaches. PMV should be estimated at the design stage and validated post-completion. Data on PMV performance should be shared alongside carbon performance to enable continuous learning and improvement at a system-wide level.</p>	<p>MMC Cat2: 2D Primary Structural Systems This category can also be combined with elements of categories 3, 5, 6 and 7 to drive further PMV improvement.</p>
			<p>MMC Cat3: Pre-manufacturing Components This category can also be combined with elements of all other categories to drive further PMV improvement.</p>
			<p>MMC Cat5: Non-structural Assemblies This category can also be combined with elements of categories 2, 3, 6 and 7 to drive further PMV improvement. i.e., Cat 2c frame and Cat 5a bathroom pod creates an 18% uplift to 58% PMV from traditionally built typically at 40% PMV.</p>
			<p>MMC Cat6: Traditional Building Product Led Site Labour Reduction/ Productivity Improvements This category can also be combined with elements of all other categories to drive further PMV improvement</p>
			<p>MMC Cat7: Site Process Led Labour Reduction/ Productivity Improvements This category can also be combined with elements of all other categories to drive further PMV improvement</p>

2030 Target – Potential approaches

	Targets	Strategies	Example Specifications
Energy	EUI: <35kWh/m ² operational energy use (including regulated and unregulated energy).	Passive Design To achieve the passive performance in line with the 2030 targets we anticipate the following design strategies and component choices.	Fabric specification Exemplary façade performance to be achieved through high performance materials specification and build ups. <ul style="list-style-type: none"> • Floor (W/m².K): 0.10 • External wall (W/m².K): 0.10 • Roof (W/m².K): 0.10 • Windows (W/m².K): 0.80 • Air permeability (ach): 0.6 • Airtightness levels to achieve 0.6 air changes per hour @50Pa.
	Space heating demand of <15KWh/m ² /yr		Façade design (Glazing, solar gains and shading) <ol style="list-style-type: none"> 1. Layout and orientation of homes to be considered in context of the wider masterplan site to ensure potential solar gain benefits are achieved. 2. Glazing will be optimised to balance daylight and overheating requirements. This will account for up to 25% glazing ratio in southern elevations to avoid excessive heating demand in winter months whilst reducing the risk of summertime overheating. 3. Specification of triple glazing to limited heat loss and reduce cold draughts. 4. Dwelling design will carefully consider junction details to reduce heat loss and significantly reduce thermal bridges. 5. Potential for a natural ventilation strategy should be explored with priority given to cross ventilation.

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2030 Target – Potential approaches

	Targets	Strategies	Example Specifications
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Energy Page 44</p>	<p>EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).</p> <p>Space heating demand of <15KWh/m²/yr</p>	<p>Active Systems To achieve the operational performance in line with the 2030 targets we would anticipate the building to incorporate the following active systems:</p>	<p>All Electric</p> <ol style="list-style-type: none"> All electric building services strategy adopting high efficiency heat pump technology. Direct electric space heating can be adopted where high fabric performance achieved. All electric heating systems to capitalise on the decarbonisation of the UK's electricity grid.
			<p>Active Demand</p> <ol style="list-style-type: none"> Active demand response measures to be considered to reduce peak energy demands and smooth energy consumption, including thermal and battery storage.
			<p>MVHR</p> <ol style="list-style-type: none"> Mechanical ventilation with heat recovery (MVHR) including air filtration, improving indoor air quality and reducing dust and allergens: <ul style="list-style-type: none"> MVHR heat recovery efficiency: >75%. MVHR electrical efficiency: <0.45Wh/m²
			<p>Supplementary heating</p> <ol style="list-style-type: none"> Supplementary heating: Where heating demand is low due to the passive approach, priority will be given to low energy systems that take advantage of post-air heating units within the MVHR ventilation system and/or underfloor heating. Opportunities should also be to explored into the use of direct electric heating.
			<p>Wastewater Heat Recovery</p> <ol style="list-style-type: none"> Shower wastewater heat recovery (SWWHR): to reclaim typically 40-60% waste heat from shower water.
			<p>Lighting Control</p> <ol style="list-style-type: none"> Automated lighting controls with daylight and occupancy sensing.
			<p>Appliances</p> <ol style="list-style-type: none"> Primary energy appliances: Only highly efficient appliances (A rated washing machines, dishwashers etc.) and equipment (fans, pumps, lighting etc.) must be specified.

Table continues on next page

2030 Target – Potential approaches

	Targets	Strategies	Example Specifications
Energy	<p>EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).</p> <p>Space heating demand of <15KWh/m²/yr</p>	<p>Renewables and Net Zero Targets</p>	<p>Renewables</p> <ol style="list-style-type: none"> 100% annual energy requirement to be achieved through on-site generation. Integrate dynamic, smart grid technology to facilitate demand response, ensuring the most efficient supply of electricity for masterplan residents. Battery storage technology will enhance resilience and optimise use with variable tariffs bringing benefits to consumers into the system (storing solar electricity generated during off-peak, cheaper hours, rather than buying more expensive grid electricity).
			<p>Energy Procurement</p> <ol style="list-style-type: none"> Ensure mechanisms are in place to enable purchase of 100% renewable energy from credible renewable energy sources. Renewable Energy Certificate's (REC) will be sought to validate the environmental claims of energy suppliers.
			<p>Net Zero Verification</p> <ol style="list-style-type: none"> Verification process to be carried out following the UKGBC guidance for net zero carbon verification. A minimum level of reporting of the buildings operational and construction performance and third-party audit of data will be required.

2030 Target – Potential approaches

	Targets	Strategies	Example Specifications
Page 46 Embodied Carbon	<p>Embodied Carbon Up-front embodied carbon calculation to verify target equivalent to <300kgCO₂/m² (A1-A5).</p>	<p>To achieve the embodied carbon performance in line with the 2030 targets we anticipate the following design strategies and component choices may be required.</p> <p>Lean design will be prioritised to avoid unnecessary finishes. Designs should be performance-based, and encourage maximum use of materials (e.g., structural design should seek design utilisation factors are no less than 100% with no over-specification permitted).</p> <p>Design for Manufacture and Assembly should be considered to simplify the construction process, reducing material waste where possible.</p> <p>Design considerations to ensure a comprehensive approach to tackling the embodied carbon impacts of each building element:</p>	<p>For low-rise housing (<11m): Substructure:</p> <ul style="list-style-type: none"> No basement construction Spread foundations with low-carbon concretes (>60% GGBS or equivalent) <p>Superstructure:</p> <ul style="list-style-type: none"> Timber frame construction throughout, or significant use of recycled/ secondary components in steel or concrete. <p>For medium scale housing, schemes are likely to require further innovation and commitment, including incorporation and validation of emerging technologies: Substructure:</p> <ul style="list-style-type: none"> No basement Lean foundation systems, considering raft foundations in lieu of deep piles, where technically feasible, or ultra low-carbon concrete piles where not avoidable. <p>Superstructure:</p> <ul style="list-style-type: none"> Lean building design and massing, optimised to reduce structural grids (<5-6m), minimise facade areas/ form factor, avoid excavations. Increase structural floor zones to minimise material (e.g., ribbed slabs in favour of flat slabs). Ultra-low carbon concretes (e.g., using alternative cements/ AACMs etc.) and/or re-used steelwork components. Consideration of structural timber, including engagement with regulatory challenges in Building Regulations Part B. <p>For all building scales and typologies: Envelope:</p> <ul style="list-style-type: none"> Low-carbon rainscreen cladding systems in timber or reclaimed materials (e.g., recycled PVC window frames or rainscreen cladding) Promote natural and recycled insulation materials, including engagement with regulatory challenges in Building Regulations Part B. <p>Internal Finishes</p> <ul style="list-style-type: none"> Alternative drylining materials with high recycled content (in preference to plasterboards) <p>Services:</p> <ul style="list-style-type: none"> Best practice specifications for heat pump installations with low-GWP refrigerants (e.g.. R32 in place of R410A refrigerants in ASHPs) Careful routing to minimise material use, including distributed servicing systems. <p>External Works</p> <ul style="list-style-type: none"> Eliminate bulk earthworks activities with no net export.

2030 Target – Potential approaches

	Targets	Strategies	Example Specifications
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Construction</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 47</p>	<p>All developments achieve PMV of 55%.</p>	<p>A minimum of 55% PMV is required and the guidance document (to be developed) will specify the typical combinations of solutions that will achieve this.</p> <p>Selection decisions for MMC suppliers will be based in part on intelligence gathered through the operation of this standard in the years leading up to the 2030 standard being implemented. This will focus on the as-built and verified performance data gathered through earlier delivery projects.</p> <p>PMV targets will be established at the outset, alongside a commitment to DfMA principles and digitally enabled design and data capture approaches.</p> <p>PMV will be estimated at the design stage and validated post-completion.</p>	<p>MMC Cat1: 3D Primary Structural Systems This category can also be combined with elements of categories 3 and 7 to drive further PMV improvement</p>
			<p>MMC Cat2: 2D Primary Structural Systems This category can also be combined with elements of categories 3, 5, 6 and 7 to drive further PMV improvement.</p>
			<p>MMC Cat3: Pre-manufacturing Components This category can also be combined with elements of all other categories to drive further PMV improvement.</p>
			<p>MMC Cat5: Non-structural Assemblies This category can also be combined with elements of categories 2, 3, 6 and 7 to drive further PMV improvement. i.e., Cat 2c frame and Cat 5a bathroom pod creates an 18% uplift to 58% PMV from traditionally built typically at 40% PMV.</p>
			<p>MMC Cat6: Traditional Building Product Led Site Labour Reduction/ Productivity Improvements This category can also be combined with elements of all other categories to drive further PMV improvement</p>
			<p>MMC Cat7: Site Process Led Labour Reduction/ Productivity Improvements This category can also be combined with elements of all other categories to drive further PMV improvement</p>

Wider Standards for Sustainable Placemaking

Principles

In addition to the targets laid out within the Technical Standard, applicants are invited to consider the application of Wider Standards for Sustainable Placemaking.

These are represented via four main principles:

- Mobility & Accessibility
- Resilient Eco-Systems
- Well-being & Inclusion
- Circular Economy

It is suggested that applicants consider these principles specifically in relation to the following:

- Site selection
- Masterplan
- Home Design
- Operation of the Home

Applicable WMCA Policy

It is suggested that consideration of the following existing WMCA policies, charters, and strategies will support applicants to address these principles:

[WM Design Charter \(wmca.org.uk\)](https://www.wmca.org.uk)

[WMCA Circular Economy \(Executive Summary\)](#)

[Section 1 - Health and health inequalities in the West](#)

[Midlands region \(wmca.org.uk\)](#)

[Equity and Inclusion Scheme 2022-24 \(wmca.org.uk\)](#)

[Briefing note - Net Zero Strategy \(wmca.org.uk\)](#)

[Natural Environment Plan \(wmca.org.uk\)](#)

[Five Year Plan \(wmca.org.uk\)](#)

[WMCA Regional energy strategy](#)

[Health and Equity Impact Assessments | WMCA](#)

Further support and guidance on implementing the standard can be obtained by reaching out to invest@wmca.org.uk





West Midlands
Combined Authority

Homes for the Future

Our Proposals for
Aligning Zero Carbon
Homes and Advanced
Manufacturing

Cast[®]
usefulprojects

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25	Donnington Wood Way, Telford - Lovell
26	Brick House - Urban Splash

Foreword by Andy Street



Our Proposed Homes for the Future Strategy brings together two distinct elements: our clear ambition for building zero carbon homes and the region's proven capabilities in advanced manufacturing.

Using the latest digital technologies and innovations in construction, we aim to build more energy efficient, warmer, healthier, sustainable homes while creating brand new business, investment, and job opportunities.

We are determined to tackle the region's declared climate emergency and meet our commitment to be carbon neutral by 2041. With Homes for the Future, we have the opportunity to drive an increased supply of new homes, support existing businesses and create new ones, develop skills and improve the quality of new homes. By ensuring that our green ambition is embedded into all new construction projects from the start, we will be making our new homes liveable, sustainable, and resilient to the climate crisis.

This is a journey... a journey to ensure that the transition to zero carbon, climate resilient construction is achievable and accessible across the construction industry. This is a journey with our Future Homes Taskforce, key stakeholders, developers, housing associations, and boards, as well as our communities. I invite you to work with us and I promise that we will be there to support you every step of the way.

There are huge advantages for us all.

Andy Street

Andy Street
Mayor of the West Midlands

Executive Summary

Nationally, the Government has set out a clear plan for challenging the construction industry to embrace the building of energy efficient, resilient, zero carbon homes through planned changes to Building Regulations in 2025 (the Government's 'Future Homes Standard'). The Government is also incentivising new building techniques through requirements set out in major funding programmes such as the Affordable Homes Programme, now run in the West Midlands by WMCA and Homes England following the 2023 Devolution Deal.

As a result, many of the largest housebuilders and investors in the UK construction industry are implementing radical change to their models of building, incorporating advanced manufacturing techniques to drive efficiency, productivity and quality. But we need to ensure that this advantage is spread across all businesses, large and small.

In the West Midlands, we aim to get ahead of the curve in zero carbon and changes in regulations. The construction industry has one of the highest economic multipliers of all industrial sectors – nearly £3 value add for every £1 spent – and the opportunity for this strategy is to leverage these changes to ensure a 'fit for purpose' housebuilding industry in the West Midlands and a resilient supply chain that can weather the challenges that the housebuilding sector is facing.



Homes for the Future fundamental principles:

- 1 Aligning with emerging industry standards:**

We have sought to align the strategy with what is already happening in the region and beyond on development projects, leading industry standards such as LETI (the Low Energy Transformation Initiative) and existing standard outcome metrics such as Pre-Manufactured Value (PMV). The PMV targets have been set in line with those of Homes England. Collectively, this will provide confidence to investors and developers (and Government) on clarity, certainty, case study evidence and delivery momentum.
- 2 Signalling a long-term ambition and direction:**

The strategy and supporting Technical Standard set a clear, long-term ambition over the period to 2030, with incremental increases in requirements, enabling the construction industry to respond and invest over time, and as its capacity develops.
- 3 Securing pace and momentum:**

Building on feedback from internal and external stakeholders, and key initiatives such as our Climate Emergency, Deeper Devolution Deal and Plan for Growth, the strategy sets a trajectory that exceeds Government regulation in both scope and speed of implementation.
- 4 Enabling realistic, flexible implementation:**

Our strategy requires no one, single, technical solution. We emphasise a phased approach and compliance focused on the outcome rather than the process, allowing the sector to innovate. We also recognise the need to encourage behavioural change where we recognise that enhanced practical performance is not possible in the early years.
- 5 Suggesting practical solutions:**

Delivery is critical, so we recognise the need to be practical. The Technical Standard sets out our expectations for performance over various timeframes. It also includes guidance on how the standard can be achieved in practice.
- 6 Identifying clear evidence of successful delivery:**

To build momentum and show that it can be done, we will build a catalogue of successful projects that showcase success, and share the technical solutions used to create an environment of continuous improvement.

Executive Summary Continued

In terms of implementation, the strategy is also supported by the full policy and investment infrastructure of WMCA's new devolution settlement.

The strategy builds on its pioneering heritage by moving ahead of national Building Regulatory changes. At the same time, a phased incremental approach provides certainty and clarity to industry partners, with a planned transition over time ensuring that there is no negative impact on viability or deliverability. Finally, a performance-based approach adopted in the strategy, rather than a method or material prescriptive approach, will ensure that we are as inclusive as possible to all supply chains.

We have carefully aligned our standard through industry engagement, led by our Future Homes Taskforce, and drawing upon our existing Zero Carbon Homes Routemap to Net Zero Homes. We recognise that, initially, the standard will require higher upfront investment, potentially some £10-£15k per dwelling. We are confident, however, that, as capability builds, national policy changes, economies of scale emerge in the use of new technologies, and the systemic shortfalls in labour and skills drive increases in traditional construction costs, the initial cost increase of the region's technical standard will reduce, potentially to zero, by 2030.

The key to success is consistency and visibility of demand. This includes both the overall long-term quantum of homes to be commissioned, and the type of homes and technical solutions that will be required. This aggregated and standardised requirement, supported by our own interventions, will enable industry to invest, drive up the quality of new homes, drive down their environmental impact, and thereby create a UK-leading manufacturing industry.

Through our engagement with developers, investors, suppliers and other stakeholders, we are confident that this is a move that industry is starting to make already. There is a clear opportunity for the West Midlands to take a leadership position, demonstrating that change is not just possible but necessary. Through this strategy, WMCA is embracing its role as a facilitator and leader to shift the needle on this agenda, maximise the opportunities it creates and best support the region, its local authorities, businesses, developers, and residents.

1.0 Introduction

Our ambition is to lead the way in the provision of high quality, sustainable and efficiently delivered new homes for residents in our region while driving forward the capability and growth of our advanced manufacturing businesses and creating new employment opportunities for our workforce.

Our Homes for the Future Strategy is the latest step in our work to encourage and incentivise the construction industry to accelerate its shift towards low and zero carbon new homes. The strategy builds on our previous work on advanced manufacturing in construction and zero carbon homes, maximising the benefit to be derived from the HMG's Future Homes Standard which will come into force in 2025.

We will go further and faster by setting out a core set of enhanced sustainability, climate resiliency and construction methodology targets. This will enable us to allocate land, funding and other support to projects that can be shown to meet our expectations. This approach will support us to achieve **WMCA's net zero target by 2041**, ahead of the UK's national target of 2050.

Homes are the highest carbon emitters in our region, accounting for **39% of emissions**, ahead of both industry and transport. Retrofitting an existing home is estimated to cost **five times more** than designing a new home which is energy efficient. By building sustainable new homes now, we will therefore reduce the need for retrofitting within the region and avoid adding to the **1.2 million homes** within the West Midlands that currently need retrofitting.

Our output-based approach will help developers to produce warmer, safer, more energy-efficient homes; tackle fuel poverty; and reduce the threat from energy price hikes. This approach will boost confidence and capability in the construction industry so that new technologies, driven by advanced manufacturing construction, become the established approach to delivering zero carbon homes, supporting a transition to greener construction, and increasing the number of green, sustainable jobs in the construction sector.

2.0 Policy background

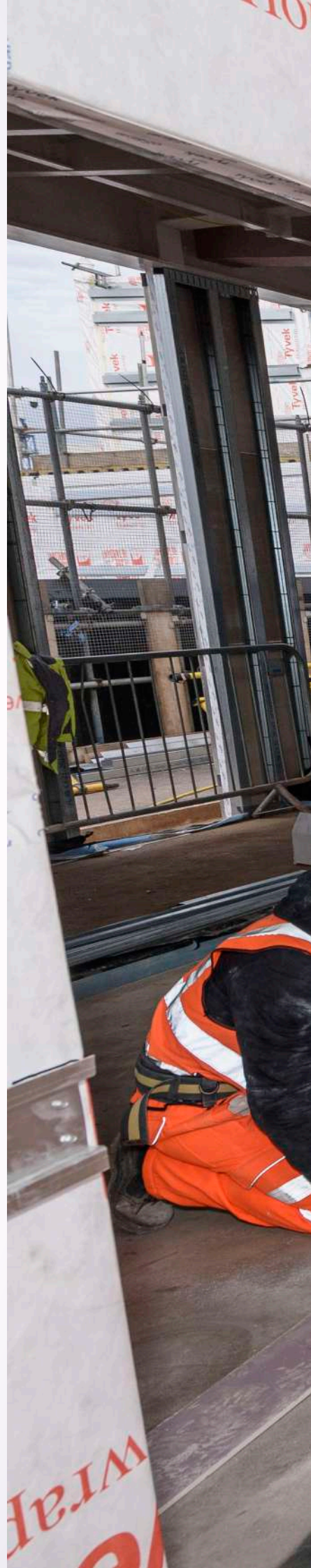
National Policy

National Government is incentivising advanced and modern methods of construction as a means of modernising the construction sector. Building regulations will change in 2025 and further change is likely in the future.

In relation to construction skills, National Government has recognised the need to promote Advanced Methods of Construction (AMC) and Modern Methods of Construction (MMC) as a way of establishing a more productive and sustainable industry model since the Housing White Paper of 2017. This has been most clearly articulated in the 2021-2026 Affordable Homes Programme which sets mandated minimum levels of Modern Methods of Construction on supported projects including those with Homes England's Strategic Partners. Homes England reaffirmed this commitment in its latest 2023 – 2028 Strategic Plan which includes Key Performance Indicators for MMC and Sustainability Performance, including targets for both operational and embodied carbon.

In relation to sustainability, Government has recognised the inevitability of having to regulate the industry's decarbonisation journey, starting with operational carbon via the Future Homes Standard which will be introduced in 2025. While Government has not yet signalled the regulation of embodied carbon, there is increasing parliamentary receptiveness and lobbying momentum through the Part Z campaign. The perception in industry is that embodied carbon will also eventually be regulated, bringing the UK into line with several other countries including the Netherlands, France, Finland and Denmark.

At present, Government has not connected advanced or modern methods of construction with decarbonisation through policy or regulation, preferring to allow industry to develop its own solution, but there are clear signs that there will be policy shifts in future. Through making this link, WMCA sets itself apart not only from government, but also from other regional authorities.





Regional policy


Regional policy on advanced and modern manufacturing in construction and zero carbon homes has been developing for some time. WMCA's previous work has shown that it is only through construction modernisation that net zero aspirations can be achieved at scale.

Our Roadmap for Advanced Manufacture in Construction helped us to set out expectations, on WMCA-funded projects, that new developments of a certain size should incorporate elements of Modern Methods of Construction. We recognised that the wider definition of 'AMC' had significant potential to drive a range of long-term benefits to the construction industry and that, by encouraging the use of advanced manufacturing components on new home developments in the West Midlands, we could deliver considerably wider benefits to the region.

It was also recognised that use of AMC could support five of WMCA's existing policy goals for sustainable and inclusive growth:

- Accelerating housing delivery
- Delivering a zero-carbon future
- Investing in regional and inclusive growth
- Design that reflects the character, context, and aspirations of our communities
- Creating climate resilient and future proof homes that are safer and warmer for our communities.

Following the work on advanced manufacturing, the West Midlands Zero Carbon Homes Routemap set out a series of requirements for new homes to achieve defined net zero standards in operation. The goal was set to deliver zero carbon homes in the region by 2025 and achieve net zero carbon emissions in line with WM2041. The Zero Carbon Homes Routemap sets out programmes of action over the short, medium, and long-term which enable the WMCA, and its partners, to meet these ambitious targets.



The Homes for the Future Strategy builds on this pioneering work to date. It also branches out more widely to act as an integrated strategy and a cross-cutting document that is directly linked to a range of wider regional policies and programmes including:

- unlocking the potential of the ‘Manufacture of Future Housing’ economic cluster in the West Midlands Plan for Growth (launched July 2022)
- the West Midlands brownfield housing and regeneration programme (launched in the 2018 Housing Deal)
- #WM2041
- Investment and Levelling Up Zones (March 2023 Devolution Deal)
- the Affordable Housing Programme (March 2023 Devolution Deal)
- the Public Land Programme (March 2023 Devolution Deal)
- the investment opportunity in future homes set out in the West Midlands Investment Prospectus (launched May 2023); and
- the high-level deliverables of the Housing & Land Portfolio agreed by WMCA Board (February 2023).

Through the West Midlands Plan for Growth the region has laid out a path for returning to a growth trajectory, spreading opportunity and jobs across the region and helping to level-up the UK. The Homes for the Future Strategy will help to revolutionise the modern construction industry, not least by increasing the rate of production.

Also, by expanding the skills base of the modern construction industry, WMCA can help to upskill workers, future proof jobs and increase skills in an in-demand job sector. Being a pioneer will create a skills base that will make West Midlands workers and knowledge in demand across the country.

The programme will also showcase the potential of the region, attracting further investment, confidence and funding. It will show that the region is able to lead both nationally and internationally when it comes to decarbonisation and modern methods of construction.





3.0 Market Perspectives

The construction challenge

The traditional construction sector suffers from systemic challenges which significantly and negatively affect its capacity to supply the homes of the future that the West Midlands will need.

Data from the Office of National Statistics confirms that the economically active workforce has reduced by 11% since 2019, a combination of demographics, the pandemic, migration patterns and insufficient new talent replenishment. One third of the workforce is now aged over 50 and the average age is increasing, yet in many physically intense trades most workers plan to retire at 55-60 years old and not at the state retirement age. The Construction Industry Training Board (CITB) in its most recent survey estimated that 25,000 extra construction workers are needed in the West Midlands in the next 4 years, yet societal change means a smaller talent pool is choosing construction as a career.

Amplifying the workforce challenge is anecdotal evidence that productivity has declined further since the pandemic from what was already a low base. This is now driving wage inflation and reducing relative output, creating resource scarcity which threatens viability of future projects. The combination of regulatory change relating to both carbon and safety, with a shrinking construction workforce and shortages of key traditional skills, creates an unsustainable situation.


We therefore have a national and regional productivity and resource security risk which requires immediate action to safeguard our ability to build more and better-quality homes in the future with the growing threat of a resource constrained workforce. The status quo is not an option. Homes for the Future is therefore not just an environmental necessity, but an economic one.

Signs of change

The pivot towards more advanced methods for building homes has been slow to emerge over the last few years despite Government incentivisation and mandate through programmes such as the Affordable Homes Programme.

In the past eighteen months, however, the combination of a growing realisation of the extent of workforce erosion and the likely implications of the Future Homes Standard is starting to motivate major national housebuilders to review their construction strategies. Several major housebuilders have embarked on building factories to produce a proportion of their new homes to safeguard additional capacity despite workforce challenges, driven by recognition of the twin challenges of resource scarcity and carbon reduction.

These businesses are formally linking AMC and MMC with the ability to deliver higher performing homes in bigger numbers. While the fact that major housebuilders are now comfortable with new methods shows that past concerns about robustness and access to mortgage finance have been addressed.



A West Midlands regional agenda which formally links AMC with decarbonisation of housebuilding can therefore be seen in the context of an increasing acceptance by industry that things are changing. Businesses of all sizes need to prepare for this change by doing more than small scale pilot or research and development projects.

Current Manufacturing Capacity in the West Midlands

The West Midlands AMC sector has the capacity to deliver around 4,500 new homes using AMC today which, if undertaken would represent roughly 10% of the UK-wide output. Presently, the West Midlands is delivering around 2,000 to 2,500 homes per year of that capacity. Delivery of an additional 2,000 homes per annum in the region using AMC is equivalent to 2 factories with 1,000 homes per annum capacity or one larger facility that would accommodate the entirety of the additional 2000 homes.

Evidence suggests that growth in AMC and MMC, particularly that around volumetric is highly additional and will not displace existing construction activity. Recent setbacks and high profile company failures in the volumetric sector show that this has been a challenging model to establish and mature. Residential construction is a highly cyclical sector and emergent businesses with high costs of entry into the market are particularly exposed to those cycles. As such the approach taken in our strategy is, first to drive confidence into the sector by showing leadership and increasing demand for manufactured solutions, and second to take a technology-agnostic approach through the use of PMV, enabling the market to respond in range of ways. This approach is likely to generate a considerable degree of economic value through the wider supply chain. It is anticipated that AMC and MMC activity will indirectly support 560 jobs in the supply chain, generating roughly £44m in Gross Value Added in the West Midlands.

The need for leadership

As part of this process, there is a need for strong leadership as the industry remains traditionally cost conscious and focused on the near term. The uptake of advanced building techniques in the West Midlands can be accelerated using the tools and powers secured by the region through its devolution and funding deals with Government. The intelligent use of public land supply, affordable housing funding, brownfield funding, levelling up and investment zones, strategic partnerships and the use of best value procurement tools to level the playing field, can all help offset the short-term additional costs of innovation, prior to anticipated long-term cost savings.

This strategy places the West Midlands at the vanguard of a wave of change in housebuilding over the coming decade. In doing so, it will give our local supply chain a significant first mover advantage in growing capacity, capability and to scale the technical solutions that will be required nationally in the coming years.

4.0 Framing our strategy

The [West Midlands Inclusive Growth Framework](#) lays out our vision for delivering inclusive growth across the region. Ensuring that our residents live and work in healthy environments is vital to achieving this vision. Decent homes which are affordable, safe and fit for purpose have a huge impact on an individual's ability to thrive and access opportunities where they live. The Homes for the Future Strategy takes critical steps towards our ambition for inclusive growth, with the potential of delivering a number of significant benefits.

Fuel poverty

Over half of all neighbourhoods in the West Midlands are in the bottom 20% when it comes to fuel poverty, nearly three times the national average. An estimated 235,512 homes are classed as being fuel poor homes. At 17.5% of all homes, this is the highest rate of fuel poverty in any English region, with some local areas experiencing much higher rates of over 40%. The Homes for the Future Strategy will help to alleviate this problem by reducing costs for occupiers, building a better physical fabric for new homes with higher insulation standards and reduced energy costs.

Health and well-being

Well-designed and well-built homes also have an impact on our health and well-being. Since the publication of the Marmot Review in 2010, life expectancy in England has stalled and health inequalities have continued to widen. Across the region, both life and healthy life expectancy remain lower than the national average. This has been both exposed and exacerbated by the coronavirus pandemic and the cost-of-living crisis, with our ethnic minority communities among those most affected.

Cold homes can affect or exacerbate a range of health problems including respiratory and circulatory problems and increase the risk of poor mental health. It is estimated that 10% of excess winter deaths are directly attributable to fuel poverty, and a fifth of excess winter deaths are attributable to the coldest quarter of homes. Cold homes can also affect wider issues, such as educational performance among children and young people, as well as work absences.

Homes for the Future means that the region will be able to deliver more sustainable, warmer, more energy efficient, climate resilient homes that will be healthier, happier properties for residents to occupy from the outset, reducing the need for later improvements.



Zero waste construction/Circular economy

Research conducted during the preparation of WMCA's Circular Economy Routemap found that the construction industry is responsible for over 50% of the waste produced in the West Midlands. The move to a circular economy can extend the life cycle of the resources used to make products, reducing or eliminating waste. It can also drive clean economic growth and the creation of tens of thousands of new jobs in low carbon and green technologies.

The transition to a circular economy - one which encourages the repair, reuse and regeneration of resources and materials as well the use of renewable energy - is seen as critical if the West Midlands is to achieve its target of becoming a net zero carbon region within the next 20 years. Homes for the Future will support the move towards more sustainable construction materials, generating skills and talent within the region, and will encourage a shift to more locally and sustainably sourced construction materials with a consequent reduction in the waste of construction materials.

Retrofit

WMCA has ambitious plans to retrofit 50,000 homes across the West Midlands, targeting older homes that have low energy efficiency and cause households to pay far too much on their energy bills.

As well as supporting WMCA's ambition to become net zero by 2041, modern construction techniques will also contribute to improvements in local employment and training. The Homes for the Future Strategy also helps to ensure that we are not constructing more homes that will need to be retrofitted in the future.

Climate adaptation and resilience

Rising temperatures bring changing weather patterns and climate-related hazards, including (but not limited to) longer and more frequent heatwaves, increased flood risk, disrupted supply chains, power cuts and water scarcity. The West Midlands built environment is designed for past and current – rather than future – climate scenarios. There is a need to adapt how we design properties and the materials we use to build them to ensure that they are resilient against climate-related impacts.

The Homes for the Future Strategy will improve the resilience of new developments to heat-related risks through consideration of:

- **passive design options**, protecting properties and occupants from the risk of heat stress and overheating
- **ventilation and airflow** to prevent overheating and improvement of air quality
- **comprehensive overheating analysis** to ensure all habitable parts of the property are comfortable and liveable for occupants
- **fabric performance** under future climate scenarios
- **the BRE Home Quality Mark** to demonstrate that property design has accounted for climate risks to health and wellbeing and running costs of the build

5.0 Inclusive growth and climate resilience

Our strategy is designed to sustain the West Midlands leadership position in manufacturing and some forms of construction technologies. Our strategic response has been to set an ambitious long term performance standard for new homes, aligned to a series of realistic but challenging interim milestones. These standards are all aligned to industry benchmarks and, critically, are outcome targets which specify the performance that we require, not the technologies or solutions that might be used to achieve them. This will allow us to incentivise innovation and participation across the whole supply chain including SMEs.

Brownfield Land - The West Midlands already has a national leadership position in brownfield remediation through its National Brownfield Institute and multi-million-pound brownfield regeneration programme, and our strategy is intended to augment this position in the areas of advanced manufacturing in construction and net zero housebuilding.

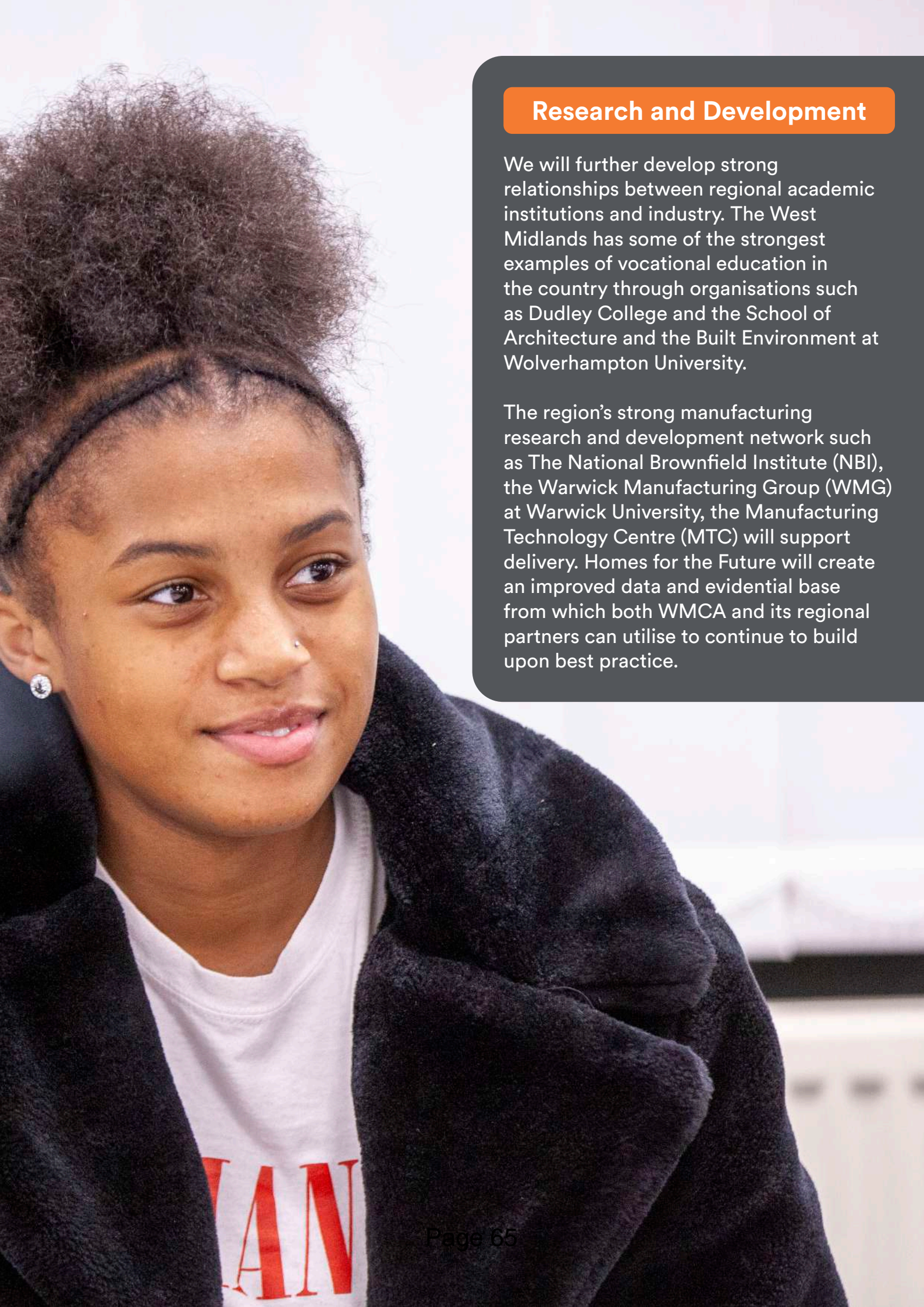
Plan for Growth - The region's medium term growth strategy, the Plan for Growth, identifies the manufacture of future housing as one of eight key growth cluster opportunities for the region, with the potential to add 3,700 new, high value jobs to the West Midlands' economy.

This flexibility means that the strategy can support more inclusive and diverse supply chain growth – for developers, investors, and suppliers – and will be open to any supplier or innovator who can robustly achieve the technical standard, from major businesses to start ups and SMEs.

The strategy has also been designed to ensure that we do not force the industry to move solely towards 'modular' or volumetric housing. The recent, well publicised challenges of some suppliers and housebuilders show clearly that the likely maturity profile of the UK's AMC/MMC market will require a diverse range of solutions spanning all seven of the Government's defined categories of MMC covering panelisation, sub-assembly use, innovative materials, and on-site technologies.

The outcome specification set out in our strategy will enable more hybrid approaches to AMC/MMC to be brought forward to achieve the standard.





Research and Development

We will further develop strong relationships between regional academic institutions and industry. The West Midlands has some of the strongest examples of vocational education in the country through organisations such as Dudley College and the School of Architecture and the Built Environment at Wolverhampton University.

The region's strong manufacturing research and development network such as The National Brownfield Institute (NBI), the Warwick Manufacturing Group (WMG) at Warwick University, the Manufacturing Technology Centre (MTC) will support delivery. Homes for the Future will create an improved data and evidential base from which both WMCA and its regional partners can utilise to continue to build upon best practice.

6.0 Proposed Technical Standard

Our proposed Homes for the Future Technical Standard would provide clarity around the targets that must be achieved and the potential methods of achieving them. It provides a long-term ambition aligned to short term progressive changes and allows industry to evolve solutions in response. It reflects ambitions in both national and regional policy and, as such, aims to incentivise:

- a speedier and more comprehensive adoption of more productive and assured outcome building techniques
- a higher standard of energy performance compared with the Building Regulation changes, and
- reduced embodied carbon in construction that is not part of Building Regulations at present.

Measuring performance standards

The Technical Standard translates these objectives into measurable performance standards with increasing target levels of performance from the current baseline to 2030. Those measures and targets are considered under headings:

Construction: More productive building techniques

- This is measured using the Pre-Manufactured Value (PMV) metric which calculates the material proportion of a building project's cost as opposed to other cost factors including plant, labour, and management. This is a proxy metric for the extent of AMC/MMC as the greater the extent of AMC/MMC, the greater the material element relative to other project costs. PMV is already used as a tool by Homes England to incentivise AMC/MMC use.
- PMV does not favour any building technology over another, and increased PMV can be achieved in a number of ways, providing developers with the space to innovate and develop efficient models of delivery without specifying which construction methodologies should be pursued.

Sustainability: More new energy efficient homes

Through a mix of careful design, enhanced fabric efficiency and the inclusion of non-fossil fuel energy sources such as heat pumps and solar panels, the aim is to incentivise the delivery of new, more energy efficient homes. Two industry standard metrics are used to measure these requirements:

- the energy intensity of a new home: the amount of energy required to use it, proportional to its size
- the space heat demand: a measure that describes the amount of heat required to heat a building and maintain the inside at a particular temperature.

The achievement of these standards places requirements on developers to use higher performing building materials, different heating technologies, and to design for high energy performance from the outset.

Sustainability: Reducing life cycle carbon in construction

- Carbon emissions are created by the materials used in constructing new homes, and by the construction process itself. This is known as embodied carbon and it can be reduced in several ways including the use of lower carbon materials, reduced material and process waste and smarter site operations such as fewer transport journeys.
- There is no requirement in building regulations or other legislation to reduce these embodied carbon emissions. To take a leadership position, however, and to align with best practice in other countries as well as the likely future trend in the industry, we will require projects funded by WMCA progressively to reduce embodied carbon. This will be measured using the whole life carbon assessment as defined by RICS and aligned to the LETI timeline. The new Net Zero Carbon Buildings Standard is currently being developed and we will ensure the carbon metrics in our strategy are aligned in terms of definitions and measurement protocols.

Overall, the achievement of these standards places requirements on developers and contractors to use higher performing building materials, different heating technologies, and to design for high energy performance from the outset.



The Standard, Targets and Trajectory

Our technical standard and targets are being driven by future changes in national standards such as the introduction of improvements to the minimum standard of fabric efficiency required by building regulations, with a first step implemented in 2023 and a further improvement to follow in what is known as the Future Homes Standard in 2025. The precise extent of this standard is currently being fixed by Government following engagement with the sector, led by an industry group known as the Future Homes Hub. Our Construction and Sustainability Targets, as defined within the Technical Standard, this provides:

- a granular description of how the standards can be achieved
- a clearly defined trajectory increasing over time
- a definition of the evidence required for funding purposes.

Table 1 provides a snapshot of these requirements.

2030 Target - Achieve net zero carbon in construction and in operation

Energy Use Intensity:

- EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).
- Space heating demand of <15KWh/m²/yr

Upfront Embodied Carbon:

- Embodied carbon calculation to verify target equivalent to <300kgCO₂/m²

Modern Methods of Construction:

- All developments achieve PMV of 55%

2025 Target - Achieve net zero carbon in operation

Energy Use Intensity:

- EUI: <35kWh/m² operational energy use (including regulated and unregulated energy).
- Space heating demand:15-20 KWh/m²/yr

Upfront Embodied Carbon:

- Embodied carbon calculation to verify target equivalent to <400kgCO₂/m²

Modern Methods of Construction:

- All developments achieve PMV of 50%

Statutory Plus Target - Enhanced measurement and monitoring

Energy Use Intensity:

- Dwelling Emission Rate against the Target Emission Rate of Building Regulations Part L 2021

Upfront Embodied Carbon:

- As a minimum all delivery partners must measure embodied carbon impacts of the proposed construction.

Modern Methods of Construction:

- Review opportunity for PMV uplift across all MMC categories

7.0 How we propose to apply the Technical Standard

The Technical Standard would be embedded in our requirements for devolved housing and land funding as part of the Single Assurance Framework process. The Technical Standard defines the minimum required outcomes and lays out the codified expectations that any applicant for residential funding should achieve, as well as how these can be achieved. Embedding this robust standard as part of our future pipeline is essential to support the delivery of new homes enabled by the Deeper Devolution Deal (March 2023). Combined with guidance documentation for investors and developers, we will ensure the provision of clarity in relation to the standard, how it can be achieved and the benefits of doing so.

Measuring Compliance

The standard is based on a 'yes/no' approach to measuring compliance, meaning that its requirements can be quantitatively described, measured and assessed. This will enable transparent and consistent decision-making based on compliance with the standard, and robust reporting and monitoring of impact and performance. While some within the construction industry will welcome this shift, and some already have plans to operate above the government's standard, others can be reluctant to adopt new approaches, particularly in relation to a subject on which there is limited understanding at present. To achieve this, the Technical Standard makes provision for an 'exceptions approach' which recognises that, in some circumstances, the new standard cannot yet be achieved. In those cases, developers will retain their ability to apply for funding, subject to adopting relatively minor process changes and, crucially, measuring and monitoring the carbon performance of their projects. This is intended to drive understanding and behaviour change even where practical change is not yet possible.

Pre-manufactured value (PMV)

While the region will promote the fullest definition of pre-manufacturing in calculating PMV scores, Homes for the Future has been created to incentivise the use of a wide range of manufactured solutions. The PMV metric allows developers to choose the most appropriate method for achieving the minimum level of off-site manufacture, which in turn will allow the market to decide the optimal technical solutions to achieve the performance standards required. This approach will support the establishment of a fully diverse supply chain which spans lower tech solutions such as timber framing through to more advanced panelisation techniques, sub-assemblies such as internal pods and service cupboards, innovative materials and new on-site technologies and process improvements.

High quality homes, high quality design

Above all, irrespective of method and material, the West Midlands wants to promote high quality. Innovation is no excuse for poor quality, so it will be imperative that robust technical accreditation is used, testing and certification methods are utilised, combined with a competent and appropriately skilled workforce both on and offsite.

8.0 Projects paving the way

Throughout the West Midlands, there are various projects, at various stages of completion, that meet at least some of the expectations of Homes for the Future, providing proof of concept and viability.



Smith's Garden - Goodstone Living & Elements Europe

Status: RIBA Stage 4 Design

The Camp Hill Gardens site is approximately 1km southeast of Birmingham City Centre within Digbeth, previously occupied by a manufacturing business. The 550-unit scheme includes five blocks ranging from 26 to 3 storeys, all built-to-rent tenure. The development also provides shared amenity space and approx.— 1,480m² of commercial units. Once completed, Camphill will be one the largest BTR scheme in Europe to be delivered with MMC Category 1.

Godstone Living set ambitious ESG Targets for the development, including exceeding the requirements of Part L 2021, BREEAM: Very Good, FitWel: 3 Star and Wiredscore: Platinum. The project targets a 50% reduction in operational carbon against current regulations by adopting measures such as the use of electric panel heaters for space heating and air source heat pumps for hot water. The project also incorporates digital technologies to track energy performance with personalised feedback to residents, all while maintaining stringent data privacy standards. Through a data-driven strategy focusing on “behavioural change,” the objective is to encourage residents to adjust their interactions with the building, gradually reducing energy consumption.

An optimum MMC-based delivery has been adopted to help support ESG targets. This approach aims to substantially decrease carbon emissions from on-site activities, transportation, and the extraction and disposal of materials. Elements Europe are appointed to design and manufacture the MMC Category 1 Volumetric Modules in parallel with delivering onsite works. The frame will be constructed via an in situ concrete transfer deck and slipform cores, with the modules installed around the cores forming the blocks.

Key Stats:

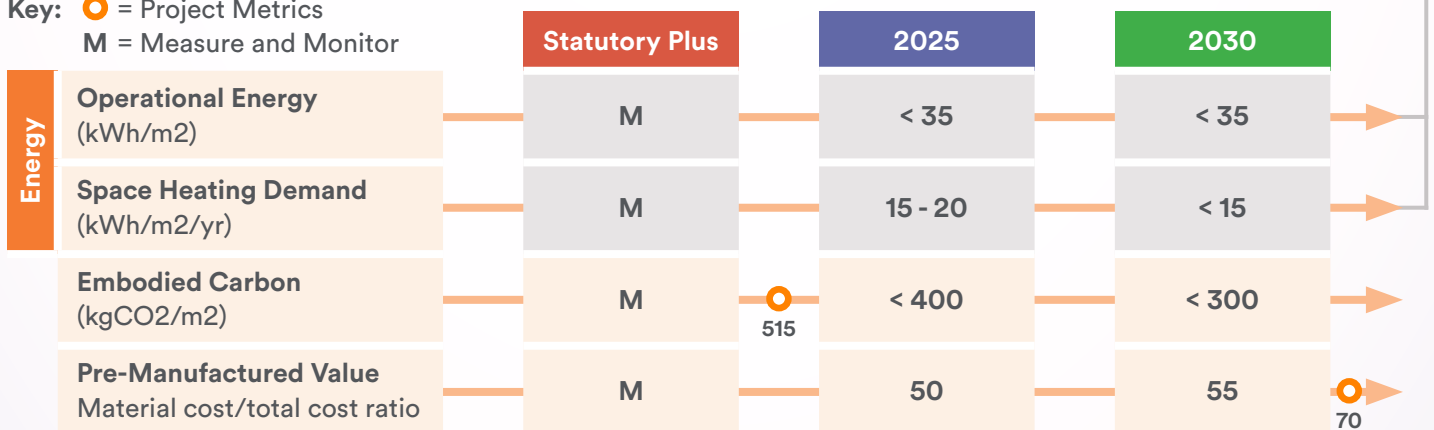
- Upfront Embodied Carbon: 515 kgCO₂/m²
- 70% PMV
MMC Category 1



How does this project perform against the WMCA Homes for Future Technical Standards?

Key: ● = Project Metrics

M = Measure and Monitor



Citizen Housing Pilot Scheme - Littlethorpe

Status: Completed and Occupied

Citizen Housing has recognised the impact of communities in delivering small infill sites that are not possible to deliver through traditional means via the exploration of modular construction.

Citizen Housing appointed Totally Modular to provide a full turnkey solution whereby two energy-efficient houses for affordable rent were constructed using MMC Category 1 on a redundant infill site suffering from blight. The houses were installed on-site in less than 48 hours and received an A+ EPC rating compared to the national average of a D rating. The houses were completed off-site in controlled factory conditions, and they exceeded building regulations, therefore providing higher manufacturing solutions with lower risk and greater speed, cost-effectiveness, and consistency. Both houses scored a 98/100 CO₂ rating, predicting that each house will generate just two tonnes of CO₂ yearly, compared to a UK average of six tonnes.

The off-site production reduced waste by up to 80% and helped reduce CO₂ by 50% compared to traditional site construction. The solar panels with battery back-up guarantee residents a 20% saving on fuel bills. Annual analysis showed total running costs at £1.48 a day for the three-bedroom, five-person house. Air source heat pumps and mechanical ventilation with a heat recovery system are installed to manage air quality.

Key Stats:

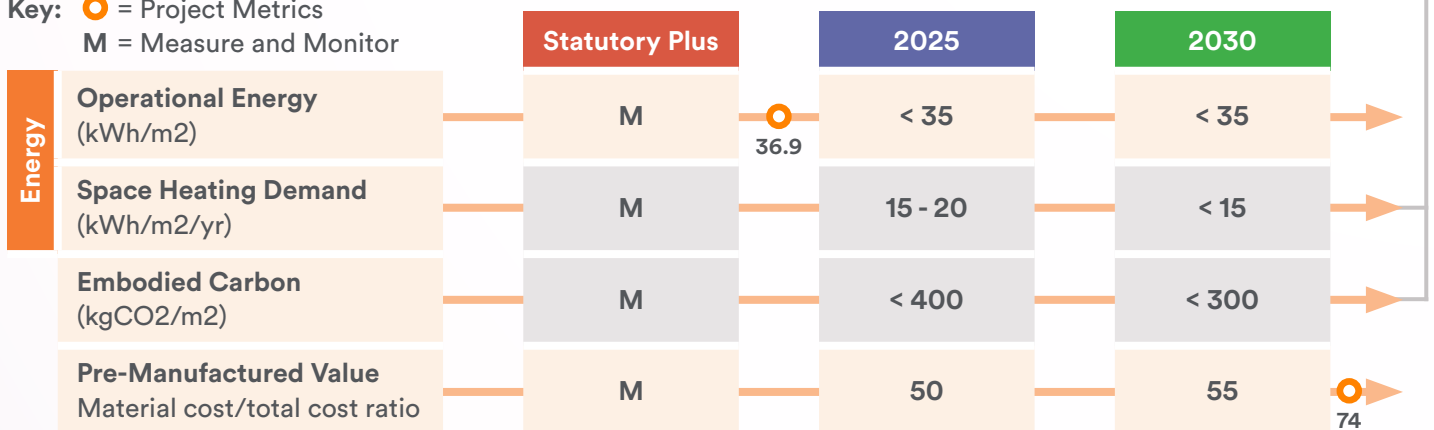
- Energy
Operational Energy:
(2-bed) - 37.49 kWh/m²/yr.
(3-bed) - 36.92 kWh/m²/yr.
- Generating 2 tonnes of CO₂ yearly in operation compared to the UK average of 6 tonnes.
- 74% PMV
95% of the houses built offsite



How does this project perform against the WMCA Homes for Future Technical Standards?

Key: ● = Project Metrics

M = Measure and Monitor



Donnington Wood Way, Telford - Lovell

Status: In Construction

Donnington Wood Way is an inter-generational new community being developed through a collaboration between Telford and Wrekin Council via their wholly-owned company Nuplace, Lovell, and Wrekin Housing Association. It is set to deliver 329 new dwellings and will regenerate 15.24 ha of brownfield land. Construction commenced in Summer 2021 for completion in early 2025. The new development incorporates Affordable, Open Market Sale, Care and Dementia Care and Private Rented Homes.

As part of the Energy and Sustainability Strategy development, it was agreed that a section of the site should be used to showcase the Government's Future Homes Standard; at this point, 16 of the 329 houses have been selected for the pilot. The pilot will feature a highly efficient specification to be trailed, which aims to be a circa 80% betterment to current building regulation requirements.

The brief of achieving a best value approach to sustainability for all parties has led to the development of a strategy ensuring that all facets of sustainability were considered to provide residents with comfortable, good quality homes with low energy use and flexibility for future adaptation.

In selecting sustainability lead solutions, Lovell, in collaboration with supply chain partners, assessed various MMC solutions and opted for MMC Category 2 Closed Panel Timber Frame and Structural Insulated Panels (SIPS) as the preferred solutions to meet the fabric requirements. There is an emphasis on using a local supply chain, with over 75% of the materials being sourced locally, further reducing the upfront embodied carbon. The combined approach delivers a significant reduction in CO2 emissions across the site, due to the strong fabric performance, Air Source Heat Pumps, MVHRs and Solar PV with smart technology through battery storage.

Key Stats:

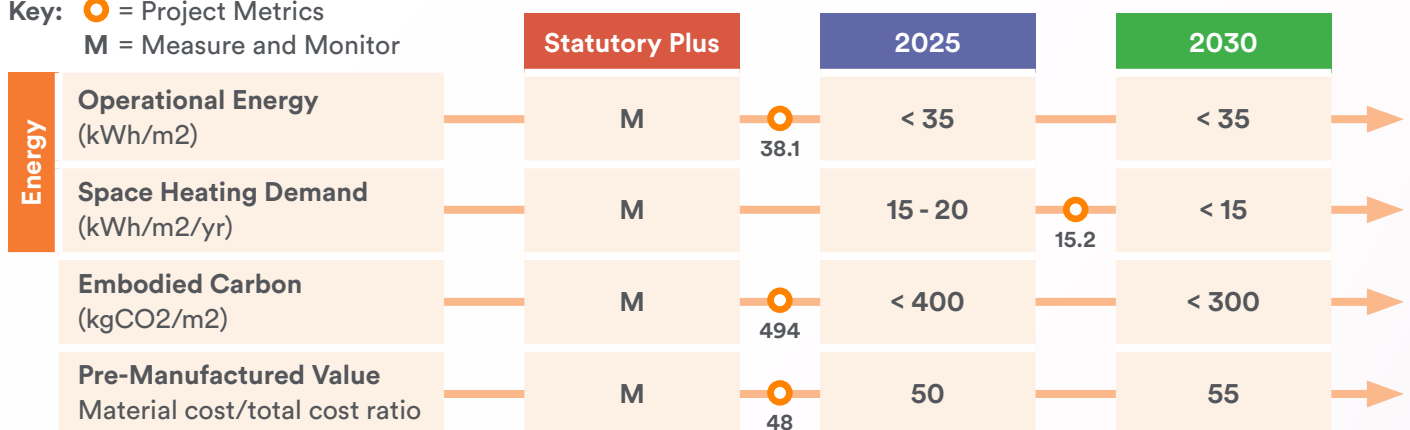
- Upfront Embodied Carbon: 515 kgCO2/m2
- 70% PMV
MMC Category 1



How does this project perform against the WMCA Homes for Future Technical Standards?

Key: ○ = Project Metrics

M = Measure and Monitor



Brick House - Urban Splash

Status: Completed and Occupied

Brick House is a development comprising 37 mews houses designed by Howells for Urban Splash in partnership with Places for People and Canals and River Trust. Infused with an architectural essence reminiscent of the Georgian era, these new homes are strategically centred around a communal garden and a historic canal, emphasising car-free green streets and public green spaces. Unlike typical terraced houses, these homes aimed to prioritise air tightness and insulation, combining aesthetic appeal with enduring, high-quality construction.

What sets this project apart is the integration of digital technologies aimed at providing occupants with a seamless and enhanced living experience. Notably, the inclusion of electric room heaters controlled through online smart apps, a room thermostat, and Mechanical Ventilation with Heat Recovery (MVHR) operating at an impressive 88% efficiency marks a shift towards modern, energy-efficient solutions. In addition, the choice of electric cooking eliminates the reliance on gas or fossil fuels, aligning with sustainable practices.

This project underscores a holistic approach to seamlessly merging contemporary technologies with traditional construction, showing an incremental approach to delivering enhanced sustainability targets.

Key Stats:

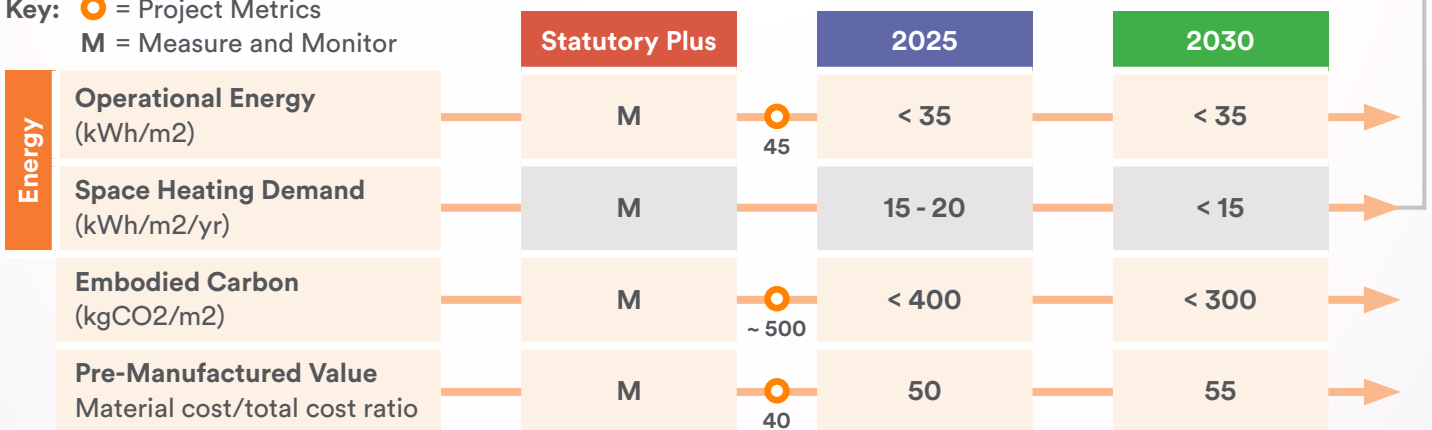
- Energy (estimated)
Operational Energy:
45 kWh/m²
- Upfront Embodied Carbon (unverified by third party):
500 kgCO₂/m²
- 40% PMV
Standard brick cladding facade onto blockworks



How does this project perform against the WMCA Homes for Future Technical Standards?

Key: ● = Project Metrics

M = Measure and Monitor







**West Midlands
Combined Authority**

We welcome any and all feedback

Please reach out to us via invest@wmcra.org.uk by the 22nd January 2024

WMCA Future Housebuilding Strategy

Technical Standard Cost Appraisal

18 August 2023

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- Detached House
- Revised Flats

Brief & Methodology

- Cast initially undertook a review of the potential cost impact of the emerging Future Homes Technical Standard for mid-terrace and flat typologies. We have since added a detached house typology and re-baselined the apartment cost estimates to a lower cost typology.
- Our baseline of each typology is based on a 'typical' approach. The modelling then considers the potential evolution of the construction costs based on proposed standards for 2023, 2025 and 2030 including considering the likely methodology that would be adopted to meet the standard (based on current-day costs).
- We also consider the changes that would be required to achieve the forthcoming Future Homes Standard 2025, which central Government has recently consulted on. We have sought to distinguish between the costs that would be incurred in achieving the WMCA standards and those that developers will need to prepare for regardless of the WMCA strategy.
- The approach to meeting the WMCA standard is based on a hypothetical scenario and includes assumptions around changing to a timber panelised approach for the detached and mid terrace properties, potential foundation savings for light structure, and an allowance for changes to mechanical, electrical and plumbing (MEP) solutions.
- The cost impact has been based on assumptions around the likely cost from experience, however, is not measured from a detailed design assessment of a specific scheme.
- A series of assumptions around the likely cost impact of the technical standards are considered. There are clearly a variety of different approaches that could be adopted; therefore, a cost range has been included to accommodate the variation between different schemes in terms of site, context, scale etc.
- The cost assessment is presented on a £/sqft basis. For the flat typology this has been derived from taking a typical 8 storey flat block as a baseline to assist in establishing the impact on the % cost impact of the proposed standard.



Assumptions & Exclusions

Assumptions - Flats	Assumptions – Mid Terrace House
<p>Baseline</p> <ul style="list-style-type: none"> ➤ The baseline schemes include concrete frame construction methodology 	<p>Baseline</p> <ul style="list-style-type: none"> ➤ The baseline schemes assumes brick and block construction methodology
<p>2023 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concretes with traditional building techniques ➤ Efficient structural grid systems with basement construction avoided ➤ Lightweight façade materials with composite windows ➤ All electric building service strategy adopting high efficiency heat pump technology. MVHR's considered in the baseline therefore not an additional cost 	<p>2023 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concrete with traditional building techniques ➤ Efficient structural grid systems with basement construction avoided ➤ Lightweight façade materials with composite windows ➤ All electric building service strategy adopting high efficiency heat pump technology and use of MVHR's
<p>2025 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concretes combined with a lightweight facade ➤ Triple glazing to be adopted as a standard, but with a composite window ➤ MVHR assumed in baseline therefore no additional cost to flat typology ➤ Additional costs associated with MEPH systems including on site renewables 	<p>2025 Target</p> <ul style="list-style-type: none"> ➤ Triple glazing to be adopted as a standard with a composite window ➤ Utilisation of low carbon concretes combined with a lightweight façade - Incorporates MVHR ➤ Allowance for enhancement to the MEPH system including on site renewables
<p>2030 Target</p> <ul style="list-style-type: none"> ➤ Triple glazing to be adopted as a standard ➤ 100% annual energy requirements to be achieved through on-site generation ➤ Assumes construction methodology (ribbed slabs or similar) will offset additional cost through saving on construction loads 	<p>2030 Target</p> <ul style="list-style-type: none"> ➤ Assumes a timber panelised approach or similar offering a lean construction methodology therefore providing foundation savings against a traditional approach ➤ Triple glazing to be adopted as a standard ➤ Allowance for 100% annual energy requirements to be achieved through on-site generation ➤ Incorporates MVHR



Key Cost Drivers – Flats

Page 81

Baseline	2023 Target	2025 Target	2030 Target
SUBSTRUCTURE			
- Standard building foundations	- Standard building foundations - Use of low-carbon concrete	- Lean foundations with efficient structural grids - Use of low-carbon concrete	- Lean foundations with efficient structural grids - Use of ultra low-carbon concretes
SUPERSTRUCTURE / FRAME			
- Standard concrete frame construction methodology	- Efficient building grid system (<8m spans)	- Utilisation of low-carbon concretes, high-recycled content and/or structural steel	- Lean design grid system (<5-6m grids) - Ribbed slab (in lieu of flat slab)
ENVELOPE			
- Aluminium double-glazed windows	- Composite double-glazed windows - Avoid heavy-weight cladding (pre-cast of aluminium unitised systems)	- Composite triple-glazed windows - Lightweight façade materials (avoid brick/pre-cast)	- Composite triple-glazed windows as standard - Low-carbon rainscreen cladding systems (timber/reclaimed materials)
SERVICES			
- MVHR - ASHP as a standard	- MVHR - ASHP as a standard - Automated lighting control	- MVHR - ASHP as a standard - Automated lighting control - On-site renewables - Primary energy appliances – Only highly efficient appliances and equipment	- MVHR - ASHP as a standard - Automated lighting control - 100% annual energy requirements to be achieved through on-site generation - Primary energy appliances – Only highly efficient appliances and equipment

Legend Items in **red text**: requirements specific to WMCA standard

Items in **black text**: requirements that are likely to be required by the Government Future Homes regulation regardless of WMCA standard



Key Cost Drivers – Mid Terraced House

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Baseline	2023 Target	2025 Target	2030 Target
SUBSTRUCTURE			
- Brick and block construction methodology	- Standard building foundations - Use of low-carbon concrete	- Standard building foundations - Use of low-carbon concrete	- Standard building foundations - Use of ultra low-carbon concrete - Lean construction methodology leading to foundation savings (in lieu of traditional approach)
SUPERSTRUCTURE / FRAME			
- Brick and block construction methodology		- Lightweight facade - Utilisation of low-carbon concretes	- Lean construction methodology - Timber panelised approach
ENVELOPE			
- Aluminium double-glazed windows - Brick and block construction methodology	- Composite double-glazed windows - Avoid heavy-weight cladding (pre-cast of aluminium unitised systems)	- Composite triple-glazed windows - Lightweight façade materials (avoid brick/pre-cast)	- Composite triple-glazed windows as standard - Low-carbon rainscreen cladding systems (timber/reclaimed materials)
SERVICES			
- MVHR and high-efficiency heat pump technology	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control - Primary energy appliances – Only highly efficient appliances and equipment	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control - Primary energy appliances – Only highly efficient appliances and equipment

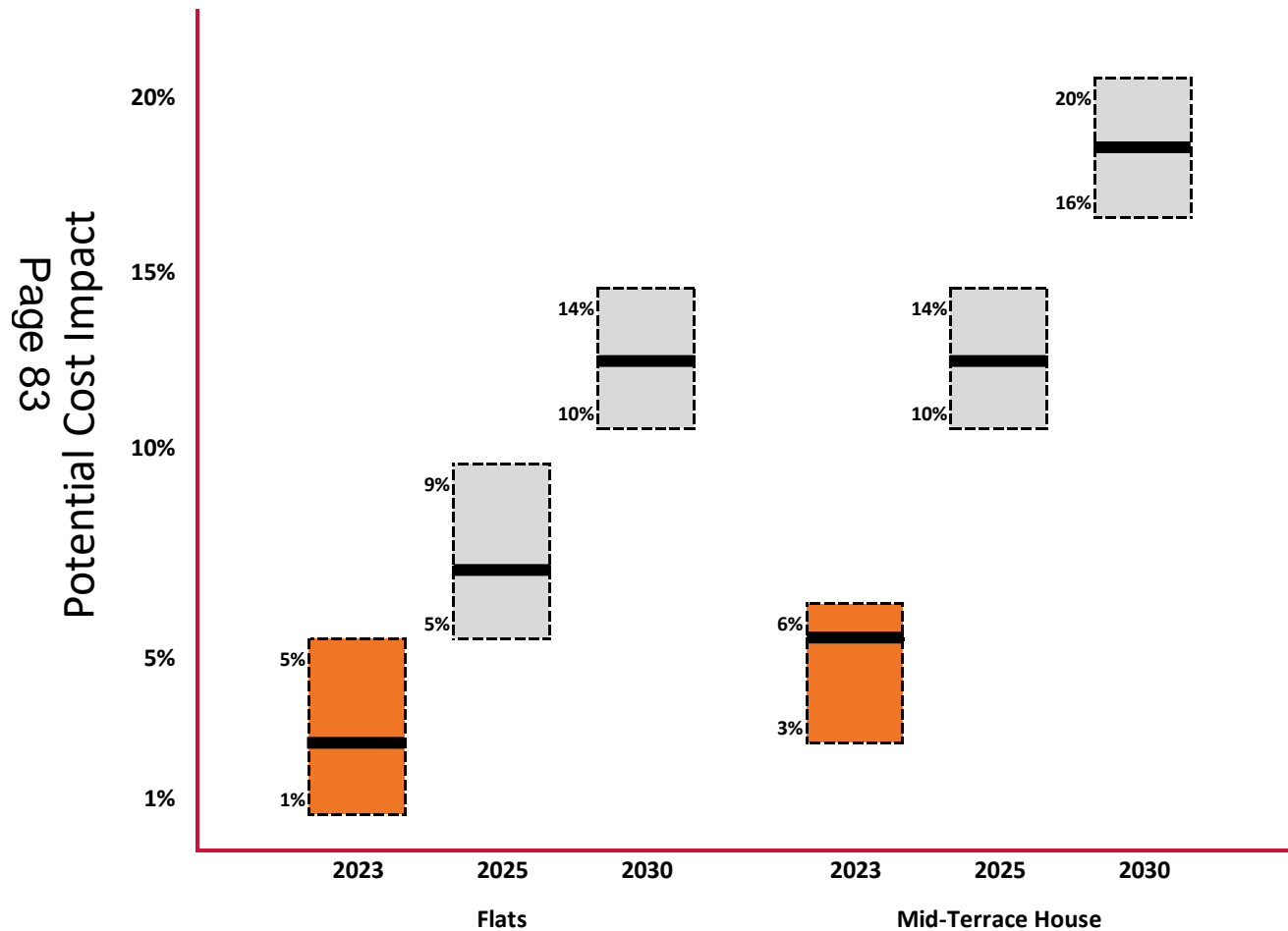
Legend

Items in **red text**: requirements specific to WMCA standard

Items in **black text**: requirements that are likely to be required by the Government Future Homes regulation regardless of WMCA standard



Emerging Findings



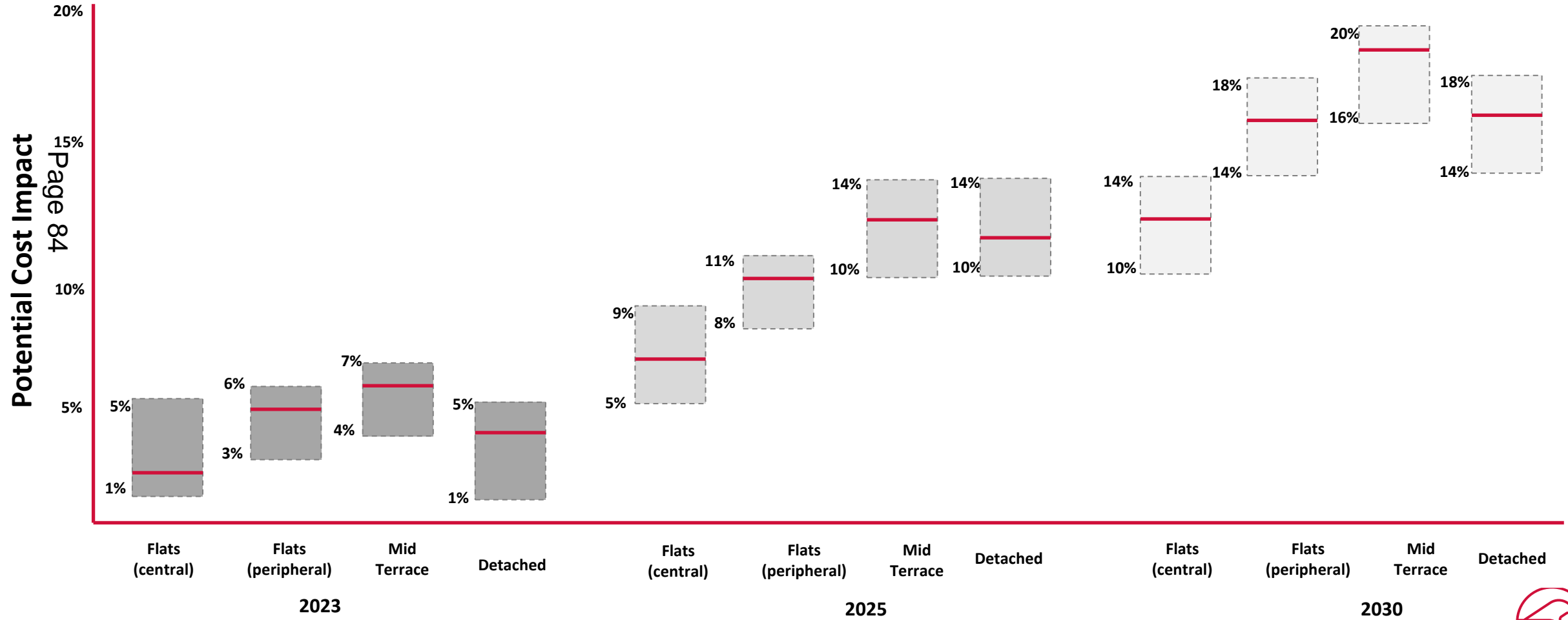
OBSERVATIONS

- The figures for 2023 are closest to current prices, involve the smallest change in construction technology.
- For every stage and for both typologies we show both the outcome of our hypothetical analysis and a wider estimated range. For instance, for 2023 in relation to flats, our cost estimating on the hypothetical development showed a 2% increase over the baseline. We show this with a line:
- In addition, we show an estimated range around that fixed point to reflect that the cost impact will vary based on local conditions. In the case of flats in 2023, we show that range as 1%-6%, based on professional judgment. These ranges are shown by the boxes marked by dotted lines.
- There are sensitivities in the way changes to technologies impact by typology where increased expenditure is either shared between multiple units (in flatted blocks) as opposed to single units (houses).
- This shows the importance of site-wide design & sustainability/ energy planning on lower rise developments – modelling of these costs will naturally improve based on actual site cost data.

NOTE:

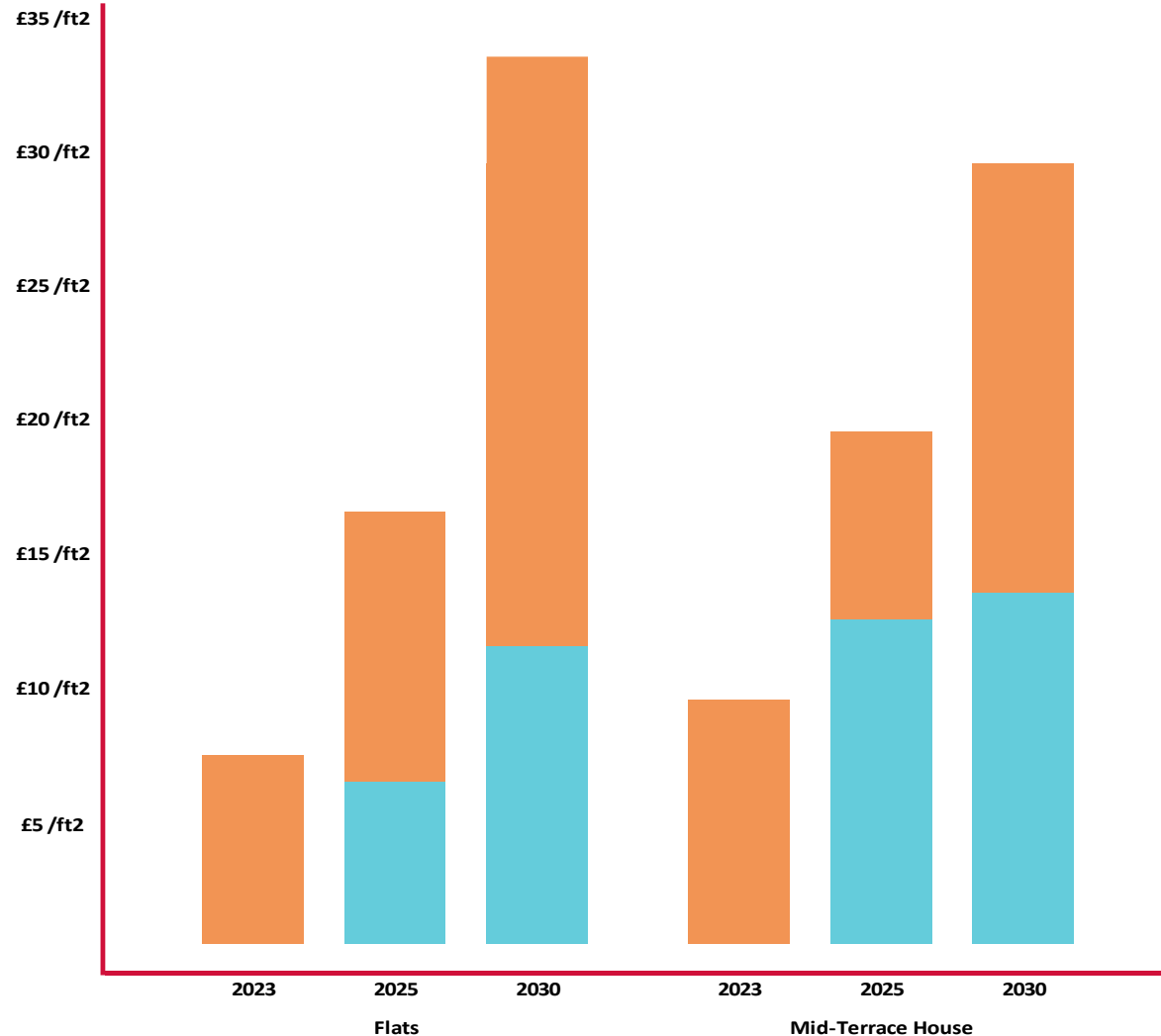
The draft technical standard also includes a “Statutory Plus” specification. This is intended to allow developers to move towards the new standards, where it is not possible or viable to implement the 2023 standard. In this situation developers should commission a whole life carbon assessment which will identify the sustainability performance of the development, showing areas where performance might be improved in future. Developers should also measure the PMV of their development and test options for improving it. Our assessment is that this will introduce an additional cost of approximately £10,000 per development.

All typologies compared



Emerging Findings – WMCA vs Future Homes

Page 85
Cost Impact



KEY

West Midlands Targets



Government Future Homes Standard



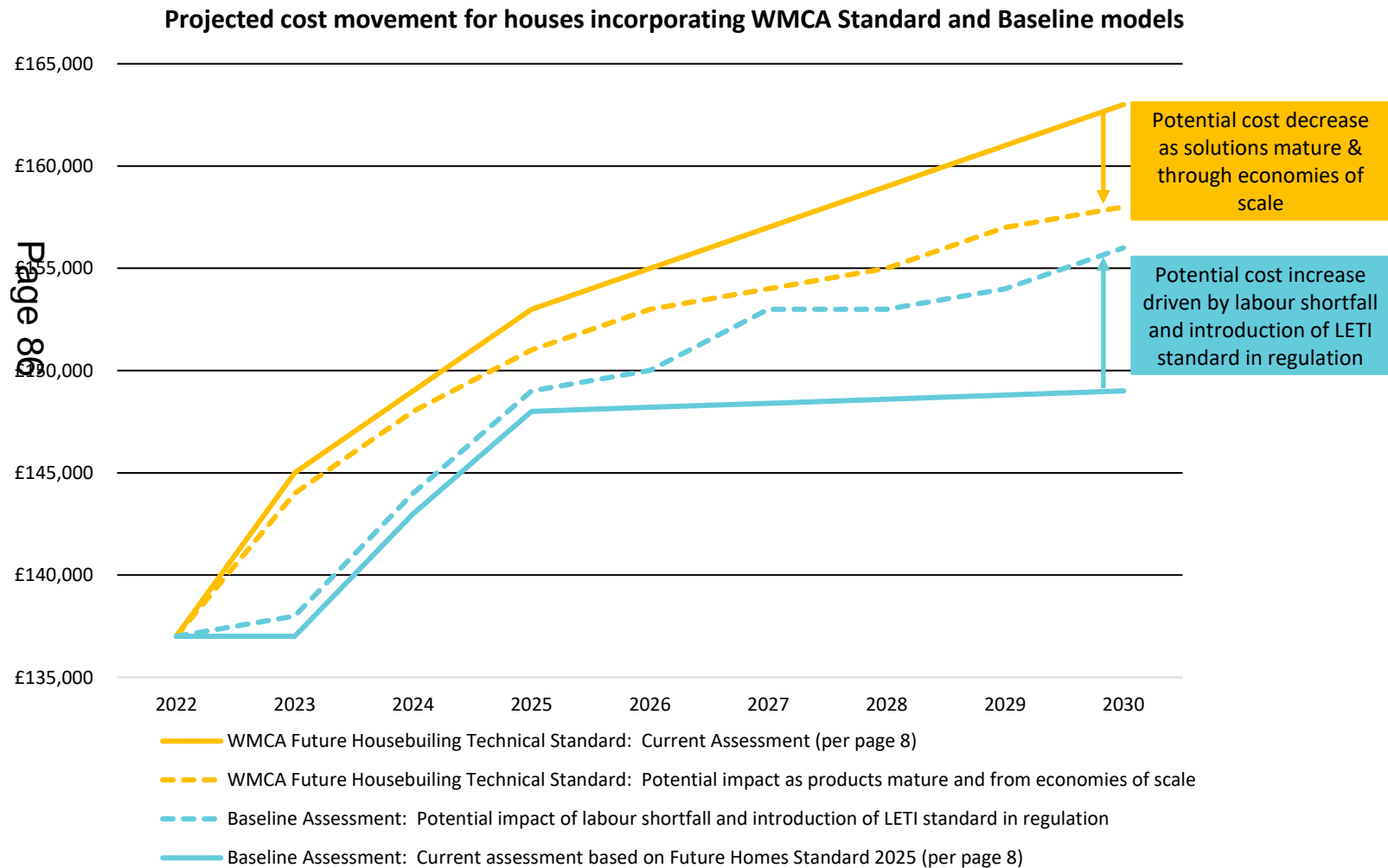
OBSERVATIONS

- Costs shown have been compared against the Government Future Homes Contender Specification CS3.
- Cost uplift shown are based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- The Government Future Homes Strategy picks out the elements of the overall cost increase that would have been required anyway as a result of the Government Future Homes Standard 2025.

NOTE:

The draft technical standard also includes a “Statutory Plus” specification. This is intended to allow developers to move towards the new standards, where it is not possible or viable to implement the 2023 standard. In this situation developers should commission a whole life carbon assessment which will identify the sustainability performance of the development, showing areas where performance might be improved in future. Developers should also measure the PMV of their development and test options for improving it. Our assessment is that this will introduce an additional cost of approximately £10,000 per development.

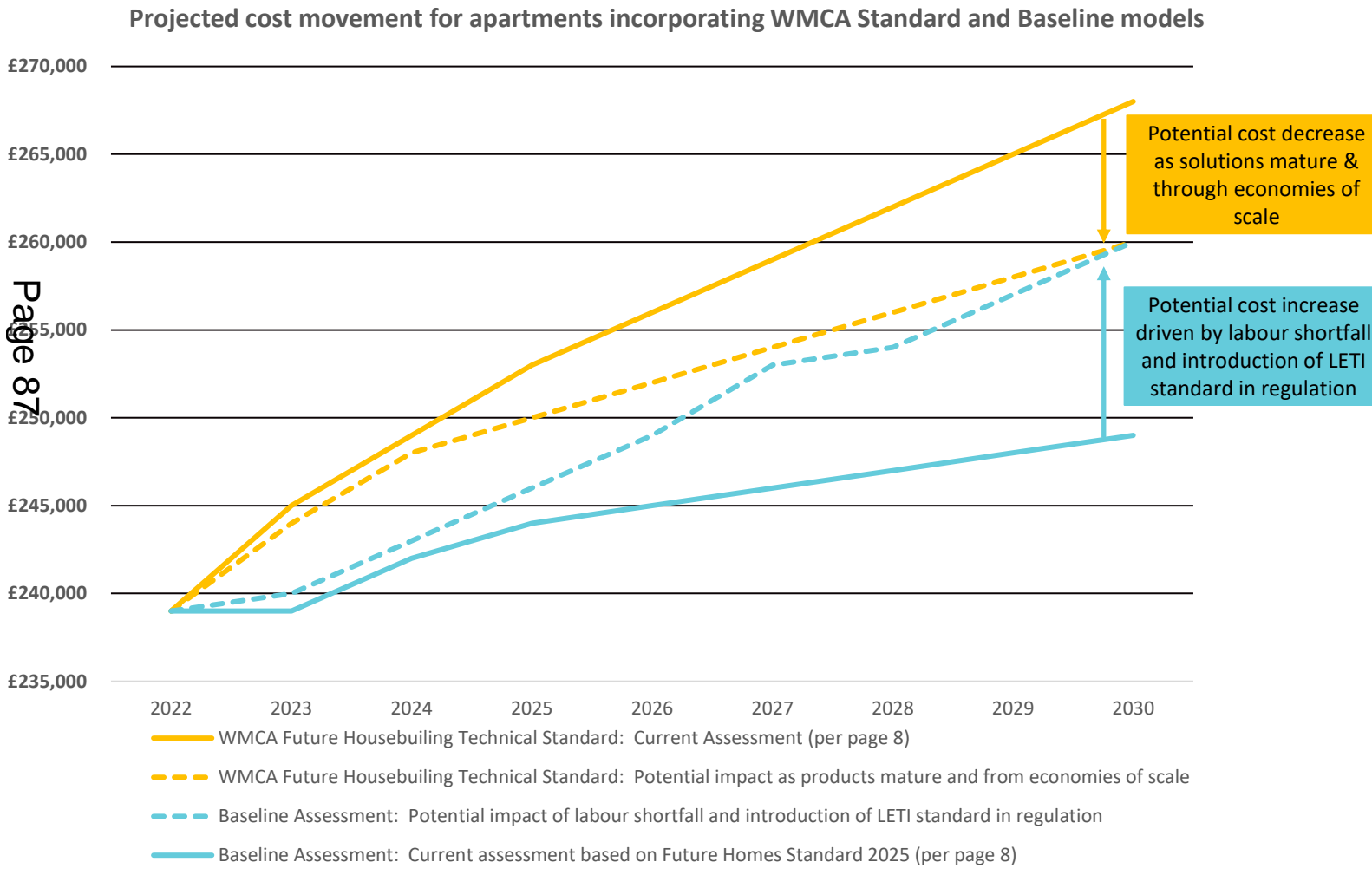
Emerging Findings – Likely future market scenarios (houses)



OBSERVATIONS

- In this analysis we model two scenarios against the base assessment we have shown on pages 7 & 8.
- The chart shows the base case as a per unit cost, which we have based on West Midlands benchmarks (£137,000 for a terraced house in 2022).
- First we show the progressive cost increase we have estimated on pages 7 & 8 over time. The thick orange line shows the cost estimated for the WMCA standard and the thick blue line shows the cost estimated for the baseline i.e. Futures Homes 2025. Both are based on today's prices and market conditions.
- The chart then shows realistic potential scenarios of how market conditions may change over time.
- The dotted yellow line shows the potential impact of a maturing supply chain, more efficient production and economies of scale which would be driven into the market by the WMCA standard. The scenario assumes a 3% annual efficiency against today's prices.
- The dotted blue line shows the potential cost impact of (1) known and systemic shortfalls in total construction labour availability and of key professional trades as well as (2) the cost impact that would follow the Government regulating embodied carbon in 2027. Here we assume a 3% annual cost increase driven by labour shortfalls for and the introduction of a standard similar to LETI into legislation.
- In these scenarios the total cost impact of the WMCA standard in 2030 falls from £14,000 based on today's prices to £2,000 per unit (see over for further commentary).

Emerging Findings – Potential future scenarios (apartments)



OBSERVATIONS

- This analysis mirrors that on the previous page, this time showing the scenarios for an apartment rather than a house.
- Here our base case is £239,000 per apartment based on 2022 prices, and the thick and dotted lines show the same scenarios as the previous page.
- In these scenarios the total cost impact of the WMCA standard falls from £17,000 to zero.

CONCLUSIONS

- While pages 7&8 show the estimated impact of the WMCA in today's prices, the aim of the analysis we have shown on pages 9&10 is to demonstrate the impact of known and likely market changes.
- Construction labour shortfalls are very likely to increase the baseline cost of construction whereas the WMCA approach which incentivises a shift to different construction approaches, using MMC, a different workforce model and less site labour reliance will be less affected by this trend.
- Meanwhile it is reasonable to assume that with sufficient lead time the supply chain will adjust and become more efficient. By moving ahead of regulation, WMCA will stimulate the market to evolve sooner.
- Finally, it is highly likely that regulation will continue to get stronger and will mirror the approach WMCA is taking now by introducing embodied carbon reduction targets.
- In these realistic future scenarios the cost implication of the WMCA standard reduces to between £0 and £2,000 per new home. WMCA would also signal change sooner to the supply chain, giving regional suppliers an early mover advantage in preparing for future national change.

Further Work Required & Next Steps

Our analysis combines a detailed cost benchmarking based on a hypothetical building, with a subjective view on the potential cost movement on key solutions over time. As such we welcome any feedback, comments & suggestions on key factors such as:

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- We make a general assumption, given the increased adoption of battery storage technology, that over time this will lead to reduced costs of production, as we have seen recently with solar panel technology
 - Similarly, we have included an allowance for natural insulation, and it is likely that the supply/demand requirements should improve the availability and decrease cost
 - We assume an increasing element of MMC solutions to meet the requirements over time. These are costed to current prices but again would expect to see efficiencies emerge as output scales.
 - The costing analysis operates on a per unit basis, however the scale of development may impact this considerably both through economies of scale/supply chain accessibility which will improve for larger compared to smaller, and also as the cost of fixed plant, MEP etc will be diluted across more properties on larger developments.

Our analysis is intended to provide a guide to aid policy development. The WMCA strategy includes provision for data capture as projects are funded and progress, and this will enable live and real cost data to be captured as the strategy is implemented to evolve these initial forecasts.



Appendix - Summary Cost Table

SCOPE - Flats	Elemental Description	Baseline - West Midlands Flat (8 Storey Block)	2023			2025			2030		
			Excl.			Excl.			Excl.		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£8 ft2	£8 ft2	£ ft2	0%	£10 ft2	£2 ft2	1%	£10 ft2	£2 ft2	1%
	Superstructure Works	£95 ft2	£96 ft2	£1 ft2	0%	£102 ft2	£7 ft2	2%	£109 ft2	£14 ft2	5%
	Internal Finishes	£41 ft2	£41 ft2	£ ft2	0%	£42 ft2	£1 ft2	0%	£42 ft2	£1 ft2	0%
	Fixtures and Finishes	£18 ft2	£18 ft2	£ ft2	0%	£18 ft2	£ ft2	0%	£18 ft2	£ ft2	0%
	Services	£55 ft2	£59 ft2	£4 ft2	2%	£60 ft2	£5 ft2	2%	£61 ft2	£6 ft2	2%
	External Works	£4 ft2	£4 ft2	£ ft2	0%	£5 ft2	£1 ft2	0%	£12 ft2	£8 ft2	3%
	On Costs	£53 ft2	£55 ft2	£2 ft2	1%	£55 ft2	£2 ft2	1%	£56 ft2	£3 ft2	1%
	TOTAL	£274 ft2	£281 ft2	£7 ft2		£291 ft2	£17 ft2		£307 ft2	£33 ft2	
				2%			6%			12%	
	% Uplift		1% to 5%			5% to 9%			10% to 14%		

SCOPE - Mid-Terrace House	Elemental Description	Baseline - West Midlands Mid Terrace House	2023			2025			2030		
			Excl.			Excl.			Excl.		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£12 ft2	£13 ft2	£1 ft2	1%	£11 ft2	£-1 ft2	-1%	£11 ft2	£-1 ft2	-1%
	Superstructure Works	£59 ft2	£59 ft2	£ ft2	0%	£63 ft2	£3 ft2	2%	£67 ft2	£7 ft2	5%
	Internal Finishes	£18 ft2	£18 ft2	£ ft2	0%	£19 ft2	£1 ft2	0%	£19 ft2	£1 ft2	1%
	Fixtures and Finishes	£13 ft2	£13 ft2	£ ft2	0%	£13 ft2	£ ft2	0%	£13 ft2	£ ft2	0%
	Services	£17 ft2	£24 ft2	£7 ft2	5%	£26 ft2	£9 ft2	6%	£26 ft2	£9 ft2	6%
	External Works	£ ft2	£ ft2	£ ft2	0%	£3 ft2	£3 ft2	2%	£8 ft2	£8 ft2	5%
	On Costs	£30 ft2	£31 ft2	£1 ft2	1%	£33 ft2	£3 ft2	2%	£34 ft2	£4 ft2	3%
	TOTAL	£149 ft2	£158 ft2	£9 ft2		£166 ft2	£18 ft2		£177 ft2	£28 ft2	
				6%			12%			19%	
	% Uplift		4% to 7%			10% to 14%			16% to 20%		

Note: the percentage increases for each element may not add up to the total percentage increase due to rounding.

- The flat typology presents a lower % uplift in all three scenarios. This is driven out of the superstructure including façade changes to meet the Technical Standard representing a proportionally smaller cost element of the overall construction cost i.e. the wall to floor ratio is less therefore the cost impact of superstructure enhancement is lower.
- The baseline flat cost also assumes mechanical ventilation and heat recovery (MHVR) is 'standard'
- Battery storage where accommodated as a site wide proposal (2025 standard) assumes efficiency of scale in a flat scenario however in a mid terrace approach it is assumed the connection strategy would not offer the same efficiency



Appendix - Summary Cost Table – WMCA vs Future Homes

FLATS	Elemental Description	2023			2025			2030					
		Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA
	Facilitating Works	Excl.									Excl.		
Substructure Works	£8 ft2	£ ft2	£ ft2	£ ft2	£10 ft2	£2 ft2	£ ft2	£2 ft2	£10 ft2	£2 ft2	£ ft2	£2 ft2	
Superstructure Works	£96 ft2	£1 ft2	£ ft2	£1 ft2	£102 ft2	£7 ft2	£4 ft2	£2 ft2	£109 ft2	£14 ft2	£7 ft2	£6 ft2	
Internal Finishes	£41 ft2	£ ft2	£ ft2	£ ft2	£42 ft2	£1 ft2	£1 ft2	£ ft2	£42 ft2	£1 ft2	£1 ft2	£ ft2	
Fixtures and Finishes	£18 ft2	£ ft2	£ ft2	£ ft2	£18 ft2	£ ft2	£ ft2	£ ft2	£18 ft2	£ ft2	£ ft2	£ ft2	
Services	£59 ft2	£4 ft2	£ ft2	£4 ft2	£60 ft2	£5 ft2	£1 ft2	£5 ft2	£61 ft2	£6 ft2	£1 ft2	£5 ft2	
External Works	£4 ft2	£ ft2	£ ft2	£ ft2	£5 ft2	£1 ft2	£1 ft2	£ ft2	£12 ft2	£8 ft2	£3 ft2	£6 ft2	
On Costs	£55 ft2	£2 ft2	£ ft2	£2 ft2	£55 ft2	£2 ft2	£ ft2	£2 ft2	£56 ft2	£3 ft2	£ ft2	£3 ft2	
TOTAL	£281 ft2	£7 ft2	£ ft2	£7 ft2	£291 ft2	£17 ft2	£6 ft2	£10 ft2	£307 ft2	£33 ft2	£11 ft2	£22 ft2	
% Uplift	1% to 5%	2%			5% to 9%	6%			10% to 14%	12%			

- Costs shown above have been compared against the Future Homes Contender Specification CS3.
- Cost uplift shown above is based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- No cost uplift to Future Homes Standard (FHS) in 2023 as this only comes into effect in 2025.
- No uplift to on-costs have been apportioned to Future Homes as it is believed that the Future Homes regulation does not ask for any additional reporting/testing etc than what is currently being requested at benchmark.



Appendix - Summary Cost Table – WMCA vs Future Homes

MID-TERRACE HOUSE	Elemental Description	2023			2025			2030					
		Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£13 ft2	£1 ft2	£ ft2	£1 ft2	£11 ft2	-£1 ft2	£ ft2	-£1 ft2	£11 ft2	-£1 ft2	£ ft2	-£1 ft2
	Superstructure Works	£59 ft2	£ ft2	£ ft2	£ ft2	£63 ft2	£3 ft2	£3 ft2	£ ft2	£67 ft2	£7 ft2	£6 ft2	£2 ft2
	Internal Finishes	£18 ft2	£ ft2	£ ft2	£ ft2	£19 ft2	£1 ft2	£1 ft2	£ ft2	£19 ft2	£1 ft2	£1 ft2	£ ft2
	Fixtures and Finishes	£13 ft2	£ ft2	£ ft2	£ ft2	£13 ft2	£ ft2	£ ft2	£ ft2	£13 ft2	£ ft2	£ ft2	£ ft2
	Services	£24 ft2	£7 ft2	£ ft2	£7 ft2	£26 ft2	£9 ft2	£4 ft2	£5 ft2	£26 ft2	£9 ft2	£4 ft2	£5 ft2
	External Works	£ ft2	£ ft2	£ ft2	£ ft2	£3 ft2	£3 ft2	£3 ft2	£ ft2	£8 ft2	£8 ft2	£3 ft2	£6 ft2
	On Costs	£31 ft2	£1 ft2	£ ft2	£1 ft2	£33 ft2	£3 ft2	£ ft2	£3 ft2	£34 ft2	£4 ft2	£ ft2	£4 ft2
	TOTAL	£158 ft2	£9 ft2	£ ft2	£9 ft2	£166 ft2	£18 ft2	£11 ft2	£7 ft2	£177 ft2	£28 ft2	£13 ft2	£15 ft2
	% Uplift	4% to 7%	6%			12%				19%			
						10% to 14%				16% to 20%			

- Costs shown above have been compared against the Future Homes Contender Specification CS3.
- Cost uplift shown above is based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- No cost uplift to Future Homes Standard (FHS) in 2023 as this only comes into effect in 2025.
- No uplift to on-costs have been apportioned to Future Homes as it is believed that the Future Homes regulation does not ask for any additional reporting/testing etc than what is currently being requested at benchmark.



Appendix – Detached House – Summary Cost Tables

SCOPE - Detached House	Elemental Description	Baseline	2023			2025			2030		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£11 ft2	£12 ft2	£1 ft2	1%	£12 ft2	£1 ft2	1%	£12 ft2	£1 ft2	1%
	Superstructure Works	£63 ft2	£63 ft2	£ ft2	0%	£66 ft2	£3 ft2	2%	£67 ft2	£4 ft2	3%
	Internal Finishes	£14 ft2	£14 ft2	£ ft2	0%	£15 ft2	£1 ft2	0%	£15 ft2	£1 ft2	1%
	Fixtures and Finishes	£8 ft2	£8 ft2	£ ft2	0%	£8 ft2	£ ft2	0%	£8 ft2	£ ft2	0%
	Services	£16 ft2	£20 ft2	£4 ft2	3%	£22 ft2	£6 ft2	4%	£22 ft2	£6 ft2	4%
	External Works	£1 ft2	£1 ft2	£ ft2	0%	£4 ft2	£3 ft2	2%	£9 ft2	£8 ft2	6%
	On Costs	£28 ft2	£29 ft2	£1 ft2	1%	£31 ft2	£3 ft2	2%	£32 ft2	£4 ft2	3%
	TOTAL	£141 ft2	£147 ft2	£6 ft2		£157 ft2	£16 ft2		£165 ft2	£24 ft2	
			4%			11%			17%		
% Uplift		1% to 5%			10% to 14%			14% to 18%			

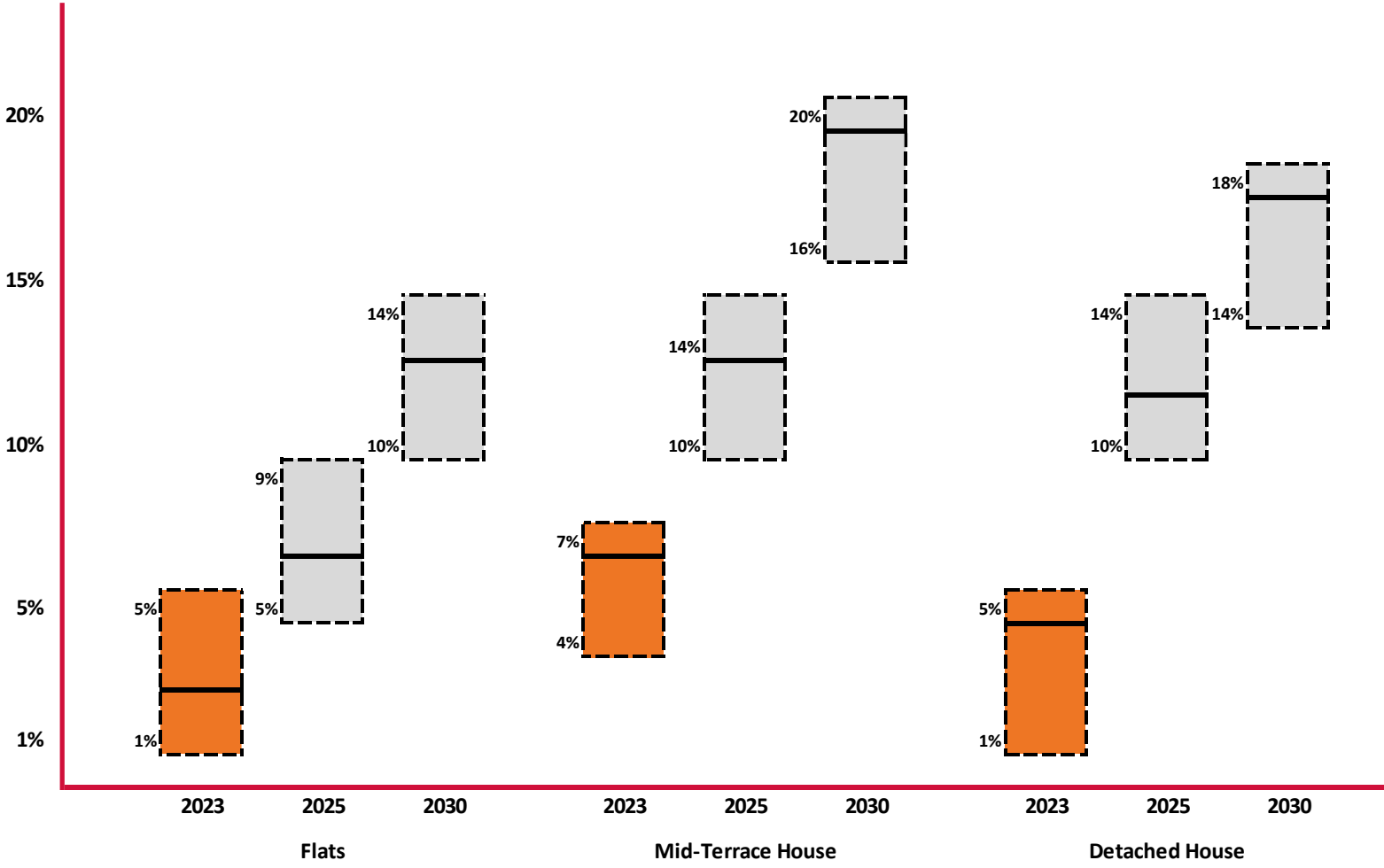
DETACHED HOUSE	Elemental Description	2023				2025				2030			
			Total	FHS	WMCA		Total	FHS	WMCA		Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£12 ft2	£1 ft2	£ ft2	£1 ft2	£12 ft2	£1 ft2	£ ft2	£1 ft2	£12 ft2	£1 ft2	£ ft2	£1 ft2
	Superstructure Works	£63 ft2	£ ft2	£ ft2	£ ft2	£66 ft2	£3 ft2	£2 ft2	£1 ft2	£67 ft2	£4 ft2	£2 ft2	£2 ft2
	Internal Finishes	£14 ft2	£ ft2	£ ft2	£ ft2	£15 ft2	£1 ft2	£ ft2	£1 ft2	£15 ft2	£1 ft2	£ ft2	£1 ft2
	Fixtures and Finishes	£8 ft2	£ ft2	£ ft2	£ ft2	£8 ft2	£ ft2	£ ft2	£ ft2	£8 ft2	£ ft2	£ ft2	£ ft2
	Services	£20 ft2	£4 ft2	£ ft2	£4 ft2	£22 ft2	£6 ft2	£ ft2	£6 ft2	£22 ft2	£6 ft2	£ ft2	£6 ft2
	External Works	£1 ft2	£ ft2	£ ft2	£ ft2	£4 ft2	£3 ft2	£3 ft2	£ ft2	£9 ft2	£8 ft2	£ ft2	£8 ft2
	On Costs	£29 ft2	£1 ft2	£ ft2	£1 ft2	£31 ft2	£3 ft2	£ ft2	£3 ft2	£32 ft2	£4 ft2	£ ft2	£4 ft2
TOTAL	£147 ft2	£6 ft2	£ ft2	£6 ft2	£157 ft2	£16 ft2	£5 ft2	£11 ft2	£165 ft2	£24 ft2	£2 ft2	£22 ft2	
		4%				11%				17%			
% Uplift	1% to 5%				10% to 14%				14% to 18%				

Detached House

Following dialogue with the H&L Delivery Board we have developed an additional analysis, using a detached typology which we show here. This is in addition to the semi-detached typology that was previously calculated.



Appendix – Detached House – WMCA vs Future Homes

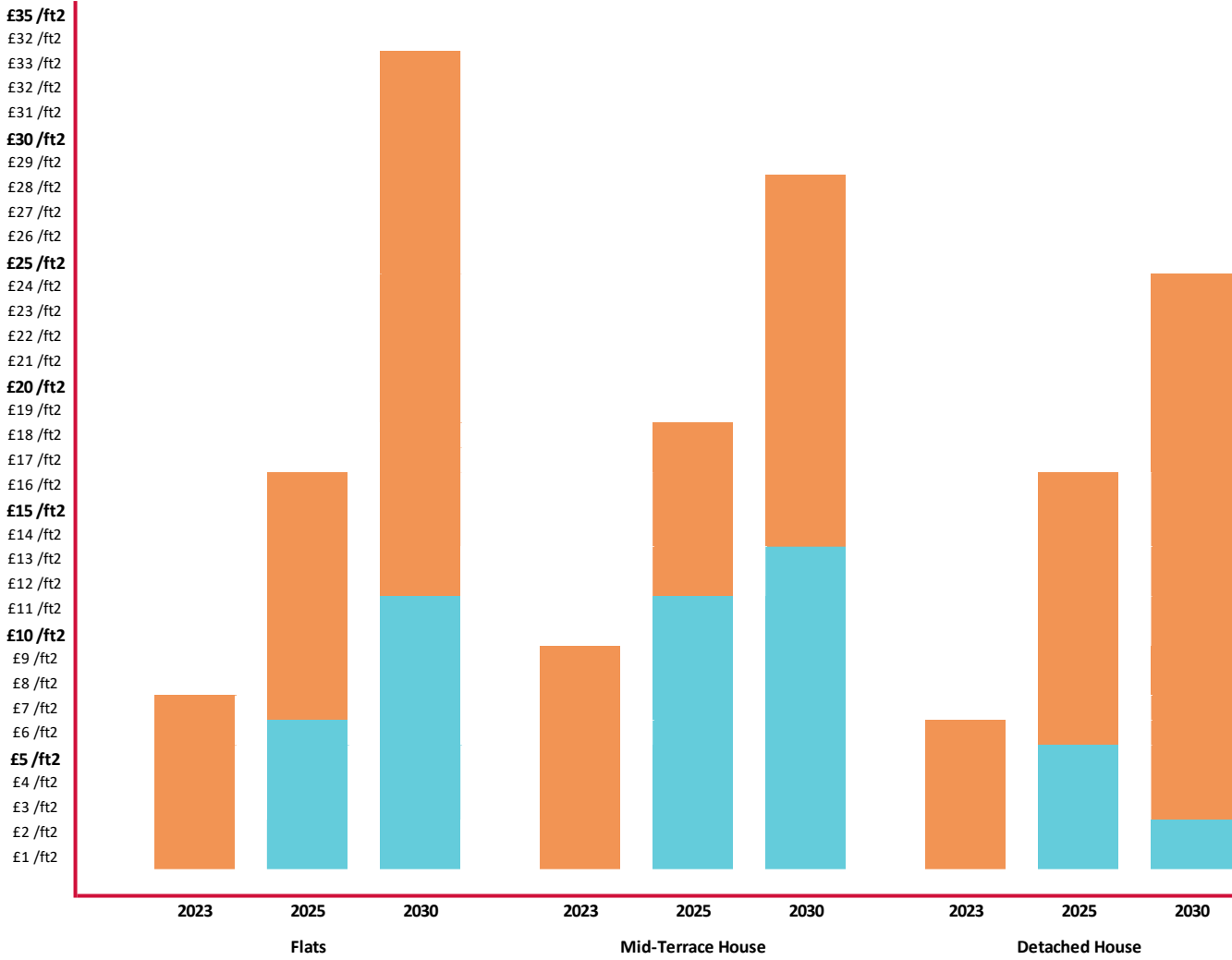


Detached House
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Appendix – Detached House – WMCA vs Future Homes

Detached House
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Appendix – Revised Flats – Summary Cost Tables

SCOPE - Flats Revised	Elemental Description	Baseline - West Bromwich Flat (4 Storey Block)			2023			2025			2030		
	Facilitating Works	Excl.			Excl.			Excl.			Excl.		
	Substructure Works	£16 ft2			£16 ft2	£ ft2	0%	£18 ft2	£2 ft2	1%	£18 ft2	£2 ft2	1%
	Superstructure Works	£62 ft2			£63 ft2	£1 ft2	0%	£67 ft2	£5 ft2	3%	£71 ft2	£9 ft2	6%
	Internal Finishes	£24 ft2			£24 ft2	£ ft2	0%	£25 ft2	£1 ft2	0%	£25 ft2	£1 ft2	1%
	Fixtures and Finishes	£12 ft2			£12 ft2	£ ft2	0%	£12 ft2	£ ft2	0%	£12 ft2	£ ft2	0%
	Services	£39 ft2			£45 ft2	£6 ft2	4%	£46 ft2	£7 ft2	5%	£47 ft2	£8 ft2	5%
	External Works	£4 ft2			£4 ft2	£ ft2	0%	£6 ft2	£2 ft2	1%	£11 ft2	£7 ft2	5%
	On Costs	£36 ft2			£38 ft2	£2 ft2	1%	£39 ft2	£3 ft2	2%	£40 ft2	£4 ft2	2%
	TOTAL	£194 ft2			£202 ft2	£8 ft2		£213 ft2	£19 ft2		£224 ft2	£30 ft2	
						4%			10%			16%	
	% Uplift				3% to 6%			8% to 11%			14% to 18%		

FLATS REVISED	Elemental Description	2023			2025			2030		
		Total	FHS	WMCA	Total	FHS	WMCA	Total	FHS	WMCA
	Facilitating Works	Excl.			Excl.			Excl.		
	Substructure Works	£16 ft2	£ ft2	£ ft2	£18 ft2	£2 ft2	£2 ft2	£18 ft2	£2 ft2	£2 ft2
	Superstructure Works	£63 ft2	£1 ft2	£1 ft2	£67 ft2	£5 ft2	£3 ft2	£71 ft2	£9 ft2	£4 ft2
	Internal Finishes	£24 ft2	£ ft2	£ ft2	£25 ft2	£1 ft2	£1 ft2	£25 ft2	£1 ft2	£1 ft2
	Fixtures and Finishes	£12 ft2	£ ft2	£ ft2	£12 ft2	£ ft2	£ ft2	£12 ft2	£ ft2	£ ft2
	Services	£45 ft2	£6 ft2	£6 ft2	£46 ft2	£7 ft2	£1 ft2	£47 ft2	£8 ft2	£1 ft2
	External Works	£4 ft2	£ ft2	£ ft2	£6 ft2	£2 ft2	£2 ft2	£11 ft2	£7 ft2	£ ft2
	On Costs	£38 ft2	£2 ft2	£2 ft2	£39 ft2	£3 ft2	£3 ft2	£40 ft2	£4 ft2	£ ft2
	TOTAL	£202 ft2	£8 ft2	£ ft2	£213 ft2	£19 ft2	£6 ft2	£224 ft2	£30 ft2	£5 ft2
			4%			10%			16%	
	% Uplift	3% to 6%			8% to 11%			14 to 18%		

Revised Flats

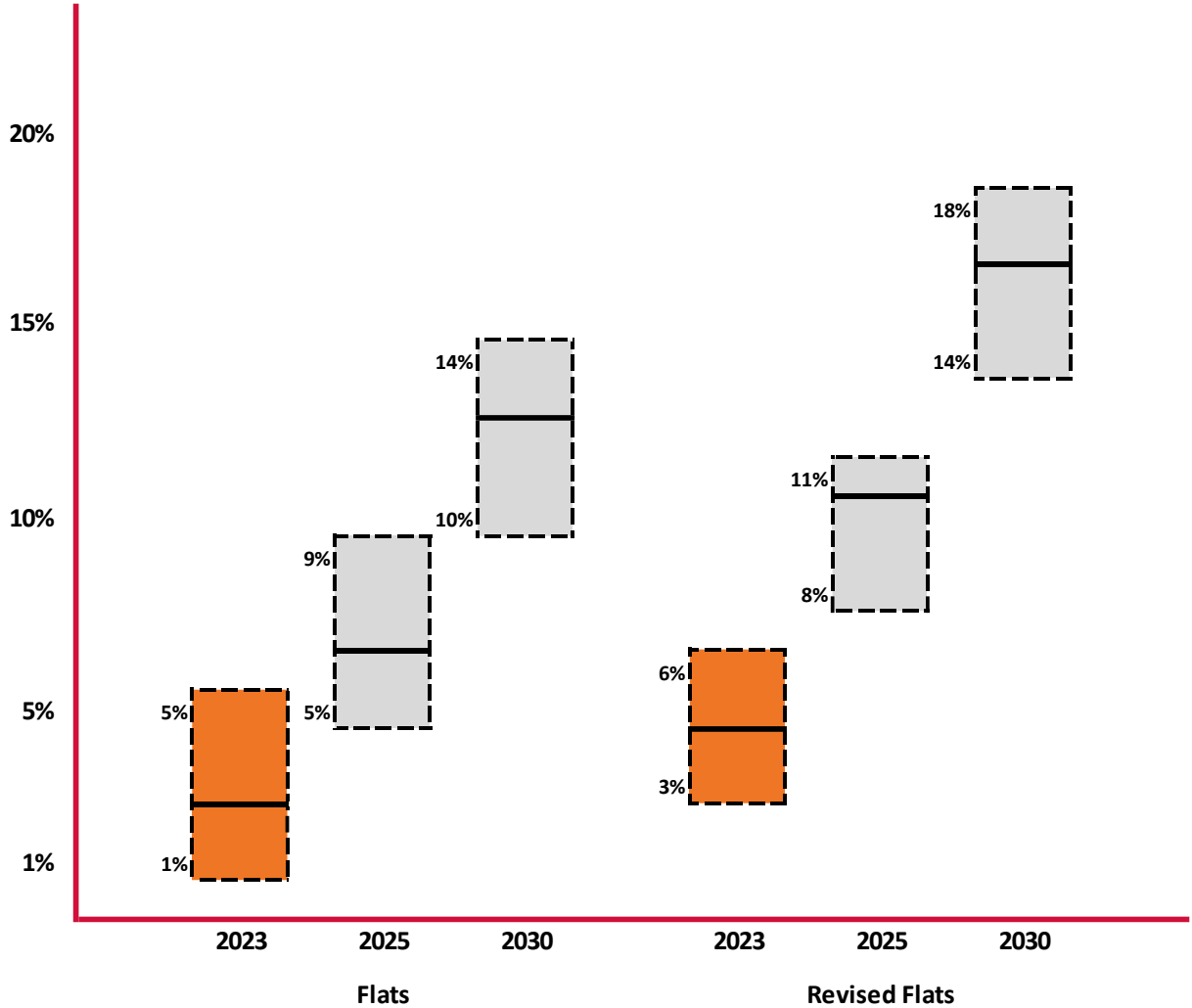
Page 95

Following dialogue with the H&L Delivery Board we have developed a secondary analysis of flats (referred to as “periphery” in the main body of this paper). This analysis uses a smaller and less valuable apartment block as its base, with assumed figures used based on a –theoretical development.



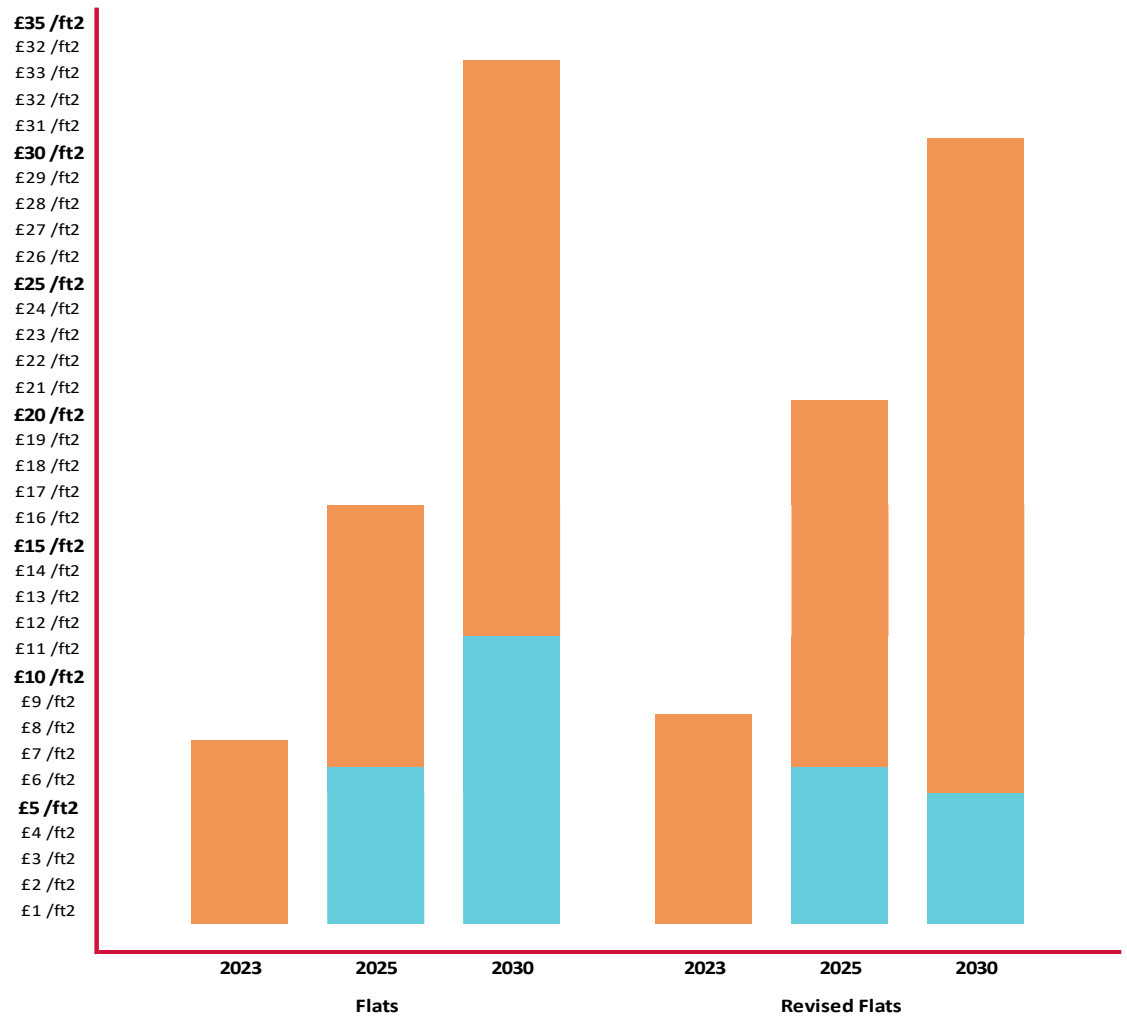
Appendix – Revised Flats – WMCA vs Future Homes

Revised Flats
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Appendix – Revised Flats – WMCA vs Future Homes

Revised Flats
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WMCA Future Housebuilding Strategy

Technical Standard Cost Appraisal

18 August 2023

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- Revised Flats

Brief & Methodology

- Cast initially undertook a review of the potential cost impact of the emerging Future Homes Technical Standard for mid-terrace and flat typologies. We have since added a detached house typology and re-baselined the apartment cost estimates to a lower cost typology.
- Our baseline of each typology is based on a 'typical' approach. The modelling then considers the potential evolution of the construction costs based on proposed standards for 2023, 2025 and 2030 including considering the likely methodology that would be adopted to meet the standard (based on current-day costs).
- We also consider the changes that would be required to achieve the forthcoming Future Homes Standard 2025, which central Government has recently consulted on. We have sought to distinguish between the costs that would be incurred in achieving the WMCA standards and those that developers will need to prepare for regardless of the WMCA strategy.
- The approach to meeting the WMCA standard is based on a hypothetical scenario and includes assumptions around changing to a timber panelised approach for the detached and mid terrace properties, potential foundation savings for light structure, and an allowance for changes to mechanical, electrical and plumbing (MEP) solutions.
- The cost impact has been based on assumptions around the likely cost from experience, however, is not measured from a detailed design assessment of a specific scheme.
- A series of assumptions around the likely cost impact of the technical standards are considered. There are clearly a variety of different approaches that could be adopted; therefore, a cost range has been included to accommodate the variation between different schemes in terms of site, context, scale etc.
- The cost assessment is presented on a £/sqft basis. For the flat typology this has been derived from taking a typical 8 storey flat block as a baseline to assist in establishing the impact on the % cost impact of the proposed standard.



Assumptions & Exclusions

Assumptions - Flats	Assumptions – Mid Terrace House
<p>Baseline</p> <ul style="list-style-type: none"> ➤ The baseline schemes include concrete frame construction methodology 	<p>Baseline</p> <ul style="list-style-type: none"> ➤ The baseline schemes assumes brick and block construction methodology
<p>2023 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concretes with traditional building techniques ➤ Efficient structural grid systems with basement construction avoided ➤ Lightweight façade materials with composite windows ➤ All electric building service strategy adopting high efficiency heat pump technology. MVHR's considered in the baseline therefore not an additional cost 	<p>2023 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concrete with traditional building techniques ➤ Efficient structural grid systems with basement construction avoided ➤ Lightweight façade materials with composite windows ➤ All electric building service strategy adopting high efficiency heat pump technology and use of MVHR's
<p>2025 Target</p> <ul style="list-style-type: none"> ➤ Utilisation of low carbon concretes combined with a lightweight facade ➤ Triple glazing to be adopted as a standard, but with a composite window ➤ MVHR assumed in baseline therefore no additional cost to flat typology ➤ Additional costs associated with MEPH systems including on site renewables 	<p>2025 Target</p> <ul style="list-style-type: none"> ➤ Triple glazing to be adopted as a standard with a composite window ➤ Utilisation of low carbon concretes combined with a lightweight façade - Incorporates MVHR ➤ Allowance for enhancement to the MEPH system including on site renewables
<p>2030 Target</p> <ul style="list-style-type: none"> ➤ Triple glazing to be adopted as a standard ➤ 100% annual energy requirements to be achieved through on-site generation ➤ Assumes construction methodology (ribbed slabs or similar) will offset additional cost through saving on construction loads 	<p>2030 Target</p> <ul style="list-style-type: none"> ➤ Assumes a timber panelised approach or similar offering a lean construction methodology therefore providing foundation savings against a traditional approach ➤ Triple glazing to be adopted as a standard ➤ Allowance for 100% annual energy requirements to be achieved through on-site generation ➤ Incorporates MVHR



Key Cost Drivers – Flats

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Baseline	2023 Target	2025 Target	2030 Target
SUBSTRUCTURE			
- Standard building foundations	- Standard building foundations - Use of low-carbon concrete	- Lean foundations with efficient structural grids - Use of low-carbon concrete	- Lean foundations with efficient structural grids - Use of ultra low-carbon concretes
SUPERSTRUCTURE / FRAME			
- Standard concrete frame construction methodology	- Efficient building grid system (<8m spans)	- Utilisation of low-carbon concretes, high-recycled content and/or structural steel	- Lean design grid system (<5-6m grids) - Ribbed slab (in lieu of flat slab)
ENVELOPE			
- Aluminium double-glazed windows	- Composite double-glazed windows - Avoid heavy-weight cladding (pre-cast of aluminium unitised systems)	- Composite triple-glazed windows - Lightweight façade materials (avoid brick/pre-cast)	- Composite triple-glazed windows as standard - Low-carbon rainscreen cladding systems (timber/reclaimed materials)
SERVICES			
- MVHR - ASHP as a standard	- MVHR - ASHP as a standard - Automated lighting control	- MVHR - ASHP as a standard - Automated lighting control - On-site renewables - Primary energy appliances – Only highly efficient appliances and equipment	- MVHR - ASHP as a standard - Automated lighting control - 100% annual energy requirements to be achieved through on-site generation - Primary energy appliances – Only highly efficient appliances and equipment

Legend Items in red text: requirements specific to WMCA standard

Items in black text: requirements that are likely to be required by the Government Future Homes regulation regardless of WMCA standard



Key Cost Drivers – Mid Terraced House

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Baseline	2023 Target	2025 Target	2030 Target
SUBSTRUCTURE			
- Brick and block construction methodology	- Standard building foundations - Use of low-carbon concrete	- Standard building foundations - Use of low-carbon concrete	- Standard building foundations - Use of ultra low-carbon concrete - Lean construction methodology leading to foundation savings (in lieu of traditional approach)
SUPERSTRUCTURE / FRAME			
- Brick and block construction methodology		- Lightweight facade - Utilisation of low-carbon concretes	- Lean construction methodology - Timber panelised approach
ENVELOPE			
- Aluminium double-glazed windows - Brick and block construction methodology	- Composite double-glazed windows - Avoid heavy-weight cladding (pre-cast of aluminium unitised systems)	- Composite triple-glazed windows - Lightweight façade materials (avoid brick/pre-cast)	- Composite triple-glazed windows as standard - Low-carbon rainscreen cladding systems (timber/reclaimed materials)
SERVICES			
- MVHR and high-efficiency heat pump technology	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control - Primary energy appliances – Only highly efficient appliances and equipment	- MVHR and high-efficiency heat pump technology - All electric service strategy - Automated lighting control - Primary energy appliances – Only highly efficient appliances and equipment

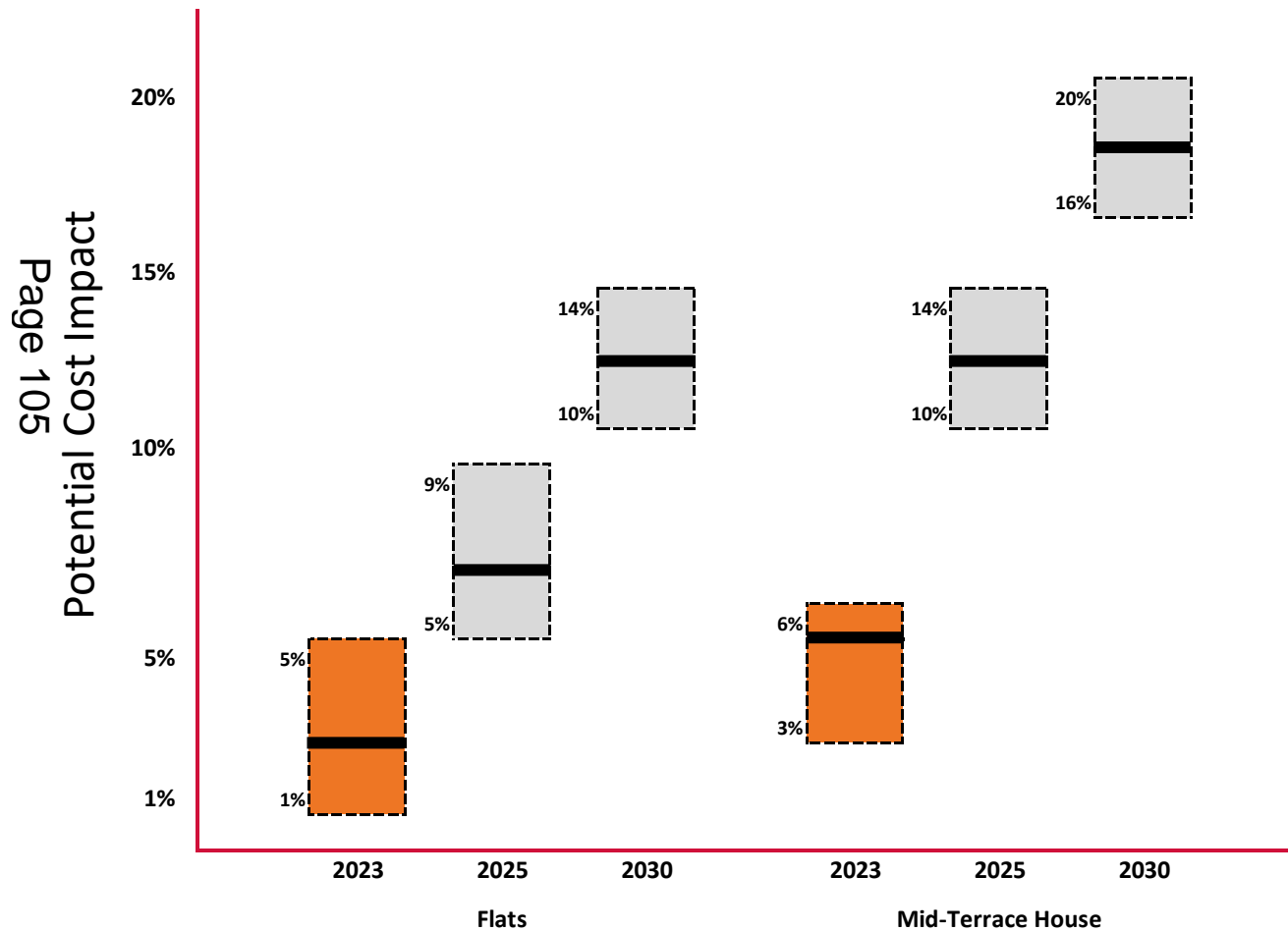
Legend

Items in **red text**: requirements specific to WMCA standard

Items in **black text**: requirements that are likely to be required by the Government Future Homes regulation regardless of WMCA standard



Emerging Findings



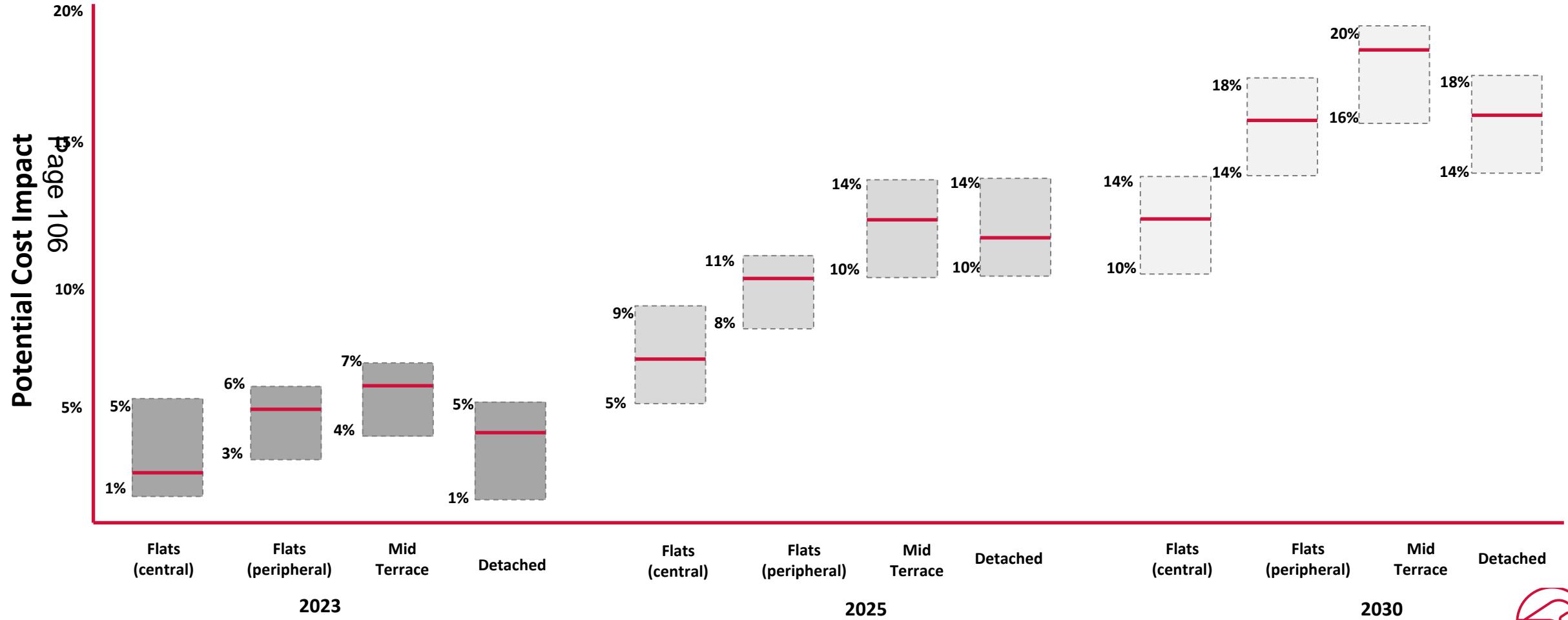
OBSERVATIONS

- The figures for 2023 are closest to current prices, involve the smallest change in construction technology.
- For every stage and for both typologies we show both the outcome of our hypothetical analysis and a wider estimated range. For instance, for 2023 in relation to flats, our cost estimating on the hypothetical development showed a 2% increase over the baseline. We show this with a line:
- In addition, we show an estimated range around that fixed point to reflect that the cost impact will vary based on local conditions. In the case of flats in 2023, we show that range as 1%-6%, based on professional judgment. These ranges are shown by the boxes marked by dotted lines.
- There are sensitivities in the way changes to technologies impact by typology where increased expenditure is either shared between multiple units (in flatted blocks) as opposed to single units (houses).
- This shows the importance of site-wide design & sustainability/ energy planning on lower rise developments – modelling of these costs will naturally improve based on actual site cost data.

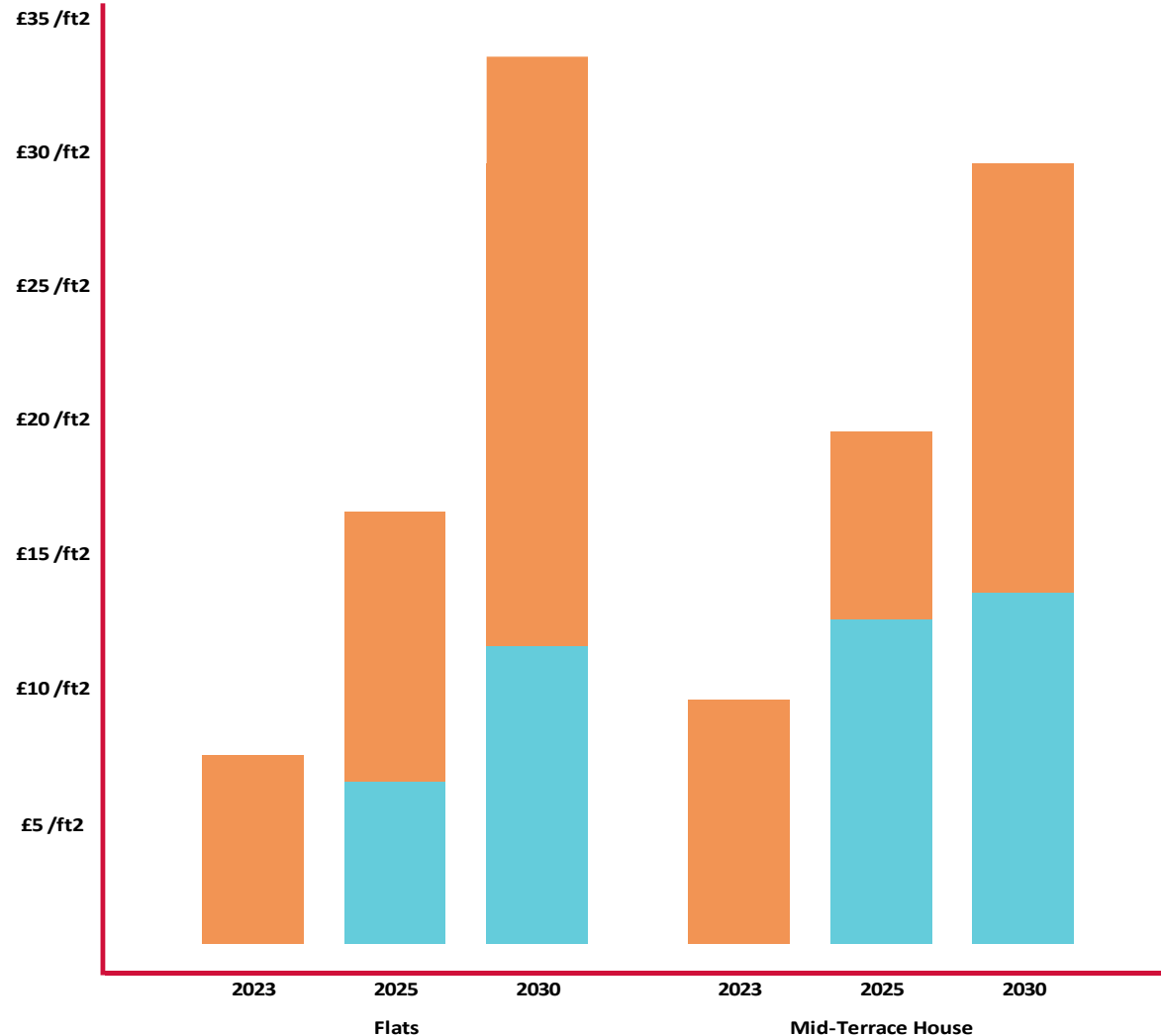
NOTE:

The draft technical standard also includes a “Statutory Plus” specification. This is intended to allow developers to move towards the new standards, where it is not possible or viable to implement the 2023 standard. In this situation developers should commission a whole life carbon assessment which will identify the sustainability performance of the development, showing areas where performance might be improved in future. Developers should also measure the PMV of their development and test options for improving it. Our assessment is that this will introduce an additional cost of approximately £10,000 per development.

All typologies compared



Emerging Findings – WMCA vs Future Homes



KEY

West Midlands Targets



Government Future Homes Standard



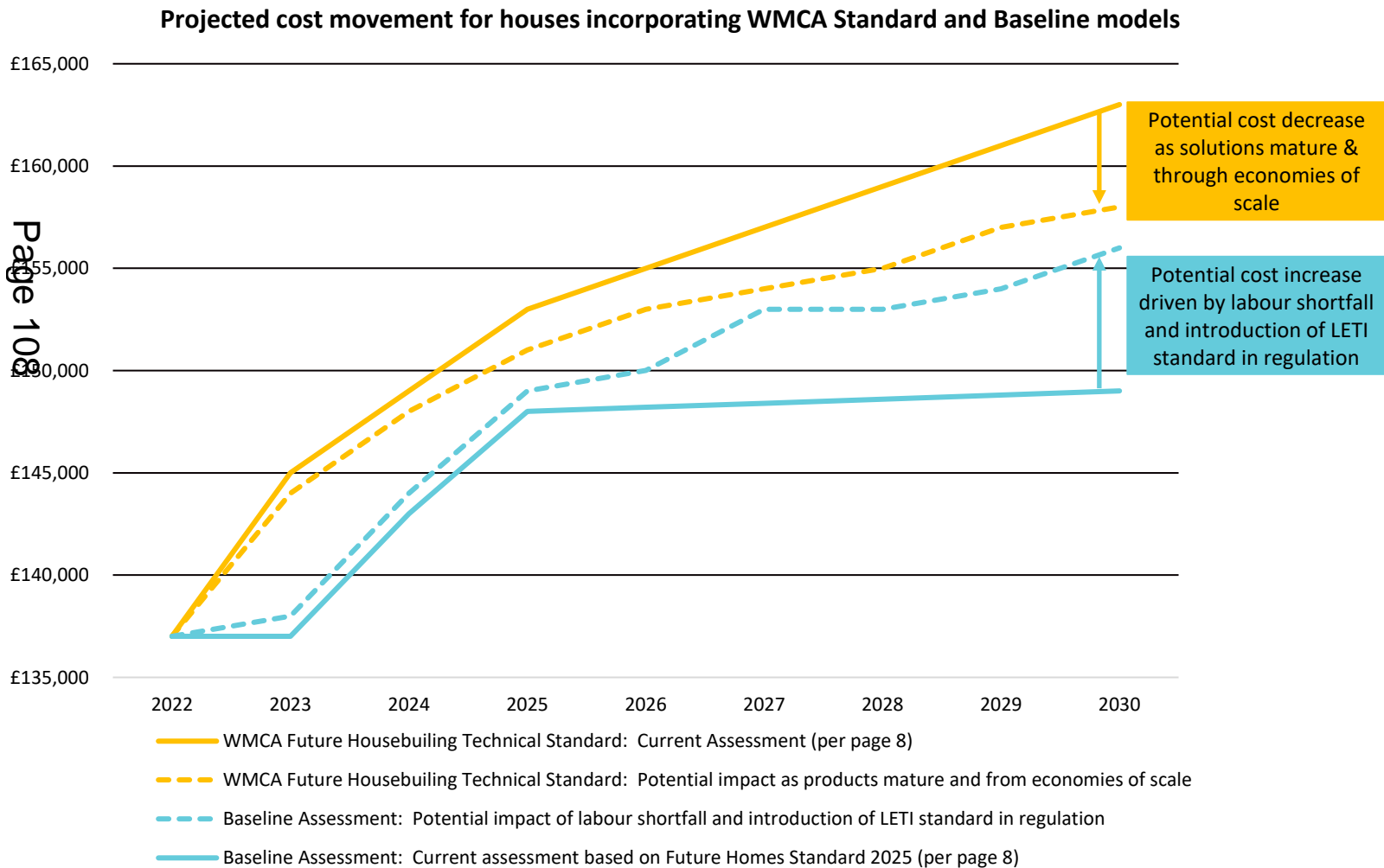
OBSERVATIONS

- Costs shown have been compared against the Government Future Homes Contender Specification CS3.
- Cost uplift shown are based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- The Government Future Homes Strategy picks out the elements of the overall cost increase that would have been required anyway as a result of the Government Future Homes Standard 2025.

NOTE:

The draft technical standard also includes a “Statutory Plus” specification. This is intended to allow developers to move towards the new standards, where it is not possible or viable to implement the 2023 standard. In this situation developers should commission a whole life carbon assessment which will identify the sustainability performance of the development, showing areas where performance might be improved in future. Developers should also measure the PMV of their development and test options for improving it. Our assessment is that this will introduce an additional cost of approximately £10,000 per development.

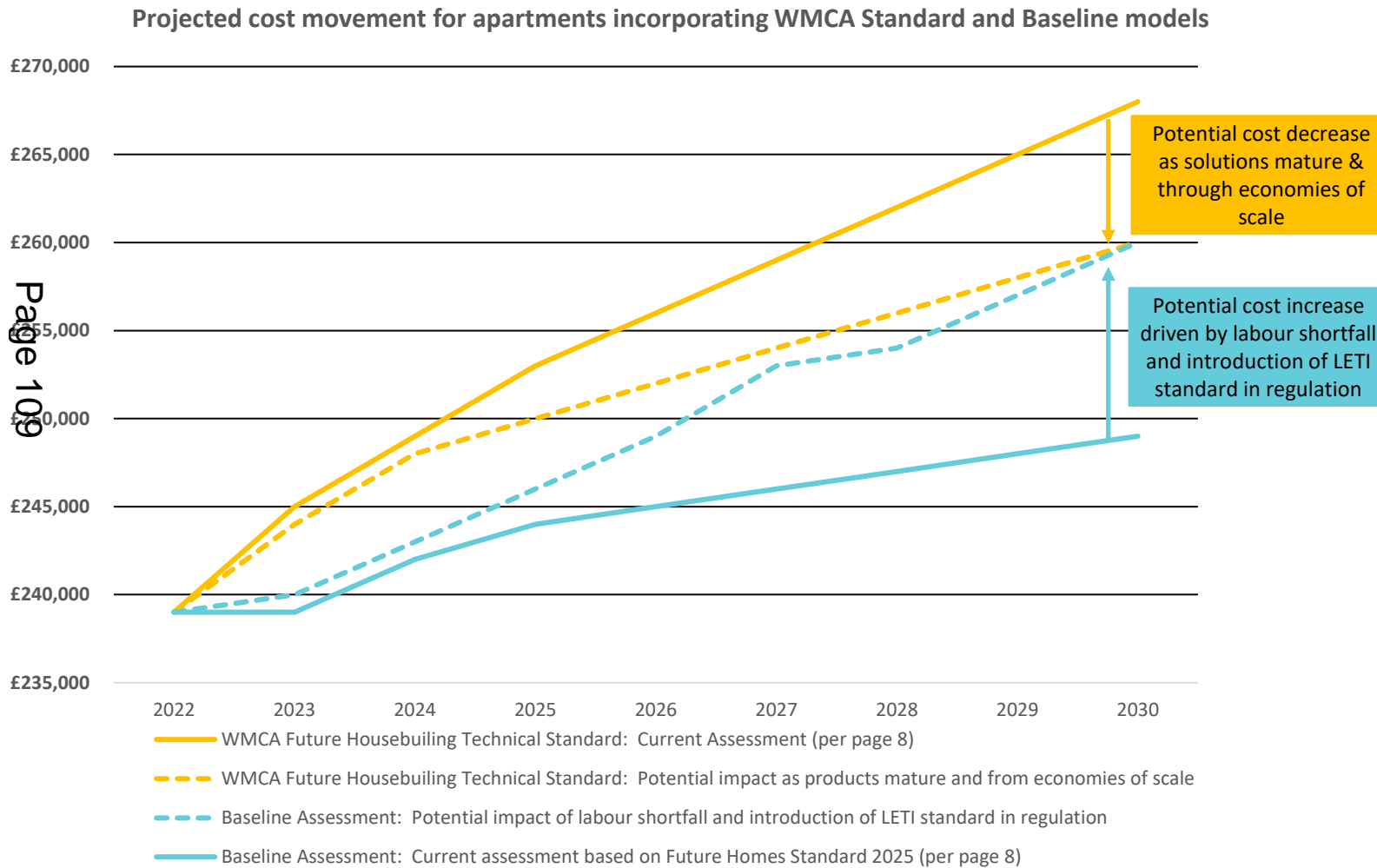
Emerging Findings – Likely future market scenarios (houses)



OBSERVATIONS

- In this analysis we model two scenarios against the base assessment we have shown on pages 7 & 8.
- The chart shows the base case as a per unit cost, which we have based on West Midlands benchmarks (£137,000 for a terraced house in 2022).
- First we show the progressive cost increase we have estimated on pages 7 & 8 over time. The thick orange line shows the cost estimated for the WMCA standard and the thick blue line shows the cost estimated for the baseline i.e. Futures Homes 2025. Both are based on today's prices and market conditions.
- The chart then shows realistic potential scenarios of how market conditions may change over time.
- The dotted yellow line shows the potential impact of a maturing supply chain, more efficient production and economies of scale which would be driven into the market by the WMCA standard. The scenario assumes a 3% annual efficiency against today's prices.
- The dotted blue line shows the potential cost impact of (1) known and systemic shortfalls in total construction labour availability and of key professional trades as well as (2) the cost impact that would follow the Government regulating embodied carbon in 2027. Here we assume a 3% annual cost increase driven by labour shortfalls for and the introduction of a standard similar to LETI into legislation.
- In these scenarios the total cost impact of the WMCA standard in 2030 falls from £14,000 based on today's prices to £2,000 per unit (see over for further commentary).

Emerging Findings – Potential future scenarios (apartments)



OBSERVATIONS

- This analysis mirrors that on the previous page, this time showing the scenarios for an apartment rather than a house.
- Here our base case is £239,000 per apartment based on 2022 prices, and the thick and dotted lines show the same scenarios as the previous page.
- In these scenarios the total cost impact of the WMCA standard falls from £17,000 to zero.

CONCLUSIONS

- While pages 7&8 show the estimated impact of the WMCA in today's prices, the aim of the analysis we have shown on pages 9&10 is to demonstrate the impact of known and likely market changes.
- Construction labour shortfalls are very likely to increase the baseline cost of construction whereas the WMCA approach which incentivises a shift to different construction approaches, using MMC, a different workforce model and less site labour reliance will be less affected by this trend.
- Meanwhile it is reasonable to assume that with sufficient lead time the supply chain will adjust and become more efficient. By moving ahead of regulation, WMCA will stimulate the market to evolve sooner.
- Finally, it is highly likely that regulation will continue to get stronger and will mirror the approach WMCA is taking now by introducing embodied carbon reduction targets.
- In these realistic future scenarios the cost implication of the WMCA standard reduces to between £0 and £2,000 per new home. WMCA would also signal change sooner to the supply chain, giving regional suppliers an early mover advantage in preparing for future national change.

Further Work Required & Next Steps

Our analysis combines a detailed cost benchmarking based on a hypothetical building, with a subjective view on the potential cost movement on key solutions over time. As such we welcome any feedback, comments & suggestions on key factors such as:

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- We make a general assumption, given the increased adoption of battery storage technology, that over time this will lead to reduced costs of production, as we have seen recently with solar panel technology
 - Similarly, we have included an allowance for natural insulation, and it is likely that the supply/demand requirements should improve the availability and decrease cost
 - We assume an increasing element of MMC solutions to meet the requirements over time. These are costed to current prices but again would expect to see efficiencies emerge as output scales.
 - The costing analysis operates on a per unit basis, however the scale of development may impact this considerably both through economies of scale/supply chain accessibility which will improve for larger compared to smaller, and also as the cost of fixed plant, MEP etc will be diluted across more properties on larger developments.

Our analysis is intended to provide a guide to aid policy development. The WMCA strategy includes provision for data capture as projects are funded and progress, and this will enable live and real cost data to be captured as the strategy is implemented to evolve these initial forecasts.



Appendix - Summary Cost Table

SCOPE - Flats	Elemental Description	Baseline - West Midlands Flat (8 Storey Block)	2023			2025			2030		
			Excl.			Excl.			Excl.		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£8 ft2	£8 ft2	£ ft2	0%	£10 ft2	£2 ft2	1%	£10 ft2	£2 ft2	1%
	Superstructure Works	£95 ft2	£96 ft2	£1 ft2	0%	£102 ft2	£7 ft2	2%	£109 ft2	£14 ft2	5%
	Internal Finishes	£41 ft2	£41 ft2	£ ft2	0%	£42 ft2	£1 ft2	0%	£42 ft2	£1 ft2	0%
	Fixtures and Finishes	£18 ft2	£18 ft2	£ ft2	0%	£18 ft2	£ ft2	0%	£18 ft2	£ ft2	0%
	Services	£55 ft2	£59 ft2	£4 ft2	2%	£60 ft2	£5 ft2	2%	£61 ft2	£6 ft2	2%
	External Works	£4 ft2	£4 ft2	£ ft2	0%	£5 ft2	£1 ft2	0%	£12 ft2	£8 ft2	3%
	On Costs	£53 ft2	£55 ft2	£2 ft2	1%	£55 ft2	£2 ft2	1%	£56 ft2	£3 ft2	1%
	TOTAL	£274 ft2	£281 ft2	£7 ft2		£291 ft2	£17 ft2		£307 ft2	£33 ft2	
				2%			6%			12%	
	% Uplift		1% to 5%			5% to 9%			10% to 14%		

SCOPE - Mid-Terrace House	Elemental Description	Baseline - West Midlands Mid Terrace House	2023			2025			2030		
			Excl.			Excl.			Excl.		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£12 ft2	£13 ft2	£1 ft2	1%	£11 ft2	£-1 ft2	-1%	£11 ft2	£-1 ft2	-1%
	Superstructure Works	£59 ft2	£59 ft2	£ ft2	0%	£63 ft2	£3 ft2	2%	£67 ft2	£7 ft2	5%
	Internal Finishes	£18 ft2	£18 ft2	£ ft2	0%	£19 ft2	£1 ft2	0%	£19 ft2	£1 ft2	1%
	Fixtures and Finishes	£13 ft2	£13 ft2	£ ft2	0%	£13 ft2	£ ft2	0%	£13 ft2	£ ft2	0%
	Services	£17 ft2	£24 ft2	£7 ft2	5%	£26 ft2	£9 ft2	6%	£26 ft2	£9 ft2	6%
	External Works	£ ft2	£ ft2	£ ft2	0%	£3 ft2	£3 ft2	2%	£8 ft2	£8 ft2	5%
	On Costs	£30 ft2	£31 ft2	£1 ft2	1%	£33 ft2	£3 ft2	2%	£34 ft2	£4 ft2	3%
	TOTAL	£149 ft2	£158 ft2	£9 ft2		£166 ft2	£18 ft2		£177 ft2	£28 ft2	
				6%			12%			19%	
	% Uplift		4% to 7%			10% to 14%			16% to 20%		

Note: the percentage increases for each element may not add up to the total percentage increase due to rounding.

- The flat typology presents a lower % uplift in all three scenarios. This is driven out of the superstructure including façade changes to meet the Technical Standard representing a proportionally smaller cost element of the overall construction cost i.e. the wall to floor ratio is less therefore the cost impact of superstructure enhancement is lower.
- The baseline flat cost also assumes mechanical ventilation and heat recovery (MHVR) is 'standard'
- Battery storage where accommodated as a site wide proposal (2025 standard) assumes efficiency of scale in a flat scenario however in a mid terrace approach it is assumed the connection strategy would not offer the same efficiency



Appendix - Summary Cost Table – WMCA vs Future Homes

FLATS	Elemental Description	2023			2025			2030					
		Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£8 ft2	£ ft2	£ ft2	£ ft2	£10 ft2	£2 ft2	£ ft2	£2 ft2	£10 ft2	£2 ft2	£ ft2	£2 ft2
	Superstructure Works	£96 ft2	£1 ft2	£ ft2	£1 ft2	£102 ft2	£7 ft2	£4 ft2	£2 ft2	£109 ft2	£14 ft2	£7 ft2	£6 ft2
	Internal Finishes	£41 ft2	£ ft2	£ ft2	£ ft2	£42 ft2	£1 ft2	£1 ft2	£ ft2	£42 ft2	£1 ft2	£1 ft2	£ ft2
	Fixtures and Finishes	£18 ft2	£ ft2	£ ft2	£ ft2	£18 ft2	£ ft2	£ ft2	£ ft2	£18 ft2	£ ft2	£ ft2	£ ft2
	Services	£59 ft2	£4 ft2	£ ft2	£4 ft2	£60 ft2	£5 ft2	£1 ft2	£5 ft2	£61 ft2	£6 ft2	£1 ft2	£5 ft2
	External Works	£4 ft2	£ ft2	£ ft2	£ ft2	£5 ft2	£1 ft2	£1 ft2	£ ft2	£12 ft2	£8 ft2	£3 ft2	£6 ft2
	On Costs	£55 ft2	£2 ft2	£ ft2	£2 ft2	£55 ft2	£2 ft2	£ ft2	£2 ft2	£56 ft2	£3 ft2	£ ft2	£3 ft2
	TOTAL	£281 ft2	£7 ft2	£ ft2	£7 ft2	£291 ft2	£17 ft2	£6 ft2	£10 ft2	£307 ft2	£33 ft2	£11 ft2	£22 ft2
	% Uplift	1% to 5%	2%			5% to 9%	6%			10% to 14%	12%		

- Costs shown above have been compared against the Future Homes Contender Specification CS3.
- Cost uplift shown above is based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- No cost uplift to Future Homes Standard (FHS) in 2023 as this only comes into effect in 2025.
- No uplift to on-costs have been apportioned to Future Homes as it is believed that the Future Homes regulation does not ask for any additional reporting/testing etc than what is currently being requested at benchmark.



Appendix - Summary Cost Table – WMCA vs Future Homes

MID-TERRACE HOUSE	Elemental Description	2023			2025			2030					
		Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£13 ft2	£1 ft2	£ ft2	£1 ft2	£11 ft2	-£1 ft2	£ ft2	-£1 ft2	£11 ft2	-£1 ft2	£ ft2	-£1 ft2
	Superstructure Works	£59 ft2	£ ft2	£ ft2	£ ft2	£63 ft2	£3 ft2	£3 ft2	£ ft2	£67 ft2	£7 ft2	£6 ft2	£2 ft2
	Internal Finishes	£18 ft2	£ ft2	£ ft2	£ ft2	£19 ft2	£1 ft2	£1 ft2	£ ft2	£19 ft2	£1 ft2	£1 ft2	£ ft2
	Fixtures and Finishes	£13 ft2	£ ft2	£ ft2	£ ft2	£13 ft2	£ ft2	£ ft2	£ ft2	£13 ft2	£ ft2	£ ft2	£ ft2
	Services	£24 ft2	£7 ft2	£ ft2	£7 ft2	£26 ft2	£9 ft2	£4 ft2	£5 ft2	£26 ft2	£9 ft2	£4 ft2	£5 ft2
	External Works	£ ft2	£ ft2	£ ft2	£ ft2	£3 ft2	£3 ft2	£3 ft2	£ ft2	£8 ft2	£8 ft2	£3 ft2	£6 ft2
	On Costs	£31 ft2	£1 ft2	£ ft2	£1 ft2	£33 ft2	£3 ft2	£ ft2	£3 ft2	£34 ft2	£4 ft2	£ ft2	£4 ft2
	TOTAL	£158 ft2	£9 ft2	£ ft2	£9 ft2	£166 ft2	£18 ft2	£11 ft2	£7 ft2	£177 ft2	£28 ft2	£13 ft2	£15 ft2
	% Uplift	4% to 7%	6%			10% to 14%	12%			16% to 20%	19%		

- Costs shown above have been compared against the Future Homes Contender Specification CS3.
- Cost uplift shown above is based on the uplift from the current day benchmark at each stage (2023, 2025 and 2030).
- No cost uplift to Future Homes Standard (FHS) in 2023 as this only comes into effect in 2025.
- No uplift to on-costs have been apportioned to Future Homes as it is believed that the Future Homes regulation does not ask for any additional reporting/testing etc than what is currently being requested at benchmark.



Appendix – Detached House – Summary Cost Tables

SCOPE - Detached House	Elemental Description	Baseline	2023			2025			2030		
	Facilitating Works	Excl.	Excl.			Excl.			Excl.		
	Substructure Works	£11 ft2	£12 ft2	£1 ft2	1%	£12 ft2	£1 ft2	1%	£12 ft2	£1 ft2	1%
	Superstructure Works	£63 ft2	£63 ft2	£ ft2	0%	£66 ft2	£3 ft2	2%	£67 ft2	£4 ft2	3%
	Internal Finishes	£14 ft2	£14 ft2	£ ft2	0%	£15 ft2	£1 ft2	0%	£15 ft2	£1 ft2	1%
	Fixtures and Finishes	£8 ft2	£8 ft2	£ ft2	0%	£8 ft2	£ ft2	0%	£8 ft2	£ ft2	0%
	Services	£16 ft2	£20 ft2	£4 ft2	3%	£22 ft2	£6 ft2	4%	£22 ft2	£6 ft2	4%
	External Works	£1 ft2	£1 ft2	£ ft2	0%	£4 ft2	£3 ft2	2%	£9 ft2	£8 ft2	6%
	On Costs	£28 ft2	£29 ft2	£1 ft2	1%	£31 ft2	£3 ft2	2%	£32 ft2	£4 ft2	3%
	TOTAL	£141 ft2	£147 ft2	£6 ft2		£157 ft2	£16 ft2		£165 ft2	£24 ft2	
				4%			11%			17%	
	% Uplift		1% to 5%			10% to 14%			14% to 18%		

DETACHED HOUSE	Elemental Description	2023				2025				2030			
			Total	FHS	WMCA		Total	FHS	WMCA		Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£12 ft2	£1 ft2	£ ft2	£1 ft2	£12 ft2	£1 ft2	£ ft2	£1 ft2	£12 ft2	£1 ft2	£ ft2	£1 ft2
	Superstructure Works	£63 ft2	£ ft2	£ ft2	£ ft2	£66 ft2	£3 ft2	£2 ft2	£1 ft2	£67 ft2	£4 ft2	£2 ft2	£2 ft2
	Internal Finishes	£14 ft2	£ ft2	£ ft2	£ ft2	£15 ft2	£1 ft2	£ ft2	£1 ft2	£15 ft2	£1 ft2	£ ft2	£1 ft2
	Fixtures and Finishes	£8 ft2	£ ft2	£ ft2	£ ft2	£8 ft2	£ ft2	£ ft2	£ ft2	£8 ft2	£ ft2	£ ft2	£ ft2
	Services	£20 ft2	£4 ft2	£ ft2	£4 ft2	£22 ft2	£6 ft2	£ ft2	£6 ft2	£22 ft2	£6 ft2	£ ft2	£6 ft2
	External Works	£1 ft2	£ ft2	£ ft2	£ ft2	£4 ft2	£3 ft2	£3 ft2	£ ft2	£9 ft2	£8 ft2	£ ft2	£8 ft2
	On Costs	£29 ft2	£1 ft2	£ ft2	£1 ft2	£31 ft2	£3 ft2	£ ft2	£3 ft2	£32 ft2	£4 ft2	£ ft2	£4 ft2
	TOTAL	£147 ft2	£6 ft2	£ ft2	£6 ft2	£157 ft2	£16 ft2	£5 ft2	£11 ft2	£165 ft2	£24 ft2	£2 ft2	£22 ft2
			4%				11%				17%		
	% Uplift	1% to 5%				10% to 14%				14% to 18%			

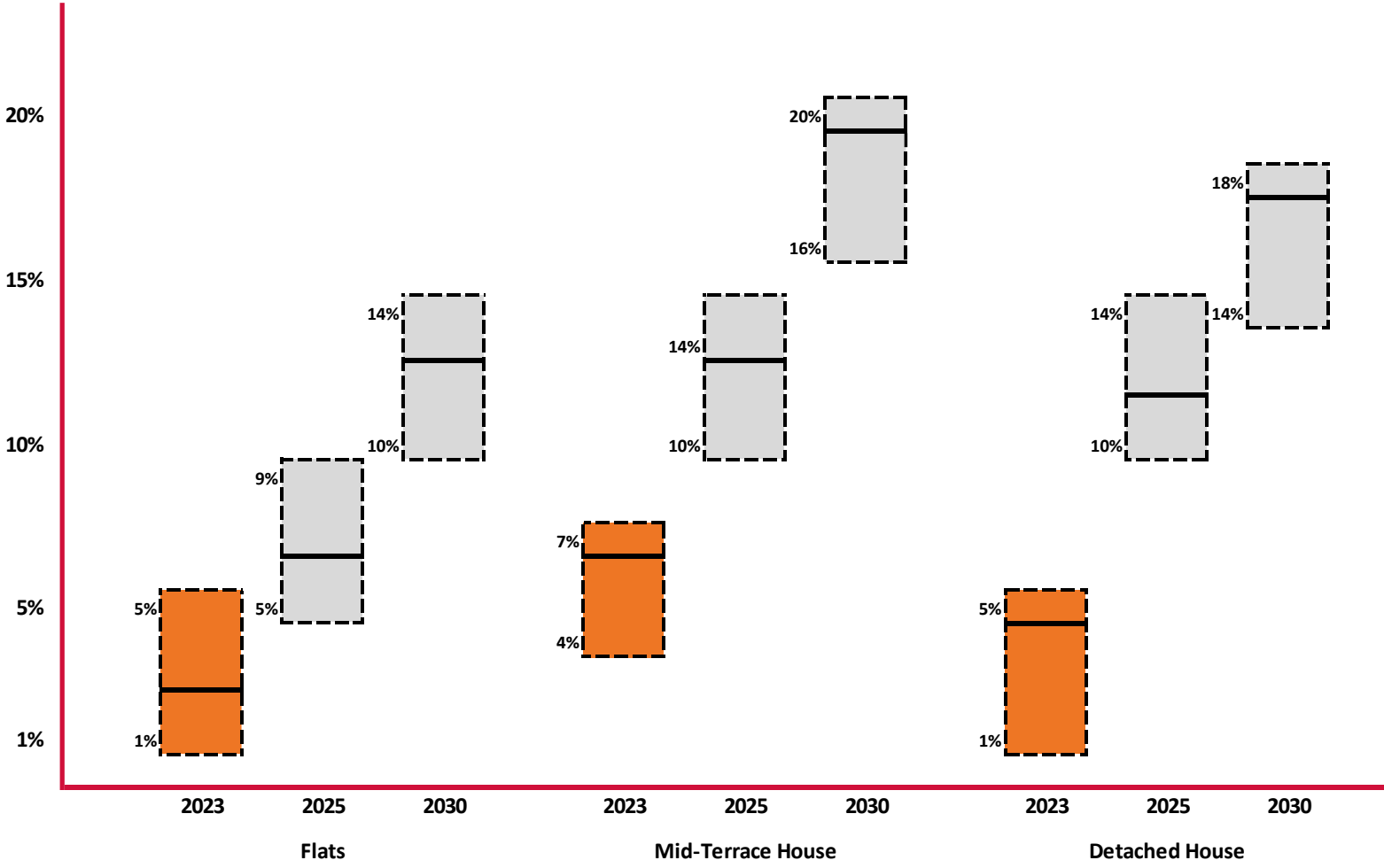
Detached House

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Following dialogue with the H&L Delivery Board we have developed an additional analysis, using a detached typology which we show here. This is in addition to the semi-detached typology that was previously calculated.



Appendix – Detached House – WMCA vs Future Homes

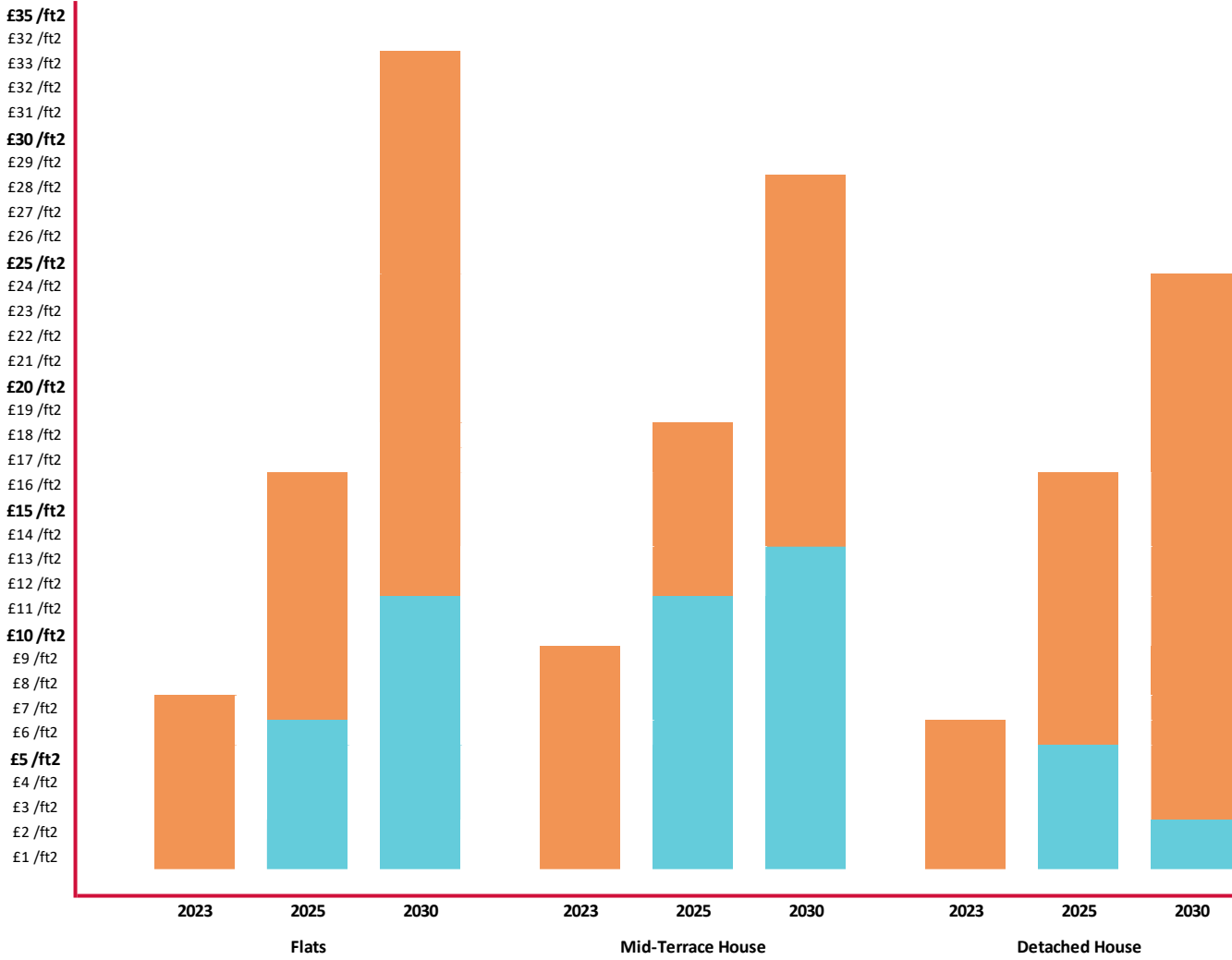


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Appendix – Detached House – WMCA vs Future Homes

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Appendix – Revised Flats – Summary Cost Tables

SCOPE - Flats Revised	Elemental Description	Baseline - West Bromwich Flat (4 Storey Block)			2023			2025			2030		
		Excl.	£ ft2	%	Excl.	£ ft2	%	Excl.	£ ft2	%	Excl.	£ ft2	%
	Facilitating Works	Excl.			Excl.			Excl.			Excl.		
	Substructure Works	£16 ft2		0%	£16 ft2	£ ft2	0%	£18 ft2	£2 ft2	1%	£18 ft2	£2 ft2	1%
	Superstructure Works	£62 ft2		0%	£63 ft2	£1 ft2	0%	£67 ft2	£5 ft2	3%	£71 ft2	£9 ft2	6%
	Internal Finishes	£24 ft2		0%	£24 ft2	£ ft2	0%	£25 ft2	£1 ft2	0%	£25 ft2	£1 ft2	1%
	Fixtures and Finishes	£12 ft2		0%	£12 ft2	£ ft2	0%	£12 ft2	£ ft2	0%	£12 ft2	£ ft2	0%
	Services	£39 ft2		4%	£45 ft2	£6 ft2	4%	£46 ft2	£7 ft2	5%	£47 ft2	£8 ft2	5%
	External Works	£4 ft2		0%	£4 ft2	£ ft2	0%	£6 ft2	£2 ft2	1%	£11 ft2	£7 ft2	5%
	On Costs	£36 ft2		1%	£38 ft2	£2 ft2	1%	£39 ft2	£3 ft2	2%	£40 ft2	£4 ft2	2%
	TOTAL	£194 ft2			£202 ft2	£8 ft2		£213 ft2	£19 ft2		£224 ft2	£30 ft2	
				4%						10%			16%
	% Uplift			3% to 6%				8% to 11%			14% to 18%		

FLATS REVISED	Elemental Description	2023			2025			2030					
		Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA	Excl.	Total	FHS	WMCA
	Facilitating Works	Excl.				Excl.				Excl.			
	Substructure Works	£16 ft2	£ ft2	£ ft2	£ ft2	£18 ft2	£2 ft2	£ ft2	£2 ft2	£18 ft2	£2 ft2	£ ft2	£2 ft2
	Superstructure Works	£63 ft2	£1 ft2	£ ft2	£1 ft2	£67 ft2	£5 ft2	£3 ft2	£2 ft2	£71 ft2	£9 ft2	£4 ft2	£5 ft2
	Internal Finishes	£24 ft2	£ ft2	£ ft2	£ ft2	£25 ft2	£1 ft2	£1 ft2	£ ft2	£25 ft2	£1 ft2	£1 ft2	£ ft2
	Fixtures and Finishes	£12 ft2	£ ft2	£ ft2	£ ft2	£12 ft2	£ ft2	£ ft2	£ ft2	£12 ft2	£ ft2	£ ft2	£ ft2
	Services	£45 ft2	£6 ft2	£ ft2	£6 ft2	£46 ft2	£7 ft2	£1 ft2	£7 ft2	£47 ft2	£8 ft2	£1 ft2	£7 ft2
	External Works	£4 ft2	£ ft2	£ ft2	£ ft2	£6 ft2	£2 ft2	£2 ft2	£ ft2	£11 ft2	£7 ft2	£ ft2	£7 ft2
	On Costs	£38 ft2	£2 ft2	£ ft2	£2 ft2	£39 ft2	£3 ft2	£ ft2	£3 ft2	£40 ft2	£4 ft2	£ ft2	£4 ft2
	TOTAL	£202 ft2	£8 ft2	£ ft2	£8 ft2	£213 ft2	£19 ft2	£6 ft2	£14 ft2	£224 ft2	£30 ft2	£5 ft2	£25 ft2
			4%				10%				16%		
	% Uplift		3% to 6%			8% to 11%				14 to 18%			

Revised Flats

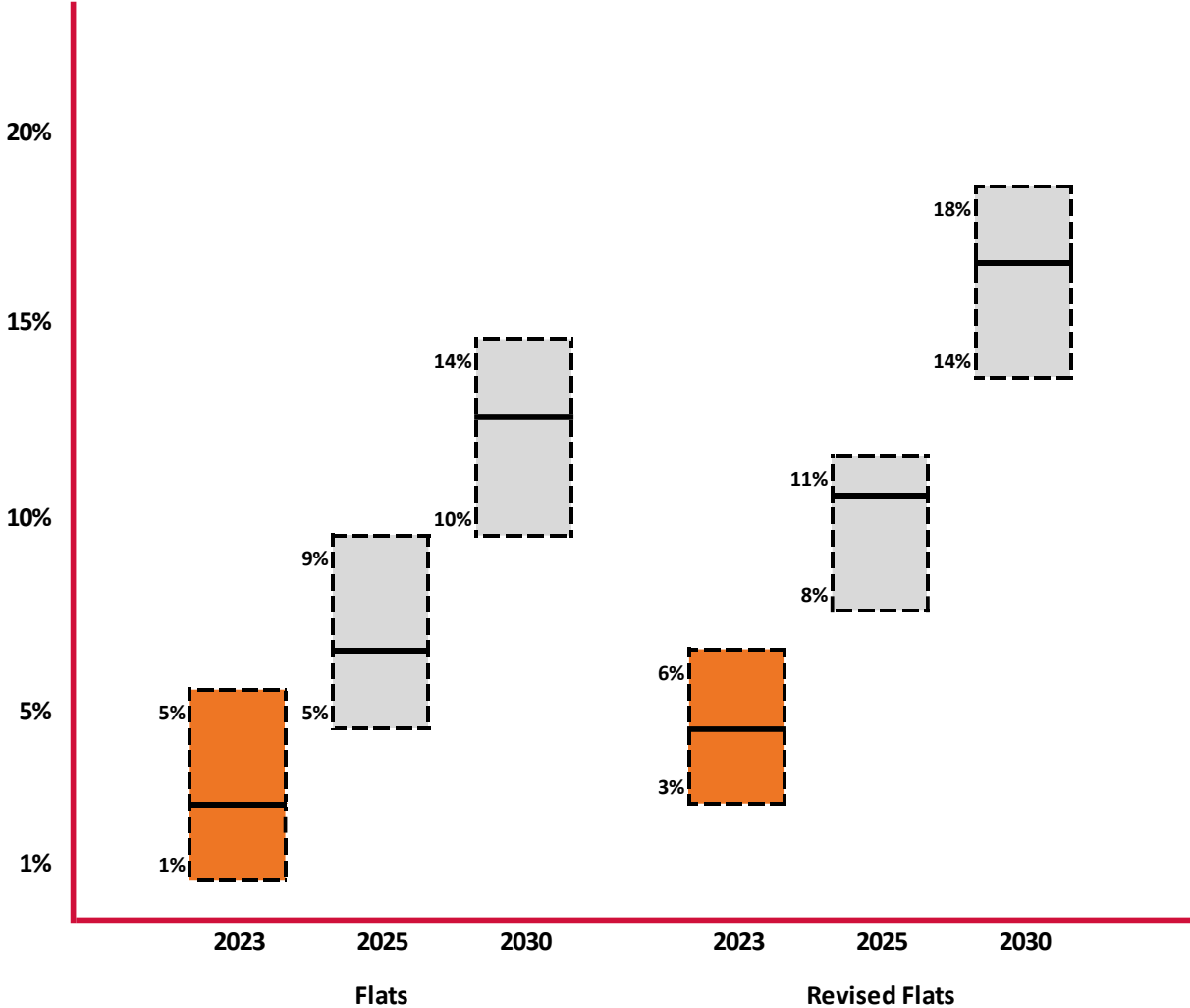
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Following dialogue with the H&A Delivery Board we have developed a secondary analysis of flats (referred to as “periphery” in the main body of this paper). This analysis uses a smaller and less valuable apartment block as its base, with assumed figures used based on a –theoretical development.



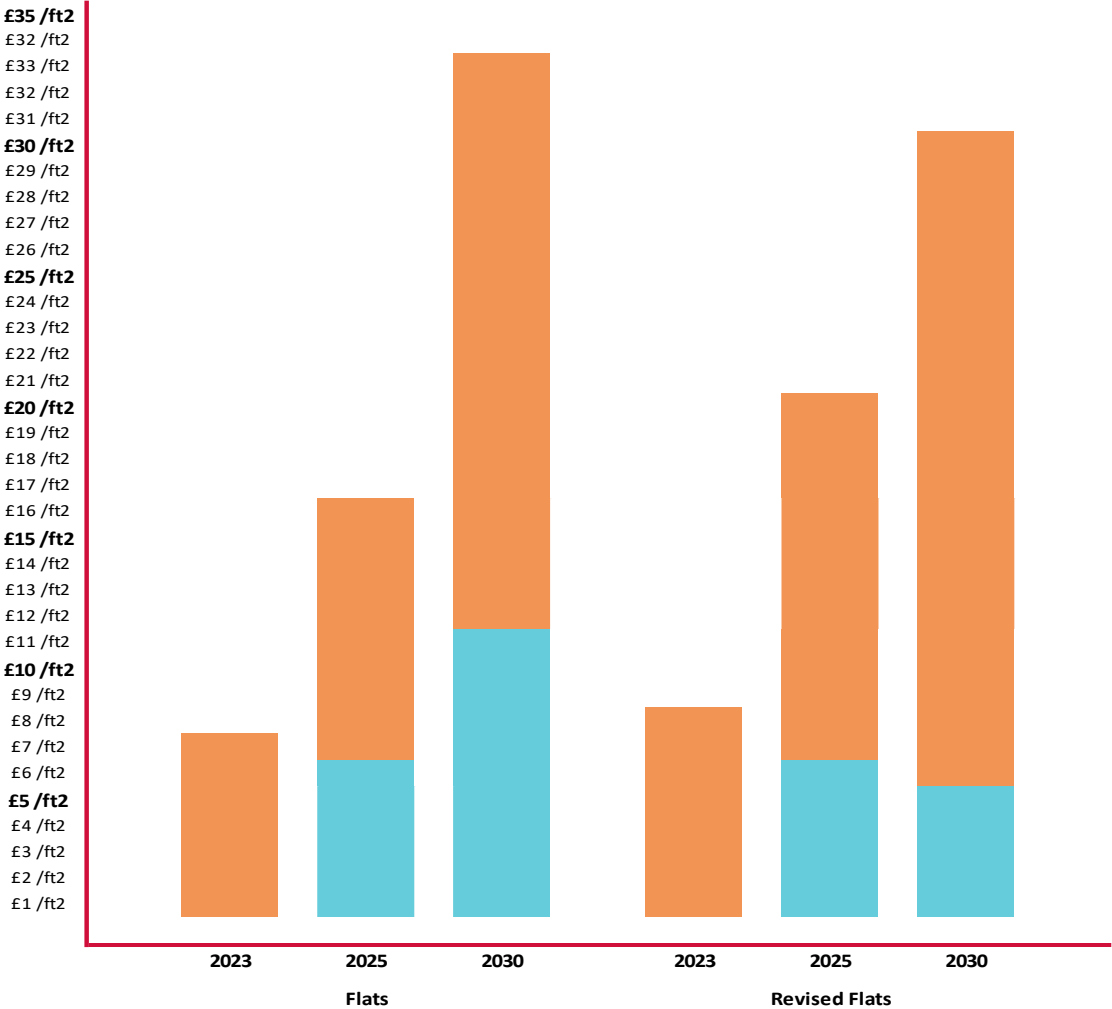
Appendix – Revised Flats – WMCA vs Future Homes

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Appendix – Revised Flats – WMCA vs Future Homes

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WMCA Board

Date	9 February 2024
Report title	West Midlands State of the Region 2023/24
Portfolio Lead	Councillor Stephen Simkins Portfolio Lead for Economy & Innovation Stephen.Simkins@wolverhampton.gov.uk
Accountable Chief Executive	Laura Shoaf Chief Executive, West Midlands Combined Authority Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox Executive Director, Strategy, Economy, and Net Zero Ed.Cox@wmca.org.uk Si Chun Lam Head of Research, Intelligence, and Inclusive Growth SiChun.Lam@wmca.org.uk
Report has been considered by	Overview and Scrutiny Committee (29 January 2024)

Recommendation(s) for action:

The Overview and Scrutiny Committee is recommended to:

- (1) Consider the key messages and recommendations set out in the State of the Region report.
- (2) Identify areas for which the Overview and Scrutiny Committee may wish to address as part of the Overview and Scrutiny Work Programme for 2024/25.
- (3) Identify any issues and recommendations that they may wish to raise with the WMCA Board.

The WMCA Board is recommended to:

- (1) Consider any issues and recommendations from the Overview and Scrutiny Committee.

- (2) Consider the key messages and recommendations set out in the State of the Region report.
- (3) Note that the State of the Region will form part of the evidence base for the region's economic development work as part of the regular review of the economic conditions in the West Midlands and forthcoming West Midlands Futures work programme.

1. Purpose

The West Midlands State of the Region is a high-level, annual review of the condition of the West Midlands. It provides context to help understand the region's performance. It brings attention to the opportunities and challenges in our region.

2. Background

The *West Midlands State of the Region* is a *high-level* report that brings to attention the most important trends in the West Midlands. It is an *annual* review that considers data relevant for comparison at yearly or longer-term basis. It is intended to provide *context* by setting out a baseline for comparison and understanding, using replicable and repeatable metrics.

The *West Midlands State of the Region* is *not* a performance report; it does not seek to evaluate the performance of the actions and deliverables, which are best considered through the review of the WMCA's *Annual Business Plan*.

The *West Midlands State of the Region* is written by the Research, Intelligence, and Inclusive Growth team with input from colleagues across the WMCA, and endeavours to be an honest reflection of the current regional conditions.

3. Strategic Aims and Objectives

The *vision and purpose* of the West Midlands Combined Authority is “building a better connected, more prosperous, fairer, greener, and healthier West Midlands.” This, in turn, is connected to the UK's Government Levelling Up Missions.

How we achieve this is set out in the West Midlands definition of Inclusive Growth (wmca.org.uk/inclusivegrowth), approved by the WMCA Board in 2018, which states that we are committed to “a more deliberate and socially purposeful model of [economic] growth, measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.” The eight fundamentals of Inclusive Growth are:

- Climate resilience;
- Inclusive economy;
- Power and participation;
- Affordable and safe places;
- Connected communities;
- Education and learning;
- Health and wellbeing; and

- Equality

These are translated into six *aims and objectives* or *priorities* of the West Midlands, which are to:

- Promote inclusive growth in every corner of the region;
- Ensure everyone has the opportunity to benefit;
- Connecting our communities by delivering transport and unlocking housing and regeneration schemes;
- Reduce carbon emissions to net zero and enhance the environment;
- Secure new powers and resources from central government; and
- Develop our organisation and our role as a good regional partner.

As a high-level, contextual report, the West Midlands State of the Region is structured along the eight Inclusive Growth fundamentals.

Key messages from the West Midlands State of the Region 2023/24

Building a better connected, more prosperous, fairer, greener, and healthier West Midlands requires a recognition and understanding that the challenges faced by the region are complex and multifaceted. Addressing the region's grand challenges, such as increasing growth or productivity to upskilling people, requires solutions that do not see these as isolated problems. Instead, it requires solutions that are framed as part of a holistic, dynamic 'ecosystem', recognising that people's access to housing, work, skills and leisure opportunities, plus local and regional political, historical, and cultural context all impact and influence on the effectiveness of any solution.

Consequently, this West Midlands State of the Region report sets out its key messages and recommendations around the eight West Midlands Inclusive Growth fundamentals, which focuses all types of investment – public, private, capital, revenue, time, attention – on the same set of missions. These missions – the eight 'fundamentals' of inclusive growth – also connect to one another, ensuring that the real people, places, and businesses across the region are not lost in thematic silos.

The West Midlands 'trailblazer' deeper devolution deal, and in particular, the single financial settlement joining-up wide-ranging responsibilities across five devolution pillars of local growth, housing and regeneration, local transport, skills, and retrofit means that the region has an unparalleled opportunity to address our grand challenges in a holistic way.

Climate

Carbon emissions per capita in the WMCA area were 3.6 tonnes per capita in 2021. This is a 0.3 tonne per capita increase from 2020, when emissions would have been reduced by lockdowns during the pandemic. However, the overall trajectory over the past decade demonstrates that the WMCA is heading towards net zero by our target of 2041.

Climate change will disproportionately affect our most deprived communities, with the WMCA climate risk and vulnerability index suggesting that people living in amongst our more deprived communities are at higher risk of overheating and flooding.

The transition to net zero is an opportunity and engine of growth for the WMCA area. However, the effects of climate change disproportionately affect our most deprived communities – and efforts must be made to mitigate against the worst effects of climate change through retrofitting homes and through nature-based solutions.

Inclusive economy

An inclusive economy is one in which everyone has a part to play. The economy is flourishing and sustainable, and everyone benefits from it. This contrasts with an economy where a small group of people benefit first, and where wealth is then redistributed later or trickled down.

The latest available data, for 2021, suggests that the size of the WMCA area economy, as measured by gross domestic product (GDP), is £74.2bn. This amounts to 3.5% of the UK's economy. The WMCA area economy has grown by 8.6% from 2020 to 2021. It has grown more slowly than the UK overall (8.9%). Additionally, the economy remains 4.8% smaller than it was than before the pandemic, when it was £77.9bn. This is in contrast to before the pandemic when economic growth in the WMCA area was better than the UK overall.

If the WMCA area's economy was divided equally between our 2.9 million people, our GDP per capita will be £25,437. This, however, masks significant diversity across the WMCA area, which ranges from just £19,638 in Walsall to £48,359 in Solihull – and there are further disparities within each local authority area.

GDP per capita, however, does not consider or measure how well income or wealth is created and shared across the whole population and place. In 2022, household incomes in the WMCA area varied from a median annual income of £21,209 in Castle Vale Ward in Birmingham to £59,666 in Dorridge and Hockley Heath Ward in Solihull. The gap between GDP per capita and gross disposable household income (GDHI) per capita has remained roughly consistent over the past few years.

While our economy has grown, it has grown more slowly than the UK overall – in contrast to before the pandemic. Our Plan for Growth sets out a number of strategic growth clusters where the WMCA area has a comparative advantage – and it is absolutely right that we focus on them. Our inclusive growth approach posits that the only way we can fully unlock the economic potential of the region is for there to be opportunity for all to participate and benefit from the proceeds of growth.

Power and participation

Power and participation are about the extent to which people have a voice in influencing the things that matter to them. People who feel that they have power over their own personal circumstances will feel a greater share in the prospects of a place.

The vast majority (80%) of people across the West Midlands region are satisfied with their local area as a place to live. They are also more likely to trust local politicians and local councils most (74%) to make decisions about how services are provided in their local area.

However, only 59% are satisfied with the way that their local Councils in the region run things – and only a quarter (24%) feel they have the ability to influence decisions that impact their local area – although this mirrors trends nationally. This is reflected in low

voter turnout at local elections, with turnout ranging from 25.9% in Sandwell to 32.9% in Solihull in 2022, compared to an average of 34.3% across all local authorities.

Far too many residents still feel they have no influence over how things are run. The deeper devolution deal brings power and control to make decisions that matter to local residents back to the West Midlands – and in the implementation of the deal, the WMCA must ensure that residents and communities are included and involved in decision-making.

Affordable and safe places

Affordable and safe places is about everyone having decent homes that they can afford, neighbourhoods where they feel secure, and feel a sense of belonging in the place that they live.

5% of all habitable homes in the WMCA have been built since 2016 – contributing to the target of 215,000 new homes by 2031 with 20% being genuinely affordable. There are, however, vast differences, with some areas seeing even bigger growth: one in ten homes in Coventry have been built in the past decade.

This housebuilding has been much needed, as the West Midlands region is an expensive place to rent a home, with only residents in London, the South East, and the South West spending more of their incomes on rent. From April 2022 to March 2023, the average renter in the West Midlands region paid 4.3% more in rent; compared to an average increase in England of 3.8%.

With rising interest rates, mortgage repayments have become more costly for homeowners. Between December 2021 and December 2022, the indicative monthly mortgage payment in the West Midlands region has increased by some £428 for the average semi-detached house.

In 2023, some 5,600 households across the WMCA area are living in temporary accommodation, that is, one out of every 200 households. This is roughly comparable to Greater Manchester – but the number of households in temporary accommodation continues to grow.

Rough sleeping has increased, with 88 rough sleepers in 2022, up from 63 in 2021.

Inflation has put pressure on household finances for homeowners and renters alike, with increases in monthly rental and mortgage costs. There is a need to recognise that the impacts of inflation have been different across income groups and places – doing so will help us design out homelessness and reverse the recent increase in rough sleeping. Given that the next biggest household costs are transport costs and food, investments and support with travel costs is also an important consideration in reducing cost pressures for households.

Connected communities

Connected communities mean how easily people can interact with the world around them. This includes physical and digital connectivity. Physical connectivity helps people to reach places to live, work, have fun and meet up. Digital connectivity and inclusion helps people to learn and get connected, for instance, through using a device and data.

In the year to September 2023, over one-third of trips in the WMCA area involved active travel such as walking or cycling. This may be driven by cost of living pressures.

The volume of traffic on our roads has returned to near pre-pandemic levels, with 10.2 billion vehicle miles undertaken in 2022, just 0.5 billion vehicle miles (around 5 percentage points) less than the 10.7 billion in 2019. Public transportation usage has also increased – but has not returned to pre-pandemic levels.

Outside of London, the West Midlands region has gone the furthest in rolling out 5G connectivity to residents. In 2023, 51% of residents had access to a 5G network, compared to an average of 37% across England.

As economic growth rebounded after the pandemic, use of both public transport and the road network has increased. Investment into physical connectivity is essential to unlock the economic potential of the region, enabling residents and communities to access employment opportunities – as well as leisure and cultural events with friends and family. However, it is also important to recognise that many journeys involve active travel – and improving walking and cycling is just as important. In terms of digital connectivity, the WMCA area is one of the best digitally connected places in the UK, with access to high speed broadband and widespread 5G coverage. However, there are still communities at risk of digital exclusion.

Education and learning

Education and learning opportunities are important for everyone at any age, to enable them to flourish and reach their potential. From giving children and young people the best start in life, to providing opportunities for working aged and older adults to gain new skills, retrain for a new job or just pursue their own interests for leisure. All types of learning are important for an inclusive society.

In 2021, 54.9% of the working aged population in the WMCA area is qualified to level 3 or above (A-level or equivalent). While this has increased from around 42.2% a decade ago, this trails the West Midlands Region's rate of 57.2% and national rate of 61.5%.

In 2023, a smaller proportion of young people aged 16-17 in the WMCA area were not in education, employment, or training (4.8%) than in Greater Manchester (5.7%) or England (5.2%).

Encouragingly, more young people are entering higher education: more than half of Birmingham's young people enter higher education, and regional disparities in higher education participation have decreased.

Post-pandemic, school absences has skyrocketed, which will have downstream impact on our future workforce.

Far too many people in the WMCA area still do not have a level 3 qualification. This places a ceiling on many people's employment, earnings, and puts them at risk of poorer life outcomes. Further investment enabling people to get a level 3 qualification, and ensuring that young people have the support they need to stay in school and succeed is essential to ensure that the WMCA area has a high-quality workforce that attracts inward investment.

Health and wellbeing

Health and wellbeing are about people living longer, healthier, and happier lives, regardless of their social circumstances, which has often placed a limit on their prospects for a healthy life.

In 2018-2020, life expectancy in the WMCA area was 81.9 years for women and 77.6 years for men. People in the area continue to die earlier than the England average (83.1 years for women and 79.4 years for men). Aligning with national trends, life expectancy in the WMCA area has declined (from 82.2 years for women and 78 years for men in 2016-2018).

The impact of poor health extends beyond people and their families; it also affects the ability of our region's economy to thrive and generate value for reinvestment in our communities.

Strategies and policies need to address the declining life expectancy in the WMCA area need to focus on preventing ill health and addressing the causes of chronic illness. This is best done by ensuring that every strategy and policy promotes health and wellbeing – a health in all policies approach.

Equality

Equality means that people have the opportunity to thrive and flourish regardless of their protected characteristics and backgrounds.

The WMCA area is amongst the most diverse areas in England. There are significant differences faced by people with a protected characteristic, from their access to a private car or natural spaces to their household income, and housing.

Addressing inequalities faced by people with a protected characteristic so that everyone has a fair chance in life is a fundamental part of creating a thriving economy and flourishing society.

The West Midlands region gender pay gap, the difference between average earnings between women and men, was 10.8% in 2022. This is a smaller pay gap than the England average.

The West Midlands region disability pay gap, the difference between average earnings between disabled people and non-disabled people, was 14.7% in 2021. This is a bigger pay gap than the England average.

To ensure that everybody in the WMCA area benefits from growth, factors that lead to inequalities in life chances faced by our diverse communities must be addressed. Our investments – from public transport to housing – can help address and reduce those inequalities.

Communication and dissemination

Following the WMCA Board, to ensure that the report content is accessible to all audiences, a launch event will be held, and the report will be published at wmca.org.uk/research along with a data dashboard, and underlying data, and via an immersive virtual reality experience.

4. Financial Implications

There are no direct implications from this report. There may be future financial implications as a result of actions taken following the report – but these are outside the scope of the report, and can be considered separately.

5. Legal Implications

The *Local Democracy, Economic Development and Construction Act 2009 Section 69(1)* states that a “principal local authority in England must prepare an assessment of the economic conditions of its area”. This applies to the WMCA under the *West Midlands Combined Authority Order 2016 Schedule 3(4)* which states that “The duty under section 69 of the 2009 Act (duty to prepare an assessment of economic conditions)” applies as one of the WMCA’s economic development and regeneration functions.

The West Midlands Combined Authority fulfils this duty in a variety of ways. On a monthly basis, the *West Midlands Insights on Society and Economy (WISE)* newsletter and dashboard (wmca.org.uk/wise) sets out the latest narrative on the region’s economic conditions and provides continuous tracking of regional economic metrics. It is also shared at the Economic Growth Board. On an annual basis, the *West Midlands State of the Region* report also contributes to the fulfilment of this statutory duty.

6. Single Assurance Framework Implications

There are no investment decisions related to this report which have Single Assurance Framework implications.

7. Equalities Implications

Equality, diversity, and inclusion implications are set out in the *equality* section of the report, and where data allows, is embedded throughout the rest of the report. As part of the importance of making sure that research, intelligence, analysis, and data is accessible and as inclusive to our audiences, the report is augmented with infographics, work is in progress to make the underlying data available to others, and through an immersive virtual reality experience.

8. Inclusive Growth Implications

The report considers the *State of the Region* across the eight West Midlands Inclusive Growth fundamentals separately, as well as the cumulative impact, to provide a set of key recommendations and implications. The structure of this report ensures that Inclusive Growth is embedded and considered throughout, so that it provides a robust analysis of the challenges and opportunities facing the region in a way which can encourage a more deliberate and socially purposeful approach to growth.

9. Geographical Area of Report’s Implications

The report covers the entirety of the WMCA (7 metropolitan district) level where data allows, and the three former Local Enterprise Partnership and wider West Midlands regional geography where more granular data is unavailable.

10. Other Implications

None

11. Schedule of Background Papers


Appendix 1: West Midlands State of the Region 2023/24 Report

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West Midlands State of the Region

2023-24



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wmca.org.uk/research



West Midlands
Combined Authority

Research
and Insights

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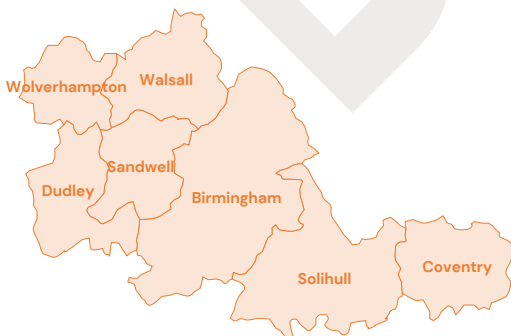
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Introduction

The **West Midlands State of the Region** is a high-level, annual review of the condition of the West Midlands. It provides context to help understand the region's performance. It brings attention to the opportunities and challenges in our region.

This report, for 2023/24, sets out the latest available evidence up to January 2024. However, time lags mean that some data will relate to earlier years. Where available, this report uses evidence for the *West Midlands Combined Authority (WMCA) area*, which covers the seven constituent metropolitan county boroughs of the WMCA: Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, and Wolverhampton.

The WMCA area:



Where this is unavailable, it uses evidence for the *West Midlands Region*, which covers the entire English region including the ceremonial counties of Herefordshire, Shropshire, Staffordshire, Warwickshire, West Midlands, and Worcestershire.

The West Midlands region:



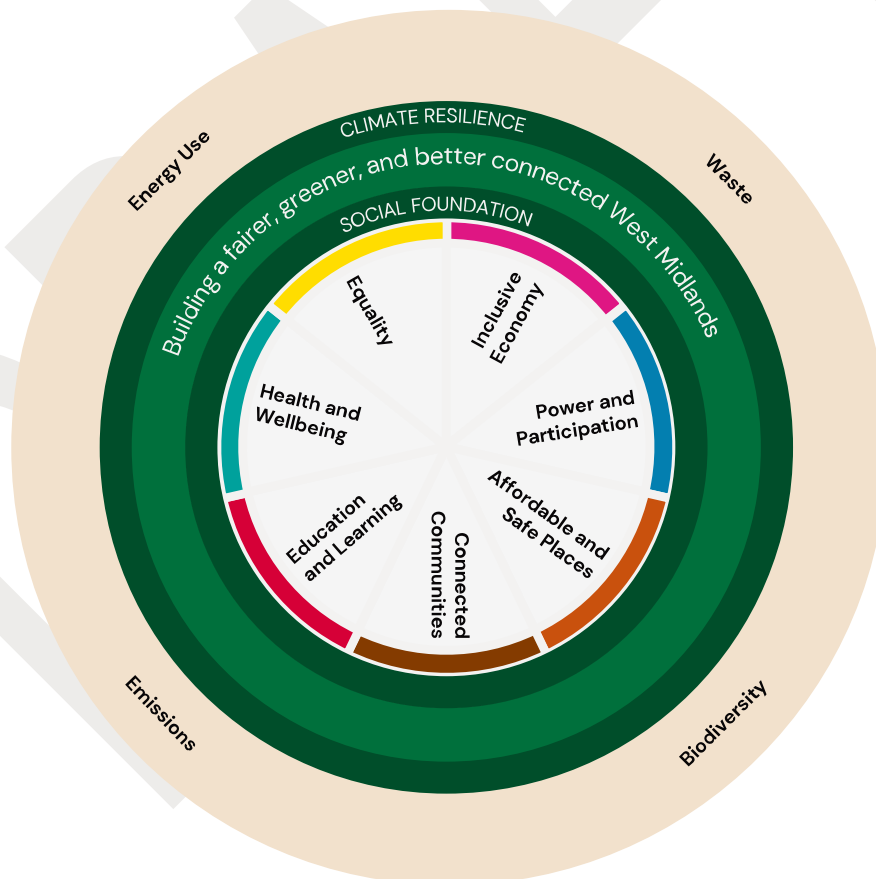
Executive summary

Building a better connected, more prosperous, fairer, greener, and healthier West Midlands requires a recognition and understanding that the challenges faced by the region are complex and multifaceted. Addressing the region’s grand challenges, such as increasing economic growth or productivity or reducing carbon emissions, requires solutions that do not see these as isolated problems. Instead, it requires solutions that are framed as part of a holistic, dynamic ‘ecosystem,’ recognising that people’s access to housing, work, skills and leisure opportunities, plus local and regional political, historical, and cultural context all impact and influence on the effectiveness of any solution.

Consequently, this **West Midlands State of the Region** report sets out its key messages and recommendations around the eight **West Midlands Inclusive Growth fundamentals**, which considers all types of investment – public, private, capital, revenue, time, attention – against a clear set of missions. These missions – the eight ‘fundamentals’ of inclusive growth – also connect to one another, ensuring that the real people, places, and businesses across the region are not lost in thematic silos.

The West Midlands ‘trailblazer’ deeper devolution deal, and in particular, the new single, departmental-style financial settlement create an unparalleled opportunity to address our grand challenges in a holistic way.

West Midlands Inclusive Growth Fundamentals¹



wmca.org.uk/inclusivegrowth



Demographics and communities

The WMCA area is home to 2.9 million people. It is home to one of the youngest populations in Europe; and one of the most ethnically diverse, with nearly four in ten from an ethnicity other than 'White British.' Over the past decade, the population has grown by some 183,000 people (6.7%) and has become increasingly ethnically diverse.

Climate

Carbon emissions per capita in the WMCA area were 3.6 tonnes per capita in 2021. This is a 0.3 tonne per capita increase from 2020, when emissions would have been reduced by lockdowns during the pandemic. However, the overall trajectory over the past decade demonstrates that the WMCA is heading towards net zero by our target of 2041.

Climate change will disproportionately affect our most deprived communities, with the WMCA climate risk and vulnerability index suggesting that people living in amongst our more deprived communities are at higher risk of overheating and flooding.

The transition to net zero is an opportunity and engine of growth for the WMCA area. However, the effects of climate change disproportionately affect our most deprived communities – and efforts must be made to mitigate against the worst effects of climate change through retrofitting homes and through nature-based solutions.

Inclusive economy

The latest available data, for 2021, suggests that the size of the WMCA area economy, as measured by gross domestic product (GDP), is £74.2bn. This amounts to 3.5% of the UK's economy. The WMCA area economy has grown by 8.6% from 2020 to 2021. It has grown more slowly than the UK overall (8.9%). Additionally, the economy remains 4.8% smaller than it was than before the pandemic, when it was £77.9bn. This is in contrast to before the pandemic when economic growth in the WMCA area was better than the UK overall.

If the WMCA area's economy was divided equally between our 2.9 million people, our GDP per capita will be £25,437. This, however, masks significant diversity across the WMCA area, which ranges from

just £19,638 in Walsall to £48,359 in Solihull – and there are further disparities within each local authority area.

GDP per capita, however, does not consider or measure how well income or wealth is created and shared across the whole population and place. In 2022, household incomes in the WMCA area varied from a median annual income of £21,209 in Castle Vale Ward in Birmingham to £59,666 in Dorridge and Hockley Heath Ward in Solihull. The gap between GDP per capita and gross disposable household income (GDHI) per capita has remained roughly consistent over the past few years.

While our economy has grown, it has grown more slowly than the UK overall – in contrast to before the pandemic. Our Plan for Growth sets out a number of strategic growth clusters where the WMCA area has a comparative advantage – and it is absolutely right that we focus on them. Our inclusive growth approach posits that the only way we can fully unlock the economic potential of the region is for there to be opportunity for all to participate and benefit from the proceeds of growth.

Power and participation

The vast majority (80%) of people across the West Midlands region are satisfied with their local area as a place to live. They are also more likely to trust local politicians and local councils most (74%) to make decisions about how services are provided in their local area.

However, only 59% are satisfied with the way that their local Councils in the region run things – and only a quarter (24%) feel they have the ability to influence decisions that impact their local area – although this mirrors trends nationally. This is reflected in low voter turnout at local elections, with turnout ranging from 25.9% in Sandwell to 32.9% in Solihull in 2022, compared to an average of 34.3% across all local authorities.

Far too many residents still feel they have no influence over how things are run. The deeper devolution deal brings power and control to make decisions that matter to local residents back to the West Midlands – and in the implementation of the deal, the WMCA must ensure that residents and communities are included and involved in decision-making.



Affordable and safe places

5% of all habitable homes in the WMCA have been built since 2016 – contributing to the target of 215,000 new homes by 2031 with 20% being genuinely affordable. There are, however, vast differences, with some areas seeing even bigger growth: one in ten homes in Coventry have been built in the past decade.

This housebuilding has been much needed, as the West Midlands region is an expensive place to rent a home, with only residents in London, the South East, and the South West spending more of their incomes on rent. From April 2022 to March 2023, the average renter in the West Midlands region paid 4.3% more in rent; compared to an average increase in England of 3.8%.

With rising interest rates, mortgage repayments have become more costly for homeowners. Between December 2021 and December 2022, the indicative monthly mortgage payment in the West Midlands region has increased by some £428 for the average semi-detached house.

In 2023, some 5,600 households across the WMCA area are living in temporary accommodation, that is, one out of every 200 households. This is roughly comparable to Greater Manchester – but the number of households in temporary accommodation continues to grow.

Rough sleeping has increased, with 88 rough sleepers in 2022, up from 63 in 2021.

Inflation has put pressure on household finances for homeowners and renters alike, with increases in monthly rental and mortgage costs. There is a need to recognise that the impacts of inflation have been different across income groups and places – doing so will help us design out homelessness and reverse the recent increase in rough sleeping. Given that the next biggest household costs are transport costs and food, investments and support with travel costs is also an important consideration in reducing cost pressures for households.

Connected communities

In the year to September 2023, over one-third of trips in the WMCA area involved active travel such as walking or cycling. This may be driven by cost of

living pressures.

The volume of traffic on our roads has returned to near pre-pandemic levels, with 10.2 billion vehicle miles undertaken in 2022, just 0.5 billion vehicle miles (around 5 percentage points) less than the 10.7 billion in 2019. Public transportation usage has also increased – but has not returned to pre-pandemic levels.

Outside of London, the West Midlands region has gone the furthest in rolling out 5G connectivity to residents. In 2023, 51% of residents had access to a 5G network, compared to an average of 37% across England.

As economic growth rebounded after the pandemic, use of both public transport and the road network has increased. Investment into physical connectivity is essential to unlock the economic potential of the region, enabling residents and communities to access employment opportunities – as well as leisure and cultural events with friends and family. However, it is also important to recognise that many journeys involve active travel – and improving walking and cycling is just as important. In terms of digital connectivity, the WMCA area is one of the best digitally connected places in the UK, with access to high speed broadband and widespread 5G coverage. However, there are still communities at risk of digital exclusion.

Education and learning

In 2021, 54.9% of the working aged population in the WMCA area is qualified to level 3 or above (A-level or equivalent). While this has increased from around 42.2% a decade ago, this trails the West Midlands Region's rate of 57.2% and national rate of 61.5%.

In 2023, a smaller proportion of young people aged 16–17 in the WMCA area were not in education, employment, or training (4.8%) than in Greater Manchester (5.7%) or England (5.2%).

Encouragingly, more young people are entering higher education: more than half of Birmingham's young people enter higher education, and regional disparities in higher education participation have decreased.

Post-pandemic, school absences has skyrocketed, which will have downstream impact on our future



workforce.

Far too many people in the WMCA area still do not have a level 3 qualification. This places a ceiling on many people's employment, earnings, and puts them at risk of poorer life outcomes. Further investment enabling people to get a level 3 qualification, and ensuring that young people have the support they need to stay in school and succeed is essential to ensure that the WMCA area has a high-quality workforce that attracts inward investment.

Health and wellbeing

In 2018–2020, life expectancy in the WMCA area was 81.9 years for women and 77.6 years for men. People in the area continue to die earlier than the England average (83.1 years for women and 79.4 years for men). Aligning with national trends, life expectancy in the WMCA area has declined (from 82.2 years for women and 78 years for men in 2016–2018).

The impact of poor health extends beyond people and their families; it also affects the ability of our region's economy to thrive and generate value for reinvestment in our communities.

Strategies and policies need to address the declining life expectancy in the WMCA area need to focus on preventing ill health and addressing the causes of chronic illness. This is best done by ensuring that every strategy and policy promotes

health and wellbeing – a health in all policies approach.

Equality

The WMCA area is amongst the most diverse areas in England. There are significant differences faced by people with a protected characteristic, from their access to a private car or natural spaces to their household income, and housing.

Addressing inequalities faced by people with a protected characteristic so that everyone has a fair chance in life is a fundamental part of creating a thriving economy and flourishing society.

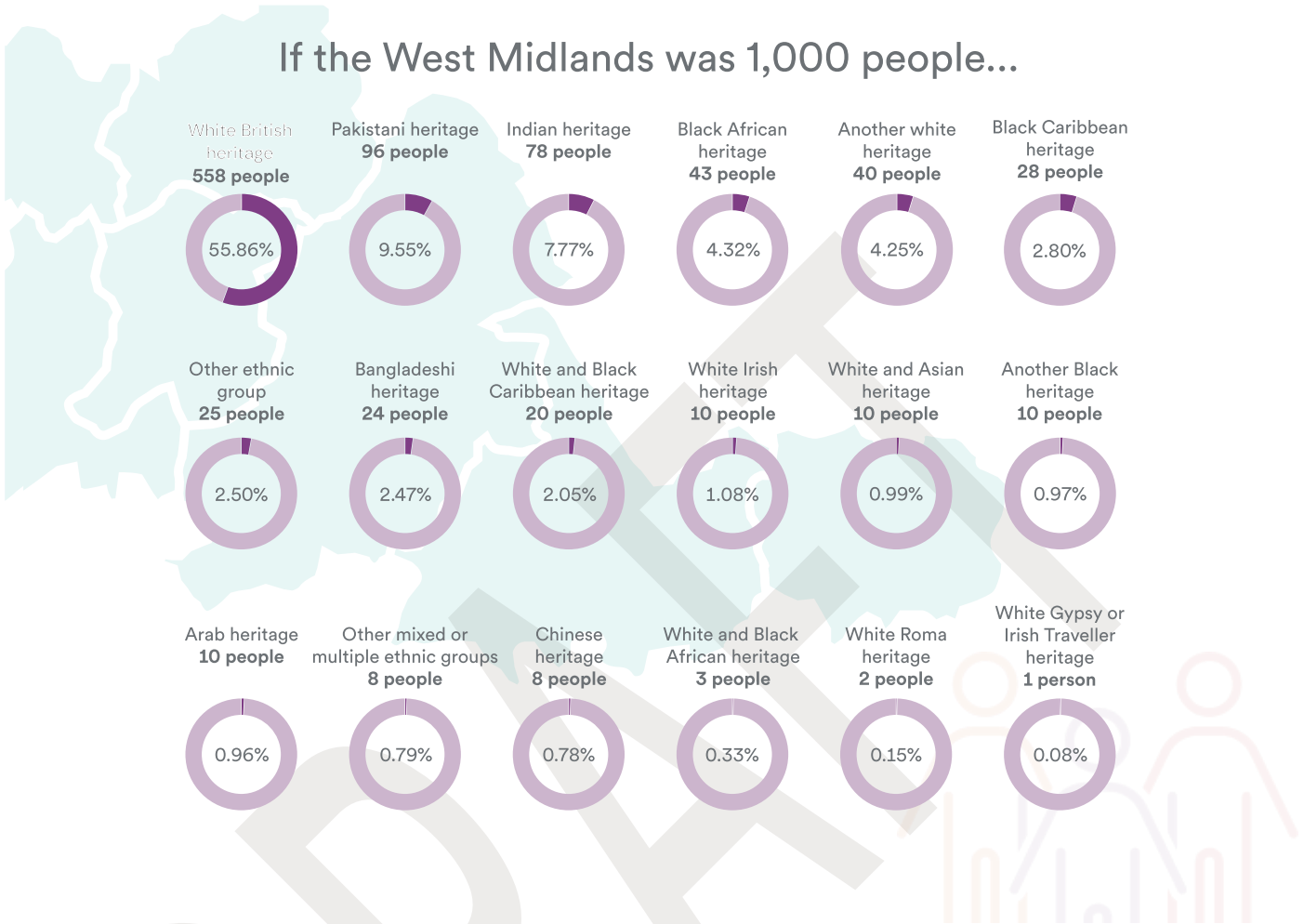
The West Midlands region gender pay gap, the difference between average earnings between women and men, was 10.8% in 2022. This is a smaller pay gap than the England average.

The West Midlands region disability pay gap, the difference between average earnings between disabled people and non-disabled people, was 14.7% in 2021. This is a bigger pay gap than the England average.

To ensure that everybody in the WMCA area benefits from growth, factors that lead to inequalities in life chances faced by our diverse communities must be addressed. Our investments – from public transport to housing – can help address and reduce those inequalities.

Demographics and communities

If the West Midlands was 1,000 people...



Why is this important?

The WMCA area is young and highly ethnically diverse, with almost half of the population from an ethnic minority. Understanding how our demographics and communities are changing is essential for strategic planning.

What are the current conditions?

Population

On Census Day in 2021, there were 2,919,654 residents in the WMCA area. This has increased from 2,736,460 ten years ago.²

Age

One third (33.6%) of the WMCA area population is under the age of 25. This is higher than the England average of 29%.³ Our median age is 38 years; two

years lower than the England average of 40 years.⁴

People of an ethnic minority group in the WMCA area are, on average, younger than people of a White ethnic group in the West Midlands.⁵ Of the under-24 population, 50.7% are from an ethnic minority group and 49.3% from a White ethnic group. In contrast, of the 65+ population, 15.8% are from an ethnic minority group and 84.2% from a White ethnic group.

Ethnicity

The WMCA area is the second-most ethnically diverse area in the country (after London). 55.8% of the population in the West Midlands identifying as White British, compared to 71.4% nationally.⁶

This report uses the term 'ethnic minority.' However, we acknowledge and recognise that such umbrella terms do not fully capture the diverse experiences and cultures of our different communities, nor does

it capture the inequality that some minority white communities face. This report sets out to be as specific as possible about communities as data and evidence allows.⁷

Within the WMCA area, Dudley has the lowest percentage of people from an ethnic minority group, at 17.6%, and Birmingham has the highest, becoming one of the first ‘super diverse’ cities in the UK where ethnic minority groups make up the majority of the population, at 57.1%.

Disability

19.1% of people in the WMCA area are disabled.

This is higher than the English national average of 17.7%.⁸

Of those with a disability, 74.7% are White, 14.6% are Asian, 5.3% are Black, 3.3% are Mixed and 2.1% are from an Other ethnic group. In the WMCA area, a greater proportion of disabled people have a White ethnicity than the proportion of White people in the general population. Conversely, all ethnic minority groups show a lower proportion of disabled people than the general population. This is because the average age for people from a White ethnic group is higher than the average age for people from an ethnic minority group – disability prevalence increases with age.

34.8% of disabled people in the WMCA area are aged 65+; compared to 7.5% of people aged 15 or under.

Gender and gender identity

51% of people in the WMCA area are women and 49% are men.

Roughly one in 400 people identify as transgender or nonbinary. In the WMCA area, 93.1% of the population have a gender identity that is the same as their sex that was registered at birth. This falls closely in line with the England national average of 93.5%.⁹

7.5% of the population have a gender identity that is different from their sex registered at birth.¹⁰

Note that it is important to consider the high likelihood that not all LGBT+ people will have disclosed this to their cohabitants and cohabitants may also be unwilling to disclose this in some

instances.

Sexual orientation

Of those that declared a sexuality in the 2021 census, 97.1% identified as straight or heterosexual, and 2.9% identified as lesbian, gay, bisexual, or other minority sexual orientation. 8.1% did not declare an orientation.¹¹

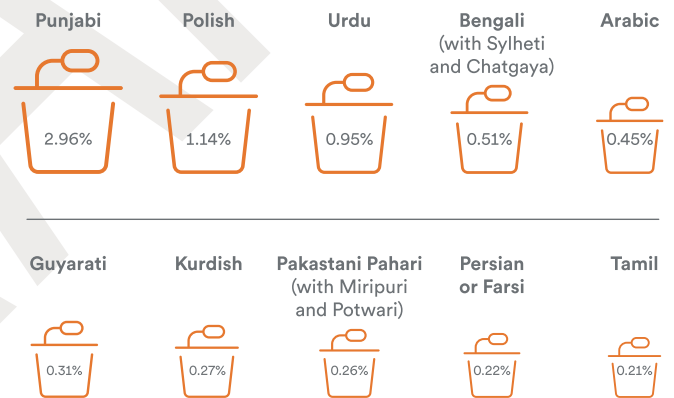
This is similar to the national figure of 96.6% and 3.4% respectively.¹²

It is important to consider the high likelihood that not all LGBT+ people will have disclosed this to their cohabitants and cohabitants may also be unwilling to disclose this in some instances.

Languages

88.1% of people in the WMCA area speak English as a first language. This is lower than the national average of 90.8%.¹³

The top ten languages spoken other than English in the WMCA area are:



Religion

66.4% of people in the WMCA area connected to or identified a religious affiliation¹⁴ in the 2021 Census. This is the highest of any combined authority area. The top religions in the WMCA area are: Christian (40.7%); Muslim (17.2%); Sikh (5.1%); and Hindu (2.3%).

27.9% described themselves as “no religion” – while this is an increase of 7.6 percentage points, it is the lowest proportion of people with “no religion” in any combined authority area.

The highest proportion of people reporting Sikh as



their religion across all local authorities in England were Wolverhampton (12%) and Sandwell (11.5%).

Of those with a Christian faith, the greatest proportion are of White ethnicity (81.0%) and the lowest proportion are of Other ethnicity (1.0%). Of those with a Muslim faith, the greatest proportion are of an Asian ethnicity (74.8%) and the lowest proportion are of a White ethnicity (2.0%).

Of those with a Christian faith the greatest proportion (26%) was people aged 65+, with the lowest (8.6%) aged 16 to 24. This is likely due to a greater proportion of people with a Christian faith having a White ethnicity coupled with the White ethnicity having an older median age.

Conversely, of those with a Muslim faith the greatest proportion (32.9%) were aged 15 and under, with the lowest (4.3%) aged 65+. This is likely due to a greater proportion of people with a Muslim faith

being ethnic minorities coupled with ethnic minorities having a younger median age.

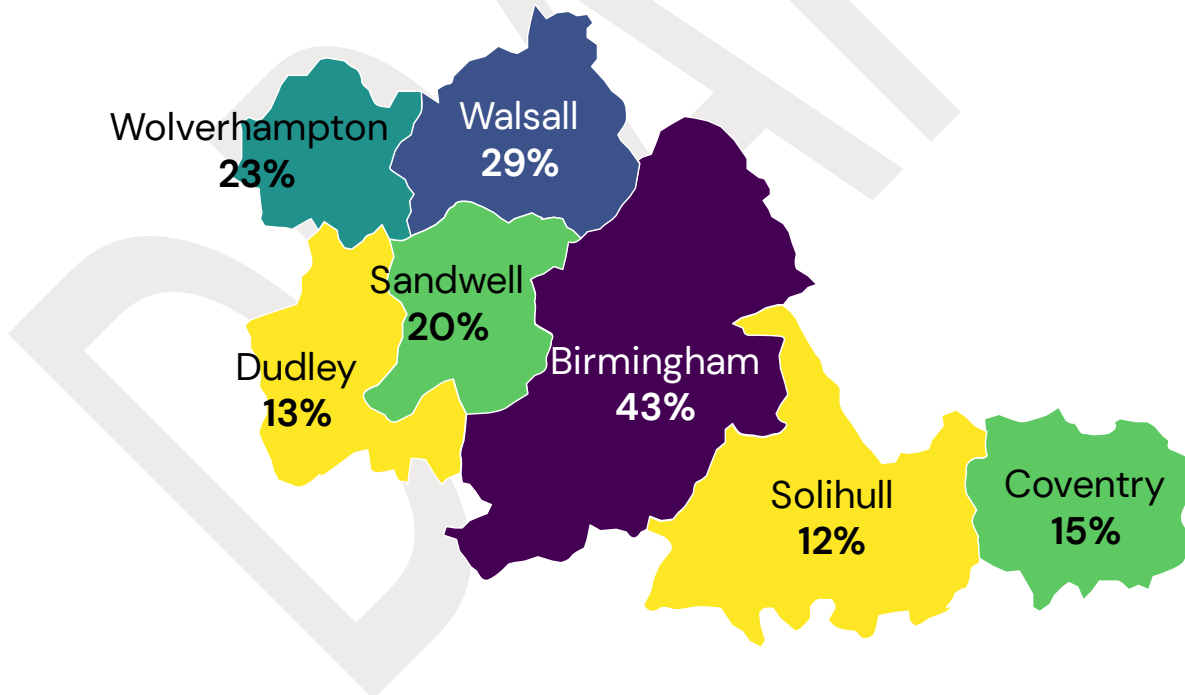
Deprivation

The English Indices of Deprivation (2019) provide a set of relative measures of deprivation for small neighbourhood areas. It is based on seven different domains of deprivation: income, employment, education/skills/training; health & disability; crime; barriers to housing and services; and living environment.

28% of the West Midlands Combined Authority population are living in amongst England's top 10% most deprived areas.¹⁵

35% of children (aged 0–15 years) in the WMCA area are living in amongst England's top 10% most deprived areas.

% of population living amongst England's top 10% most deprived areas



Climate

Why is this important?

In 2019, the WMCA declared a climate emergency and vowed to take urgent action to cut harmful emissions.

There are limits to the capacity to which our social and economic ecosystems can cope with the multiple risks, uncertainty and threats posed by climate change. We can become more resilient to climate change if we work within the planetary limits, or by making adaptations which increase our ability to cope with the risks, uncertainties, and threats.

The climate fundamental reminds us that continuous growth is not sustainable if we use up natural resources faster than the Earth can renew them.

What are the current conditions?

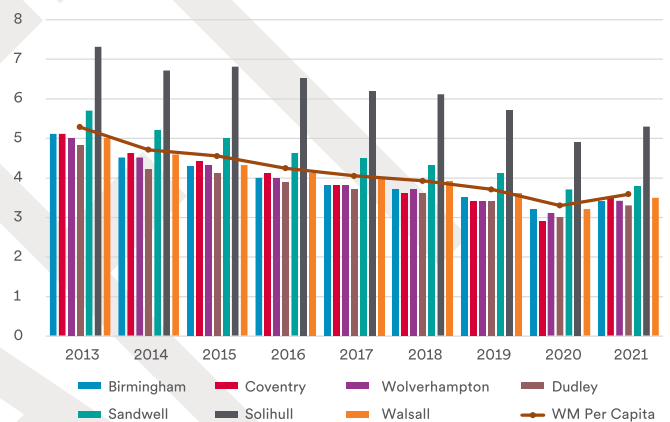
Internationally, progress towards meeting climate goals are not enough. In December 2023, COP28 reinforced the 1.5°C goal and recognised the need for a 43% reduction in emissions by 2030 and 60% by 2035 relative to the 2019 level. The agreement made history by including language on reducing usage of fossil fuels, although this arguably did not go far enough. Agreement was met to triple renewable energy capacity globally and double the global average annual rate of energy efficiency improvements by 2030. Limited progress was made on climate adaptation and finance, although the Loss and Damage fund was operationalised, with major detail still to be worked out. The agreement recognised the funding gap of trillions of dollars for adaptation and climate finance.

Nationally, the Government has committed to becoming Net Zero by 2050. However, the remains substantial policy gap to the UK’s 2030 goal. In the 2023 progress report, the UK’s Climate Change Committee, a non-departmental public body, expressed concerns to Parliament about the pace of change required to meet the UK’s climate goals over the 2030s.

The WMCA has declared a climate emergency and aims for the WMCA area to be Net Zero by 2041. Carbon emissions per capita has decreased by 32% between 2013 and 2021, from 5.3 tonnes

per capita to 3.6 tonnes per capita.¹⁶ While there is a 0.3 tonne per capita increase from 2020, the result in 2020 was reduced by lockdowns during the COVID-19 pandemic. The two primary contributors to carbon emissions are residents using energy in their homes, and transport, with each factor the source of around a third of the WMCA area’s carbon emissions in 2021.¹⁷

Carbon emissions has declined across the WMCA area between 2013–2021 – but there has been a slight increase between 2020 and 2021.



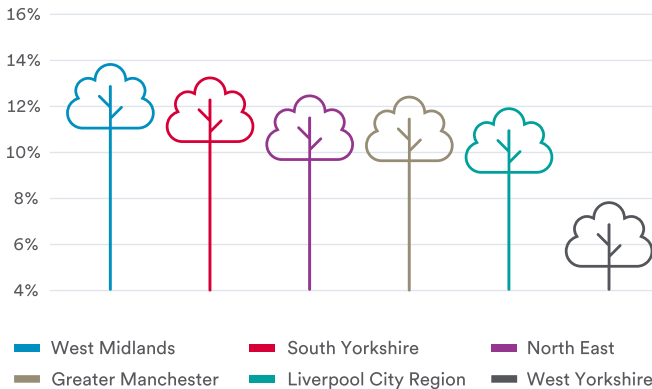
The biggest contributors to carbon emissions are domestic household and transport emissions.



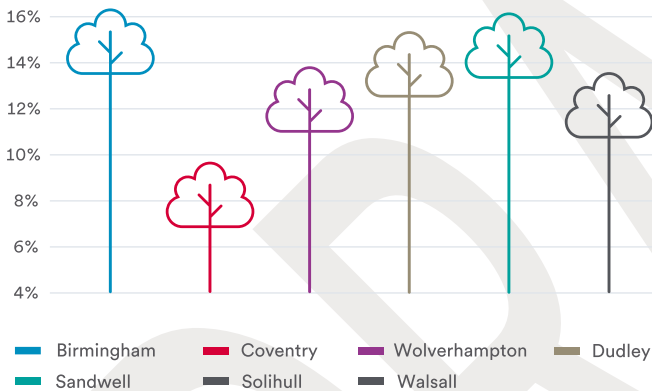
The amount of waste sent to landfill per capita has declined consistently over the last half decade, with this number remaining firmly below the English average throughout this period¹⁸.

Despite its urban environment, the WMCA area is amongst the leafiest combined authority areas. The WMCA area enjoys an average tree coverage amongst constituent members of 13.7%, higher than any other combined authority with over one million residents.¹⁹

Tree coverage in the WMCA area is higher than in other combined authority areas.

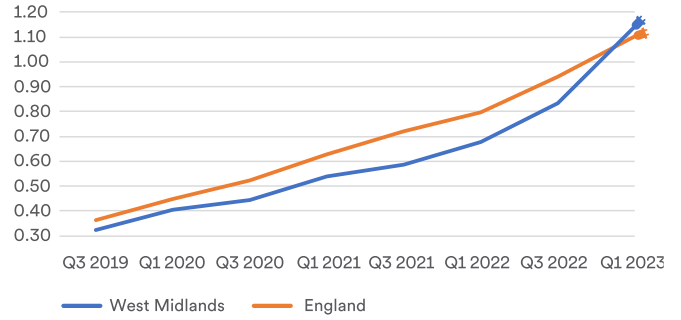


There is variation in tree coverage across the WMCA, with Birmingham having the highest tree coverage, and Coventry having the lowest tree coverage.

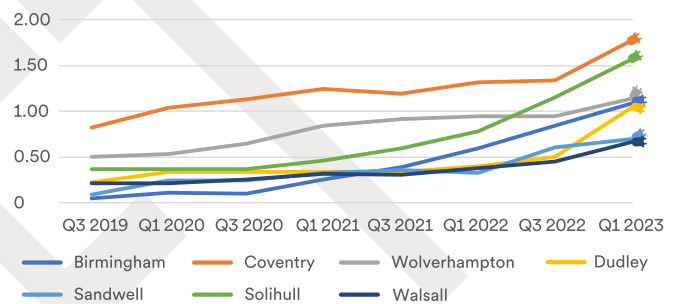


The availability of rapid electric vehicle charging devices in the WMCA area is above the national average. After lagging slightly behind for the last few years, the WMCA area has seen a significant uptick in its provision of rapid electric vehicle chargers, making it a more viable place to use an electric vehicle than much of the rest of England.²⁰

There are now more rapid electric vehicle chargers per 10,000 residents in the WMCA area than the England average.

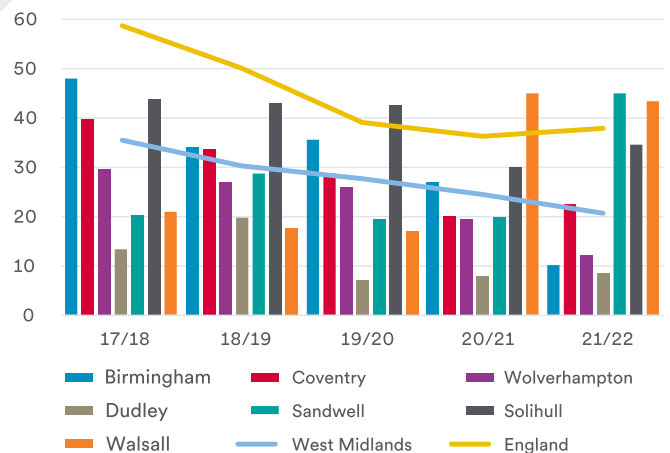


Rapid electric vehicle charging per 10,000 residents has increased across all seven constituent local authorities.



Stark disparities between areas, however, still persist: CO₂ emissions per capita in Solihull have remained over a tonne higher than elsewhere in the WMCA; the amount of waste being sent to landfill per capita across constituent local authorities fluctuates significantly; and tree coverage in areas, particularly Coventry, lag behind elsewhere in the WMCA area.

Waste sent to landfill has decreased – but fluctuates significantly across over the years.



Climate change will disproportionately affect our most deprived communities, with the WMCA climate risk and vulnerability index suggesting that people living in amongst our more deprived communities are at higher risk of the effects of climate change. In particular, three areas: the Black Country, central Birmingham, and east Coventry emerge as most vulnerable to climate change across a full range of indicators.²¹

What can be, and is being done?

To reach Net Zero by 2041, the WMCA has put in a five-year plan to reduce carbon usage in the WMCA area by 33% across local transport, homes, and businesses by 2026. This has seen us retrofitting thousands of homes, investing in renewable energy sources for the West Midlands, making interventions in local transport to encourage more walking and cycling, increasing tree planting, encouraging growth in new sustainable sectors, and sponsoring training programmes to get the West Midlands’ workforce ready for the net zero transition.

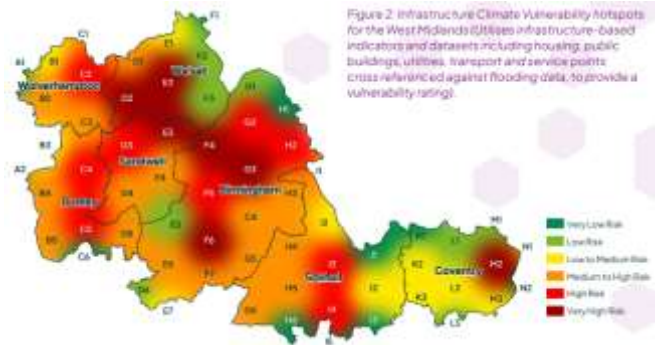
The transition to net zero is an opportunity and engine of growth for the WMCA. There are costs involved – but programmes ranging from housing retrofit to renewable energy has the potential to generate significant good work opportunities in ‘green’ jobs in line with the *Plan for Growth*.

The effects of climate change disproportionately affect our most deprived communities – and efforts must be made to mitigate against the worst effects of climate change everywhere, and in particular, in our most deprived communities at the highest risks of overheating and flooding.

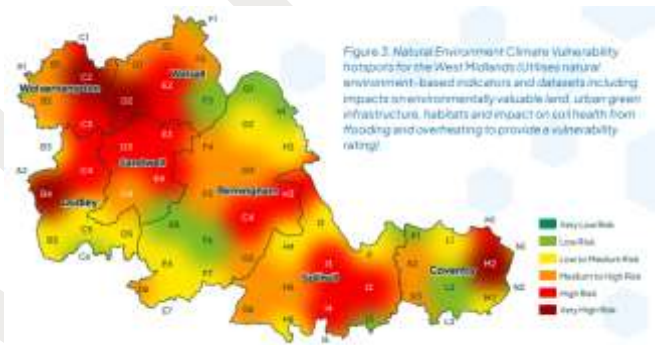
People-related climate vulnerability hotspots in the WMCA area.



Infrastructure-related climate vulnerability hotspots in the WMCA area.



Natural environment-related climate vulnerability hotspots in the WMCA area.



Inclusive economy

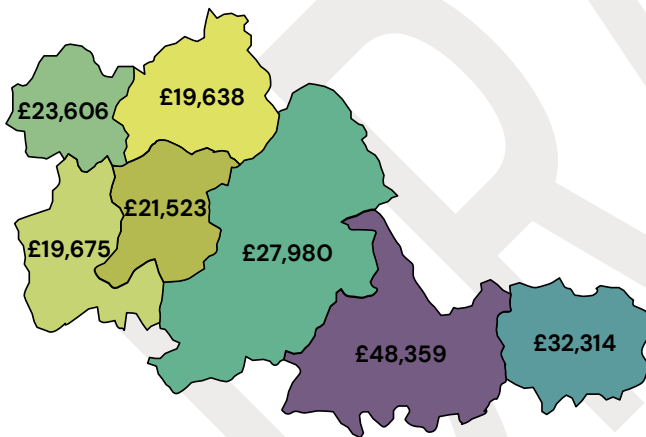
Why is this important?

An inclusive economy is one in which everyone has a part to play. The economy is flourishing and sustainable, and everyone benefits from it. This contrasts with an economy where a small group of people benefit first, and where wealth is then redistributed later or trickled down.

What are the current conditions?

The WMCA area economy remains 4.8% smaller in 2021 – the latest available year – than before the pandemic. The economy of the WMCA area as measured by gross value added was £66.6 billion in 2021. The economy was growing in the mid-2010s but has since stalled. Between 2020 and 2021, the economy grew in the region by 6.1%. This was preceded by a fall of 10.2% the year before – during the pandemic.²²

There are large differences in gross domestic product per capita across the WMCA area



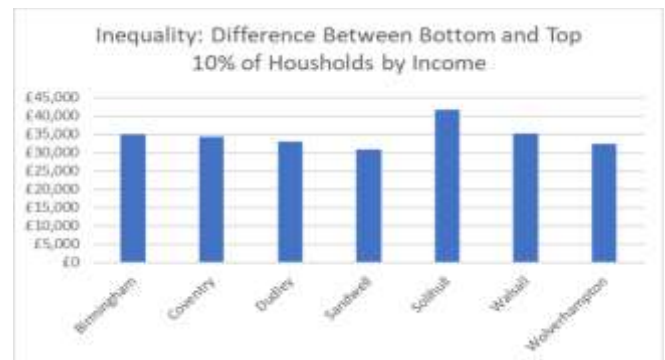
In 2022/23, inward investment into the wider former three West Midlands Local Enterprise Partnership areas was at its highest level since 2016. In 2022/23, there were 160 foreign direct investment (FDI) projects, creating an estimated 7,605 jobs. This is the best result since 2018 when there were 140 FDI projects, creating some 7,933 jobs. Nationally, in 2022/23, job creation as a result of FDI has decreased – suggesting that WMCA area has bucked the trend.

Faster-moving metrics for the wider West Midlands region suggests that the economy has continued to recover in 2022 and 2023. Regional

export of goods in the year to September 2023 reached £34.1 billion – an increase of some £6.2 billion (up 22%) compared to the year to September 2022. This is higher than the previous peak before the pandemic, in the year to September 2019.

The reduction in Solihull’s productivity is a major contributing factor to the slowdown of the WMCA economy. This has been driven by a decline in the manufacturing sector since 2017. A reduction in manufacturing from 2017-18 can be largely explained by a sharp contraction in output by Jaguar Land Rover at their plant at Lode Lane. While other parts of the WMCA area have seen growth in their manufacturing sectors since 2019, the same is not true of Solihull or Coventry.

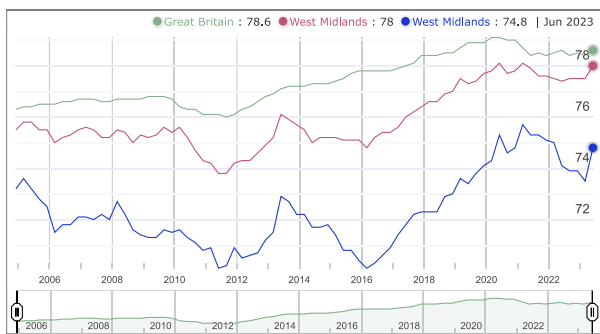
While wealth created in the region has increased, it is not always reaching the people and communities across the West Midlands. While there has been increases in both gross domestic product (GDP), a measure of the wealth produced by the region in a given period, and gross disposable household income (GDHI), a measure of the wealth creation kept by its residents, in 2020-21, there are substantial gaps in the two measures, especially in Birmingham, Coventry, and Solihull. As the economy bounced back from the pandemic, GDP rose by 8.6% after falling by 12.3% the year before. GDHI remained the same between 2019 and 2020 before rising slightly through to 2021 by 0.6%. Thus, while GDP is yet to recover from the pandemic, GDHI has marginally improved. Comparing the top 10% and bottom 10% of incomes, a measure of how wealth is distributed, reveals much higher inequality in Solihull than the rest of the WMCA, with Sandwell being the least unequal.



Manufacturing, transportation and storage, education, and human health and social work industries remain comparatively strong in the West Midlands. Other parts of the UK are stronger in areas such as information and communication, financial and insurance, real estate, and professional, scientific, and technical industries.

Estimates suggest that a greater proportion of people in the WMCA area are economically active than a year ago and that there is a decrease in people who are economically inactive – narrowing the gap with England. In the year to June 2023, around 1.4 million people, or 74.8% of the working aged population in the WMCA area were economically active.²³ This has increased from 74.1% in the year to June 2022 – however it is still below the peak of 75.7% in March 2021. Note that this is not statistically significant; but longer-term trends do show that progress has been made, with the gap between the WMCA area and England has narrowed from 7.7 percentage points in the year to March 2016 (70.1% in the WMCA area vs 77.8% for England) to 3.8 percentage points in the year to June 2023 (74.8% vs 78.6%).

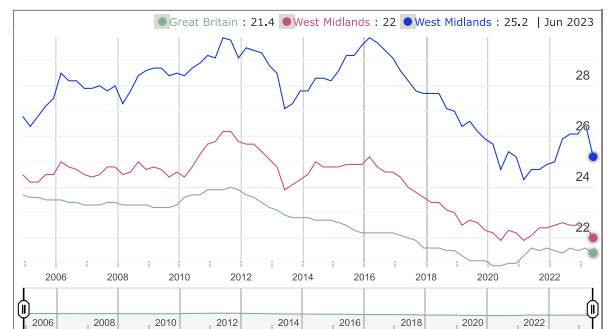
The proportion of working aged population that are economically active population in the WMCA area (blue) has consistently lagged that of the West Midlands region (magenta), and Great Britain (green).



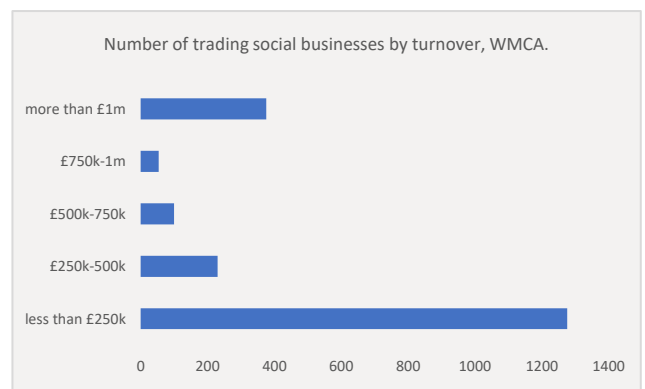
The proportion of people who are economically inactive has reduced – and the gap with England has narrowed. Post-pandemic, there was an increase in economic inactivity, peaking at 26.5% in the WMCA area in the year to March 2023, with a gap of 4.9% with England (21.6%). This has now reduced. In the year to June 2023, 25.2% of people in the WMCA area are economically inactive, compared to 21.4% in England – a gap of 3.8 percentage points. As above, this change is not

statistically significant but longer-term trends suggest that the gap between the WMCA area and England has narrowed – back in March 2016, some 29.9% of the WMCA area population was economically inactive – a gap of 7.7 percentage point with England (22.2%).

Proportion of working aged population that are economically inactive population in the WMCA area (blue), West Midlands region (magenta), and Great Britain (green) in 2005-2023.



The social economy in the WMCA area has grown by some 18% since the pandemic – but there has been major churn in the sector. In 2023, over 10,000 social economy organisations are in operation in the West Midlands Region, an increase from approximately 8,500 before the pandemic. The social economy is a collective term for all ‘not for personal profit’ organisations that exist to improve disadvantaged communities, support disadvantaged people, and address social or environmental issues but do so using a trading (business) model to generate the majority or all the funds they need. Whilst growth sounds positive, it obscures the fact that 1,500 social businesses have closed since 2019. New organisations bring agility and fresh ideas, but established ones offer proven methods and accumulated wisdom.





What can be, and is being done?

The WMCA's Plan for Growth²⁴ has identified strategic growth clusters where the WMCA has comparative advantages. Re-doubling efforts to focus on these clusters is key to unlocking the economic potential of the region and to grow the economy. The clusters include: creative content production and gaming; health tech and med tech; professional and financial services and supply chain; aerospace; logistics and distribution; modern and low carbon utilities; manufacture of future housing; and manufacturing of electric light vehicles and associated battery devices.

Fully unlocking our economic potential requires ensuring that everybody has the opportunity to participate and benefit from the proceeds of growth. Increasing growth and reducing inequality is not a trade-off: reducing the barriers faced by people in accessing economic opportunities has a significant positive impact on the growth potential of our regional economy. For the West Midlands, this means working to ensure that people living in the West Midlands has access to the opportunities created by Plan for Growth through the deeper devolution levers on housing and regeneration, local growth, transport, skills – which will, in turn, attracts inward investment.

Targeted specialist business support can help our businesses grow. Business Growth West Midlands provides businesses across the West Midlands with expert advice on funding and growing their companies, expanding their businesses, further help to decarbonise, reduce energy costs, and make them more sustainable. Additionally, specialist support is provided to social enterprises as part of the WMCA's programme to double the size and impact of the Social Economy.

Power and participation

Why is this important?

Power and participation are about the extent to which people have a voice in influencing the things that matter to them. People who feel that they have power over their own personal circumstances will feel a greater share in the prospects of a place. Those who feel that they can participate and shape the places in which they live and work, will feel a greater sense of belonging.

What are the current conditions?

In the West Midlands region, the belief among our residents that they can influence decisions affecting their local area is low. A key concern is voter turnout at elections which is lower across the region than the national average for both local and general elections.

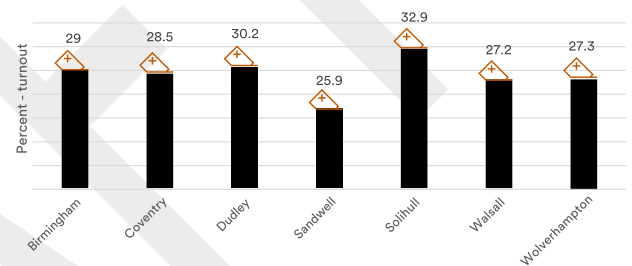
Volunteering rates in the West Midlands region are 10 percentage points higher than the national average, although there is a decline in volunteering rates both locally and nationally over the last decade.

80% of respondents in the West Midlands region are satisfied with their local area as a place to live in²⁵. This is in line with the overall rate for the UK (80%). 74% of residents in the Region say they are most likely to trust their local councillors most to make decisions about how services are provided in their local area similar to the 72% for the UK. Satisfaction with local councils, however, trails that, with just 59% of respondents in the West Midlands satisfied with the way that Councils runs things; similar to the 63% for the UK.

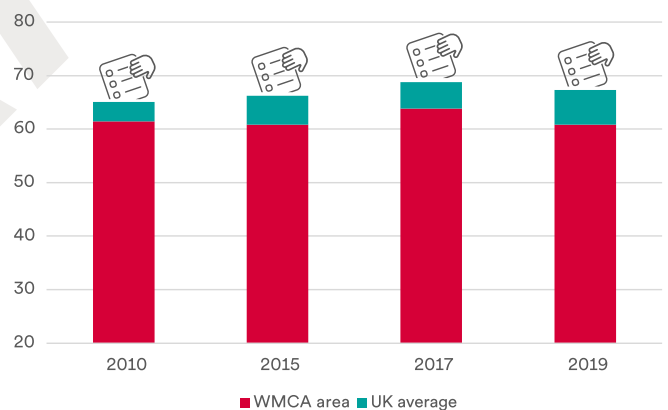
Less than one-third of eligible voters exercised their democratic right to vote in local elections. Turnout in local elections in 2022 (the latest year with complete data) remained low, as it has been for the last decade. Whilst participation in local elections is low across the UK, every part of the WMCA area still saw lower turnout than the national average – even Solihull, where turnout has climbed by 11% in the last decade. While broadly in line with the rest of the UK, voter turnout is a sign of the vitality of democracy, and the low turnout may reflect voter apathy and mistrust of the political process.²⁶ In 2021/22, only 24% of residents in the

West Midlands region agreed that they personally can influence decisions affecting their local area. This is similar to the UK average of 27% and is broadly unchanged from 2020/21. The picture improves somewhat for general elections, with over 60% of eligible voters in the WMCA area showing up on polling day in every election since 2010. However, political participation is still lagging behind the national average, with a disappointingly lower proportion of WMCA area voters exercising their rights than elsewhere in England throughout this period.

Election turnout in the region varies from 25.9% in Sandwell to 32.9% in Solihull.

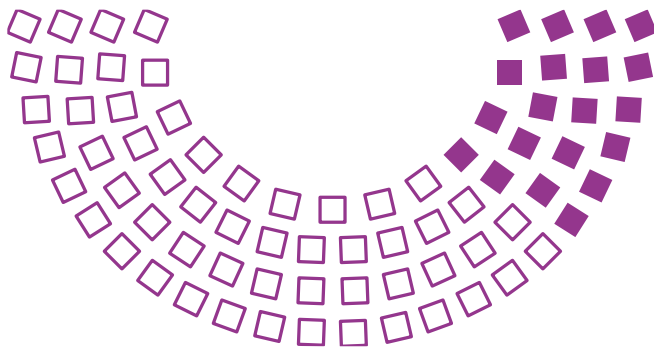


Turnout is typically higher in national elections – however the WMCA area average is below that of the UK average.





Around a quarter of residents feel they can personally influence decisions affecting their local area.



In 2021/22 only 32% of residents engaged in democratic processes outside of voting, such as signing a petition or attending a public rally. This is broadly in line with the national average but is down from 40% in the previous year. 26% of people in the West Midlands region gave unpaid help through clubs or organisations in 2021/22. Volunteering rates have been declining in the region and across the country since records began in 2013/14. National policies of austerity and a lack of dedicated national volunteering programmes in recent times has done nothing to abate the decline. Still, local volunteering rates were much higher in 2021/22 than the national

average of 16%.



What can be, and is being done?

The deeper devolution deal brings power and control to make decisions that matter to local people back to the West Midlands. This opportunity cannot be squandered by merely recreating the structures of Whitehall in the West Midlands. Devolution provides an opportunity for the region to radically improve the relationship between local governments and people it serves. Examples where the West Midlands is leading in this area include the establishment of independent taskforces around homelessness, race equality; as well as the use of citizens panel, for instance, around *Greener Together*.

Affordable and safe places

Why is this important?

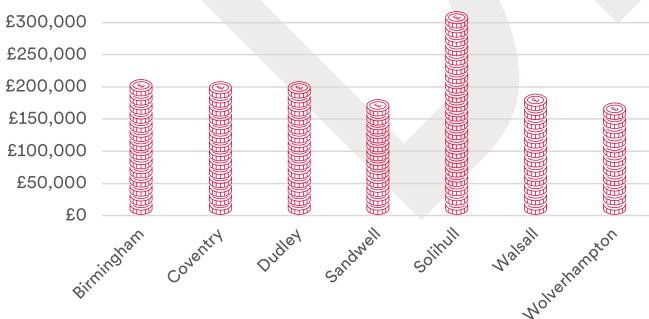
Affordable and safe places is about everyone having decent homes that they can afford, neighbourhoods where they feel secure, and feel a sense of belonging in the place that they live.

What are the current conditions?

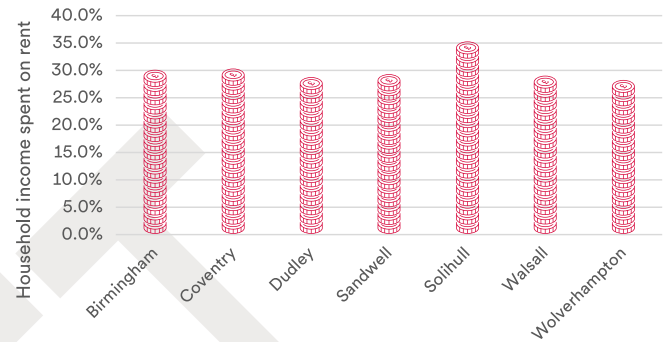
The West Midlands region is amongst the UK's more expensive places to rent a home. In particular, those on lower incomes face the least affordable rent prices outside of London. From April 2022 to March 2023, the average renter in the West Midlands Region paid £725 in monthly rent (England: £825). This has increased from £695 the year before, an increase of 4.3% (England: £795, 3.8%).^{27,28} Overall, only residents in London, the South East, and the South West spend more of their incomes on rent than people in the West Midlands.²⁹

However, when broken down by income levels, those on lower incomes face the least affordable rent prices outside of London. In 2023, renters in Solihull were spending more of their take-home income on housing costs than anywhere else in the WMCA area, averaging 35%. In contrast, residents in Wolverhampton saw the lowest proportion of their take-home pay going towards rent. Rental affordability has changed little in England over the last 10 years and there was no change in affordability in the West Midlands region between 2021 and 2022.

Average house prices in the WMCA area



Household incomes spent on rental costs in the WMCA area

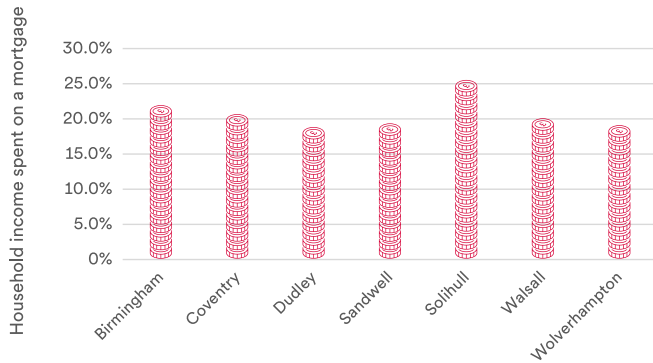


Mortgage costs as a proportion of residents' take-home income were highest in Solihull and lowest in Wolverhampton. With rising interest rates, mortgage repayments has become more costly for homeowners. Between December 2021 and December 2022, the indicative monthly mortgage payment in the West Midlands Region has increased by £703 for detached houses (UK: £771), £428 for semi-detached houses (UK: £481), £339 for terraced houses (UK: £397), and £247 for flats (UK: £363).³⁰

Recent interest rate rises have made mortgages less affordable, contributing towards a slight decrease of 0.6% in average house prices across the region from last year³¹. Interestingly, despite the uneven spread of mortgage prices across Birmingham, Coventry and Dudley, the average house price remains almost identical across the three areas³². This can be explained by a number of factors that reveal even more about the region's housing landscape.

For example, 10.3% of homes in Coventry have been built since 2010, compared to only 5.1% in Dudley³³. This indicates the presence of more new mortgages in Coventry than in Dudley. Equally, whilst house prices are lower in Sandwell, mortgages are marginally more affordable in Dudley. This reflects a take-home pay disparity between the two areas.

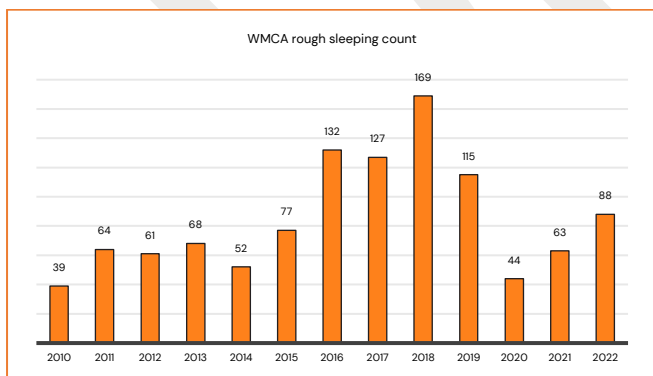
Household incomes spent on mortgage costs in the WMCA area



While rapid inflation is making things more expensive for mortgage-holders everywhere, homeowners still face lower housing costs than renters. Homeowners continue to see around 10% less of their take-home income going towards their mortgage than renters spend on housing.

One in 200 households in the WMCA area is living in temporary accommodation. This is particularly a challenge in Birmingham, where around 4,300 households are in temporary accommodation in 2023, a 12 percentage point increase on 2022, and accounts for around one in 100 households. While the WMCA’s overall figure is roughly comparable with Greater Manchester, it is well below the figures seen in London.

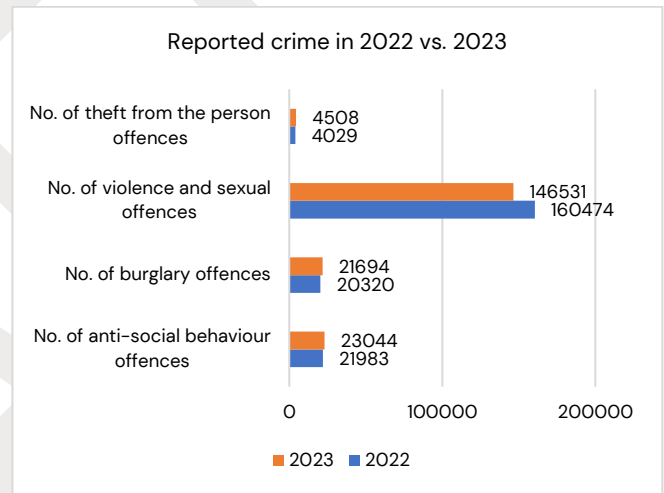
Rough sleeping has increased, with 88 rough sleepers in 2022, up from 63 in 2021. Rough sleeping tumbled in 2020 due to the UK Government’s initiatives to house everyone during the pandemic – but has since rapidly increased.



Housing may be the biggest cost faced by households (accounting for some 17%) – but this is closely followed by transport costs (14%) and food and non-alcoholic drinks (12%).³⁴

9 in 10 residents across the West Midlands region reported feeling safe during the day. However this drops to around 55% after dark. The fear of being a victim of crime will be a significant driver of this anxiety.

Reported crime data suggests a rise in antisocial behaviour, burglary, and thefts in 2023 (up 6.3 percentage points) and a decrease in violence and sexual offences (down 8.7 percentage points) across the WMCA area. However, while rates of antisocial behaviour, burglary, and theft offences is around 39.9% lower per capita than the UK average; rates of violence and sexual offences per capita is around 48.3% higher – suggesting a mixed picture.



What can be, and is being done?

The WMCA’s powers around identifying land and encouraging the redevelopment of brownfields sites and requirements around meeting local affordable housing have improved housing supply. The WMCA aims to design out homelessness in the West Midlands through prevention by design: ensuring a supply of affordable homes, tackling welfare related poverty, good employment, information, integrated prevention, advice, and guidance. It has a target for 215,000 new homes by 2031 and remains on course to achieve this – indeed, 5% of all homes in the WMCA area have been constructed since the establishment of the WMCA. Over time, this should reduce pressure on rising rents and mortgages, and address the rise in the use of temporary accommodation.

WMCA investments require developers to make a minimum 20% of the new homes affordable under its own definition of affordability which is linked to local wages rather than property prices – and



WMCA evidence suggests around 25% of homes invested meet its own local definition of affordability.

Accelerating the development and manufacture of future housing will help the region address its housing needs. The *Homes for the Future* programme will help secure the delivery and investment in both advanced manufacturing in construction and zero carbon homes, which will get the region ready for the Government's forthcoming Future Homes Standard expected to come in force by 2025, and result in reduced occupier costs in the new homes.

Retrofitting existing homes is essential to address fuel poverty faced by residents. In 2021, the WMCA area had some 238,449 fuel poor homes,

contributing to wider housing related costs. The overall rate of fuel poverty, at 17.5% is amongst the highest in the UK – with some areas experiencing far higher rates of over 40%.

Investment into reducing the cost of travel is important in reducing cost pressures on households given that for the average household, transport costs is the next biggest cost after housing.

From May 2024, the Mayor of the West Midlands may gain responsibilities that are currently the responsibility of the separate *Office of the Police and Crime Commissioner*. This will create opportunities for a more integrated and comprehensive approach to addressing community safety issues.

Connected communities

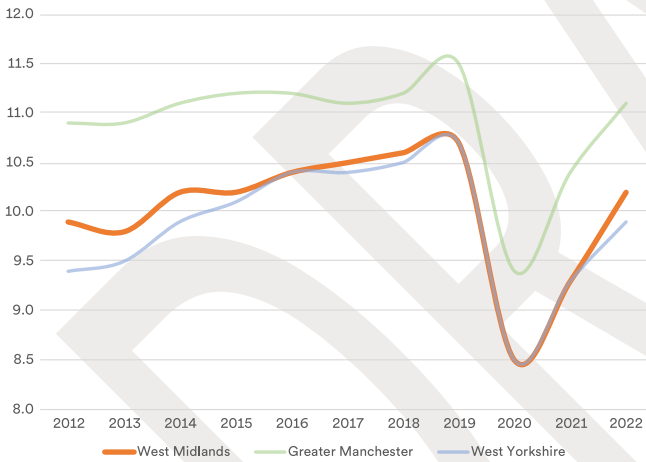
Why is this important?

Connected communities mean how easily people can interact with the world around them. This includes physical and digital connectivity. Physical connectivity helps people to reach places to live, work, have fun and meet up. Digital connectivity and inclusion helps people to learn and get connected, for instance, through using a device and data.

What are the current conditions?

The COVID-19 pandemic imposed wholesale lifestyle changes – but some trends appear to be returning to pre-pandemic levels. Traffic delays and miles travelled by road are both increasing, despite a higher proportion of residents undertaking journeys on foot.

Vehicle journeys have returned to near pre-pandemic levels.

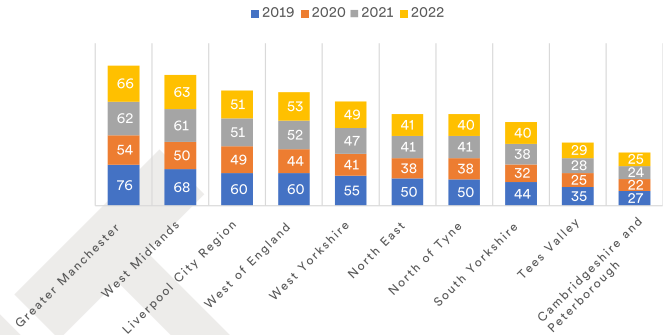


'A' roads in the WMCA area are the second-most congested of all UK mayoral combined authority areas, after Greater Manchester.

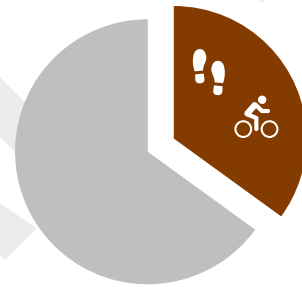
Drivers faced average delays of 63 seconds per mile when using the area's A-roads in 2022³⁵.

This reflects the built-up urban environment of the West Midlands conurbation, which generated some 10.2 billion vehicle miles in 2022, just shy of the 10.7 billion vehicle miles pre-pandemic in 2019.³⁶

Congestion in the WMCA area is the second highest after Greater Manchester.



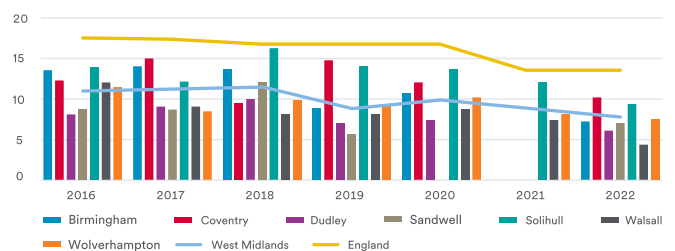
Over a third (35%) of journeys in the WMCA area involve active travel such as walking or cycling as the main mode in the twelve months to September 2023. This has increased from before the pandemic. This compares to 32% for GMCA and 33% for England as a whole (2022).



The proportion of journeys made on foot in 2022 increased by 7 percentage points from 2019.³⁷ This may be driven by cost of living pressures.

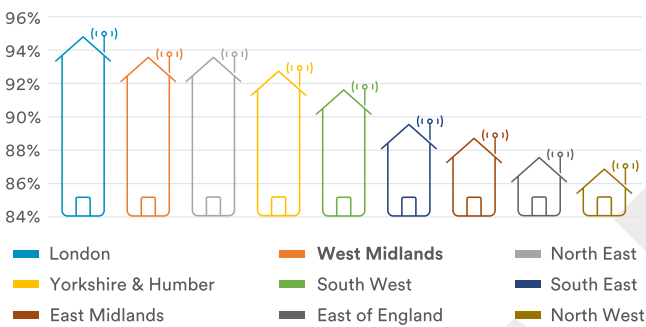
The proportion of journeys made on a bike saw a consistent decrease between 2016 and 2022.³⁸ There are some differences across local areas, with one in ten residents in Coventry riding a bike at least once a month, compared to less than one in twenty residents in Walsall.

The proportion of people cycling at least once a month has declined overall and in each of our local authority areas.

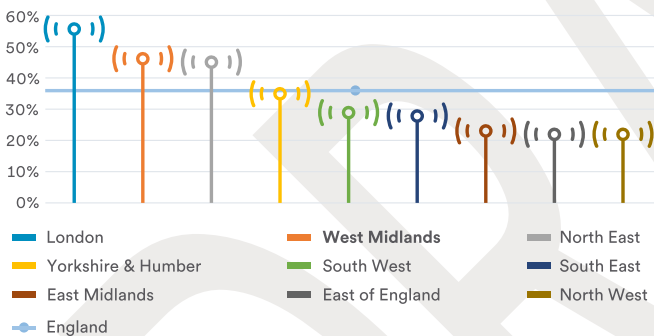


The WMCA area remains amongst the best digitally connected region with amongst the best for 5G coverage and broadband connectivity. 51% have 5G access, amongst the highest in the country³⁹ and an overwhelming majority of households, just under 99%, have access to basic broadband at speeds of over 30 megabits per second.⁴⁰

The vast majority of people in the WMCA area have access to the internet at home.



The West Midlands region has the best 5G coverage outside of London.



What can be, and is being done?

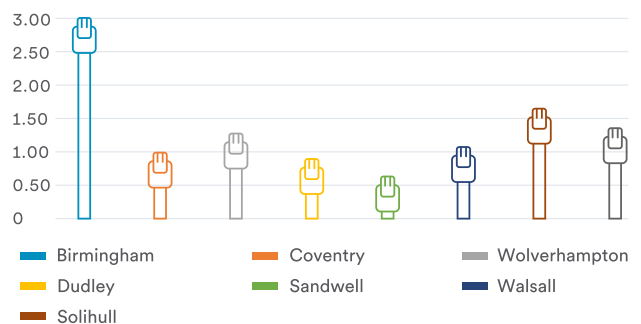
Continued investment into public transport and road networks, as outlined in the Local Transport Plan, are essential to unlock the economic potential of the region, enabling residents and communities to access employment opportunities as well as leisure and cultural events with friends and family. The Local Transport Plan sets out 'six big moves' which improves connectivity to access key services and shift travel modes to be more sustainable and accessible, and improve travel by designing out emissions. The WMCA is working on further expansion of the West Midlands Metro network such as from Wednesbury to Brierley Hill, rail improvements such as the work to reopen the Camp Hill Line, and plans for new stations for the Sutton Park line will help improve

connectivity across the region. The WMCA also recognises that the vast majority of residents in the West Midlands are served by the bus network – therefore funding is also set aside to ensure network stability.

Active travel is an important and growing component – ensuring walking and cycling access to major housing and employment sites are just as important. This means ensuring that walkways are safe and well-maintained. The National Travel Attitudes Survey identified that improvements to safety and infrastructure including off-road and segregated cycle paths, safer roads, and well-maintained road surfaces for cycling are essential to increase cycling uptake. In 2020, the WMCA launched the Starley Network, a network of cycling and walking trails in the West Midlands covering 500 miles of connected safer cycling and walking routes. To maximise their effectiveness, walking and cycling needs to be better connected to housing and employment opportunities creating opportunity for active travel.

While the vast majority of households have access to broadband, some households remain digitally excluded. The West Midlands Digital Roadmap sets out five missions to securing access for everyone to digital opportunities, particularly those in poverty; sharing and using data to improve people's lives; becoming the UK's best-connected region; realising the potential of digital to transform our economy and build economic resilience; and using digital public services to build a fairer, greener, healthier region.

A minority of households are still unable to access basic broadband of at least 30 megabit per second



Education and learning

Why is this important?

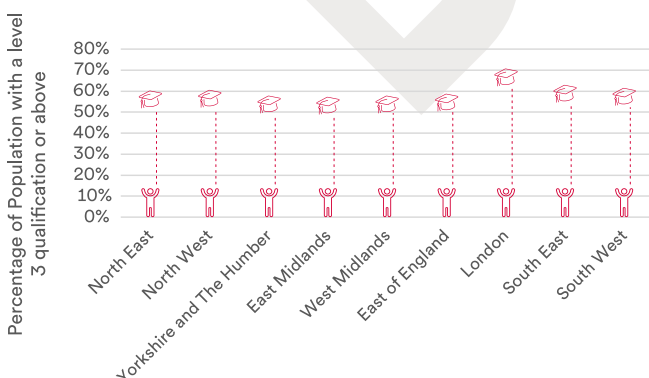
Education and learning opportunities are important for everyone at any age, to enable them to flourish and reach their potential. From giving children and young people the best start in life, to providing opportunities for working aged and older adults to gain new skills, retrain for a new job or just pursue their own interests for leisure. All types of learning are important for an inclusive society.

What are the current conditions?

In 2021, just 54.9% of the working aged population in the WMCA area was qualified to level 3 or above (A-level or equivalent). While this has increased from around 42.2% a decade ago, this trails the West Midlands Region's rate of 57.2% and national rate of 61.5%. Research shows that people with a level 3 qualification are more likely to be employed, earn more when employed and less likely to claim out of work benefits than those qualified at level 2 or below.

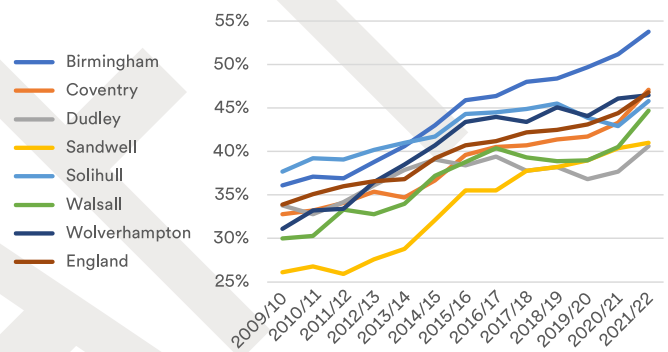
On average, level 3 qualifications result in a 16% earnings return and a 4% increase in the likelihood of being employed. The WMCA is focused on improving the level 3 skills offer, with a focus on getting our residents into employment; upskilling and reskilling to respond to the regional economy and to net zero; providing a good basic education up to Level 2 for those who need it; and supporting our communities to be stronger and to benefit from inclusive growth.

The proportion of the working aged population in the West Midlands qualified to a level 3 qualification lags behind other regions.



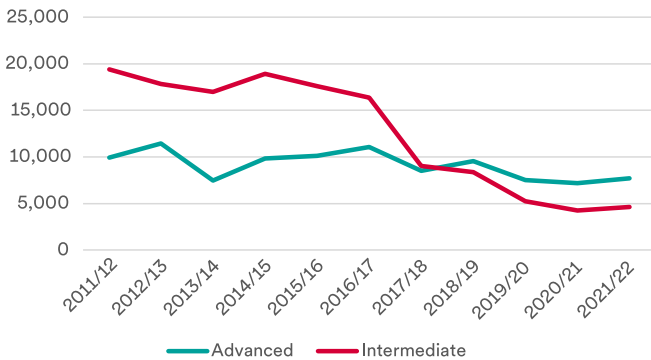
The proportion of school leavers progressing to higher education has increased right across the WMCA area. Education is critical driver of social mobility, meaningful careers, and life satisfaction. Encouragingly, more young people are entering higher education: more than half of Birmingham's young people enter higher education, and regional disparities in higher education participation have decreased – with Sandwell in particular making significant progress.

Not only is the proportion of young people in the WMCA area entering higher education increasing – but the gap with the England average has also narrowed.



There has been a decline in the uptake of apprenticeships across the WMCA area, with 2021/22 seeing under half of the enrolment figures seen in 2011/12. This correlates with national figures and can partially be explained by the introduction of the Apprenticeship Levy in 2017 which has resulted in falls in apprenticeship starts and the proportion of apprenticeships reaching young people aged 19 or below.⁴¹ Significantly, intermediate level apprenticeships have been much more adversely impacted than advanced apprenticeships, but both levels have seen sizeable declines in their uptake across the region.

Apprenticeship starts have decreased.

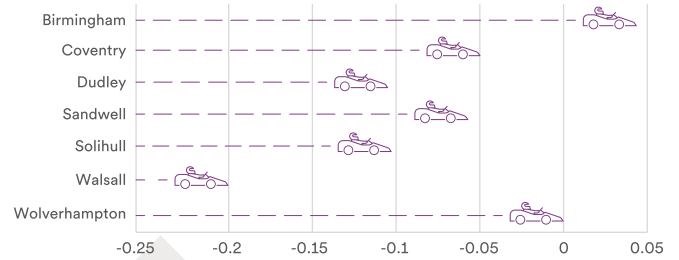


Pupils finishing secondary school in the WMCA area, and the broader West Midlands region generally end up with lower levels of attainment and make less progress than expected overall compared to London or the average for England. Outcomes at the end of Key Stage 4 (Year 11) are measured using the *attainment 8 benchmark* (an average of pupils’ grades across 8 qualifications including English and Maths at GCSE); and the *progress 8 benchmark* (a measure of the progress made between Year 6 and Year 11).

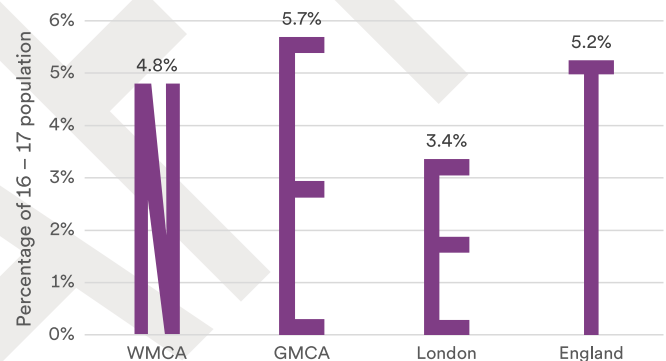
Across the West Midlands region, the average attainment 8 benchmark is 44.8 out of a possible 78 (9 being the top grade across 8 subjects), 1.5 points below the average for England and 0.4 points below five years ago (pre-pandemic). Across WMCA area authorities, no single local authority area in the WMCA achieves higher than the England average. This means that on average, pupils completing Year 11 in the WMCA area end up with lower grades than those on average across England.

In terms of our progress 8 benchmark, the average in the West Midlands region is -0.09 (-0.08 in 2017/18). This is a negative figure which suggests that pupils are completing Year 11 with lower grades than they would otherwise be expected to get, given their progress at the end of Year 6 (primary school). There are multiple reasons why pupils in the West Midlands region may not be doing as well as those in other parts of England, many of which bear no reflection on the quality of education they receive. Neither attainment 8 nor progress 8 can account for all the effects of factors such as socioeconomic circumstances which impact a child’s learning.

In the WMCA area, only Birmingham has a positive progress 8 benchmark.



However, fewer young people aged 16-17 end up not in education, employment, or training (NEET), with the NEET rate at just 4.8% in the WMCA area in 2023 (2022: 5.1%). This was below Greater Manchester and the England average, but above London. However, there has been a concerning increase in *not knowns* – that is, young people whose destinations are unknown.



School absences has skyrocketed nationally, and the West Midlands region is no different; with 6.6% of sessions missed. Pupils who regularly attend school are more likely to do well in exams, get a better job, and reach their potential as adults. Before the pandemic, in the 2018/19 academic year, across state-funded primary, secondary, and special schools, around 4.8% of school sessions were missed in the West Midlands region, and 4.7% nationally. So far in the 2023/24 academic year, between 11 September 2023 and 8 December 2023, the absence rate has increased to 6.6% for both the West Midlands region and England. Week-to-week data suggest that local authorities in the WMCA area may have even higher absences.⁴² This may put additional pressures on workforce skills in the years ahead.



What can be, and is being done?

The implementation of the deeper devolution deal creates opportunities for the WMCA to better align post-16 and post-19 education and skills provision between our colleges and the growth sectors identified in our *Plan for Growth*. This includes all non-apprenticeship adult skills funding and functions, including ensuring that residents aged 19 and over in their area, who are eligible for funding, have access to appropriate education and training; encouraging and providing adults with the skills and learning they need to equip them to progress into, or within, work; or equip them for an apprenticeship or other learning; and provision of statutory entitlements to provide free courses for adults; so that the WMCA area can reduce the proportion of working age residents with no qualifications; increase the proportion of working age residents qualified to level 3 or above; and further reduce proportion of young people who are NEET.

DRAFT

Health and wellbeing

Why is this important?

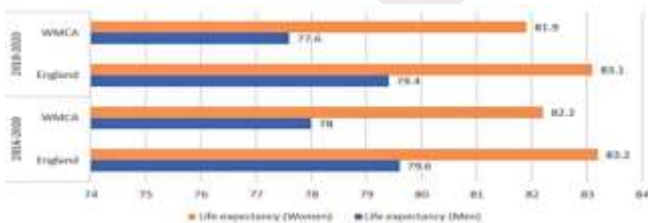
Health and wellbeing are about people living longer, healthier, and happier lives, regardless of their social circumstances, which has often placed a limit on their prospects for a healthy life.

Health is more than the healthcare system: it is not just about NHS hospitals, doctors, or nurses. Health is about people's lives. People's health is often determined by their social and economic circumstances, such as their communities – access to a good network of family and friends; prospects – access to good jobs and education; and housing and environment – living in a good neighbourhood and with access to good quality green spaces.

What are the current conditions?

Currently, the regional picture for health and wellbeing exposes large inequalities between areas, with residents in some areas expected to have healthy lifespans that are eight years shorter than those elsewhere in the WMCA area. On average, these residents are less physically active, more likely to smoke, and more likely suffer from health complications linked to air pollution. These differences in health are entirely avoidable and preventable. People's lives are being cut needlessly short. Failure to address these pressing issues will stain any growth enjoyed by affluent pockets of our region in the future and puts a flat ceiling on our potential to thrive.

People in the WMCA region continue to have shorter life expectancies at birth than the England average (women by 1.2 years and men by 1.8 years on average). Aligning with national trends, life expectancy in the WMCA is declining (albeit very slightly).



The impact of poor health extends beyond individuals and families, affecting the ability of our region's economy to thrive and generate value for

reinvestment in our communities. The Health of the Region report estimates the cost of lost output in England due to avoidable deaths has risen by over 20% since the Covid-19 pandemic – from £6.3bn in 2019 to £7.7bn in 2021, equivalent to over £250,000 per person who died in 2019 rising to almost £290,000 in 2021.⁴³

Over the last decade, people's healthy life expectancy has also stagnated nationwide. The WMCA area is almost universally below the national average, with only residents in Solihull enjoying a higher healthy life expectancy than the England average. This data sheds light on startling disparities between parts of our region, with the deficit between the highest and lowest healthy life expectancy in the WMCA area standing at eight years in 2020.⁴⁴

There are disparities in healthy life expectancy for men and women across the seven constituent local authorities.

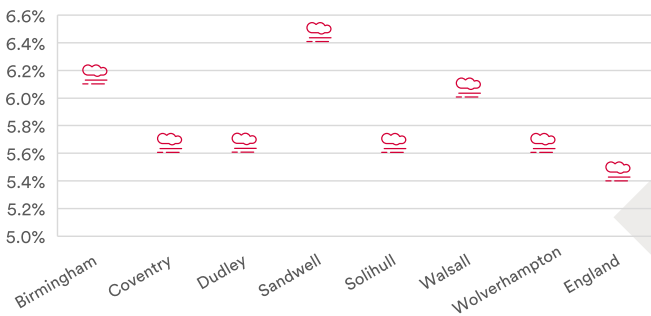


Key elements that impact life expectancy are personal wealth, lifestyle choices, behaviours, and the local environment.⁴⁵ Poor air quality is a sure-fire indicator of poor public health, for example. It leads to premature deaths and exacerbates people's pre-existing health conditions. One way in which we can measure poor air quality is through the presence of particulate matter – small particles and droplets in the air that are produced by vehicles and other sources. Particulate matter can cause harm to humans when it enters the lungs and bloodstream, making it critical to track. Given the link between vehicles and particulate matter, it is not surprising that the highest concentration of it in the WMCA area was uncovered along the M6 and Aston Expressway in 2021.

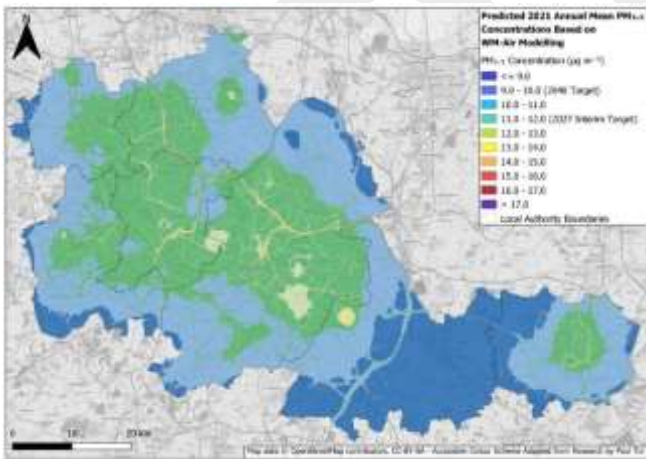
Deaths attributed to particulate air pollution have

declined in recent years along the region's improving air quality⁴⁶ – from 6.8% of deaths in 2018 to 5.5% in 2021. Nevertheless, there is still significant progress to be made, not least because each part of the WMCA area endures a higher proportion of deaths because of particulate air pollution than the England average.⁴⁷

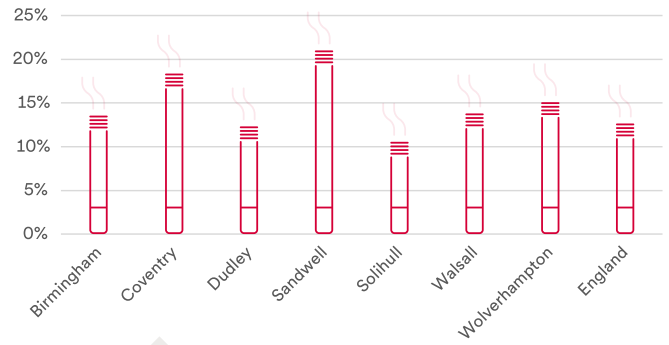
The proportion of mortality attributable to particulate air pollution in all of the seven districts remains higher than the England average.



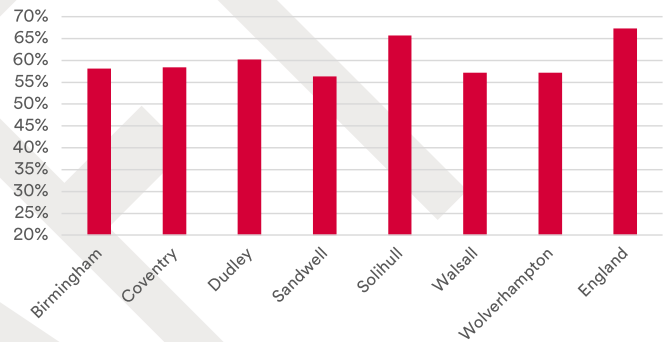
The annual mean particulate matter PM_{2.5} concentration across much of the WMCA area remains higher than the World Health Organisation recommended maximum of 10 µg/m³.



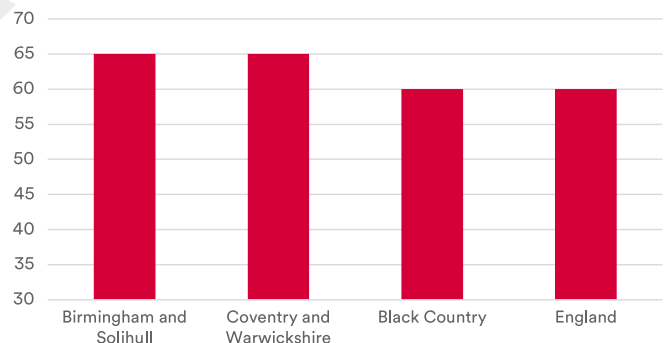
The vast majority of people in the WMCA area do not smoke. And rates are declining slowly too, from 15.7% in 2015 to 13.4% in 2022.



One third of adults in the WMCA area are not physically active in 2021/22 – a greater proportion than the England average. Since 2015/16 activity levels have varied little, being estimated at 63.8% 6 years ago and 63.4% in 2021/22.



The number of GPs per 100,000 people in the West Midlands region is relatively high, with two of the three regional NHS Integrated Care Board areas having more than the average number for England. While this may be the case, it should be remembered that the number of GPs does not reflect how easy it is to get an appointment.



The overwhelming majority of residents in the West Midlands region are satisfied with their lives, with 95% indicating moderate to high levels of life satisfaction. This is consistent with the proportions reported elsewhere in the UK in 2023 and the same as 2022. Having fallen away as the country emerged from the shadow of the pandemic, anxiety is on the rise once more. The West Midlands region is no



exception to this, with the ONS estimating that 22% of the population deal with high levels of anxiety every day (no change since 2022) – with some evidence suggesting that this particularly impacts young people, especially girls and young women.

What can be, and is being done?

By influencing and shaping the kinds of homes we live in, the way we get around, the air we breathe, and the types of employment opportunities available to us, the WMCA can positively impact residents' health. The *Health of the Region 2023* report notes that while there has been a collective focus on addressing health inequalities in our region, the reality is that despite some improvements, significant progress in health outcomes remains elusive. The conditions that contribute to ill health and premature deaths persist, and in certain cases, they are worsening. Understanding the intricate causal chain influencing health outcomes is crucial, as change in this realm often takes a protracted period to manifest in data. For instance, the multifaceted nature of health disparities involves a myriad of interconnected factors, including social determinants, lifestyle choices, and healthcare access. These factors collectively contribute to the complex landscape of health outcomes, making it a challenge to witness immediate and transformative changes. The *Health of the Region* report identifies four primary ways in which the WMCA can play a role in transforming health and wellbeing in a more consistent, measured, and purposeful way by embedding a *Health in All Policies* approach across all of its work.

As a convenor, galvanizing regional focus on racialised groups, shedding light on the impact of structural racism on health outcomes. An annual Health of the Region roundtable was chaired by Mayor Andy Street to drive forward actions in this area. The West Midlands Race Equalities Taskforce was launched in 2022, an independent body, created by the WMCA Board to take action that will improve equality of opportunity for all our communities. Its five-year strategy identifies priority actions to improve health and wellbeing outcomes for racialised communities.

As an advocate, seeking to amplify citizen voice and work towards distributive leadership as a means to reduce health inequalities, ensuring that those most impacted by unfair health and wellbeing outcomes are able to direct policy and interventions

to improve health equity. This work ranges from our Disabled Citizens Panel, the Mental Health Commission, the Young Combined Authority, to smaller pilot projects like WayMap.

As a deliverer and commissioner of services, for instance, by implementing the Thrive into Work programme, a comprehensive employment support service grounded in the principles of Individual Placement and Support (IPS). This personalised approach is designed to assist individuals aged 18 and above who face health challenges or have disabilities in maintaining employment or securing new opportunities.

By leveraging investment, to address key health inequalities in the region, for instance, through the £70 million Commonwealth Games Legacy Enhancement Fund, where underspend from the Games have been repurposed to invest in the legacy of the Games and the future of the region, with two of the core themes in grant allocations dedicated to improving physical activity and mental health and wellbeing.

Equality

Why is this important?

Equality means that people have the opportunity to thrive and flourish regardless of their characteristics and backgrounds.

Under the Equality Act, people's protected characteristics include age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race/ethnicity, religion or belief, sex, and sexual orientation. In addition, intersectionality ensures that we understand how people's characteristics shape their experiences and identities. Therefore, the characteristics that make us who we are will not be considered in isolation from one another by this approach.

The public sector equality duty places a duty on public bodies to: eliminate discrimination, harassment, and victimisation; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Considerations in addressing inequalities require an understanding of the drivers behind persistent inequalities. One of the drivers of inequality between people of different ethnicities in our region is employment. Our citizens should be in 'good work' which pays the real living wage, promotes good health and wellbeing, and provides security for themselves and their families. This then intersects with sex/gender, in that the impact of the cost of childcare is significant on inequality in gender employment.

What are the current conditions? What can, and is being done?

Education inequality

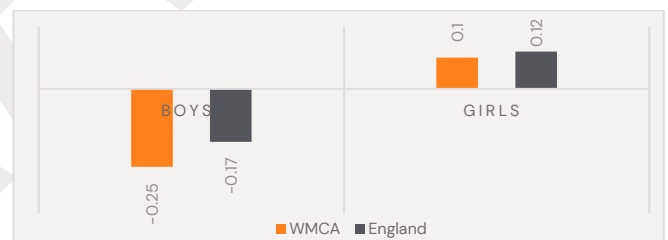
People of an Asian or Black ethnicity in the WMCA area outperform people of a White or Mixed ethnicity and girls also outperform boys on the progress 8 benchmark, a measure of the progress made between the end of Key Stage 2 (Year 6) and the end of Key Stage 4 (Year 11). However, performance across all groups remain below the national average.

In the WMCA area, the average progress 8 score for boys is -0.25, for girls it is 0.10. Across the seven districts, Walsall was the only district that had a progress 8 benchmark for girls that is below the national average. For boys, every district has a progress 8 benchmark that is below the national average. Girls are doing better than boys in our region, which falls in line with the English national picture.

However, both boys and girls perform worse in the WMCA area than nationally. Boys perform 0.8 worse at -0.25 than the national score of -0.17. Girls show a smaller gap between the WMCA area and the England national average, with a 0.02 gap between 0.10 in the WMCA area and 0.12 nationally.

The average progress 8 benchmark in the WMCA area for boys has increased by 1.2 percentage points from -0.37 in 2017/18 to -0.25 in 2022/23. The average Progress 8 benchmark in the West Midlands for girls has shown a much smaller increase of 0.01 percentage points from 0.09 in 2017/18 to 0.10 in 2022/23.

Progress 8 score in WMCA vs England for boys and girls in 2022/23.



In the WMCA area, the average progress 8 score was below average for White and Mixed ethnicities but higher than the national average for Asian and Black. This pattern is also reflected in the national picture. However, the progress 8 benchmark in the WMCA area are is not as high as those seen nationally (0.53 nationally compared to 0.41 in the WMCA area)⁴⁸. Black pupils in the WMCA area also see a lower progress 8 benchmark than nationally (0.22 nationally compared to 0.15 regionally). White pupils have a lower progress 8 benchmark in the WMCA area than nationally (-0.28 and -0.14 respectively). Mixed ethnicity pupils also perform worse in the WMCA area than nationally (-0.3 and -0.04 respectively).

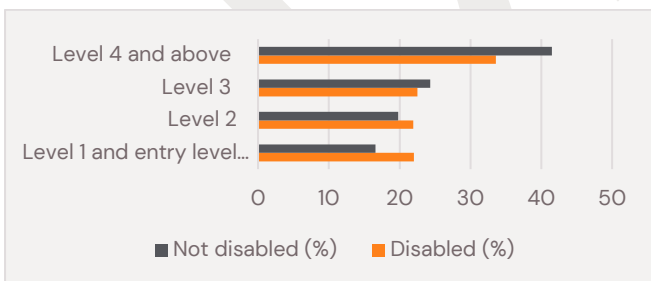
Progress 8 benchmark for broad ethnic groups in the WMCA vs England in 2022/23.



Skills inequality

There is a skills gap for females, White and Other ethnic minorities, and disabled people, achieving lower-level qualifications than their counterparts. When looking at skill levels it is also important to consider the broader context of the West Midlands whose wider population are lower qualified than nationally. The following compares qualification levels for the working aged population in the WMCA area.

Disabled people are more likely to have a Level 1 and entry level qualifications and Level 2 qualifications as their highest level of qualification.⁴⁹ This differs to that of not disabled people who are more likely to hold a level 3, level 4, or higher qualification. This highlights inequalities in access for disabled people to obtain higher level qualifications. Of disabled people of the working age population in the WMCA area, there is a lower proportion of those with a level 4+ qualification than nationally, with a difference of 5.3 percentage points with a WMCA figure of 33.6% and an England national figure of 38.9%.

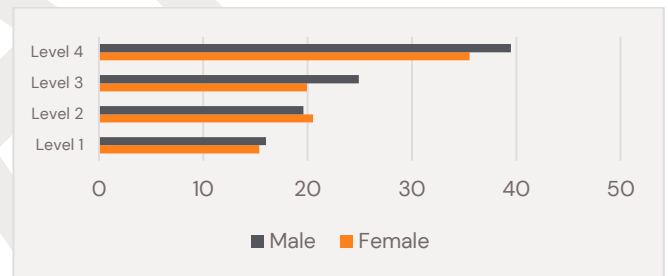


Asian, Black, and Mixed ethnic groups are more likely to be qualified to level 3 or above. However, White, and Other ethnicity groups are underqualified.⁵⁰ The WMCA area falls in line with England regarding Asian, Black, and Mixed ethnicities more likely to be qualified to level 3+. The WMCA

area also follows the national picture for White British and other ethnicities which are underqualified. However, the WMCA area differs to the England national picture, as Irish and Gypsy, Traveller, Roma, or other White ethnicities are more likely to be qualified in England however are underqualified in the WMCA area.

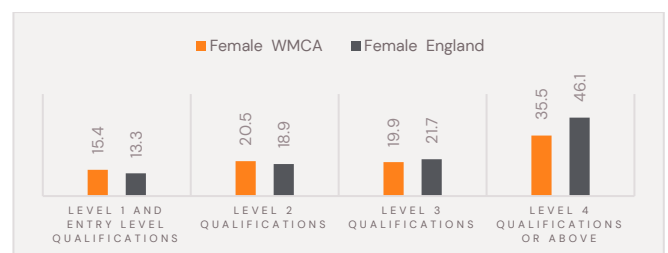


Females are less likely to hold higher level qualifications than males. More males than females have a qualification at all levels except level 2.⁵¹ The gap between males and females sits at five percentage points at level 3 and four percentage points at level 4+.



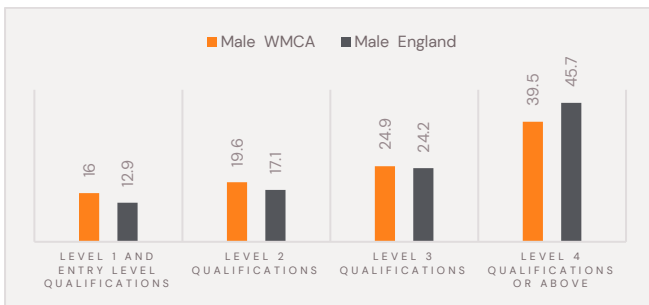
When comparing nationally, females in the WMCA area have lower skill qualifications. In the WMCA area, a higher proportion have qualifications that are level 1 and below and level 2 than nationally. However, for level 3 and level 4+ qualifications, females in the WMCA are less likely to be qualified to this level.

Qualification levels of females in the WMCA area vs England in 2021.



Males in the WMCA area also have lower skill qualifications than nationally. In the WMCA, a higher proportion have qualifications that are level 1 and below, level 2 and level 3 than nationally. However, for level 4+ qualifications, males in the WMCA have a lower than national proportion qualified to this level, at 39.5% and 45.7% respectively.

Qualification levels of males in the WMCA area vs England in 2021.



Employment inequality

Women, in particular, women from an ethnic minority group have lower employment rates compared to men. Within the WMCA area, the total 16–64 employment rate in 2023 was 74.1% for White and 63.0% for ethnic minorities.⁵² This is lower for both White and ethnic minorities than the England national figure of 77.5% and 68.5% respectively. The difference at the total level is driven by a difference in the female employment rate, which is 71.7% for white females and 54.6% for Ethnic minority females. This is lower than the England average 16–64 employment rate of 62.9% for ethnic minority females.

In the WMCA area, the total 16–64 employment rates has increased since 2019, by 1.2 percentage points from 72.9% for White and by 2.6 percentage points from 60.4% for ethnic minorities. The WMCA area economic inactivity rate is 3.7% higher than in England, 30.3% and 26.6% respectively.

Disabled people in the WMCA area are less likely to be in employment and more likely to be economically inactive, when comparing to not disabled people. Disabled people in the WMCA area have higher rate of economic inactivity than nationally. In the WMCA area, 49.0% of people with a disability are in employment, this consists of 52.5% male and 46.2% female.⁵³ In the WMCA area, 46.1% of disabled people are inactive, this is higher than that

of people who are not disabled which sits at 18.9%. The proportion of economically inactive disabled people is 3.8 percentage points higher in the WMCA area than in England, at 46.1% and 42.3% respectively.⁵⁴

The 16–64 economically active rate in the WMCA area was 12.3% lower for women than for men, at 68.7% and 81.0% respectively.⁵⁵ The WMCA area female economic activity rate is 6.2% lower than in England, at 68.7% and 74.9% respectively.

Pay gaps

Women, ethnic minorities, and disabled people are on average paid less than their counterparts in the West Midlands Region.

In 2022, the ethnicity pay gap ranged from –1.7% to 25.1%. In the West Midlands region, Black, Mixed, and other ethnic groups earned less than their White counterparts in 2022.

In the West Midlands region, Mixed ethnicities earned the least when compared to their White counterparts, earning £9.82 and £13.11 respectively, representing a 25.1% gap. Asian employees earned more than their White counterparts, at £13.33 and £13.11 respectively, representing a 1.7% gap.

Broad ethnic group	Median pay (£)		Pay gap (%)	
	West Midlands region	England	West Midlands region	England
White	13.11	14.43	-	-
Asian	13.33	14.83	-1.7	-2.8
Black	11.55	13.66	11.9	5.3
Mixed	9.82	15.42	25.1	-6.9
Other	12.50	15.04	4.7	-4.2

Compared to the England average, the West Midlands region has a smaller pay gap between Asian and White employees, meaning Asian employees still earn more than their White counterparts however by a smaller proportion.

Compared to the England average, the West Midlands region has a bigger pay gap between Black, Mixed and Other ethnicities compared to their White counterparts. The biggest difference between the national figure and the West Midlands region was for Mixed, which showed a 25.1% gap in the West Midlands region and a 6.9% nationally. This highlights an important area to target when reducing the ethnic pay gap.

To tackle these persistent ethnic inequalities the

West Midlands Race Equalities Taskforce was developed. Launched in 2022 the West Midlands Race Equalities Taskforce is an independent group of leaders who have come together to tackle race inequality and make the region fairer.⁵⁶ In 2023, the Taskforce launched 'Race Forward 2023–2028', its independent strategy. The strategy sets out a number of priorities are outlined, including: jobs, living standards, skills, and education; transport and connectivity; housing and homelessness; health and wellbeing; criminal justice; and improving data, leadership diversity and cultural intelligence.

The gender pay gap between women and men was 10.8% in the West Midlands region in 2022.

This means that women earn less than their male counterparts in the West Midlands region. In 2022, the median pay gap was lower for full-time employees at 8.6% compared to 14.5% for all employees.⁵⁷ The gender pay gap is higher among all employees than full-time employees because women fill more part-time jobs, which tend to be lower paid per hour in comparison to full-time jobs.⁵⁸ This presents an important opportunity to target the gender pay gap for part-time employees to decrease the overall pay gap. The pay gap for all employees was lower in the West Midlands region than the English national average, at 14.5% and 15.3% respectively. The median pay gap in the West Midlands region was the same as the England national average for full time employees, at 8.6%.

The disability pay gap between disabled people and non-disabled people was 14.7% in the West Midlands region in 2021.

The median pay of disabled employees is £11.16 per hour, 14.7% lower than of non-disabled employees who have a median pay of £13.09 per hour.⁵⁹ The wider West Midlands has shown a 3.7 percentage point increase in the disability pay gap from 2014, however a 0.3 percentage point decrease between 2020 and 2021. The West Midlands region had a disability pay gap that is 0.6% higher than the English national average, at 14.7% and 14.1% respectively. The median pay of disabled employees in England in 201 was £12.17, this is £1.01 more than in the West Midlands.

Housing inequality

Ethnic minorities are more likely to live in social rented or private rented housing than to be a home owner-occupier. Disabled people are more likely to live in socially rented housing than to be a home owner-occupier.

Nearly a quarter of disabled people occupy a socially rented property. In the West Midlands region, disabled people are more likely to rent social housing, with 24.5% of disabled people aged 16 to 64 years occupying a socially rented property, compared with 8.6% of non-disabled people aged 16–64, a difference of 15.9 percentage points.⁶⁰ This falls closely in line with the English national figures of 24.0% for disabled and 7.7% for non-disabled.



Conversely, disabled people are less likely to be owner-occupiers, with 39.9% of disabled people aged 16 to 64 years being owner-occupiers, compared to 53.4% of non-disabled people aged 16 to 64, a difference of 13.5 percentage points. This falls closely in line with the English national figures of 40.1% for disabled people and 52.7% for non-disabled people.

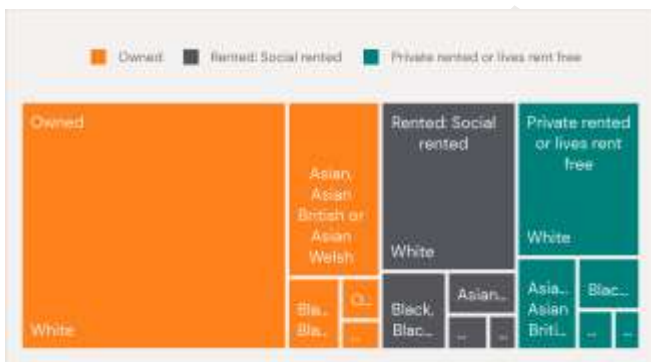
Lower skill level coupled with lower employment opportunities and less high-paid employment opportunities means disabled people are more likely to live in social housing and less likely to be able to afford to own their home.

The West Midlands region has a higher proportion of disabled people living in social rented accommodation or living with parents, than the English national. The West Midlands region has a lower proportion has a lower proportion of disabled people living in owner occupier and private rented accommodation, than the English national.

Disabled people in accommodation that is...	West Midlands region (%)	England (%)
Owner-occupied	39.9	40.1
Social rented	24.5	24.0
Private rented	15.1	17.4
Living with parents	18.7	16.3

People from an ethnic minority background are disproportionately likely to face housing deprivation, homelessness, poor housing conditions and overcrowded accommodation. In the WMCA area, 68% of White British households were homeowners compared to 50% for non-White British households. Overcrowding in the region and nationally is four times higher for ethnic minority communities (10%) than White British (2%).

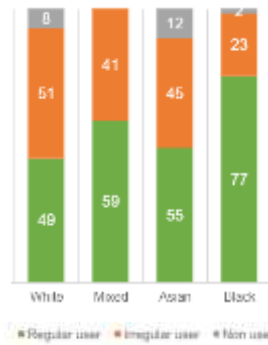
This falls in line with the national picture, which shows that White ethnicities are more likely than ethnic minorities to be homeowners. Ethnic minorities are also more likely to live in private rented accommodation both nationally and in the WMCA area. Social rented housing is more likely to be accommodated by Black and Other ethnicities in England; this is a similar pattern to seen in the WMCA area.



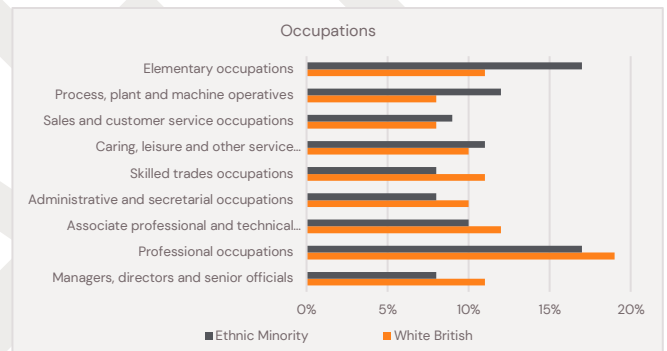
Lower employment opportunities and less high-paid employment opportunities means ethnic minorities are more likely to live in social housing or private rented accommodation and are less likely to be able to afford to own their home. Ethnic minorities earn less than their White counterparts which means that there are more likely to live in deprived housing and face overcrowding.

Transport inequality

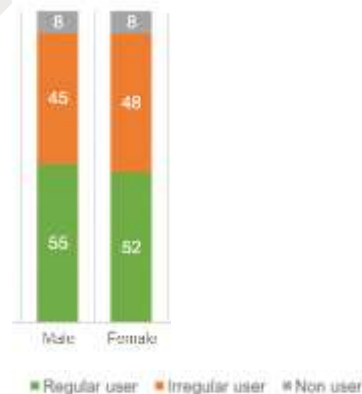
Regular transport users are more likely to be from Black (77%) ethnic groups than any other ethnic groups.⁶¹ Mixed, Asian, and Black ethnic groups have a higher likelihood than White to travel frequently by public transport. Regular public transport users are defined as those travelling by either bus, rail, or metro once a week or more.



Ethnic minorities tend to predominately be in the lowest five paid occupation categories, while White British groups have a greater proportion working in the top five highest paid occupations. While these factors do not necessarily relate directly to poor transport availability and accessibility, economic status and income are a determining factor in transport choices and access.



Both males and females have similar likelihood to travel frequently by public transport at 55% and 52% respectively.



Further information

Included as part of the West Midlands State of the Region 2023/24 report is a metrics dashboard, data downloads, and an immersive virtual reality experience.

This can be found at wmca.org.uk/research.

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² Office for National Statistics (2023) *Labour Market Profile - West Midlands Combined Authority*. Available at: <https://www.nomisweb.co.uk/reports/lmp/comb/1853882375/report.aspx>

³ Office for National Statistics (2023) *TSO07a_Census 2021 - Age by five-year age bands*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/adhocs/15432ts007acensus2021agebyfiveyearagebands>

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⁵ Office for National Statistics (2023) *Age (c) and ethnic group*. Available at: <https://www.ons.gov.uk/datasets/RM032/editions/2021/versions/1/filter-outputs/c3008580-830f-4dc2-9f01-f2142935eeaf>

⁶ Office for National Statistics (2022) *Ethnic group, England and Wales: Census 2021*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/bulletins/ethnicgroupenglandandwales/census2021#how-ethnic-composition-varied-across-england-and-wales>

⁷ West Midlands Combined Authority (2023) *Race Forward: West Midlands Race Equalities Taskforce Independent Strategy 2023-2028*. Available at:

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¹⁰ Office for National Statistics (2023) *Gender identity, England and Wales: Census 2021*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/genderidentity/bulletins/genderidentityenglandandwales/census2021>

¹¹ Office for National Statistics (2023) *Sexual orientation, UK: 2021 and 2022*. Available at:

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<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/bulletins/sexualidentityuk/2021and2022>

¹³ Office for National Statistics (2022) *Language, England and Wales: Census 2021*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/language/bulletins/languageenglandandwales/census2021#language-england-and-wales-data>

¹⁴ Office for National Statistics (2022) *Religion: Census 2021*. Available at: <https://www.ons.gov.uk/datasets/TSO30/editions/2021/versions/3>

¹⁵ Office for National Statistics (2019) *English indices of deprivation 2019*. Available at: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

¹⁶ Department for Business, Energy & Industrial Strategy (2022) *UK Local Authority and Regional Greenhouse Gas Emissions National Statistics*. Available at:

<https://www.gov.uk/government/collections/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics>

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<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021>

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<https://www.gov.uk/government/statistics/local-authority-collected-waste-management-annual-results>; Office for National Statistics (2023) *Population*

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²¹ West Midlands Combined Authority (2022) *A Summary of Climate Change Impacts in the West Midlands Combined Authority Area*. Available at:

<https://www.wmca.org.uk/documents/environment-energy/a-summary-of-climate-change-impacts-in-the-west-midlands-combined-authority-area/>

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<https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry>

²³ Office for National Statistics (2023) *Labour Market Profile - West Midlands Combined Authority*. Available at:

<https://www.nomisweb.co.uk/reports/lmp/comb/1853882375/report.aspx>

²⁴ West Midlands Combined Authority (2022) *Plan for Growth*. Available at: <https://www.wmca.org.uk/strategies/plan-for-growth/>

²⁵ Local Government Association (2023) *Polling on resident satisfaction with councils, Regional trends 2016-2021* <https://www.local.gov.uk/our-support/research-and-data/research-publications/regional-polling-results>

²⁶ International IDEA (2016) *Voter Turnout Trends around the World*. Available at: <https://www.idea.int/publications/catalogue/voter-turnout-trends-around-world>

²⁷ Office for National Statistics (2023) *Private rental market summary statistics in England: April 2022 to March 2023*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2022tomarch2023>

²⁸ Office for National Statistics (2022) *Private rental market summary statistics in England: April 2021 to March 2022*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/april2021tomarch2022>

²⁹ Office for National Statistics (2023) *Private Rental Affordability, England, Wales and Northern Ireland: 2022*. Available at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2022#:~:text=Private%20renters%20on%20a%20median,financial%20year%20ending%20March%202022>



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West Midlands **State of the Region** 2023-24

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West Midlands
Combined Authority



Overview & Scrutiny Committee

Date	29 January 2024
Report title	Employment and Skills Strategy for Deeper Devolution
Portfolio Lead	Employment & Skills – Councillor George Duggins
Accountable Chief Executive	Laura Shoaf, CEO, West Midlands Combined Authority Email: laura.shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Executive Director – Employment, Skills, Health, and Communities, West Midlands Combined Authority Email: clare.hatton@wmca.org.uk
Report has been considered by	Executive Board – 10 January 2024

Recommendation(s) for action or decision:

The Overview and Scrutiny Committee is recommended to:

- (1) Note the progress being made on the development of:
 - a. an Employment and Skills Strategy for WMCA area,
 - b. the development and implementation of an ESHC Benefits Realisation and Outcomes Framework
 and this initial early consultation activity with OSC on both documents.
- (2) Endorse the approach being adopted through the Strategy to ensure the integration of employment and skills across the region, and in establishing an overarching Outcomes Framework to ensure regional benefits are maximised through programme delivery activity.
- (3) Review and consider the key areas of focus set out in the Strategy (Appendix 1) and the indicative benefits set out in the attached ESHC Benefits and Outcomes Framework (Appendix 2. Benefits Register p10 &11).
- (4) Note recent implementation of an ESHC Directorate Performance Panel (section 4.4)
- (5) Endorse next steps in implementation of the Employment & Skills Strategy and the Benefits and Outcomes Frameworks (section 4).

1. Purpose

- 1.1 The purpose of this paper is to update and engage Overview & Scrutiny Committee members on the development of an Employment and Skills Strategy for WMCA area, and on the development and implementation of a new approach to ESHC Benefits Management and Realisation, including the establishment of a new Outcomes Framework.

2. Background

- 2.1 Following a review undertaken by scrutiny and presented in July 2023 ([see report here](#)), seeking to understand the impact of the devolution of the Adult Education Budget (AEB) and to identify challenges and ways in which the WMCA and its constituents could most effectively use skills development to address short and longer-term challenges in the region, further consideration has been given by the WMCA ESHC directorate to the emerging themes and considerations that were identified within the report.
- 2.2 Notwithstanding the consensus that devolution of AEB was a highly valued enabler in tackling the distinctive labour market challenges across the region for employers and residents. The directorate has been further reviewing the report findings and themes to consider and develop activity that can be implemented to improve delivery of our skills support offer.
- 2.3 This review has extended beyond AEB to mapping all ESHC directorate wide funding, enabling us to consider the full learner journey from early support and interventions through to higher level skills provision, and inclusive growth, health, and wellbeing benefits.
- 2.4 This full directorate-wide mapping has assisted us in developing a more holistic approach to our use of ESHC funding and alignment with wider WMCA activity, including the recently launched Business Growth West Midlands function. It is also informing the development of our Employment and Skills Strategy (see draft at Appendix 1) that will set the direction of our work for the coming years and act as a functional strategy for the adult skills pillar of the single settlement.
- 2.5 The decision to progress a benefits management approach was taken due to the need for us to strengthen our case to evidence the impact our programmes are having across the region at a fiscal, economic, and social level.
- 2.6 Implementing a Benefit Management/Realisation approach will enable us to bring together Single Pot Outcomes and Impacts, a new ESHC Outcomes Framework, establish a new Cost Benefit Analysis Tool and Project/Programme Performance Monitoring into one single aligned framework for the ESHC directorate. Benefits Realisation will give us the tool to assess whether our projects or programmes are delivering against our goals (benefits) and provides us with the opportunity to make changes where they are not. It creates ownership, accountability, and responsibility for the delivery of intended outcomes, not just delivery to time and budget.
- 2.7 The activity to establish an ESHC Benefits Realisation and Evaluation Strategy and an Outcomes Frameworks has also delivered against recommendations set out in the July Scrutiny report at section 5.4. This includes activity to support the following actions:

Recommendation 3: For WMCA with Constituent Authorities

1. Review and map out the range of available funding opportunities available to employers to help navigate the skills system and outline how business support is aligned with AEB investment to draw on full range of opportunities.

Recommendation 4: For WMCA with Education Providers

1. Design and integrate an employability programme that supports learning to develop transferable skills valued by employers to help secure good work, and to work with education providers to ensure effective delivery.

3. Current Position

- 3.1 Appendix 1 provides the current draft of the Employment and Skills Strategy for the WMCA that will set the direction of our work for the coming years and act as a functional strategy for the adult skills pillar of the single settlement. We are now consulting on this document with a wide range of stakeholders, before seeking final approval from WMCA Board in February 2024.
- 3.2 Appendix 2 provides the current draft ESHC directorate Benefits Realisation and Outcomes Framework. The fundamental underpinning aspect of this framework is the establishment of **4 overarching themes** for all directorate wide programmes, these are:
 1. Provide a good basic education up to level 2 for those who need it.
 2. Moving residents into good jobs
 3. Higher skills: Upskilling and reskilling to respond to the regional economy e.g. plan for growth, net zero
 4. Support our communities to be stronger and benefit from inclusive growth
- 3.2 Extensive work has been progressed across the directorate to develop project level logic models for every programme in delivery or development. This task has enabled us to identify cross cutting priorities and activities that fall within one of the 4 themes set out above and develop overarching logic models aligned to the 4 themes, which are included in Appendix 1 pages 6 to 9.
- 3.4 The current draft version of the logic models and benefits register includes some highlighted sections which are still to be completed, a number of these measure need to be sought from previous, current, and forthcoming programme delivery activity, this data is currently being sourced.
- 3.5 A summary of the benefits we have identified through the mapping exercise is provided at pages 10 and 11 of Appendix 1. As noted above some further work is required to fully finalise the target and baseline data.

4. Next Steps

- 4.1 The draft Employment and Skills Strategy is being shared for consultation with a wide range of stakeholders, with a view to seeking WMCA Board approval in February 2024.
- 4.2 In relation to the Benefits Realisation and Outcomes Framework, a total number of 19 ESHC directorate wide benefits have been identified to date. Activity is now progressing to socialise these with internal/external partners. A critical aspect of the benefits will be the targets and metrics used to monitor progress, ensuring these are readily available, robust and provide us with data to enable us to articulate our benefits through monetary, economic, or social measures.
- 4.3 Following agreement to the high-level benefit register set out in Appendix 1. P10-11, activity will then progress to rank/prioritise the benefits and develop more detailed individual benefit registers for each agreed final benefit. The registers will provide more detailed information on programme deliverables, funding, timescales, and risk. They will include sections where delivery progress can be updated and reported enabling us to monitor progress of delivery of the benefit through project/programme delivery activity.
- 4.4 The Directorate has recently established an ESHC Performance Panel, the panel meet on a quarterly basis and review performance and financial delivery including forecasting data and analysis of all directorate wide programmes (these correlate with those set out in the appendix 1 programmes). Following finalisation of the Benefits Realisation Framework the Benefit Registers will form part of the reports that are taken to the panel for review and consideration. This will enable the panel to review individual project data in more detail through respective project/programme level performance reports.
- 4.5 The output and outcomes set out in the logic models will form the basis of the directorate Outcomes Framework, this will be used to support the commissioning of new programmes going forward, ensuring clear alignment and delivery of the targets set out as part of delivery activity.
- 4.6 The ESHC cost benefit analysis tool will also be developed, this will build on work already progressed by Greater Manchester and provide us with a tool to effectively capture and monitor the monetary value of the final agreed benefits. It is envisaged going forward, this will enable us to strengthen our business cases with government and secure additional funding going forward.

5. Financial Implications

There are not direct financial implications from the proposals set out within this report. The funding streams identified are all subject to full WMCA SAF/governance processes.

6. Legal Implications

There are no direct legal implications from the proposals set out within this report. As activity develops legal colleagues in the WMCA will be engaged to ensure alignment with contracts developed/issued.

7. Equalities Implications

7.1 The proposals within this paper seek to support delivery of WMCA equalities implications, whilst it is recognised that ESHC programmes have a positive equality impact, the delivery measures aligned to this have not always been clear or robust. Through a benefits management and realisation approach we will be able to clearly identify and articulate the positive equality impact achieved through ESHC funded programme delivery activity.

8. Inclusive Growth Implications

8.1 As set out in equalities implications, the proposals in this paper seek to improve the measures put in place from early-stage commissioning through to longer term impacts, with specific measures and benefits identified to support our regional inclusive growth aspirations. We will be engaging colleagues in the Inclusive Growth and equalities team as part of our socialisation of the benefits set out in appendix 1 to enable to them to consider and input.

9. Geographical Area of Report's Implications

9.1 Full WMCA region, and potential for impacts and benefits to support wider WM area.

10. Other Implications

10.1 None

11. Schedule of Background Papers

Appendix 1. Employment and Skills Strategy

Appendix 2. O&S ESHC Benefits and Outcomes Framework

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Employment and skills re-imagined:

An adult education, skills and employment strategy for the WMCA area

Mayoral/Portfolio Lead Foreword – to add in on completion.

Expansive foreword recognising the role of learning, skills and good work in supporting individuals, thriving local communities and inclusive economic growth. Highlighting how devolution and place-based leadership enables us to create a more integrated and impactful employment and skills system that delivered better outcomes for residents and businesses.

Introduction

The West Midlands has enormous economic potential, with the success of our region critical to the success of the UK more widely. Prior to the pandemic we were the fastest growing region outside of London, with rising productivity, jobs and employment. And while the past few years have been challenging, we have a bold ambition and clear plans to return us to that trajectory, and to build a more prosperous and better-connected West Midlands, which is fairer, greener and healthier.

Our new Deeper Devolution Deal is critical to this success. Through it, we secured a budget windfall of more than £1.5 billion to level up the region alongside further influence over key policy areas including skills, careers, employment support and digital inclusion that will give local decision makers more freedom and flexibility to support people to develop new skills, to find good work and to improve their quality of life.

And from the next spending review, we also have secured a departmental-style arrangement with a single pot of funding, giving local leaders unparalleled control over spending on devolved areas including adult skills. This settlement is an important step in taking forward our ambitions to develop an integrated employment and skills system for the region through which we can stimulate economic growth and deliver better outcomes for residents and businesses.

This is an important task, but it will not be easy. The region faces persistent and long-standing labour market and skills challenges. While most adults are in work, employment levels are below the national average, and too many people are stuck in low paid or insecure work. Although unemployment remains historically low, the West Midlands has one of the highest regional rates in the UK. Rising youth unemployment is of particular concern, as is the growing number of residents who are economically inactive due to poor health.

Qualification levels across WMCA have improved but are still lower than the national average. Around 1 in 10 adults in the region have no formal qualifications, while just two-fifths (59.3%) are qualified to at least level 3, compared with two-thirds nationally (66.7%). As a result, many employers report skills shortages, with around half of all vacancies (51%) in 2022 classed as 'hard to fill' and 35% vacant because of a lack of skills, qualifications or experience among applicants.

Yet, despite these challenges, the jobs market remains buoyant with more than 100K vacancies across the Combined Authority area. We need to ensure that residents are well skilled and supported to make the most of these opportunities. We must also equip residents for longer-term changes to our labour market, including those associated with technological change, automation and climate change.

These challenges vary considerably by place and for different groups of people. While some parts of our region are thriving, others are not. Young people, particularly those with fewest qualifications and with poor mental health, are finding it harder to move into the labour market. Employment and earnings outcomes are poorer for women, for disabled people and for some ethnic minorities. In

turn, this can result in even poorer health outcomes, making it harder to take advantage of labour market opportunities.

There is much good work already underway to address these labour market and skills challenges – where the ability to use devolved funding has helped us to focus on local place-based solutions. But there is no silver bullet. Tackling complex challenges requires co-ordinated, prolonged and intensive effort from all partners to deliver the system change needed to do better for all people and places in the region.

Our ambition, as set out in this Strategy is to develop an integrated employment and skills system for the region through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. For adult skills we will have a single coherent funding structure where AEB, Free Courses for Jobs and Bootcamps will form the basis initially.

In implementing this Strategy, our focus will be on delivering for both people and place. As such, we will work closely with our Local Authority partners to ensure that this Strategy supports the delivery of local place-based plans. We will closely monitor the offer to and impact on each place and on the different communities that we serve.

And as well as investing public funds in commissioning the delivery of employment and skills provision, it is vital that we also deploy the convening and influencing power of the Mayor, the Combined Authority and our constituent Local Authorities – engaging wider stakeholders, aligning efforts around shared priorities and leveraging private sector investment – in order to ensure we can achieve our ambitions.

It is also critical that we work with the region's employers to ensure the creation of more good jobs across the region, to provide more and better opportunities for upskilling and reskilling the workforce, and to increase employer investment in training.

The impact of devolution to date – and a strategy for the future

Since devolution of the Adult Education Budget in 2019, we have secured in excess of £700m of public funds for jobs and skills for the region, as well as attracting greater private sector investment. Through close collaboration with Local Authorities and community partners, with colleges and adult and community education providers, universities and training providers, and with employers and unions, we have:

- improved the qualifications profile of the region and worked in partnership with employers and providers to ensure our training offer meets the needs of the local economy.
- placed a greater emphasis on getting more people into jobs, developing more higher-level skills, and being more responsive to employer needs.
- aligned more of our training provision to regional priority sectors, including construction, manufacturing, digital and business and professional services.
- responded quickly and flexibly to meet demand from current and emerging sectors, as well as applying flexibilities to respond to sudden demand.
- prioritised the growth of higher-level skills training particularly in key sectors, delivering an increase in level 3 provision, from <1% of all learning to 9%. Since 2019, we have seen the proportion of people qualified to at least level 3 rise from 48.7% to 59.3% in 2022.
- invested in building stronger communities through family learning, digital inclusion, literacy, numeracy and language delivery in the community. Since 2019, we have seen a 14% increase in participation in Community Learning courses and a 13% increase in digital skills learners.

This WMCA Employment and Skills Strategy seeks to build further on this success by setting out a vision for an integrated employment and skills system for the region, through which we can

stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. Over the next three years, we will continue to focus on:

- building strong and inclusive communities.
- providing a good education up to level 2.
- moving residents into employment and supporting career progression.
- meeting future skills needs through upskilling and reskilling.

We will also invest in the development of a broader effective regional eco-system for employment and skills, building the leadership capacity and capability to transform outcomes for residents, businesses and the region.

DRAFT

Building strong and inclusive communities

Our vision is to build a more prosperous and better-connected West Midlands, which is fairer, greener, and healthier. Employment and skills are critical to achieving this ambition, but the impacts of adult learning extend far beyond this into the very fabric of our wider lives, our families and our communities. Likewise, strong communities, comprised of healthy, resilient, connected and proactive citizens are the basis for strong economic development and inclusive growth.

Adult learning, delivered in or by communities, plays a critical role in connecting individuals and families, improving their resilience, supporting mental and physical health, engaging those furthest away from civic and community life, as well as providing access to good work. Poor mental health, in particular, can have a devastating impact on the working age population, with almost 14.3m working days lost annually due to mental ill health¹.

As such, it is a vital long-term investment in individuals and in our communities. It is often the first step in a path to improved health and to acquiring the skills needed to access further learning or employment that can, in turn, deliver an even broader range of social and economic outcomes.

Community Learning brings together citizens from different backgrounds and socio-economic groups to increase their social and cultural capital as they develop key life skills, improve their health and well-being, and become more involved in community life. This promotes social renewal by bringing communities together.

We recognise the important role of learning in communities in supporting literacy, numeracy, language and digital skills, including through family learning approaches. We expect that a greater proportion of this provision will equip learners to develop the skills and competences needed for the workplace, as well as for wider life.

Working closely and collaboratively with our Local Authority and voluntary and community sector partners, we are committed to further developing a strong place-based offer of learning for communities in all parts of the region that:

- **Supports good health and well-being:** particularly the mental health of those experiencing isolation, for younger adults affected by the pandemic, and for adults outside of the labour market due to poor health or a disability.
- **Builds confidence:** increasing residents' resilience to face life's challenges and changes, encouraging them to think critically and creatively, and effecting behaviour change that enables them to engage in further learning, civic life and/or the labour market.
- **Improves inclusion and integration:** developing stronger communities with more self-sufficient, connected, and pro-active citizens, leading to increased volunteering, civic engagement and social integration.
- **Develops key life skills:** equipping parents and carers to support and encourage their children's learning (for example through family learning), enabling social mobility, improving progression towards independent living, improving understanding of sustainability, and improving digital, financial and communication skills.
- **Prepares learners for employment or further learning:** moving more people on to further learning opportunities in more formal settings.

Since devolution, we have...

- Worked with Adult & Community Education partners to develop an outcomes framework that demonstrates the broad contribution and impact of learning in communities.
- Developed a new digital skills curriculum, in partnership with the Good Things Foundation, to support greater digital inclusion across the WMCA. In addition to distributing more than 17,000

¹ <https://www.gov.uk/government/publications/health-matters-health-and-work/health-matters-health-and-work>

devices to digitally excluded residents, we have also seen a 13% increase in digital skills learners between 2019/20 and 2022/23.

- Worked closely with DWP, Local Authority and voluntary and community sector partners to develop and implement a blueprint for youth hubs across the region, that enables better join up of services to support young people into employment.
- Showcased the wider outcomes of learning through our first WMCA Adult Learning Awards, which will now take place annually.

We will now focus on...

- Engaging more adults from communities typically under-represented in learning. Importantly moving them towards level 2 rather than just engagement.
- Strengthening our work with the voluntary and community sector, as a first point of engagement and support for adult learners.
- Reducing digital exclusion.
- Improving and accelerating outcomes for residents who need to develop their English language skills.
- Extending the youth hub concept to create more employment and skills hubs for adults in community settings, incorporating community health services.

We will work in close collaboration with Local Authorities and voluntary and community sector partners to engage and support more adults in learning, particularly those who are currently under-represented, in order to strengthen the communities in which they live and work. This will include a more flexible offer for employed adults, alignment of investment with place-based strategies, and the establishment of community-based hubs.

We will work closely with health and community partners to expand social prescribing to learning provision within communities, as part of wider efforts to address health inequalities.

We will continue to improve digital inclusion by providing access to devices, data and learning opportunities in community settings to help residents develop the skills they need to successfully access online support for health, welfare, training or employment.

We will implement the findings of our review of English language acquisition to improve and accelerate outcomes for learners. We will ensure that provision encompasses integration support, as well as the development of cultural and social capital through enrichment activities.

We will continue to support learners in financial hardship or with learning difficulties. We will undertake a review of Discretionary Learner Support Fund (DLSF) to better support the engagement, retention and progression of adult learners.

We will develop and promote a free online offer for WMCA residents, promoting this through our KnowHow campaign, which seeks to encourage residents to engage in training that will help them find work and progress their career.

Investment Plan

In 22/23, WMCA invested £16m into community learning. Based on our current settlement for skills investment, we expect to continue this level of investment in this priority, approx. 10% of overall investment.

In addition, Local Authority UKSPF 'communities and place' funding will continue to be closely aligned, building capacity and offering additionality in places.

Providing a good education up to Level 2

Ensuring that all adults have a good education up to level 2 is essential to improving residents' life chances and tackling inequalities. It provides the necessary foundation for progression into further learning. It helps people succeed at work, find employment and earn more. It builds confidence and self-esteem, improves health and well-being. It helps people with day-to-day activities such as managing finances and accessing public services.

And yet, according to the census, 523,000 adults aged 16-64 across the WMCA area, of which half (47%) are in employment, do not have the benefit of a good education up to level 2. Many people with low or no qualifications struggle to find employment – and those who do are often restricted to precarious contracts, often low paid, with little potential to progress or move into good work. While the proportion of people with low/no qualifications is reducing, the consequences for those who remain in this position are likely to worsen, with many low skilled roles becoming automated and employers increasingly requiring higher level skills.

And too many of our young people continue to leave initial education without the qualifications needed to progress into further study, a good job or an apprenticeship. Nearly half of our 16-year-olds leave school without a GCSE grade 4+ in maths and two-thirds without a GCSE grade 4+ in English. As such, we face an ongoing need for significant investment in providing a good education for all, if we are not to limit future opportunities for our young people.

Given the critical nature of this provision and the pressing need to ensure greater labour market participation, to support residents to access better jobs and to help boost productivity, we must ensure that our investment is working as hard as it can and is targeted on the areas and people most in need. At present, too much of our offer is focused on the achievement of singular qualifications – literacy, numeracy, language, digital skills – at the expense of providing holistic programmes of training and support that equip residents to progress into further learning or good work. As a result, the historic progression and destination outcomes for adult learners on this type of provision falls short of our ambitions for our residents.

We are therefore seeking to transform the way in which foundation skills provision is delivered in the West Midlands, based on the following principles:

- We will take a **place-based approach**, focussed on those areas in the region with the lowest skills levels and lowest levels of participation in adult education.
- Programmes should be **relevant and adaptable** to support the 47% of adults without foundation skills qualifications who are in work. We also need a more **flexible and accessible** delivery model that meets the needs and personal circumstances of learners, enabling them to study alongside their work, caring responsibilities, or wider commitments.
- Programmes should offer **clear progression pathways** into level 2 provision or good work, based on strong partnership arrangements with employers, colleges and training providers. This will include personalised wrap around support, strong careers education, information, advice and guidance (CEIAG), mentoring/coaching, alongside a range of enrichment opportunities.

Through our foundation skills provision, we maintain our commitment to the following:

- **Literacy and numeracy:** An estimated 1 in 4 working age adults in the WMCA area have poor literacy and numeracy skills, of which two-thirds are in employment. We are committed to ensuring that there is a comprehensive offer of high quality, locally available opportunities to improve these skills, including through statutory entitlements.
- **English language acquisition:** Census data suggests that 5.4% of adults living in WMCA require support to develop their English language skills. Like most urban areas, we experience high levels of demand for ESOL provision, well beyond our funding capacity. In 2021/22, we invested £15m in ESOL. However, outcomes from this investment are variable across providers and there is a need to deliver better progression for learners, particularly into employment. We have recently

commissioned a review to evaluate how approaches to language learning, curriculum design and stakeholder partnerships can contribute to achieving improved and accelerated outcomes for learners through a more purpose-driven offer up to level 2, that will support the cultural, social and vocational development of learners, as they improve their language skills.

- **Digital skills:** Access to technology and essential digital skills is more crucial than ever. Yet digital exclusion remains a significant challenge for many residents, limiting their access to essential services and to education and employment opportunities. Research shows that over half of adults (56%) across the West Midlands lack the fundamental digital skills required for work, and the region has the highest proportion of employers finding it difficult to hire applicants with the necessary digital skills (38%). We have developed a new Digital Curriculum in partnership with the Good Things Foundation, to help residents develop the skills they need to successfully access online support services for health, welfare, training or employment.

As part of our foundation skills offer, we will also integrate **vocational training at level 2** as a component to support progression to further learning, work or in-work progression. Specifically, we will target those occupations where high vacancy demand exists, where there is a greening of job roles to support net zero and in occupations likely to have higher proportion of workers without qualifications.

Since devolution, we have...

- Reduced the proportion of residents with no qualifications from 13.4% in 2019/20 to 10.6% in 2022/23, working in partnership with employers and providers to ensure our training offer meets the needs of the local economy and helps more people into work.
- Maintained the level of investment in level 2 provision, while expanding the training offer to include a greater sectoral mix and more direct routes into employment.
- Increased the range and volume of vocationally relevant literacy, numeracy and language provision.

We will now focus on...

- Transforming the delivery of foundation skills provision.
- Reducing the proportion of residents with no/low qualifications.
- Improving the literacy, numeracy, language and digital skills of residents, with a particular focus on those in low paid work.
- Improving learner outcomes into further learning and work.

We will procure an innovative programme of foundation skills provision and work with our grant funded providers to transform their offer below level 2, with greater volumes of people in work undertaking this study.

We will work in close collaboration with Local Authorities and voluntary and community sector partners to ensure a strong local offer is available across the region, with a particular focus on areas with the lowest skills levels and lowest levels of participation.

We will work with providers to develop a flexible, relevant and accessible offer for learners who are in work.

We will implement the findings of our review of English language acquisition to improve and accelerate outcomes for learners. We will ensure that clear progression pathways are available up to level 2 including vocational provision.

We will continue to expand our digital skills offer, supported by our new digital curriculum, to reduce digital exclusion across the region.

Investment Plan

In 22/23, WMCA invested more than £52m in providing residents with a good education up to level 2. Based on our current settlement for skills investment, we expect to invest £70m per annum in this priority, approx. 42% of overall investment.

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Moving residents into employment and supporting career progression

The regional labour market remains tight, with three-quarters of working age adults in work and vacancies higher than pre-pandemic levels. Despite this, regional employment levels are below the national average, and too many of our residents are in low paid or insecure work. Rising youth unemployment is of particular concern, as are persistently high levels of unemployment in some parts of the region.

At the same time, employers across the region report persistent labour market and skills challenges, with around half of all vacancies (51%) in 2022 classed as 'hard to fill' and 35% vacant because of a lack of skills, qualifications or experience among applicants.

An into-employment offer which closely aligns with employer skills needs and offers clear pathways of progression for learners, alongside the right kind of wrap around support, will benefit both residents and businesses. It will improve labour market participation and support people into good jobs. It will also help people progress at work, change careers or respond to the changing demands of the workplace, for example as a result of automation or climate change adaptation.

With more of our workforce reporting ill health or a disability, and a growing proportion of residents out of work because of health-related reasons, it is essential that health and well-being support also forms an integral part of our into-employment offer.

Since devolution, we have...

- Increased our investment in into-employment provision, which has seen a 43% progression into jobs, up from single figures pre-devolution.
- In consultation with the sector, introduced a new funding methodology for into-employment programmes designed to drive even better outcomes for unemployed learners in bespoke provision that moves them into employment. To ensure consistency of provision, value for money and effective curriculum design, we have established two-week and four-week programmes, which include personalised wrap-around provision, a work placement, and occupational licenses where required.
- Created a strong high-quality offer of Skills Bootcamps to meet higher level skills needs, at levels 3-5, in the Digital and Creative sectors. We have since expanded this offer in line with our Plan for Growth clusters to include healthcare, green technology, advanced manufacturing and engineering, and logistics – and will look to expand this further into the Professional Services Sector.
- Co-developed sector training plans in Health & Care, Construction, and Advanced Manufacturing and Engineering, in order to better align provision to employer needs and skills gaps. Through further collaboration with sector bodies, employers and providers we will be developing and testing further sector plans aligning provision to local economic skills gaps and employer needs.
- Raised our low wage threshold to £30k, making learning more affordable and accessible for those on below average salaries. We are assessing the impact of this change and have committed to an annual review of the level at which it is set.

We will now focus on...

- Improving labour market participation and helping more people into good work.
- Supporting in work progression, helping people change career or progress out of low pay.
- Supporting people who are ill or have a disability to access education and employment.
- Tackling youth unemployment.

We will continue to focus on the development of a high-quality into-employment offer aligned with regional economic priorities, that includes transitional support and access to further learning when

in employment to at least level 2, and with options to progress to level 3. Provision will be co-developed with employers to ensure training equips residents to move into good work and/or progress out of low pay.

We will develop sector training plans for into-employment programmes in the following sectors: customer service; transport operations and maintenance; digital; warehousing and distribution; health public services and care; business administration; preparation for work; retail and commercial enterprise.

We will expand our funding methodology for into-employment programmes to include residents who are economically inactive and those who experience inequality in the workplace or have additional challenges due to ill health or disability. We will also expand our into-employment offer to include career change programmes, including for those in work without good foundation skills and for those working in the gig economy and on zero hours contracts.

We will continue to work closely with DWP to support unemployed residents back to work, as well as with Local Authorities and other stakeholders to develop a place-based offer that can support economically inactive adults into the labour market. We will also strengthen our training offer for employed adults, working with providers to develop flexible delivery models that cater for residents who work shifts or who can only attend weekend and/or evening provision.

We will continue to work with health sector partners to deliver Thrive Into Work, supporting people with health challenges or a disability stay in work or find employment. As this becomes the new Universal Support offer, we will seek to target wider groups of individuals with health conditions who have the potential to work. Thrive At Work will be incorporated into Business Growth West Midlands, to provide focused support for health and well-being in the workplace. We will also develop our offer to include Thrive at College and Thrive at Night, extending support to students and those working in the night-time economy.

We will partner with others to tackle youth unemployment by strengthening youth hubs and using our convening and regional leadership role to encourage more employers to offer opportunities for young people. We will make apprenticeships more accessible for young people through a new pre-apprenticeship programme and encourage employers to take on more apprentices using levy donations secured through our Apprenticeship Levy Transfer Scheme.

We will work with government and regional partners to increase the numbers of young people accessing apprenticeships.

We will work with providers to develop a new set of Bootcamps targeted specifically at those aged under 30, providing routes into growing sectors of the economy.

We will continue to work with our colleges on the current gaps in destination and progression data for learners, to ensure learner progression and impact of provision is clearly demonstrated.

Investment Plan

In 22/23, WMCA invested £33m in into-employment programmes. Based on our current settlement for skills investment, we expect to invest £40m per annum in this priority, approx. 24% of overall investment.

Meeting future skills needs through up-skilling and re-skilling

Higher-level skills and qualifications are becoming increasingly important to our regional economy – in strengthening existing businesses, in improving productivity and in attracting inward investment. They matter for individuals too. People with higher level qualifications and who develop higher level skills throughout their working lives are more likely to be employed, more likely to earn more when employed, and are more resilient to labour market change.

Labour market projections suggest that over the next decade or so, most employment growth in the WMCA area will be concentrated in high-skilled jobs, with a shift towards occupations that typically require higher level skills and qualifications. This is a particularly important challenge for the West Midlands, where around one in ten adults of working age currently have no formal qualifications and where residents are less likely than the UK average to be qualified to each level. This attainment profile not only acts as a brake on individual opportunity, but also impacts our competitiveness and potential for growth as a region.

Prior to the pandemic we were the fastest growing region outside of London, with rising productivity, jobs and employment. Our Plan for Growth and Investment Zone strategy sets out the pathway to return to this trajectory, spreading opportunity and jobs across the region. Achieving this, alongside our #2041 ambitions to meet the climate challenge, will require a better match between the skills of the people in our region and the current and future needs of our businesses. We will need to increase the volume and range of higher-level technical provision at levels 3-5 in skills gaps areas. We will also need a more accessible offer, with more part-time, evening, weekend and hybrid delivery, to fit around the work and wider commitments of adult learners. And we will need to strengthen our engagement with employers to stimulate demand for training and to ensure that our skills offer meets their needs.

As reflected in our Local Skills Improvement Plan (LSIP), leadership and management skills have never been in greater demand as our regional economy and businesses grapple with the challenges and opportunities brought about by Brexit, the transition to net zero and rapid technological change. We must do more to ensure that our leaders and managers have the skills needed to fulfil their roles, as well as to ensure that those people in these roles better reflect our local communities.

Despite the growing importance of higher-level skills and qualifications in improving business productivity and individual opportunity, employer investment in training has fallen over recent years, such that training spend per employee has fallen 28% in real terms since 2005. On average UK firms now invest less than half the EU average on training their workforce, holding back competitiveness and economic growth. And while many employers are committed to developing their workforce and investing in their talent pipeline, they are often deterred by the complex mechanisms and evidence recording requirements associated with public funding. We will work with businesses to develop new ways for them to invest in regional skills needs, thereby boosting the overall pot available.

Since devolution, we have...

- Significantly increased investment in higher-level skills training – at level 3 from £6.8k in 2019/20 to £26.5m in 2022/23 and at level 4 from £24k in 2019/20 to £852,900 in 2022/23. Since 2019, we have seen the proportion of people qualified to at least level 3 rise from 48.7% to 59.3% in 2022.
- Developed a more flexible higher-level skills training offer, aligned with the regional jobs market, that has supported adults to upskill and reskill for higher level jobs.
- Commissioned a flexible leadership and management offer to support growth and productivity across the region, accelerate adoption of new technologies, create healthy and inclusive workplaces and support aspiring leaders from under-represented groups.

We will now focus on...

- Increasing the proportion of residents qualified to level 3.
- Developing the leadership and management skills of residents to improve opportunities for career progression and boost regional productivity.
- Developing a training offer at levels 4 and 5 aligned to the requirements of businesses and the regional economy.
- Developing our approach to funding training at Level 4 and above.
- Encouraging more employers to upskill and reskill their workforce.
- Increasing employer investment in training.

In collaboration with employers, colleges and training providers, we will expand our level 3 training offer, ensuring that it is accessible to those in work, affordable for those in low paid work, and aligned to regional economic priorities. This will require additional investment in level 3 training and for adults studying at this level, greater collaboration between providers and more flexibility in delivery. We will assess the impact of our £30k low wage threshold and review the level at which it is set on an annual basis.

We will continue to strengthen our leadership and management offer at level 4 and above, with a specific focus on supporting aspiring leaders from under-represented groups, building regional capacity for strategic leadership, creating healthy and inclusive workplaces, and stimulating the adoption of new technologies that can lead to business growth, improved productivity and innovation.

We will invest in an expansion of the region's level 4+ offer, exploring how we can pump-prime the development of short courses, modules and higher technical qualifications aligned with Plan for Growth, Investment Zones and wider regional economic priorities ahead of the introduction of the Lifelong Learning Entitlement in 2025. We will work with colleges and universities to develop flexible models for level 4/5 delivery that can cater for employed residents.

We will explore how we fund provision at level 4 and 5.

We will develop a 'people and skills' strand of Business Growth West Midlands, to stimulate greater demand for, and private sector investment in, upskilling and reskilling opportunities for residents. As part of this work, we will develop an employer engagement strategy to lever greater private sector investment in training.

We will work with our colleges on the current gaps in destination and progression data for learners – including for employed learners – to ensure learner progression and impact of provision is clearly demonstrated.

Building on the success of our Apprenticeship Levy Transfer Scheme, we will work with businesses to develop a way of them investing in regional skills directly through WMCA against priority investments, thereby boosting the overall pot available.

Investment Plan

In 22/23, WMCA invested £23.3m annually in higher level programmes that support upskilling and reskilling. Based on our current settlement for skills investment, we expect to invest £40m per annum in this priority, approx. 24% of overall investment.

Creating an effective employment and skills ecosystem for the West Midlands

Through this Strategy, we are seeking to develop an integrated and responsive employment and skills system through which we can stimulate economic growth, deliver better outcomes for residents and businesses, and create healthier thriving communities. Achieving this ambition will require close collaboration across a wide range of local stakeholders, including Local Authorities, DWP, colleges, universities, training providers, employers, health partners and the voluntary and community sector.

Through a strong place-based approach, and with the flexibilities secured through successive devolution deals, we will seek to cut through the policy silos seen at national level, to take a more holistic approach to enabling residents, communities and businesses in the West Midlands to thrive.

Collaboration with Colleges West Midlands, the West Midlands Provider Network and ACLA has been crucial in successfully delivering the Adult Education Budget and we will continue to work in close partnership. We will continue to strengthen our employer and sector body collaboration to ensure provision will increasingly be aligned to economic and employer needs.

Provider strategy

Our provider base is critical to the successful delivery of this Strategy. We recognise the diverse range of education and skills training available across our skills-ecosystem, delivered through a variety of provider types.

- Our **FE colleges**, as anchor institutions, play a key role in our skills system and have played a significant part in our achievements to date in moving residents into work and increasing attainment at level 3. We recognise the importance of our colleges supporting our approach to **place** responding to local needs. We will work with colleges across all of the pillars of this Strategy with a particular focus on developing a good foundation offer up to level 2 and upskilling and reskilling our region at level 3+.
- In building an effective skills-ecosystem for the region, we recognise the need to extend our work with **universities**, particularly in relation to meeting future and higher skills needs. We will seek to engage universities in the co-design and delivery of adult training by extending grant arrangements to universities who have a presence in the region, in line with the conditions we already provide to our colleges and local authorities.
- Our vibrant **voluntary and community sector (VCS)** provides us with an opportunity to engage more residents through place-based approaches. Recognising that many VCS organisations may not have the band width to engage with the skills system and associated processes e.g procurement, we will build a consortium model that enables VCS organisations to work with us enabling reach to those communities and residents currently under-served by our existing training.

We will develop a **single coherent funding structure for adult skills** that will accelerate the delivery of high-quality, accessible and sustainable training, through multi-year agreements. This will improve the sustainability of our skills ecosystem and strengthen its capacity to develop high quality provision that delivers positive outcomes for our residents and employers.

To support greater accountability, we will introduce new ways of working that will be underpinned through collaborative relationships more commonly seen in private sector supply chain arrangements, based on effective strategic and operational relationship management, to enable our provider base to plan effectively and contribute to the system design and processes underpinning it.

We will move to **accountability agreements and 3-year funding allocations** for Colleges, Adult & Community Education providers and Universities, setting out our overall expectations, and what our grant providers will deliver in return for their funding allocation. Accountability agreements will set out regional skills priorities and associated outcomes, informed by Local Authority strategic plans

and the WMCA Plan for Growth alongside the annual accountability statement, produced by grant providers.

Data: We will regularly publish data and insight to enable providers to deploy delivery effectively to target specific residents, sectors and places. We will continue to work with central government to develop an appropriate data sharing framework that promotes information and data sharing between national government and WMCA to aid the effectiveness of skills planning and delivery.

Procurement: Our dynamic purchasing system (DPS) went live in November 2022 and now has XXX registered providers who can access our competitions. In 2024, we will introduce enhancements to our DPS which will enable us to work more effectively with registered providers and strengthen our understanding of their capacity and capability. Providers will be able to contribute to the future design of our offers and bid more effectively through regular engagement events.

To support bidding, and in line with this Strategy document, we will publish outline specifications alongside our outcomes framework covering the themes of community and innovation, good education up to level 2, into employment and career progression; meeting future skills needs through reskilling and upskilling. We will also publish our procurement cycle broken down by quarter, enabling bidders to plan and contribute to design. Our procurement will continue to have a strong focus on people and place.

Governance: We will strengthen our governance arrangements through a new Joint Oversight Board with central government, which will provide a mechanism for the strategic system oversight and increased accountability that is intrinsic to our deeper devolution deal. The Board will help inform wider UK government and devolved policy, and will take a strong place-based approach to understanding and addressing employment and skills needs across and within the WMCA area.

A new Employment and Skills Board will provide insight and recommendations to both the WMCA Board and the Joint Oversight Board, supported by the work of three thematic panels focused on young people and careers; work, health and labour markets; and future skills and the economy.

Strengthening leadership capacity and capability: We recognise the important role of the Combined Authority and its Local Authority partners in strengthening the leadership capacity and capability of the region to deliver an effective employment and skills ecosystem for the region. We will work with our colleges and universities as place-based leaders to support them to deliver more for their local communities.

Workforce development: Successful delivery of this Strategy is also dependent on having a strong and well-trained workforce across the employment and skills eco-system. We are committed to supporting the sector to develop talent in the region, for the region. We now fully fund a range of professional development qualifications for those already working the sector, to support delivery capacity. We will also work with providers, including those in the voluntary and community sectors, to establish entry routes to support talent recruitment into the sector.

Campaigns and marketing: We will continue to invest in KnowHow, our regional behaviour-led campaign to engage more adults in learning. Where appropriate, we will adapt this to focus on particular places, resident groups and training offers.

Employment Support: We will work with DWP to develop and implement a regional strategy to tackle labour market challenges and move people back into the labour market and into work. We will seek to adopt the principals in our employment support framework to bring coherence and reduce duplication across the offer whilst extending reach to a greater range of communities.

Careers: Our latest devolution deal established WMCA as the central convenor of careers provision in the West Midlands. We will develop an all-age careers strategy for the West Midlands, ensuring a more place-based approach to careers education.

Employer engagement

To support our economic growth as a region and improve productivity, we recognise that a skilled workforce is pivotal for sustained economic growth leading to good jobs. Through this Strategy, we are committed to forging stronger links between the skills eco-system and employers, so that our residents acquire relevant, in-demand skills that supports progression into good jobs, and our employers can access the skills system to support them in securing future talent and developing the existing workforce.

As an enabler to forge links between the skills system and small medium sized employers (SME's), we will develop a range of people and skills products to be made available through our new Business Growth West Midlands (BGWM) business support service to enable employers to access the training they need to support their business.

As part of the accessibility of skills training for employers we recognise the importance of capturing the employer voice. Our Local Skills Improvement Plan (LSIP) highlighted the need for improved access to the skills system for employers, to respond local skills improvement funding (LSIF) is now allocated to support improvement in business engagement through a collaborative approach between colleges and independent training providers. The region was also recently awarded funding through Innovate UK to support college engagement with business to leading to business growth through skills, this funding will further enhance the ability for skills system to engage effectively with employers. We will work closely with the provider base to ensure that investment in these specific projects to support longer term engagement with employers align to maximise the investment and benefits to employers.

Supporting inward investment into the region, and supporting large employers already based in the region, we will work closely with West Midlands Growth Company in providing subject matter expertise linking our skills system to employers to support growth and improved productivity. We will also look to leverage our strategic key account relationships to further stimulate our economy leading to good jobs for our residents.

Leveraging our Plan for Growth cluster leadership and the proposed investment zones we will use employer insight to co-design skills programmes to support the accelerated growth within those clusters leading to job creation, particularly in technical occupations leading to good jobs at level 4+.

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Benefit Realisation & Outcome Framework for WMCA Employment, Skills, Health & Communities Programmes

January 2024

Background:

Following negotiations on the Deeper Devolution Deal and Single Pot Funding, the ESHC Directorate is progressing to activity to improve how we present and indeed strengthen our case to evidence the impact our programmes are having across the region at a fiscal, economic and social level.

To support this, we are implementing a Benefit Management/Realisation approach. Bringing together Single Pot Outcomes and Impacts, a new ESHC Outcomes Framework, a new ESHC Cost Benefit Analysis Tool (CBA) and our project and programme level performance monitoring into one single aligned framework.

The approach will enable the following 3 critical things:

1. Provide us with a Cost Benefit Analysis (CBA) tool to examine the costs and benefits of programmes.
2. Establish an agreed, consistent set of directorate wide outputs and outcomes that will ensure our delivery programmes are achieving the right results.
3. Provide us with overarching Benefits that can be measured to clearly articulate the impact our programmes are having on residents and the economy, including monetised savings and benefits.

Activity to date:

Initial activity has progressed to develop logic models for every ESHC programme in delivery or development.

Following a review of directorate wide logic models, 4 overarching themes have been established:

1. Provide a good basic education up to level 2 for those who need it.
2. Moving residents into good jobs.
3. Higher skills: Upskilling and reskilling to respond to the regional economy e.g. plan for growth, net zero
4. Support our communities to be stronger and benefit from inclusive growth

Table 1. sets out the approach we are putting in place to develop and implement the Benefits Realisation and Evaluation Framework. Noting we are currently engaging on the outcome framework and indicative benefit register (as set out in this document)

Table 2. on page 4 provides a high-level summary of how existing/emerging programmes support delivery of the 4 themes. It is worth noting that some funded activity support delivery of more than 1 theme.

Table 3. on page 5 provides a more detailed summary of the respective funding streams within the ESHC directorate, including timelines and amounts.

Pages 6 - 9 are the logic models for each of the 4 overarching themes, these include the anticipated outputs and outcomes we would be looking to achieve and the benefits we expect to delivery through the successful delivery of the programmes/activities set out.

Pages 10 – 11 summarizes the indicative benefits that will be achieved through delivery of ESHC programmes.



Next Steps

The logic models and benefit register will now be socialized across the directorate and with external partners for review and consideration.

A key aspect will be the measures associated with each benefit, it will be critical for us to ensure measure we use can be baselined and that we will be able to articulate and measure our benefits and impacts through monetary, economic and social measures. We will need to ensure that any national data measures that are used will continue to be available and have historic data to baseline against.

There may also be benefits which we are not yet able to measure but would like to do so in the future these will be captured on the register for future consideration.

Monetary values will be considered and developed, building on work already progressed via the [Greater Manchester Cost Benefit Analysis Model](#).

Following this review consideration will also be given to ranking/prioritization of benefits, whilst we recognise the benefits identified are critical to enable us to evidence impact, this exercise will provide us with an indicative ranking, this is helpful where programmes are delivering against several benefits so we can focus on the benefits yielding the largest impact across the region.

In parallel to ranking of benefits, activity will be progressed to begin to develop Benefit Registers. The benefit registers will set out the activities, programmes, timelines, risks and a more detailed breakdown of funding against each benefit. They will include a delivery updates section to enable us to monitor progress of delivery activity against the overall benefit, and an overarching RAG rating.

The benefit registers will be updated quarterly and presented to the ESHC Performance Panel.

Table 1. Summary of approach to implementation

How are we going to do this?

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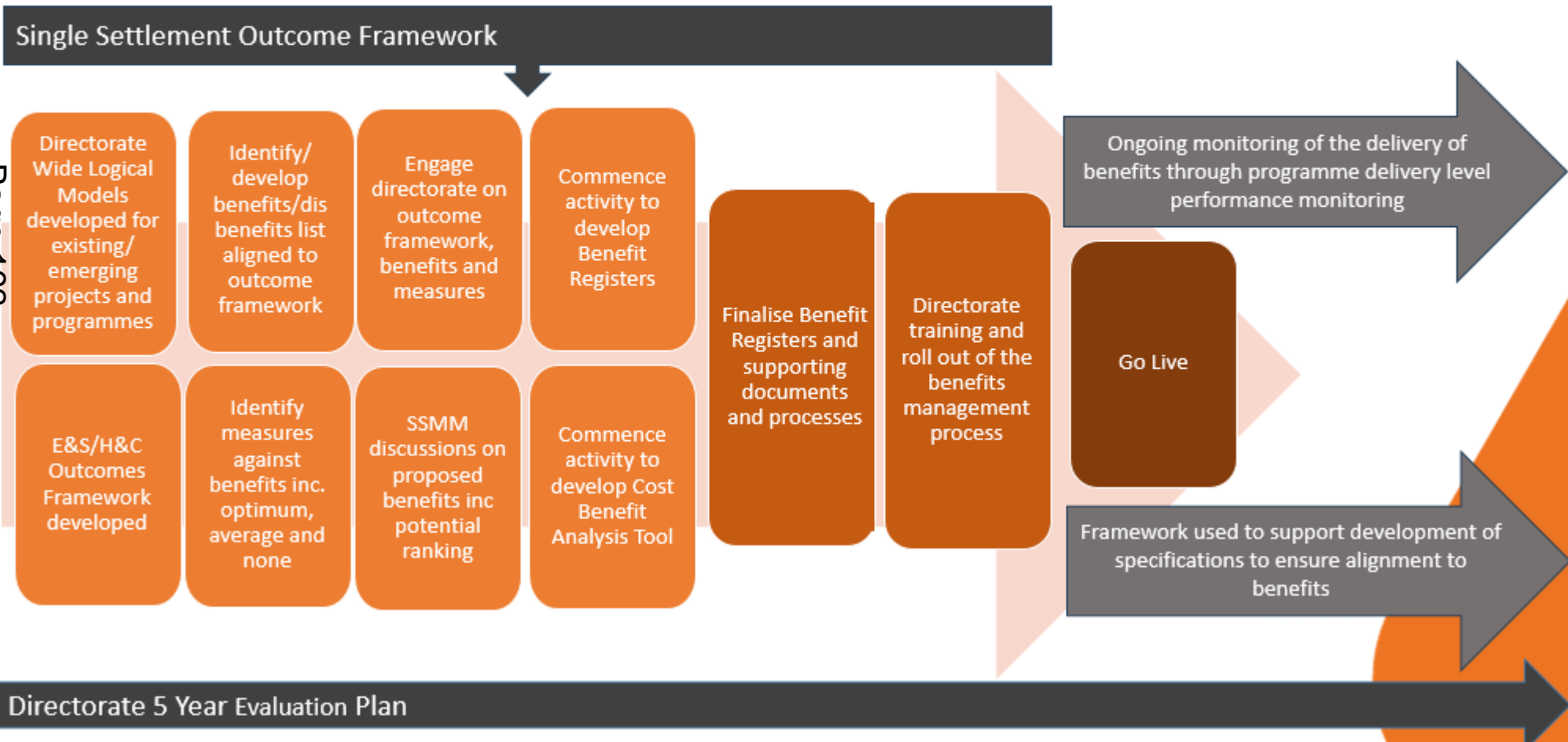


Table 2. High level summary of programme alignment to 4 themes

4 key areas of focus	WMCA areas of activity/programs/funding
<p>1. Provide a good basic education up to level 2 for those who need it.</p>	<ul style="list-style-type: none"> • AEB entry to level 2 programmes • Multiply • Community Learning • DWP Contracted Support Programmes • UKSPF (People and Skills strand)
<p>2. Moving residents into good jobs.</p>	<ul style="list-style-type: none"> • AEB Into-employment provision • AEB Pre-Apprenticeships / Traineeships • Thrive into Work • Careers Enterprise Council – CEC • CWG Legacy Enhancement Fund • UKSPF (People and Skills strand) • DWP Contracted Support Programmes
<p>3. Higher skills: Upskilling and reskilling to respond to the regional economy e.g. plan for growth, net zero</p>	<ul style="list-style-type: none"> • Free Courses for Jobs • Skills Bootcamps • Level 4+ provision (AEB flexibilities) • Business Support for SMEs (supported via UK SPF funding delivered through Economy Team)
<p>4. Support our communities to be stronger and benefit from inclusive growth</p>	<ul style="list-style-type: none"> • Community Learning • UKSPF (Communities and Place strand) • Thrive into Work • CWG legacy - Jobs, Skills, and Wellbeing • DWP Contracted Support Programmes

Table 3. Summary of ESHC Funding

WMCA Skills Programmes Summary - £295.5m

Grant: Multiply
£16.7m
(2022-25)
Funder: DfE
Level: Basic
Numeracy
Age: 19+

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Grant: Careers
£1.24m
(2023-25)
Funder: CEC
Level: School

Grant: DWP
Contracted Support
£c40m
(2024-tbc)
Funder: DWP
Level: employment
Age: tbc

Grant: England
Construction
Opportunities
£0.352
(2022-25)
Funder: CITB
Level: employment
support -
construction focused
only
Age: 18+

Grant: Thrive into
Work
£7.9m
(2022-25)
Funder: DWP
Level: Into
employment
Age: 16+

Grant: National Skills
Fund 'Free Courses for
Jobs'
£10.9m
(2023-24)
Funder: DfE
Level: 3 qualification
Age: 19+

Grant: UK Shared
Prosperity Fund £15.8
People & Skills
£24.6m Communities &
Place
(Total £88.4m inc.
business)
(2022 – 25)
Funder: DLHUC
Level: employment &
basic level skills upto L2
Age: 16+

Devolved Adult
Education Budget
(AEB)
£131.8m
(2023-24)
Funder: DfE
Level: Basic
through to L5
Age: 16+

Grant: CWG LEF –
Jobs, Skills &
Wellbeing
£5,750
(2023-25)
Funder: DCMS
Level: Employment
Support – inc.
Mental Health/
Wellbeing
Age: 14+

Grant: Technical
Skills Bootcamp
(2023-24)
£14.5mm
Funder: DfE
Level: 3/4
Technical
Age: 19+

Grant: Technical
Skills Bootcamp
(2024-25)
£26m
Funder: DfE
Level: 3/4
Technical
Age: 19+

Key:

DfE: Dept. For Education
CITB: Construction Industry Training Board
HE: Higher Education
DCMS: Dept. Culture, Media & Sport
DLUHC: Dept. Levelling Up, Homes and Communities
DWP: Dept for Work and Pensions
CEC: Careers & Enterprise Council

1. Provide a good basic education up to Level 2, for those who need it.

Challenges:

- In the 7 Met area census data tells us that 184,000 (10.6%) working age (16-64) adults in employment have no qualifications.
- A total of 523,000 working age adults (16-64) has no qualifications in the 7 Met area.
- The proportion of the working age population with no qualifications is significantly higher in the WMCA area (10.6%) that the national average (6.7%).
- 6.4% of economically active 16–64-year-olds in the WMCA area (84,800) have no qualifications.

Aims & Objectives	Inputs (22-25)*	Activities	Outputs	Outcomes	Benefits/ Impacts	Target	Baseline Metric
<p>Establish progression pathways for residents with no basic qualifications and who are unemployed or under-employed to achieve employment or a better job.</p> <p>Support residents suffering multiple deprivation to improve their quality of life.</p>	<p>£70m AEB (23/24)</p> <p>£16.7m Multiply (22/25)</p> <p>£7.2m Community Learning (23/24)</p> <p>£ 15.8m UK SPF (24/25 Skills)</p> <p>£40m DWP contracted Support Programme (New 24/25)</p> <p>TOTAL: £122.6m</p> <p>Regional Colleges</p> <p>Adult Education / LA providers</p> <p>VCS providers</p>	<p>Procure, Commission and Deliver:</p> <ol style="list-style-type: none"> 1. English Functional Skills 2. Math Functional Skills 3. Digital Skills 4. Language Skills 5. Level 1 occupational specific skills 6. Level 2 occupational specific skills 7. Financial Literacy for UC claimants, people in low-paid work and low-skilled residents 	<p>Achieve:</p> <ol style="list-style-type: none"> 1. 80% English 2. 75% Math 3. 90% Digital 4. 90% Language 5. 90% Level 1 vocational 6. 85% Level 2 vocational 7. 90% Financial Literacy 	<ul style="list-style-type: none"> • 85% progress into further learning • 60% progress from functional skills onto a certificate or diploma in vocational areas • 45% progress onto an employment-related outcome • 30,000 residents receive a good L2 education. • 12,000 residents achieving FS in English & Math. • 8,000 residents move closer to employment/ further education through community learning interventions. 	<ol style="list-style-type: none"> a) Improved educational attainment amongst the working age population. b) Reduced regional digital exclusion. c) Improved financial literacy of adults including those in employment and claiming Universal Credit. d) Increased no. adults participating, acquiring & evidencing new skills through non qualification provision or towards a qual, inc. on-line learning. e) Reduced unemployment. 	<ol style="list-style-type: none"> a) 24,000 residents achieving a qualification up to L2, an increase of 50% on baseline. b) Increased provision of digital inclusion to benefit 7,500 residents. c) XX% increase in math enrollments at L1 & L2 d) XX% increase in economically active 16-64 with 36,000 unemployed residents enrolling on literacy, numeracy, digital, language & below L2 provision and, 15,900 SPF people & skills outcomes achieved. e) Add in target 	<ol style="list-style-type: none"> a) 47,400 / 2.7% 16-64 WMCA residents have a L1 qualification and 357,300 / 20.6 % L2 (APS, Dec 22) b) 6,400 previously supported. (22-23?) c) Add in % and date d) 84,600 / 6.6% economically active 16–64-year-olds with no qualifications (APS, Dec 22) e) Wider WM region unemployment 6.3% (2023)

* AEB & Community Learning funding from Sept 23 to Aug 24. SPF & Multiply funding April 22 to March 2025, New DWP contracted support to launch in 2024

2. Moving residents into good employment

Challenges:

- WMCA 6.3% unemployed, compared to 4.3% in the UK.
- Skills gaps in residents v employers' needs.

Aims & Objectives	Inputs 23-25*	Activities	Outputs	Outcomes	Benefits/ Impacts	Target	Baseline Metric
<p>Establish clear pathways for unemployed / underemployed adults, targeting sectors with growth and/or skills shortages.</p> <p>Improve SMEs engagement with into-employment provision and employment support programs.</p>	<p>£40m AEB (23/24)</p> <p>£ 7.9m Thrive into Work (23/25)</p> <p>£ 15.8m UK SPF (24/25 Skills)</p> <p>£5.75m CWGLEF (23/25)</p> <p>£1.24m CEC (23/24)</p> <p>£40m DWP Contracted Support Programme (New 24/25)</p> <p>TOTAL £110.69m</p> <p>Regional colleges delivering into employment.</p> <p>Adult Education/LAs.</p> <p>Independent Training Providers.</p>	<p>Procure, Commission and Deliver:</p> <ol style="list-style-type: none"> 1.Into-employment provision for unemployed, inactive and under-employed adults 2.English & Math GCSE/Functional Skills level 2 3.Pre-apprenticeships 4.Level 2 Diplomas & Certificates in line with sector plans 5.Foundation Skills Programs 6.Thrive into work 1:1 support based on IPS model 7.New DWP Contracted Support Programmes 	<p>Achieve:</p> <ol style="list-style-type: none"> 1.90% Into-employment programme 2.85% English & Math GCSE/ FS level 2 3.85% Pre-apprenticeships 4.85% Diploma / Certificate in line with sector plans 5.80% literacy & numeracy Level 2 + Level 1 sector plan 6.90% complete coaching/ employment support programmes 	<ul style="list-style-type: none"> • 65% progress into employment • 60% who achieved English & Math GCSE/ FS level 2 progress into employment. • 50% of those in zero hours, part-time and low paid contract progress to good jobs. • 40% of unemployed engaging in Thrive into Work achieve employment. • 40% of those in work & at risk of losing their jobs retain role, as a result of engaging in Thrive. • 3,500 residents receive 1:1 support through the Thrive extension. 	<ol style="list-style-type: none"> a) Increased enrollment of unemployed residents on employment support programmes. b) Reduced unemployment following support. c) Increased number of under-employed residents accessing better work/enrolled on into employment programmes. d) Reduced levels of deprivation by income & employment. e) Improved health & Wellbeing of residents. 	<ol style="list-style-type: none"> a) 11,000 enrollments b) 6,050 unemployed residents moving into employment. c) 1,500 of which 1,400 improve current employment. d) 85% of residents from Band 1, 2 or 3 of the IMD participating in into emp. programmes. e) 5,000 residents to receive Thrive into Work Support 	<ol style="list-style-type: none"> a) 9,000 (add date) b) 4,050 (add date) c) 1,000 of which 950 improved jobs. d) 80% (7,900) of residents from Band 1, 2 or 3 of IMD participating in into employment programmes. e) 4,600 residents received Thrive into Work support (22/23)

* AEB & CEC funding from Sept 23 to Aug 24. SPF funding April 24 to March 2025, Thrive and CWGLEF funding 2023 to March 2025, New DWP contracted support to launch in 2024

3. Higher Skills: Upskilling and reskilling to respond to the regional economy and net zero

Challenges:

- 46% of 19+ are qualified to Level 3 or above in WMCA, compared to 52% in England.
- Skills gaps in residents v employers' needs.

Aims & Objectives	Inputs 23-25*	Activities	Outputs	Outcomes	Benefits/ Impacts	Target	Baseline Metric
<p>To be the fastest growing region in the country, spread opportunity and jobs across the region.</p> <p>To deliver a better match between residents' skills and the needs of our businesses, to accelerate productivity and deliver economic growth.</p> <p>To provide the skills residents need to enter and progress in work or self-employment.</p>	<p>£6m Level 3 Free Courses for Jobs</p> <p>£12.6 m AEB Level 3+ provision</p> <p>£8m Skills Bootcamps 23-24</p> <p>£26m Skills Bootcamps 24-25</p> <p>Total: £52.6m</p> <p>Independent Training Providers</p> <p>Colleges delivering higher level skills</p> <p>Adult Education/LA providers</p> <p>Regional Universities</p>	<p>Procure, Commission and Deliver:</p> <ol style="list-style-type: none"> 1. L3 FCFJ in priority sectors set out in the Plan for Growth 2. L4+ Business Management, Accountancy and Finance 3. L3+ Advanced Digital Skills 4. L3+ Building and Construction 5. L3+ Environmental Conservation 6. L3+ Transport Operations and Maintenance 7. L3+ Manufacturing Technologies 8. L3 Health and 	<p>Achieve:</p> <ol style="list-style-type: none"> 1. 85% FCFJ 2. 85% L4+ Business Management, Accountancy and Finance 3. 85% L3+ Advanced Digital Skills 4. 85% L3+ Digital Skills 5. 85% L3+ Building and Construction 6. 85% L3+ Environment Conservation 7. 85% L3+ Transport Ops and Maintenance 8. 85% L3+ Health 	<ul style="list-style-type: none"> • 65% of unemployed residents taking part in AEB Level 3+ progress into employment • 60% of participants in Bootcamps programs achieving good employment • 60% of participants in FCFJ progress onto good jobs or progress in their job, obtaining increase in salary/promotion/added responsibilities. • 1,600 residents develop advanced digital skills and achieve good 	<ol style="list-style-type: none"> a) Reduced number of vacancies for higher level skills jobs in key sectors set out in the Plan for Growth b) Increased number of residents with higher level skills (L3 & L4) c) Increased number of net zero and green skills programmes delivered across the region. d) Increased provision in sector specific regional programmes 	<ol style="list-style-type: none"> a) Targets to be set aligned to P4G b) % to be added for L3 % to be added for L4 c) XX number of net zero/green skills programmes to be delivered (23-25) d) XX total number of programmes to be delivered (23-25) 	<ol style="list-style-type: none"> a) To add in P4G data on vacancies from earliest date recorded. b) 46% at L3 and 38% at L4 (APS, Dec 22) c) XX number of programmes delivered in 2022 d) XX number of programmes delivered in 2022

4. Support our communities to be stronger and benefit from inclusive growth

Challenges:

* AEB & CEC funding from Sept 23 to Aug 24. SPF funding April 24 to March 2025, Thrive and CWGLEF funding 2023 to March 2025, New DWP contracted support to launch in 2024

• 444 of the 1,680 LSOA in the WMCA (26%) are in Band 1 of the IMD

Aims & Objectives	Inputs 23-25*	Activities	Outputs	Outcomes	Benefits/ Impacts	Target	Baseline Metric
<p>Develop stronger communities, with self-sufficient, connected, and pro-active citizens, leading to increased volunteering, civic engagement, and social integration; reduced costs on welfare, health, increased online and self-organised learning.</p> <p>To support communities through the cost-of-living crisis by engaging economically inactive residents, empowering communities and improving the places where people live and work.</p>	<ul style="list-style-type: none"> £16m Community Learning £7.9m Thrive Into Work £24.6m Communities and Place UK SPF (22-25) £40m DWP Contract Support Programmes (New 24/25) £5.75 CWGLEF (23/25) <p>Total: £48.5m</p> <p>Programmes will be delivered through a mix of VCS, LA's, Colleges and ITPs</p>	<p>Procure, Commission and Deliver:</p> <ol style="list-style-type: none"> Literacy, numeracy & language provision in the community Family Learning Digital Inclusion & essential digital skills Provision to support health and well-being, inc. social prescribing Provision to raise awareness of and engage the community Activity to empower communities, support the cost-of-living crisis & improve places where people live and work 	<p>Achieve:</p> <ol style="list-style-type: none"> 90% Into-employment program 85% English & Maths GCSE/ FS level 2 85% Pre-apprenticeships 85% Diploma / Certificate in line with sector plans 80% literacy & numeracy Level 2 + Level 1 sector plan 90% complete coaching/ employment support programmes. Delivery of UKSP Interventions and Outputs as per Investment Plan 	<ol style="list-style-type: none"> 65% progress into employment 60% who achieved English & Maths GCSE/ FS level 2 progress into employment 4. & 5. 50% of those in zero hours, part-time and low paid contract progress to good jobs XXXXX residents receive 1:1 coaching support and achieve sustained employment Delivery of UKSP Interventions and Outcomes as per Investment Plan 	<ol style="list-style-type: none"> Increased attainment at Key Stage 1&2. Increased self-confidence and communication skills in regional residents Reduced regional digital exclusion. Improved level of regional Health and Wellbeing Improved wellbeing for residents undertaking adult learning programmes 	<ol style="list-style-type: none"> 2,800 residents taking part in family learning courses 8,500 adults to be supported to improve self confidence and communication skills 7,000 residents taking digital skills funded courses via AEB 1,591 SPF Community and Place Outcomes achieved. 6,500 reporting health or wellbeing improvements (ONS 4 measures) 	<ol style="list-style-type: none"> 2,500 supported (date to be added) 7,000 supported (date to be added) 6,400 supported (date to be added) 0 baseline (new) 6,000 adults reporting health or wellbeing improvements (ONS 4 wellbeing measures)

Theme	Benefit Number	Benefit	Target	Baseline	Source of data	Published
1. Providing a good basic education up to level 2, for those who need it	1a	Improved educational attainment amongst the working age population.	24,000 residents achieving a qualification up to L2, an increase of XX% on baseline.	47,500 /2.7% 16-64 WMCA residents have a L1 qualification and XX /XX % L2	APS Dec 22	TBC
	1b	Reduced regional digital exclusion.	Increased provision of digital inclusion to benefit 7,500 residents.	6,400 previously supported. (22-23?)	Programme Delivery	Quarterly
	1c	Improved financial literacy of adults including those in employment and claiming Universal Credit.	XX% reduction in economically active 16-64 with 36,000 unemployed residents enrolling on literacy, numeracy, digital, language & below L2 provision).	Add in % and date	Programme Delivery	Quarterly
	1d	Increased number of adults participating, acquiring & evidencing new skills through non qualification provision or towards a qualification including on-line learning.	XX% increase in economically active 16-64 with 36,000 unemployed residents enrolling on literacy, numeracy, digital, language & below L2 provision. And, 15,900 SPF People & Skills outcomes achieved	84,800 / XX% economically active 16-64 yr olds with no qualifications. SPF 0 baseline	APS Dec 22 & Programme Delivery	Quarterly at programme level & xx APS
	1e	Reduced Unemployment	To be added	Wider WM region unemployment 6.3% (2023)	Tbc	tbc
2. Moving residents into good employment	2a	Increased enrollment of unemployed residents on employment support programmes.	11,000 enrollments	9,000 (add date)	Programme Delivery	Quarterly
	2b	Reduced unemployment following support.	6,050 unemployed residents moving into employment.	4,050 (add date)	Programme Delivery	Quarterly
	2c	Increased number of under-employed residents accessing better work/enrolled on into employment programmes.	1,500 of which 1,400 improve current employment.	1,000 of which 950 improved jobs.	Programme Delivery	Quarterly
	2d	Reduced levels of deprivation by income & employment.	85% of residents from Band 1, 2 or 3 of the IMD participating in into emp. programmes.	80% (7,900) of residents from Band 1, 2 or 3 of IMD participating in into employment programmes.	Programme Delivery	Quarterly
	2e	Improved health & Wellbeing of residents.	5,000 residents to receive Thrive into Work Support	4,600 residents received Thrive into Work support (22/23)	Programme Delivery	Quarterly

3. Higher Skills: Upskilling and reskilling to respond to the regional economy and net zero	3a	Reduced number of vacancies for higher level skills jobs in key sectors set out in the Plan for Growth	Targets to be set aligned to P4G	To add in P4G data on vacancies from earliest date recorded.	Programme delivery & P4G measures	Quarterly for delivery/ P4G tbc
	3b	Increased number of residents with higher level skills (L3 & L4)	% to be added for L3 % to be added for L4	46% at L3 and 38% at L4 (Dec 22)	APS	tbc
	3c	Increased number of net zero and green skills programmes delivered across the region.	XX number of net zero/green skills programmes to be delivered (23-25)	XX number of programmes delivered in 2022	Programme delivery	Quarterly
	3d	Increased number of net zero and green skills programmes delivered across the region.	XX total number of programmes to be delivered (23-25)	XX number of programmes delivered in 2022	Programme delivery	Quarterly
4. Supporting our communities to be stronger and benefit from Inclusive Growth	4a	Increased attainment at Key Stage 1&2.	2,800 residents taking part in family learning courses	2,500 supported (date to be added)	Programme delivery	Quarterly
	4b	Increased self-confidence and communication skills in regional residents	8,500 adults to be supported to improve self confidence and communication skills	7,000 supported (date to be added)	Programme delivery	Quarterly
	4c	Reduced regional digital exclusion.	7,000 residents taking digital skills funded courses via AEB	6,400 supported (date to be added)	Programme delivery	Quarterly
	4d	Improved level of regional Health and Wellbeing	1,591 SPF Community and Place Outcomes achieved.	0 baseline (new)	Programme delivery	Quarterly
	4e	Improved wellbeing for residents undertaking adult learning programmes	6,500 reporting health or wellbeing improvements (ONS 4 measures)	6,000 adults reporting health or wellbeing improvements	ONS 4 wellbeing measures	annual



Overview & Scrutiny Committee

Date	29 January 2024
Report title	Performance monitoring against the Annual Business Plan Deliverables
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub email: linda.horne@wmca.org.uk
Report has been considered by	Executive Board – 17 January 2024

Recommendation(s) for action or decision:

The Overview & Scrutiny Committee is recommended to:

- (1) Endorse the approach on how the WMCA monitors the Annual Business Plan and the assurances it provides to manage performance.
- (2) Consider any areas of interest that could form part of members future work programme.

1. Purpose

- 1.1 This paper sets out context to the monitoring and reporting of the Annual Business Plan and provides year to date performance including trends and comparisons. This aims to provide OSC with assurance of the reporting process and Executive Board responses taken towards slippage.

2. Background

- 2.1 There have been two successive integrated Annual Business Plans and budgets; we have commenced the process for the third in September 2023. This is a vital link in the 'golden thread' between the WMCA Aims and Objectives, through Directorate and team plans and into the Individual Performance Management (IPM) goals of employees across the organisation. The Annual Business Plan sets out all activity to be delivered in-year aligned to those aims and objectives. We not only detail capital project activity but business as usual and the resourcing (both financial and people) to deliver a balanced budget.

- 2.2 Yearly activity is measured by performance indicators currently called High Level Deliverables (HLD) and from those a number of Key Performance Indicators (KPIs) have been identified. Performance is reported to the Executive Board monthly through a visually rich Power BI dashboard that triangulates against the Strategic Risk Register and capital spend. There is also an exception report detailing the mitigation commentary for any indicator that is amber or red to enable the Executive Board to make evidence based decisions.
- 2.3 This process along with the reports provided to Executive Board were reviewed by Grant Thornton (our external auditors) in their Annual Review (2023) and no recommendations were made for improvement.

3. Performance Monitoring of the Annual Business Plan

- 3.1 In this financial year there are 127 HLDs/KPIs, beneath these are SMART milestones that provide granular detail and are profiled over the course of the year with measures and targets. Milestones for each HLD/KPI are weighted accordingly on importance. If the indicator is measuring a capital based project the associated milestones are often transferred to the next financial year so activity can continue to be monitored and if necessary, performance improvements can be made.
- 3.2 It was agreed at last Septembers OSC meeting that performance against the Annual Business Plan will be shared twice yearly with members. The aim is to provide members with assurance of Executive Board responses particularly to red and amber indicators.

4. Annual Business Plan assurance and Q3 trends and performance

- 4.1 At the end of Q3, 429 milestones were updated by Points of Contact (PoC) into the Power BI reporting app contributing to the overall performance. The Performance Team quality assures this data and work closely with the PoC to ensure they are inputting correctly into the system. For assurance purposes red and amber KPI/HLD performance is sent to all PoC and respective Executive Directors in advance of the Executive Board meeting to ensure the data and milestone commentary is accurate before it is shared.
- 4.2 To be confident the information provided to Executive Board adequately reflects all the key performance issues we face as an organisation the Performance Manager continues to embed a performance management culture across the WMCA. This includes encouraging the consistent use of the Power BI dashboards, engaging with directorate management teams so that they understand the performance roadmap and cascading performance data with key stakeholders to improve its visibility and transparency.
- 4.3 The Performance journey through this financial year is detailed in appendix 1, which shows indicator RAG rating by each quarter and month. This information highlights 115 indicators remained on track by the end of Q1 and only 3 were amber. This positive trend continues into Q2, although there are now 11 red and amber indicators. By Q3, 106 indicators remained on track and 14 had a red and amber RAG status. This increase is to be expected because performance is calculated cumulatively through the year and compared to the same period last year it shows an improvement, where 23 red and amber indicators were reported to the Executive Board.

4.4 A breakdown of Q3 performance is shown in greater detail below:

Indicator	Completed	RAG Status			Total
KPI	1	26	2	1	30
HLD	6	80	8	3	97
Total	7	106	10	4	127

Of the 14 red and amber indicators the Executive Board are reviewing the performance commentary to see if further mitigations are needed through their monthly meetings. These discussions focus on supporting delivery teams to resolve resourcing issues, re-assessing the impact of changes to government policy and acknowledging the implications of governmental delays on projects and programmes.

4.5 For a more in-depth analysis of Q3 Annual Business Plan performance OSC are encouraged to look at appendix 2, which details the 14 red and amber indicators with mitigation commentary.

5. Strategic Aims and Objectives

5.1 This report is aligned to strategic aim 6, which is to develop our organisation and be a good regional partner. To help achieve this aim it is important to monitor performance against the Annual Business Plan to detail what we are going to deliver as we work towards our vision of making the West Midlands one of the fairest, greenest, and best-connected places to live and work.

6. Financial Implications

6.1 There are no direct financial implications because of the recommendations in this report. Monitoring throughout the year suggests that slippages in the capital budget have not significantly impacted the delivery of the HLDs/KPIs. Similarly under-spends against the revenue budget, particularly in relation to resource and external advice, have not had a material impact on the ability to meet delivery targets.

7. Legal Implications

7.1 There are no legal implications to note.

8. Single Assurance Framework Implications

8.1 There are no Single Assurance Framework Implications to note.

9. Equalities Implications

9.1 There are no equalities implications to note.

10. Inclusive Growth Implications

10.1 There are no Inclusive Growth implications to note.

11. Geographical Area of Reports Implications

11.1 There are no Geographical Area of Reports implications to note.

12. Other Implications

12.1 There are no other implications to note.

13. Schedule of Background Papers

- Appendix 1 - RAG status trend 2023/2024
- Appendix 2 – Q3 performance by exception and mitigation commentary

Appendices

Appendix 1 - RAG status trend 2023/2024

Monitoring period	RAG Status			Complete	Not Started	Total
Apr-23	95	0	0	0	32	127
May-23	110	1	0	1	15	127
Q1 Jun-23	115	3	0	1	8	127
Jul-23	115	6	1	1	4	127
Aug-23	117	5	1	1	3	127
Q2 Sep-23	112	9	2	1	3	127
Oct-23	108	11	2	3	3	127
Nov-23	107	12	2	6	0	127
Q3 Dec-23	106	10	4	7	0	127

Appendix 2 – Q3 performance by exception and mitigation commentary

Indicator type & No	Indicator Description	Rag Status	Milestone mitigation commentary
HLD 98	Maintain and update the net zero and environment data dashboard to provide insight on progress in delivering ambitions		<p>Net Zero and Environment dashboard - The project has been delayed several times due to changes in lead however, Data & Digital now have a contractor to deliver the project and have advised the project will be delivered by March 2024.</p>
HLD 114	Deliver and coordinate investment in the modernisation and improvement of 16 Summer Lane to support business needs		<p>Capital Investments - Commencement of the programme of building maintenance is dependent upon publishing of a 16 Summer Lane Property Management Plan (PMP). This report will provide recommendations for the long-term future of 16 Summer Lane and is required before any large-scale costly capital works planned are undertaken. This report is now expected at the end of January.</p> <p>In the meantime works to carry out essential remedial works to the fire compartmentation and fire doors at SL have commenced. These works will ensure that we are fully compliant from the fire risk perspective. Essential car park relining and repairs due to be undertaken in January.</p>
HLD 72	Deliver a comprehensive programme supporting the effective implementation of the public land charter through collaborative working with the Cabinet Office, LGA, industry taskforces & local partners via overseeing and managing the development and delivery of the regional One Public Estate and Place Pilots Programmes		<p>Public Sector Collaboration - Work continues to progress at pace to deliver the Place Pilots Programme. External spend on the Pilot Projects within the programme has now begun to commence, with a £10,000 commission to undertake mapping work and soft market testing to establish programme management for circa £100k underway. As spending on the pilots commenced later than expected, the milestone remains behind projected however, the forecast has been revised since designing of the milestone, with more spend expected toward the end of the financial year.</p> <p>Place Pilots funding must be committed by May 2024 and any remaining funding will need to be returned to Cabinet Office, which may have reputational impacts. Although there is plenty of time to catch up on spend, and the programme progresses at pace, it is worth noting this small risk in advance.</p>

Indicator type & No	Indicator Description	Rag status	Milestone mitigation commentary
KPI 111	Implement new ways of working.	-	<p>Ways of Working – Whilst initial progress was behind that originally planned there is now substantial programme of work underway to improve systems and processes and procedures across WMCA. Including embedding a High Support, High Challenge ethos with leaders and managers.</p> <p>People and Culture Strategy – WMCA Launched its People and Culture Strategy to staff earlier this year. Engagement was shared across WMCA and feedback is currently being collated.</p> <p>Staff Engagement Survey - Timescales to conduct the survey have been reviewed and reprioritised and the survey will be delivered before the end of the financial year using the Investors in People framework.</p>
HLD 107	Make the case for local rail devolution to deliver better outcomes for a future railway		<p>Great British Railway Transition Team (GBRTT) Partnership - The specific milestone concerns the delivery of a draft high level partnership by the end of the financial year. As a result of the lack of legislation for Great British Railways in the King's Speech, the partnership direction has shifted away from substantive partnership development towards delivery of early tangible improvements in anticipation of the partnership. In this context, the delivery of a high level partnership will not be possible before year end. The lack of legislation has also led to a pause in the development of the GBRTT operating model, which is a key dependency for a high level partnership.</p> <p>Customer Experience Policy - The workstream is likely to be prioritised as part of the GBRTT partnership work, this decision will be ratified at the next Partnership Oversight Group meeting in February. A delivery mechanism involving GBRTT's customer team is under development.</p> <p>There are no serious implications for not delivering the HLD this financial year, it is more an opportunity lost rather than a risk.</p>
KPI 68	Lead WMCA Strategic Acquisitions, Disposals and Asset Management programmes		<p>Acquisition Plan for WMCA – This is underway but progress has been constrained by available capacity in the team. There are no impacts of the delay to commencement at this stage.</p>
KPI 96	Develop and deliver the agreed regional approach to tackling air pollution through the development of a Regional Air Quality Framework, including behaviour change campaigns		<p>Air Quality Sensors - There have been delays with DLUHC in finalising the business case to secure additional funding for air quality sensors. The procurement will be completed by end of March with the sensors installed by autumn. There are no implications as funding is available to go over financial years. We are working with the Data Insights Team (TfWM) to produce a spec for the air quality data platform.</p> <p>Air Quality Change - The project has been slightly delayed but procurement is now concluded with a successful bidder and the project is progressing with stakeholders. Whilst the 3 campaigns and 21 community events won't be completed by March 2024, there are no significant implications as the funding extends into next year.</p>

Indicator type & No	Indicator Description	Rag Status	Milestone mitigation commentary
HLD 59	Building and planning tomorrow's railways by delivering the Rail Investment Programme		<p>Package 1 Grouting - had commenced at Willenhall but this was paused when Buckingham Group Contracting Limited entered administration in August 2023. Works have restarted on site following novation of the contract to Kier, however the knock-on onsite delays mean it will not complete by the end of the year.</p> <p>Other milestones remain on track.</p>
HLD 84	Grow SMART Hub capacity to support local authorities to access funding, intelligence and expertise to retrofit homes to reduce carbon emissions		<p>Market Development Phase 1 - Need for devolution and Net Zero Accelerator to take precedence over this project means that resources have not been available to take this forward. We are seeking to take this work forward as far as possible within time constraints.</p> <p>Retrofit Future - Need for devolution and Net Zero Accelerator to take precedence over this project means that resources have not been available to take this forward. We are seeking to take this work forward as far as possible within time constraints.</p>
HLD 44	Improving the financial, operational and asset performance of WM Metro to support metro services and network expansions		<p>Buy Before You Board - is behind schedule with delivery now expected by autumn this year.</p> <p>Traction Power 1 – whilst the programme is slightly behind the original plan Midland Metro Alliance are working with Matrix Power to look for programme betterment. Substation 4 will not be installed before the end of the financial year; the implications of the delays are reduced network resilience should there be issues with the existing substations.</p> <p>Car Body 2 – whilst repairs and negotiations continue with CAF there is now sufficient tram availability to provide a resilient operation.</p>
HLD 11	Develop more AEB provision to align to plan for growth and to meet current and/or emerging skills needs - monitoring, managing and flexing provision as required		<p>Adult Education Budget Leadership Provision - The Procurement process has now been completed. Contract letters to be sent out to successful bidders to progress. This milestone should be back before the year-end.</p>
HLD 60	Extending the WM Metro Network to better serve more people and businesses delivering Westside (Edge), Wolverhampton City Centre, WBHE and Birmingham East Side extensions		<p>Depot 1 - The Metro Network Expansion is subject to separate and regular ongoing monitoring and reporting. The Amber status simply reflects latest delivery programmes against original plans.</p>
HLD 28	Enable healthy, productive workforces and deliver evidence-based initiatives focusing on 'good work' as a determinant of health		<p>Thrive at Work - Overall, this indicator is tracking slightly behind the overall completion target but anticipated will make up the shortfall by the end of the financial year.</p>
HLD 94	Implement activities to deliver the Natural Environment Plan including the Local Nature Recovery Strategy and related projects		<p>West Midlands Local Nature Recovery Strategy (LNRS) delivery has been delayed significantly due to delays in the government approving secondary legislation and issuing guidance. We have now recruited an LNRS Coordinator who started in November 2023. The overall delivery of the milestone will not be affected.</p>



Overview & Scrutiny Committee

Date	29 January 2024
Report title	Scrutiny Protocol
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Dan Essex, Governance & Scrutiny Manager email: dan.essex@wmca.org.uk
Report has been considered by	Executive Board - 10 January 2024

Recommendation(s) for action or decision:

The Overview & Scrutiny Committee is recommended to:

- (1) Note the publication of the Department for Housing, Levelling Up & Communities' Scrutiny Protocol on 22 November 2023.
- (2) Agree that committee members participate in workshops to further strengthen and develop the WMCA's scrutiny function to meet the standards set out within the protocol's 18 key principles.

1. Purpose

- 1.1 To update the committee on the publication of the Scrutiny Protocol and to set out the next steps that will be undertaken to ensure that a sustained culture of scrutiny is embedded within the WMCA to ensure transparent and accountable decision-making and delivery of value for money on devolved funds.

2. Background

- 2.1 At its meeting on 10 July 2023, the committee considered a report that set out the activity and developments that had occurred relating to the WMCA's Deeper Devolution Deal announced by the Government in March. The deal provides for wide ranging provisions to devolve policy making and control over spending decisions to the region, including by bringing additional investment. Within the Deeper Devolution Deal agreement text itself, the Government set out more clearly its 'accountability' expectations in respect of the West Midlands:

The WMCA will, through this deal, be subject to three levels of accountability:

- (a) As a local authority, it is subject to the requirements of the Local Government Accountability Framework.*
 - (b) As an institution with devolved powers, the WMCA will be subject to the English Devolution Accountability Framework which details additional accountability processes for all institutions with devolved powers and highlights those requirements of the Local Government Accountability Framework which are of particular significance for such institutions, including the decisions that mayoral combined authorities are responsible for and the recourse available to the Government.*
 - (c) In light of the specific new powers being agreed in this trailblazer deeper devolution deal, including the single settlement, and in the spirit of greater power requiring greater accountability, the WMCA commits to building a culture of greater scrutiny and accountability through the proposals set out in this section.*
- 2.2 A key piece of work therefore for the WMCA this year will be to “build a culture of greater scrutiny and accountability”. To help facilitate this, the English Devolution Accountability Framework committed the Government to develop what it was calling a ‘scrutiny protocol’ for all institutions with devolved powers which will set out the relationship between the mayor, the institution and its scrutiny and audit functions. The Scrutiny Protocol was itself published on 22 November 2023 as part of the Government’s Autumn Statement and is attached as an appendix to this report.
- 2.3 The protocol provides guidance for chairs and members of overview & scrutiny committees, as well as scrutiny officers, to help them carry out their roles more effectively, primarily through identifying 18 “key principles of good governance” that it considers contribute towards a sustained culture of scrutiny that holds local decision makers to account. The protocol itself is categorised as “non-statutory guidance” and so talks of *shoulds* rather than *musts* but is still an important tool against which the Government will measure the strength and effectiveness of governance and accountability within the WMCA.
- 3. Key Principles of Scrutiny**
- 3.1 The protocol provides a commentary for each of its 18 key principles of good scrutiny, and the WMCA should therefore be seeking to ensure its scrutiny functions meets, or is working towards meeting, each principle. It is a reflection of the existing strength of scrutiny within the WMCA a great deal of the protocols set out activity that is already undertaken by either this committee or the Transport Delivery Overview & Scrutiny Committee. However, there are a number of areas where scrutiny members might consider activity needs strengthening in order to meet the aspirations of the protocol.
- 3.2 **Key Principle 5 - sustained appointments made on interest and skills**
Appointments to scrutiny committees should be multi-year to provide continuity of work and for all members to have a shared level of interest. The protocol provides a model role profile for scrutiny members

- 3.3 **Key Principle 6 - well-resourced training**
All members should be offered additional knowledge briefings outside of the formal meeting structure. This is undertaken for transport scrutiny members and should be something introduced for this committee too.
- 3.4 **Key Principle 7 - inviting technical expertise**
Committees should invite technical expertise (eg. from local universities) to meetings to enhance scrutiny of decisions. Both scrutiny committees have not utilised external experts to any great extent to date.
- 3.5 **Key Principle 10 - participation in pre-policy and pre-decision scrutiny**
The practice of bringing decisions for scrutiny shortly before they are taken should be avoided. Instead, members should be engaged early in the development of a policy so they can help shape its design and add real value. Pre-decision scrutiny within the WMCA normally takes place immediately before items are being considered by the WMCA Board. Further thought needs to be given to that as both committees' work programmes are developed.
- 3.6 **Key Principle 12 - regular performance monitoring**
A focus on key strategies will enable scrutiny committees to understand priorities and begin to monitor performance against delivery.
- 3.7 **Key Principle 15 - strong relationships with stakeholders**
For combined authorities, the work of their committees should complement that of their constituent local authorities rather than create duplication. Whilst work has started in this regard following engagement with the scrutiny co-ordinating committees of a number of constituent authorities, more could be done in this area.
- 3.8 **Key Principle 18 - strong relationship with audit committees**
Audit committees should publish an annual report to broadcast the work of their committee and how its work influences and benefits the outcomes of the combined authority and its strategic goals and priorities. Whilst scrutiny publishes an annual report setting out its activity over the previous 12 months, engagement should take place with Audit, Risk & Assurance Committee to involve them in this process.
- 3.9 Overall, a great deal of the way scrutiny is operated within the WMCA is reflected within the 18 key principles, and the protocol should therefore be viewed as providing a number of helpful hints as to how it can be further strengthened, rather than having to rip anything up and starting again. It is also pleasing to see the Department for Housing, Levelling Up & Communities chose to include as a case study within the protocol the work this committee undertook to scrutinise the draft Deeper Devolution Deal before it was signed off by the WMCA Board and constituent councils.

Case Study – West Midlands Combined Authority (WMCA)

Ahead of the WMCA submitting its deeper devolution deal offer to DLUHC, its overview and scrutiny committee held a series of workshops that undertook a deep dive into each of the offer's key proposals, testing the scope and ambition of each 'ask', and challenging whether the ambition of these proposals were sufficient to address the region's needs. This work resulted in the strengthening of the deal document ahead of its formal adoption by the CA and its constituent authorities.

4. Next Steps

- 4.1 Officers are now starting to develop thoughts and ideas in respect of the seven key principles identified above as been worthy of further development. This will include engagement with the scrutiny committee chairs and members through a workshop to allow for a more considered approach to be undertaken. The protocol envisages the principles being adopted incrementally over the next 12 months

5. Strategic Aims and Objectives

- 5.1 Implementing the Scrutiny Protocol relates to the following aims:

Aim 5 - Securing new powers and resources from central government.

Aim 6 - Developing our organisation and our role as a good regional partner.

6. Financial Implications

- 6.1 There are no direct finance implications or additional financial asks associated with the content of this report. All current planned activities to support adoption of the principles can be met from existing resources.

7. Legal Implications

- 7.1 The scrutiny protocol is non-statutory guidance, using the language of “should” rather than “must”. However, it is essential that the WMCA maintains a strong scrutiny culture, and strengthens this further as a requirement of devolution, and strongly recommended that the protocol recommendations should be adopted.

8. Single Assurance Framework Implications

- 8.1 There are no direct implications for the Single Assurance Framework arising out of this report.

9. Equalities Implications

- 9.1 There are no direct equalities implications arising out of this report.

10. Inclusive Growth Implications

- 10.1 There are no direct inclusive growth implications arising out of this report.

11. Geographical Area of Report’s Implications

- 11.1 The Overview & Scrutiny Committee comprises members from across the constituent and non-constituent authorities participating within the WMCA.

12. Other Implications

- 12.1 There are no other direct implications arising out of this report.

13. Schedule of Background Papers

- Deeper Devolution Deal - Scrutiny Implications report, Overview & Scrutiny Committee - 10 July 2023

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Scrutiny Protocol

1. Introduction

- 1.1. The Levelling Up White Paper set out a mission that 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.
- 1.2. In providing areas with more powers and funding flexibility, these powers need to be used appropriately to support local and national priorities. This means having local leaders and institutions that are transparent and accountable, seek the best value for taxpayer's money and maintain strong ethical standards.
- 1.3. Strong and accountable local leaders are a fundamental part of thriving local democracies. The English Devolution Accountability Framework (EDAF) sets out how these institutions with devolved powers are accountable to local people and the UK Government, and how their decisions will be scrutinised and made transparent for local politicians, business leaders, and local communities of their area. This Scrutiny Protocol is a key part of making sure that institutions' overview and scrutiny arrangements are of the highest possible standards for holding them to account for delivery as well as for playing a critical role in policy and strategy development. This is particularly important when scrutinising devolved powers.
- 1.4. Effective scrutiny is critical for ensuring there is appropriate accountability for the decisions made by local decision makers. When done well, local scrutiny should drive understanding, enhance the performance of services and improve the outcomes for those people affected by those decisions.
- 1.5. This Scrutiny Protocol sets out the relationship between mayors and directly elected leaders, and the combined authority, combined county authority, county council or unitary authority they lead. It also sets out how the overview and scrutiny and audit Committees hold these institutions with devolved powers and their mayor or directly elected leader to account.
- 1.6. In adopting the key principles and provisions of this Scrutiny Protocol, each institution will ensure it has a focus on a sustained culture of scrutiny. Membership on committees should be prized and competed for. Retention of members for several years should be common. Members must be able to devote the time to the role. Committees should have the profile and cachet to ensure that their findings are brought to the attention of the public wherever necessary through strong communications.
- 1.7. The Government considers the Scrutiny Protocol a key factor in implementing Level 4 and single department-style funding settlements. Institutions with devolved powers should utilise the principles of the Scrutiny Protocol and requirements of the EDAF (including Local Assurance Frameworks) to ensure transparent and accountable decision-making and delivery of value for money on devolved funds.
- 1.8. In the future, the Government will expect areas to adopt MP sessions to further enhance scrutiny, similar to those arrangements being established in GMCA and WMCA and any lessons learned from the application there. This will be considered when institutions receive single department-style funding settlements.

Who the Scrutiny Protocol is for

- 1.9. This Scrutiny Protocol (“the Protocol”) applies to the arrangements of overview and scrutiny committees (“committees”) in all English institutions with devolved powers, including combined authorities (mayoral and non-mayoral), combined county authorities (mayoral or non-mayoral) and, with regard to their devolved powers, county councils and unitary authorities that have agreed devolution deals.
- 1.10. The Protocol provides guidance for chairs and members of overview and scrutiny committees as well as scrutiny officers to help them carry out their roles effectively. The Protocol also provides guidance for those responsible for making appointments to overview and scrutiny committees.
- 1.11. Overview and scrutiny committees have statutory powers to scrutinise the decisions of the executive, the combined authority or the combined county authority. Members and officers should recognise that recommendations following scrutiny enable improvements to be made to policies and how they are implemented.
- 1.12. London has different arrangements. The Greater London Authority Act 1999 (as amended) sets out the arrangements for the Greater London Authority and Assembly. Where applicable, the GLA and Assembly should look to implement the guidance identified in this Protocol.

How to use this Protocol

- 1.13. This Protocol is non-statutory guidance but should be seen as supplementary to statutory guidance and relevant legislation.
- 1.14. This Protocol primarily refers to “shoulds” – good practice, and key principles and additional scrutiny that Government considers a key factor in implementing Level 4 and single department-style funding settlements.
- 1.15. This Protocol also refers to requirements arising from legislation and statutory guidance that must be adhered to¹.

2. Key principles for Good Scrutiny

- 2.1. Scrutiny is most effective when it is highly focussed and seeks to achieve a clear outcome. There should be a commitment to focussing scrutiny activity through developing a clear, outcome-driven, and member-led work programme which is delivered through a committee

¹ Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009

The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

Schedule 1 to the The Levelling Up and Regeneration Act 2023 (the 2023 Act) and regulations made under the 2023 Act

The Overview and Scrutiny: statutory guidance for councils and combined authorities (which will be updated to include CCAs once the secondary legislation is made, subject to the will of parliament).

Sections 9F – 9FI of the Local Government Act 2000

Combined Authorities must also have regard to any such provision in its statutory constitutional provisions.

structure that can enhance the delivery of that work programme to best effect. This could be a single committee or multi-committee model.

2.2. In combined authorities and combined county authorities, a single committee model should be considered to provide a shared platform from which all committee members can develop a strategic overview across all portfolio areas and an understanding of the interconnection of key policies to effectively scrutinise cross cutting issues. If another model is used it should be clear how this model is able to meet the key principles identified in this Protocol. These are:

- a pool of members
- politically balanced membership
- geographically balanced membership
- appointing a chair
- sustained appointments made on interest and skills
- well-resourced training
- inviting technical expertise
- remuneration and status
- holding the mayor or directly elected leader and the institution to account
- participation in pre-policy and pre-decision scrutiny
- provision to call in
- regular performance monitoring including agreed outcomes
- robust work programming
- focused task and finish exercises
- strong relationships with stakeholders
- regular self-evaluation and reflection
- access to data, research, and analysis
- strong relationship with audit committees

Case Study – Greater Manchester Mayoral Combined Authority (GMCA)

GMCA have been successful in implementing a single committee model with 20 members and 20 additional members in a substitute pool. This single committee model has been implemented to provide the flexibility and resilience for scrutiny to work effectively whilst being well-attuned to the cross-cutting nature of Combined Authority business.

2.3. County councils and unitary authorities with devolution deals should look to incorporate the scrutiny of any new activity arising from their devolution deal into their existing scrutiny arrangements. As there could be multiple committees looking at specific service areas, members are encouraged to maintain and develop a strategic overview of the service areas within their remit and work collaboratively with other committees where appropriate if issues involve more than one service area. It may also be worthwhile to undertake a review of current scrutiny arrangements as part of implementing their devolution deal to ensure that they will be suitable for the new activity.

Key Principle 1 – a pool of members

2.4. Enabling the interconnection of policies across a number of portfolio areas requires members to have an advanced level of knowledge across a range of subjects. To achieve this, all committee members whether appointed to a committee or acting as substitutes should be

treated as a single body and have access to the same induction and training opportunities as well as regular subject briefings. In doing so, members will feel suitably well-informed to engage effectively at meetings and take part in task and finish exercises (where required).

- 2.5. Well informed and active substitute members also provide a greater pool of membership to ensure that meetings are quorate and enable wider engagement of members across the authority area.

Key Principle 2 – politically balanced membership

- 2.6. Membership must be politically balanced in line with the proportionality across the institution as far as reasonably possible.

Key Principle 3 – geographically balanced membership

- 2.7. Due to the increased geographical size of a combined authority or combined county authority committee membership should also be geographically balanced as far as possible to ensure that the committee draws on a whole area perspective at meetings. Nonetheless, institutions with devolved powers are strategic organisations delivering across a functional economic geography and as part of their role members should be able to pivot between their local understanding and the need to take a wider strategic/functional view when considering issues applying to the whole institution and the geography it represents. This will aid effective scrutiny of priorities, performance, and delivery.

Key Principle 4 – appointing a chair

- 2.8. In combined authorities and combined county authorities, the chair of the committee must be seen as an independent voice. They must either be an independent person or an appropriate person (as defined by legislation). This ensures a healthy degree of separation to allow a greater level of objectivity in the committee's scrutiny activity. Such practice should be considered for county councils and unitary authorities for the scrutiny of any new activity arising from the devolution deal that is being brought into their existing scrutiny arrangements.
- 2.9. It is the responsibility of the chair to be 'apolitical' to ensure the committee remains in line with its terms of reference and is the voice of the committee at combined authority, combined county authority or cabinet meetings.

Key Principle 5 – sustained appointments made on interest and skills

- 2.10. Scrutiny requires a certain set of skills and it is therefore imperative that those who are appointed to the committee are done so based on their experience, interests, and skill set while also considering geographical and political balance. When seeking appointments, a clear role description should be used to inform interested parties of the key skills required as well as the demands of the role (an example of a role description is attached at Annex A).
- 2.11. Where possible members should also be appointed for more than one year to enable them to provide continuity to the work of the committee and ensure that the shared level of knowledge remains high. Working from the foundation of an informed committee allows members to be more confident in their challenge and ultimately more effective in their scrutiny.

Key Principle 6 – well-resourced training

- 2.12. All institutions should provide and adequately fund training for all members including knowledge briefings, peer to peer groups, and training on key functions including finance, commercial and data interrogation. This training should include an induction for the chair and members on the institution, its powers, roles, and responsibilities should be required at the beginning of every municipal year.
- 2.13. All members should be offered additional knowledge briefings outside of the formal meeting structure and ahead of reports being presented, where they can have access to further information to assist them in their scrutiny activity. These briefings should be informal and provide a safe space where members feel able to ask those questions that they may not feel able to in a committee meeting. Further briefings should also be organised at members request on any other subject matter where they feel this will strengthen their knowledge base, and offered to all members and substitutes where needed.

Key Principle 7 – inviting technical expertise

- 2.14. Committees should invite technical expertise to meetings to enhance scrutiny of decisions. Technical experts can provide a different perspective on the issues being discussed at meetings and help members with their line of questioning leading to enhanced scrutiny.
- 2.15. Technical expertise should also be commissioned to provide training and briefings to the chair and members of the committee to support them in their roles and ensure they have access to technical and independent knowledge, and information to enhance their scrutiny of the institutions' priorities, performance, and delivery.

Case Study – West Yorkshire Combined Authority (WYCA)

WYCA's scrutiny has invited external experts to scrutiny committee meetings (and working groups) and made good use of the professional expertise of existing scrutiny members. A local academic who had independently tested the accuracy of the Real Time Bus Information system managed by WYCA was invited to answer technical questions alongside officers, which resulted in the committee recommending that officers partner with the academic and the university to iron out the technical issues. Councillors with an expertise and background in psychology have also led presentations and discussions, based on their own research and experience, on the topic of how behaviour change techniques and principles could be employed to encourage people to change how they travel to support decarbonisation goals.

Key Principle 8 – remuneration and status

- 2.16. Combined authorities and combined county authorities should remunerate committee members directly, reflecting the responsibility and status of the role. This must be done transparently through the use of an Independent Remuneration Panel (IRP) who recommend an allowance level for approval by the combined authority or combined county authority (to be provided for in forthcoming secondary legislation, subject to the will of Parliament). Combined authorities and combined county authorities should pay the maximum recommended by the IRP to ensure that members commit the time required to the role. Substitute members should also be remunerated, but their payment should also reflect the number of meetings that they have attended. The chair should receive an additional level of remuneration in recognition of their specific role.

- 2.17. County councils and unitary authorities can make provision for the payment of special responsibility allowances for those councillors who have either assumed significant responsibilities following agreement of their devolution deal or want to reconsider other policies in light of it.
- 2.18. Scrutiny should be seen as central to the good governance of the authority. Committees and chairs should receive some dedicated resource with support provided across a range of areas such as research, policy, and administration. Clear processes should be in place for their recommendations to be received and responded to as appropriate and they should have the visible support of senior officers and members of the institution. Committees and chairs should have access to information including matters of commercial sensitivity, matters awaiting government approval and other confidential matters (in line with Access to Information Procedure Rules).

Key Principle 9 – holding the Mayor or directly elected leader and the institution to account

- 2.19. One of the key roles of the committee is to hold the Mayor or directly elected leader (and where necessary other members and officers of the institution and its partners) to account for their performance.
- 2.20. The Mayor or directly elected leader and institution should commit to engage regularly with the committee both informally and formally, and must attend the committee when requested.
- 2.21. Members who are portfolio leads (or equivalent) should also commit to engaging regularly with the committee and attend when requested. Even if members of the institution have assigned or delegated areas of responsibility to others, it should be standard practice for them to attend to present any reports within their portfolio alongside the appropriate officers.
- 2.22. There should be a standing invitation for the chairs of committees to attend the combined authority, combined county authority or relevant cabinet meetings to create an opportunity for the committee's comments on particular proposed decisions or issues to be shared directly.

Key Principle 10 – participation in pre-policy and pre-decision scrutiny

- 2.23. The practice of bringing decisions for scrutiny shortly before they are taken should be avoided (whilst recognising the need for urgent exceptions). Instead, members should be engaged early in the development stage of a policy so that they can help shape its design and add real value.
- 2.24. A Forward Plan of key decisions is essential. Having regular opportunities to consider this also enables the committee to have a breadth of sight across all the work of the institution and determine those areas for further scrutiny. Moreover, institutions should ensure that there is a culture of the Forward Plan being used appropriately with decisions being placed on the plan well in advance of them being taken.
- 2.25. The committee should also contribute to all policy and strategy development in respect of high-profile complex issues affecting the whole geographical area. As a result, when a report is taken for a decision, the committee's comments and amendments can be highlighted. This may include matters of commercial sensitivity, matters awaiting government approval and

other confidential matters (in line with Access to Information Procedure Rules), that need careful handling and might involve the exclusion of the public.

Case Study – West Midlands Combined Authority (WMCA)

Ahead of the WMCA submitting its deeper devolution deal offer to DLUHC, its overview and scrutiny committee held a series of workshops that undertook a deep dive into each of the offer's key proposals, testing the scope and ambition of each 'ask', and challenging whether the ambition of these proposals were sufficient to address the region's needs. This work resulted in the strengthening of the deal document ahead of its formal adoption by the CA and its constituent authorities.

2.26. To inform their scrutiny of policies and decisions, and using all available evidence or assessments, members should consider the viability of funding sources, financial propriety, and the extent to which the policy or decision being scrutinised is likely to provide value for money.

Key Principle 11 – provision to call in

2.27. The committee should use their power to 'call in' decisions to ensure that any decisions receive further scrutiny where the committee thinks it is necessary. However, good scrutiny should focus on uncovering potential issues with decisions before they need to be called in.

Key Principle 12 – regular performance monitoring

2.28. An initial focus on the institutions' key strategies will enable the committee to understand its priorities, and begin to monitor performance against delivery and ultimately recommend where action is needed, including improvement activity, more quickly. This should be supported by regular reports highlighting the evidential challenges and where further scrutiny could support delivery against a target, including any outcomes that may have been agreed as part of devolution deals.

2.29. However, it is important that performance monitoring does not monopolise the work programme of the committee, but that it is used as a tool to highlight those areas where further scrutiny would be most effective.

Key Principle 13 – robust work programming

2.30. Areas highlighted through the performance monitoring of the institutions' key strategies should formulate the skeleton of the committee's work programme, from which members can then select other areas of interest through a formal report or task and finish exercise where they feel scrutiny could add further value.

2.31. It is important that the work programme remains robust and flexible enough to cope with a dynamic devolution environment where the priorities of the institution change so that scrutiny can be undertaken on policy development as it evolves. A combination of long-term pre-policy scrutiny interspersed with more immediate performance scrutiny will ensure the work programme remains appropriate and can dovetail with the work of the institution.

2.32. Committees should have a clear process by which it develops its work programme, who it will engage as part of its work programme and how it will prioritise what it should undertake further inquiry on. It is expected that committees will take in a wide range of views from the institution itself (officers, the executive or the combined authority or combined county authority), constituent members, partner organisations and residents.

Key Principle 14 – focused task and finish exercises

2.33. The chair and members should consider when it is relevant to focus on an area of the work programme through task and finish activities which can provide the opportunity for 'deep dive' scrutiny that a committee meeting setting often does not allow. This approach is often most valuable when it brings together stakeholders to discuss and debate complex topics but should be member-led and have tangible outcomes that will benefit the work of the institution.

2.34. Determining the scope of the task and finish exercise alongside an agreed timeframe is imperative, as the realm of the topics can often be immense but the decision process to influence is fast paced.

2.35. The number of task and finish reviews should be determined by the strategic priorities highlighted by members and the capacity of the scrutiny function. Task and finish review meetings can be held virtually but their work should be transparent and their final reports and recommendations (at least) must be made publicly available.

2.36. The institution should formally receive task and finish reports following endorsement from the committee and must respond to their clear set of recommendations within two months. The committee should be responsible for monitoring the progress against these recommendations at agreed periods.

Key Principle 15 – strong relationships with stakeholders

2.37. Committees should use their power to invite stakeholders to meetings. These could include members and officers of constituent local authorities, and, in county council areas, their district councils and other local stakeholders should be invited to the committee meeting where the organisation delivering services and utilities is being scrutinised.

2.38. To allow scrutiny to be effective it is crucial that the public can easily understand the work and performance of committees. With this in mind, local journalism plays an invaluable role in the fabric of our society, in supporting communities and in ensuring the provision of reliable, high-quality information. Local news publishers remain uniquely placed to undertake the investigative journalism and scrutiny of public institutions at a local level that is vital to helping ensure a healthy local democracy. Local press and media must therefore continue to be able to play a key role in facilitating public accountability, with opportunities created for them to engage with the committees, its members, and their work and findings.

2.39. As well as building relationships with local press and media, institutions should consider how they use their communications function to publicise the committee, and its members, work, and findings while remaining mindful of the recommended code of practice for local authority publicity.

2.40. For combined authorities and combined county authorities, the work of their committees should complement that of their constituent local authority scrutiny committees rather than

create duplication. It is likely that one set of scrutiny activities will raise points that equally apply or are relevant to the other. Strong relationships, including with other key local stakeholders, should therefore be formed to enable work programmes to be shared and reports presented to the most appropriate committee. There is also a role for members of the committee in ensuring effective links with constituent local authority scrutiny committees through appropriate information sharing and ensuring the interconnection of work programmes.

Key Principle 16 – regular self-evaluation and reflection

- 2.41. Members should come together regularly to reflect and direct their own work programme. This could take place in public during a meeting or informally following a meeting, however space should be created for members to be open and honest about the direction of the work of the committee and to provide an opportunity for regular self-evaluation.
- 2.42. Reflecting on the work of the committee and the resulting outcomes of scrutiny activity should also be undertaken through other methods, including regular round-up bulletins, annual reports, or other publications.
- 2.43. An annual report should be published to broadcast the work of the committee, demonstrating how the committee's work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities and combined county authorities, this should be formally considered by its constituent members. For county councils or unitary authorities, this should be considered at cabinet and full council.
- 2.44. The institution should welcome the continual self-evaluation of the committee but also commit to undertaking its own evaluation exercises, as often as required, to ensure the function remains effective, including seeking feedback from key partners.

Key Principle 17 – access to data, research, and analysis

- 2.45. Committees should use data to improve their knowledge and understanding of their institution's performance, as well as how other institutions are performing to learn lessons and share best practice.
- 2.46. The Office for Local Government (Oflog) will support the improvement of local government performance by fostering accountability through increased transparency. It will provide authoritative and accessible data and analysis about the performance of local government and will publish key data for institutions with devolved powers. This should be considered as part of committee business.

Key Principle 18 – strong relationship with audit committees

- 2.47. Combined authorities and combined county authorities must have an audit committee. Local authorities with a devolution deal should have an audit committee to ensure they maintain robust financial management and controls for accountability to local stakeholders.
- 2.48. Overview and scrutiny committees should work in tandem with the Audit Committee and should be agreeing how to manage shared areas of interest and responsibility. The Audit Committee having responsibility to support and monitor governance, risk management, external and internal audit, financial reporting, control and assurance arrangements. The overview and

scrutiny committee having responsibility for scrutinising decisions the executive, the combined authority or the combined county authority is planning and how they will be implemented.

- 2.49. Although the focus of the overview and scrutiny committee, is different from the audit committee, there are opportunities for the committees to work collaboratively. Work programmes of each committee should be informed by each other's work and recommendations shared where appropriate. Regular meetings should be organised between the chair of audit and the chair of overview and scrutiny to support a better understanding of the committees' outputs, helping to avoid duplication and ensure important areas are not missed.
- 2.50. Audit committees should receive dedicated resource and there should be clear processes in place for their recommendations to be received and responded to as appropriate.
- 2.51. Audit committees should also publish an annual report to broadcast the work of the committee and how its work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities and combined county authorities, this should be formally considered by its constituent members. For county councils or unitary authorities, this should be considered at cabinet and full Council.
- 2.52. The institution should welcome the continual self-evaluation of the Audit Committee but also commit to undertaking its own evaluation exercises, as often as required, to ensure the function remains effective.

3. Additional Scrutiny – Mayor or directly elected leader's Question Time

- 3.1. Mayors and directly elected leaders provide greater democratic accountability by having a single visible leader directly accountable to the public at the ballot box for their performance and the decisions they make.
- 3.2. Mayor's or directly elected leaders' question time should also be organised where the Mayor or directly elected leader takes questions from the public, chaired by an independent person – a local journalist or businessperson for example. These should be held at least every three months.

Annex A – example member role description

Local scrutiny is critical for increasing the accountability of decision makers. It should drive understanding, enhance the performance of services and the outcomes for those people affected by those decisions. It is crucial that members of local overview and scrutiny committees in areas with devolution deals set new standards for holding their institutions to account for delivery as well as playing a critical role in policy and strategy development.

This description provides information about the role and responsibilities of an overview and scrutiny committee member. It should be used when deciding which members to nominate to the committee. The information should also be used by overview and scrutiny committee members to understand their role and the responsibilities that they hold as members of the committee.

SKILLS AND EXPERIENCE

Overview and scrutiny committee members and substitute (pool) members should be able to:

- Understand the whole geographical area strategic priorities as set out in the strategy for the combined authority/local authority.
- Think critically about the combined authority/combined county authority/local authority's proposed policies and its performance across a variety of measures.
- Work constructively with public and/or private sector partners to drive improvement of both policy and performance.
- Confidently scrutinise combined authority/combined county authority/local authority members, officers, and the mayor/directly elected leader.

RESPONSIBILITIES OF MEMBERS

Overview and scrutiny committee members and substitute (pool) members are expected to:

- Attend any appropriate induction and training sessions for the role, which will develop members' knowledge of the area's ambitions as well as the challenges that the area faces.
- Attend formal scrutiny meetings regularly. There is also an expectation that members will take part in the work of task and finish groups.
- Use their knowledge and experience to constructively scrutinise issues that come before the committee.
- Collaborate with other members to effectively scrutinise important matters in appropriate depth, including convening task and finish groups to investigate specific areas in more depth.
- In combined authority and combined county authority areas, engage with their respective constituent local authorities to ensure that information is circulated between the local authorities and the combined authority or combined county authority.
- Carry out their duties in accordance with the scrutiny rules of procedure and the members code of conduct as set out in their constitution.

ADDITIONAL RESPONSIBILITIES OF THE CHAIR

The chair of the committee is expected to take on additional responsibilities, which include:

- Working with officers to develop the work programme on behalf of the committee, taking into account the upcoming work of the combined authority/combined county authority/local authority and areas where scrutiny must be carried out.
- Chairing committee meetings effectively so that members can carry out their roles efficiently.
- Facilitating strong team-working between committee members during formal meetings, informal meetings, and task group meetings.
- Monitoring the progression of task and finish groups established by the committee.
- Attendance of combined authority, combined county authority or local authority cabinet meetings in order to feedback recommendations and comments of the overview and scrutiny committee.



Overview & Scrutiny Committee

Date	29 January 2024
Report title	Grant Register
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: laura.shoaf@wmca.org.uk Tel: (0121) 214 7444
Accountable Employee	Linda Horne, Executive Director of Finance and Business Hub Email: linda.horne@wmca.org.uk Tel: (0121) 214 7508
Report has been considered by	Executive Board – 10 January 2024

Recommendation(s) for action or decision:

The Overview and Scrutiny Committee is recommended to:

- (1) note and comment on the grant register.

1. Purpose

This paper provides an update on the grant register. This contains all current 'live' grants where the WMCA is the accountable body and captures a comprehensive total of grants, awarding body, time period for delivery and a description of what the grant delivers.

2. Background

The grant registers are attached as an appendix to this report.

Since the last report the following new grants have been awarded to WMCA:

- £100m Housing & Regeneration Fund as part of the Deeper Devolution Deal.
- £26.8m from DfE for Bootcamp skills training.
- £6.2m from DESNZ to design a net zero accelerator model which covers energy, transport and building decarbonisation.

- £2.6m from DfT as additional Pothole funding for the region as part of the Network North announcement.
- £1.7m as revenue funding to support cycling and walking schemes.
- £0.5m from DfT to fund TfWM providing advice to the five local transport authorities, who will be responsible for the delivery of the pilot programme for tackling anti-social behaviour on public transport.

3. Strategic Aims and Objectives

Grant funding is instrumental in the WMCA being able to deliver on its Aims and Objectives.

4. Financial Implications

There are no financial implications arising from accepting the recommendations in this report. The update on the grant register is provided for transparency purposes.

5. Legal Implications

There are no legal implications as a direct consequence of this report.

6. Single Assurance Framework Implications

The relevant SAF process will be followed as necessary.

7. Equalities Implications

There are no specific equality implications from this update report. However, individual grant funded schemes and initiatives will be subject to equality impact assessments to ensure key equality and inclusion considerations have been embedded.

8. Inclusive Growth Implications

Not applicable for this report.

9. Geographical Area of Report's Implications

None arising from this report.

10. Other Implications

No other implications have been identified.

11. Schedule of Background Papers

Grant Register

Revenue Grant Register

Grant Name	Provider	Start Date	End Date	Total Grant Awarded in Full	Notes
B SOG	DfT	Annual		1,792,259	A discretionary grant paid to operators of eligible local bus services to help them recover some of their fuel costs.
Emergency Active Travel Fund	DfT	Aug-20	Mar-23	3,765,980	Phase 1 of Active Travel Fund to support temporary walking and cycling schemes in response to Covid 19 pandemic
Intra-City Transport Settlements	DfT			8,900,000	Intracity Prep Fund (now CRSTS)
Cycling for Everyone	DfT	Nov-21	Nov-22	2,000,000	Cycling for Everyone
Supported Bus Services	DfT	Apr-20		879,836	Provided to as revenue support to help provide more bus services in areas by improving current services, restoring lost services or supporting new services
Bus Capacity Grant	DfT	Apr-20		100,000	Funding to support LTAs in developing local bus proposals as outlined in the National Bus Strategy (NBS), in particular, it is being offered to help LTAs towards the development of their Enhanced Partnership Schemes(EPS) or franchising scheme, and Bus Service Improvement Plans (BSIP) work, and to meet the timescales that go alongside that work.
AEB Devolution	DfE	Annual		131,875,523	Devolved budget from DfE for delivery of adult education (19+) in West Midlands region
Adult Education Budget Level 3	DfE	Annual		10,954,673	Devolved budget from DfE for delivery of level 3 education offer open to adults without an existing L3 qualification in West Midlands
Technical Bootcamps	DfE	Apr-22	Mar-23	11,250,000	Technical bootcamps 22-23 allocation of £11.25m in priority sectors of digital, technical, construction, green and HGV – with 10% to be used flexibly in other areas: Health and Social Care (inc Life Sciences); Creative Industries; Hospitality; Leadership and Management; Professional Services (inc Finance).
Tackling Loneliness through Transport Fund	DfT	May-22	May-23	460,469	The TLwT Fund offers grant funding to the public and charity sectors to run pilot transport schemes that aim to reduce loneliness. The pilots will be measured and evaluated rigorously, enabling DfT to understand more about how transport can be used to help reduce loneliness and to share these findings with organisations within and outside government.
Black Country Cultural Capital Development	Arts Council England	Apr-22	Mar-25	725,000	This grant is specifically marked to be spent in the Black Country, with the aim to support development of future cultural sector capital projects within Sandwell, Walsall, Wolverhampton and Dudley. The grant activity will specifically focus on developing capital project feasibility studies and business cases, together with some support resources for cultural organisation.
DLUHC - Rough Sleeping Initiative	DLUHC	Apr-22	Mar-25	1,491,707	3 year settlement to allow Authorities to build on the progress of previous funding interventions, moving increasingly from a focus on intervention to supporting long term recovery and preventing rough sleeping.
Multiply	DfE	Apr-23	Mar-24	5,849,000	Multi year grant allocation of 16.7m total funding over 3 years. Amount shown here is for year 1 only. Grant supports literacy and numeracy skills development activities in line with investment plan submitted to HMG
Bus Service Improvement Plan	DfT	Apr-23	Mar-24	36,686,987	Multi year grant allocation of £87.8m total funding over 3 years. Amount shown here is for year 2 only. Grant supports transformation activities to support bus service improvement in line with investment plan submitted to DfT.
UK Shared Prosperity Fund (2022/23)	DLUHC	Apr-22	Mar-23	7,175,415	UKSPF is a central pillar of this government's levelling up agenda, and replacement funding for the European Union Structural Funding. Funds will be spent in line with the investment plan submitted to government.
UK Shared Prosperity Fund (2023/24)	DLUHC	Apr-23	Mar-24	13,536,117	
Technical Bootcamps Wave 4	DfE	Apr-23	Mar-24	10,605,000	Continued support for Bootcamp activity. Amount reflects current amount confirmed via grant letter but total allocation is confirmed as £15.15m.
Thrive into Work	DWP	Feb-23	Mar-25	7,936,260	Continued support for existing Thrive into Work employment scheme.
Active Travel Capability Fund	Active Travel England	Jan-23	Jan-24	3,456,000	To support the better design, planning and development of cycling, wheeling and walking schemes in the region.
Local Government Cyber Security Resilience Fund	DLUHC	Jan-23		175,000	To support digital and data requirements in this area
Air Quality Grant 22/23	DEFRA	Apr-23	Mar-25	778,531	Provision of sensors that monitor air particles PM2.5 and PM10.
Create Central	BFI	Apr-23	Mar-26	1,000,000	National Lottery Funding to support screen production workforce development and training
Place Pilot	DLUHC	Nov-22	May-24	500,000	Grant to support the realisation of efficiencies across the public estate, and also unlock opportunities to release land held by central and local government. It builds on the strength of the One Public Programme and pilots a place-based approach to strategic asset management. Funding can be allocated for purposes such as data analysis and mapping, undertaking feasibility studies, masterplanning, seed funding to initiate opportunities, programme coordination, etc.
Levelling Up Capacity Grant	DLUHC	Apr-22	Mar-23	625,000	Following successful bid to DLUHC on 24/02/2023, the grant has provided funding to build the necessary capacity and capability support infrastructure to support local authorities within the MCAs geographical area to deliver their capital projects. A further 2 years of funding will be made available, subject to delivery of outcomes outlined in the proposal to DLUHC.
Local Transport Fund- Bus Recovery Fund extension	DfT	Apr-23	Jun-23	6,087,372	March Board report indicated that Government had extended the funding for support of the bus network to June 2023 in light of the challenges that the sector continues to face. This report confirms the value
Cycling facilities (velodrome)	DfT	May-23	Maximum term of 7 years specified	40,000	Grant to fund expert consultants to determine whether there is a business case for specialist cycling facilities in the West Midlands. The consultancy will make recommendations to a Cycling Facility Advisory Group chaired by the WM Walking and Cycling Commissioner as to whether there is a strategic, site allocation; business, commercial, management and financial business case(s) for such facilities.
One Public Estate Opportunity Development Fund	DLUHC	Apr-23	Not specified	140,000	The Opportunity Development Fund (ODF) will fund a comprehensive forward-looking assessment of the region's public estate. The assessment will identify pipeline opportunities for land release to deliver new homes, employment, health and community space alongside wider inclusive growth benefits.
Events Screening	DCMS	May-23	May-23	45,000	Department for Digital, Culture, Media & Sport grant of £30k for coronation screening events across the region plus £10k for the Eurovision screening,
Local Nature Recovery Strategies (LNRS) Preparation	DEFRA	Apr-23	Mar-24	126,956	To fund the costs of developing and preparing the Local Nature Recovery Strategy which will outline proposals for how and where to recover nature and improve the wider environment. This grant forms the first year of two years of funding for LNRS preparation. The second year of funding will be distributed in 2024/25, pending review of LNRS progress by Defra. There is no restriction on funding being carried over to the next financial year, and the grant is not ring-fenced.
Careers & Enterprise Company	Careers & Enterprise Company (CEC)	Sep-23	Aug-24	1,244,863	Funding for Careers Hub to improve careers provision in schools and colleges. Matched funding to be provided by WMCA

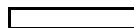
West Midlands Business Energy Assessment Service (BEAS)	DESNZ	Apr-23	Mar-25	9,109,772	Pilot funding for energy assessment audits and roadmaps for SMEs in both the industrial and commercial sectors across the ITL 1 area of the West Midlands
Sport England Solicited Grant	Sport England	Apr-23	Mar-25	2,500,000	An agreed Wellbeing Board Sport England Lottery workstream which includes: a Commonwealth Games collaborative leadership programme for the Physical Activity system, Black Country Moving (placed based funding with grant agreement to Black Country Consortium Limited), Include Me West Midlands (an ongoing work programme consisting secondment to manage work to address identified barriers preventing disabled people getting active e.g. transport), a regional action commitment, citizen voice and a Public Space Design trial and learn programme. Negotiations started in developing a 5-7 year partnership to deliver twin strategic priorities.
Biodiversity Net Gain	DEFRA	Apr-23	Mar-24	26,807	To deliver measures that prepare for applying at least a 10% biodiversity net gain to developments. Biodiversity net gain delivers measurable improvements for biodiversity by creating or enhancing habitats in association with development. Grant must be fully spent by the end of financial year.
Bootcamp wave 5	DfE	Apr-24	Mar-25	26,794,280	Equip adults with technical skills that enable them to access in-demand jobs, apprenticeships (and for the self-employed, new opportunities) leading to increased income and productivity
National Antisocial Behaviour Action Plan	DfT	Jan-24	Mar-25	450,000	One of our Corporate priorities this year is to be an ambitious, forward thinking and determined organisation, which this bid aligns to and it support the deliver of Aim 3.1. Within the National Antisocial Behaviour Action Plan the DfT committed to making public transport safer, building on the model seen in the West Midlands by piloting an expansion to the TSOs with up to £2.5m additional funding – specifically – trained staff to deal with low level nuisance and disorder, who target hotspot routes and locations. Consequently, the DfT is commissioning TfWM to provide advice to the five local transport authorities, who will be responsible for the delivery of the pilot programme.
Capability & Ambition fund	DfT			1,700,000	Revenue funding for Cycling & Walking tranche 2.
Campos + (Place Based Decarbonisation Accelerator)	DESNZ	Mar-24	Mar-26	6,200,000	Deliver a Place-Based Net Zero Accelerator project that will build on the work done in Phase 1 of Project CAMPOS. The objective set by Government is to design a net zero accelerator model which covers energy, transport and building decarbonisation as a minimum and design investment model(s) to attract private investment - which is scalable, replicable and which leads to contracted or secured investment partners capable of delivering at scale by circ. March 26. Delivery will commence shortly after, if not before.

Specific Revenue/Devo Grants

Devo Deal Grant	MHCLG	Annual		36,500,000	Devolution Grant Deal (Investment Programme)
MHCLG - Office for Data Analytics	MHCLG	Apr-18	No end date	800,000	Devolution funding to support operational activities of ODA
Devo Housing Package	MHCLG	Apr-17		6,000,000	Revenue grants to support capital housing grant activity delivery
Brownfield Housing Fund	MHCLG	Apr-20		2,826,498	Revenue grants to support capital housing grant activity delivery
One Public Estate	LGA		Apr-22	1,246,141	Support OPE activity - drawn down by partners delivering OPE activity as required.

Other Revenue Contributions

MHCLG -Brexit	MHCLG	Apr-18	No end date	1,375,059	
IPS Programme	DWP	Mar-17	Jun-22	2,059,911	



Capital Grants Register

Grant Name	Provider	Date of grant Award Letter	Total Grant Awarded in full £	Notes
DIT - Major Scheme (Eastside / Edgbaston)	DIT	Apr-19	£ 187,559,779	Midland Metro Extensions
ITB WMCA	DIT	Apr-21	£ 17,755,000	Annual rolling settlement from DIT, rolled into CRSTS from 22/23. Funding is distributed to WMCA and all & LAs on a formula basis which is agreed locally. The 21/22 annual value only is shown here.
Road National Productivity Investment Fund (NPIFF)	DIT	Sep-17	£ 17,055,000	National Productivity Investment Fund including projects in Birmingham (Growth Point Public Transport Package), Walsall (Economic Growth and Infrastructure Project) and Solihull (Strategic Cycle Network)
Clean Bus Technology	DIT	Feb-18	£ 5,987,750	Projects that work with bus operators or technology providers to retrofit buses to reduce emissions
Transforming Cities Fund	DIT	Annually	£ 250,000,000	The purpose of the Transforming Cities Fund is to boost productivity, transform intra-city connectivity and reduce congestion through investment in public and sustainable transport in the West Midlands. No detailed constraints as to what it can be spent on, but the WMCA should have regard to the national objectives of the Fund. Programme agreed Nov 2018. Additional £71.5m TCF2 now funded through CRSTS)
Joint Air Quality	DIT	Jan-19	£ 3,456,520	Fund retrofit buses with kits that tackle exhaust emission in Birmingham
Association of Directors Environment Economy, Place & Travel (ADEPT) Live Labs	DIT	Jul-19	£ 2,650,000	Network Resilience Live Lab funding covering the transport network to build up a detailed picture of traffic and transport movements around the region through collection of data
Opening LA Transport Data Competition	DIT	Pre 18/19	£ 100,000	Data / Technology
Future mobility Zones	DIT	Jun-19	£ 20,000,000	The purpose of the Future Mobility Zones is to: trial new transport services modes and models, creating a functioning marketplace for mobility that combines new and traditional modes of transport; improve integration of services; increase the availability of real-time data; and provide access to digital planning and payment options. The fund also aims to explore options for: providing mobility credits, or other low-cost options, for lower income households; and delivering efficiencies through shared (dynamic) demand responsive transport.
TIWM Bus Priority	DIT	Jul-20	£ 24,225,000	Funding bus priority measures in Birmingham City Centre and between Dudley and Druids Heath.
Emergency Active Travel Fund	DIT	Nov-20	£ 13,182,667	Phase 2 of Active Travel Fund to support longer term walking and cycling schemes (Phase 1 classed as revenue grant)
Active Travel Fund (Tranche 3)	DIT	Mar-22	£ 17,250,000	Phase 3 of Active Travel Fund to support longer term walking and cycling schemes
All Electric Bus Town Competition (Coventry) (AEBT)	DIT	Mar-21	£ 50,000,000	Coventry All Electric Bus City project
Zero Emissions Bus Regional Areas (ZEBRA)	DIT	Mar-22	£ 30,383,250	Grant to deliver 124 hydrogen buses plus associated infrastructure in the region
City Region Sustainable Transport Summary (CRSTS)	DIT	Apr-22	£ 1,050,000,000	Supporting inclusive economic growth, provide better connections between places and encourage more people to use sustainable and zero-carbon transport
West Midlands Land Fund	MHCLG	Apr-18	£ 100,000,000	Quarterly reporting to MHCLG as part of the grant. This is against the outputs specific to Housing of 8,000 homes and the wider West Midlands target of 215,000 homes by 2031, which includes outputs from the Local Authorities
Brownfield Housing Fund	MHCLG	Apr-20	£ 125,381,582	Quarterly reporting to MHCLG on the outputs of this grant. Deliver between 7,714 and 9,773 homes.
Brownfield Housing Fund Extension	MHCLG	Mar-22	£ 17,350,000	Extension agreed to the Brownfield Housing Fund March 2022.
Sustainable Warmth Competition	BEIS	Mar-22	£ 2,600,000	Upgrade homes to a target energy efficiency rating
BEIS Social Decarbonisation Fund	BEIS	Feb-22	£ 6,174,205	Improve the energy performance of social rented homes
Metro Birmingham Eastside Extension	EZ	n/a	£ 18,000	Enterprise Zone funding
University Hospital Birmingham - University Station	3rd Party	Aug-20	£ 5,000,000	Delivery of University Station build.
Rail Network Enhancement Pipeline (RNEP) Funding	DIT	Oct-21	£ 39,650,000	Rail Station Development-Package 1 Walsall - Wolverhampton
Rail Network Enhancement Pipeline (RNEP) Funding	DIT	Oct-21	£ 19,350,000	Rail Station Development-Package 2 Camp Hill
PB - Highways England	Highways England	n/a	£ 86,400	Relates to HS2 Modelling Framework
Public Realm Schemes	BCC	Jun-22	£ 606,543	Enhance public realms for Commonwealth Games
A435 Alcester Rd Bus Priority Revitalisation	BCC	21/22	£ 154,000	A435 Alcester Rd Bus Priority Revitalisation
Clear Air Zone	BCC	Mar-22	£ 5,218,000	Rail Station Development-Package 2 Camp Hill
Rail Development	Walsall MBC	21/22	£ 68,000	Rail Station Development-Package 1 Walsall - Wolverhampton
Air Quality	Defra	Mar-22	£ 990,000	Develop and/or implement measures that deliver air quality benefits in the near future (one to two years), projects which develop solutions over the longer term by increasing awareness to encourage behavioural changes, and new, innovative ideas if they will successfully and as closely as possible meet the needs and objectives of the Applicant's local area.
LA - Birmingham	LA	n/a	£ 14,279,629	Rail funding = £8,983m: BCC funding for Perry Barr = £5,083m BCC funding for University = £3,9m BCC funding for Package 2 = £5,2m
UK Shared Prosperity Fund - capital element	DLUHC	Dec-22	£ 8,900,000	Capital allocation for 22/23 of UKSPF Fund. Permission has been sought from grant providers to carry forward £5.7m of UKSPF into 2023/24
UK Shared Prosperity Fund - capital element	DLUHC	Aug-23	£ 7,922,222	Capital allocation for 23/24 of UKSPF Fund.
Social Housing Fund	DLUHC	Feb-23	£ c14,900,000	Working with local authorities and registered housing provider for repairs and improvements to properties to raise homes to 'Decent Homes Standard'. Works may include insulation, replacement of doors and windows, roofing repairs, reduction of mould and damp and repairs/replacements to ineffective heating systems.
Air Quality Grant 22/23	DEFRA	Feb-23	£ 140,000	Provision of sensors that monitor air particles PM2.5 and PM10.
ADEPT LIVE LAB 2 - Highways CO2laboration centre	DIT	Feb-23	£ 4,035,000	The UK CO2laboration Centre of Excellence for Materials Decarbonisation will be a single centre based across two campuses: a physical centre based in Birmingham and a virtual centre hosted by North Lanarkshire Council. It will provide a centralised hub for research and innovation for the decarbonisation of local roads materials, developing a knowledge bank, real-life conditions testing and sharing and learning insights.
CCAV - MACAM	Innovate UK	Nov-23	£ 1,485,000	Part of wider automated public transport demonstrator project to prove viability of services.

CCAV - EBNS Feasibility Study	Innovate UK	Nov-23	£	55,000	Feasibility project looking at how Connected and Autonomous Mobility technologies could be used in East Birmingham and North Solihull. Part of larger project.
Social Decarbonisation Fund (Wave 2.1)	DESNZ	Mar-23	£	17,776,915	Funding to make homes more energy efficient through retrofitting with better insulation, new doors and windows and greener heating systems. This will be matched by further £35 million from registered social housing providers across the region to benefit approximately 3000 homes.
Homes Upgrade Grant	DESNZ	Mar-23	£	16,000,000	Retrofit off gas grid homes in Birmingham, Dudley and Sandwell, Dudley. The bid was part of the Midlands Net Zero Hub consortium that successfully bid for £140 million for the wider Midlands area.
DLUHC Capital funding	DLUHC	Feb-23	£	25,900,000	Grant to support delivery of the following schemes: i. The extension to the West Midlands Metro network that will link Dudley and Brierley Hill via Line One to Wolverhampton and Birmingham ii. The extension of the Wolverhampton Metro iii. A package of works to renew life-expired sections of key systems on Metro Line One iv. Funding for the renewal of University station v. The provision of digital devices through the Connected Services Project
Highways Maintenance Funding	DfT	Mar-23	£	3,617,000	For Additional Highways Maintenance and Pothole repair announced within the Central Government 2023 Budget Statement
Local Investment in Natural Capital Programme	DEFRA	Mar-23	£	1,000,000	DEFRA funding to support the establishment of a natural environment investment fund.
Active Travel Fund (Tranche 4)	DfT	Mar-23	£	12,608,201	Phase 4 of Active Travel Fund to support longer term walking and cycling schemes
Live Labs Capital funding	DfT	Jun-23	£	3,617,200	To fund the Transport for West Midlands Live Labs project which is exploring ways to decarbonise local highways infrastructure in the region
Local Transport Capital Block Funding (Pothole Fund)	DfT	Jul-23	£	1,614,000	Capital grant for repairs of potholes across the region. Announced as part of the 2023 budget
West Midlands Business Energy Assessment Service (BEAS)	DESNZ	Sep-23	£	5,000,000	Overall objective is national energy productivity, supply chain resilience and global competitiveness. High volume (2-4000) of well-targeted and tailored energy efficiency interventions in small and mid-sized energy-exposed businesses. The emphasis is on data and evaluation, diversity of sectors and variety of interventions. To include resource efficiency advice, identifying the most cost-effective ways for government to address market barriers, permanently mitigate impacts of the energy cost crisis and increase UK economic and supply chain resilience.
Pothole Funding	DfT	Dec-23	£	2,586,000	As part of the Network North announcement, WMCA has been awarded an additional Pothole Funding for local highways maintenance for 2023/24 and 2024/25. This will be passported in full to local authorities
Single Regeneration Fund	DLUHC	Dec-23	£	100,000,000	Part of the Deeper Devolution Deal, will support WMCA to use brownfield land funding to not only deliver 4,000 homes, but also to deliver commercial, employment land and mixed-used developments



WMCA Overview & Scrutiny Committee - Work Programme

Title of Report	Date of Meeting	Portfolio Lead	Employee to Contact
Brownfield Land Remediation Fund – Scrutiny Review: Report of the Review Panel To consider the findings of the review panel and to make any further recommendations to the appropriate body.	4 March 2024	Councillor Ian Courts Housing & Land Portfolio Lead	Ben Coleman Rob Lamond
Commonwealth Games Legacy Enhancement Fund - Monitoring & Evaluation To consider the monitoring and evaluation process and scrutiny's role.	4 March 2024	Councillor Bob Sleigh Finance Portfolio Lead	Cat Orchard
Overview & Scrutiny Committee 23/24: Reflections and Future Ways of Working 24/25 To reflect on the work of the committee during 23/24 and to propose any future items of business, changes or improvements that could be introduced during 2024/25.	4 March 2024	-	Dan Essex Lyndsey Roberts
Grant Register To receive and review the Grant Register and to make any recommendations to the WMCA Board.	4 March 2024	Councillor Bob Sleigh Finance Portfolio Lead	Kate Taylor

<p>Skills Scrutiny Review: Progress Report on the implementation of the recommendations arising from the review</p> <p>To review the progress being made on the implementation of the recommendations of the Overview & Scrutiny Committee that were supported by the Skills Advisory Board on 25 September 2023.</p>	July 2024	Councillor George Duggins Skills & Productivity Portfolio Lead	Clare Hatton
<p>Performance Against the WMCA's Annual Business Plan</p> <p>To consider the performance of the WMCA against the Annual Business Plan and consider whether to make any further recommendations to the WMCA Board</p>	July 2024	-	Fiona Bebbington Jaspal Seehra
<p>Grant Register</p> <p>To receive and review the WMCA's Grant Register and to make any recommendations to the WMCA Board</p>	July 2024	Councillor Bob Sleigh Finance Portfolio Lead	Kate Taylor
<p>Grant Register</p> <p>To receive and review the WMCA's Grant Register and to make any recommendations to the WMCA Board</p>	September 2024	Councillor Bob Sleigh Finance Portfolio Lead	Kate Taylor
<p>Members Workshop: WMCA Policy Matters</p> <p>A workshop to prepare members for the forthcoming Mayoral Q&A on WMCA Policies</p>	October 2024	-	Dan Essex Lyndsey Roberts
<p>Mayor's Question Time: Policy</p> <p>A Q&A with the Mayor on WMCA Policy Matters</p>	October 2024	-	Dan Essex Lyndsey Roberts
<p>Grant Register</p>	November 2024	Councillor Bob Sleigh	Kate Taylor

To receive and review the WMCA's Grant Register and to make any recommendations to the WMCA Board		Finance Portfolio Lead	
Budget Workshop: Joint Overview & Scrutiny Committee			
A joint Overview & Scrutiny workshop to prepare members from the Overview & Scrutiny Committee and Transport Delivery Overview & Scrutiny Committee for the forthcoming Mayoral Q&A	December 2024	Councillor Bob Sleigh Finance Portfolio Lead	Linda Horne Lyndsey Roberts
Joint Overview & Scrutiny Committee: Mayoral Q&A – Proposed Draft Budget			
A Q&A with the Mayor and Portfolio Lead for Finance on the proposed draft budget	December 2024	Councillor Bob Sleigh Finance Portfolio Lead	Linda Horne Lyndsey Roberts
Performance Against the WMCA's Annual Business Plan			
To consider the performance of the WMCA against the Annual Business Plan and consider whether to make any further recommendations to the WMCA Board	January 2025	-	Fiona Bebbington Jaspal Seehra
Grant Register			
To receive and review the WMCA's Grant Register and to make any recommendations to the WMCA Board	January 2025	Councillor Bob Sleigh Finance Portfolio Lead	Kate Taylor
Overview & Scrutiny Committee 24/25: Reflections and Future Ways of Working 25/26			
To reflect on the work of the committee during 24/25 and to propose any future items of business, changes or improvements that could be introduced during 2025/26	March 2025	-	Dan Essex Lyndsey Roberts
Grant Register			
	March 2025	Councillor Bob Sleigh	Kate Taylor

To receive and review the WMCA's Grant Register and to make any recommendations to the WMCA Board		Finance Portfolio Lead	
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West Midlands Combined Authority

Forward Plan

Forthcoming key decisions

Title of key decision:	Decision to be taken by and date:	Open or Exempt:	Portfolio Lead	Employee to contact:
Regional Activity & Delivery Update To receive an update on the latest activities of the WMCA.	WMCA Board 12 January 2024	Open	Andy Street Mayor	Laura Shoaf Chief Executive of the West Midlands Combined Authority
WMCA Draft Budget 2024/25	WMCA Board 12 January 2024	Open	Councillor Bob Sleigh Finance Portfolio Lead	Beverly Sullivan, Sally Truman Financial Planning and Coordination Manager, Lead Financial Planning Accountant
Financial Monitoring Report 2023/24 Financial Monitoring Report 2023/24 for January 2024 Board	WMCA Board 12 January 2024	Open	Councillor Bob Sleigh Finance Portfolio Lead	Beverly Sullivan, Sally Truman Financial Planning and Coordination Manager, Lead Financial Planning Accountant
European Athletics Championships To consider an update on the latest developments with this issue.	WMCA Board 12 January 2024	Open	Councillor Bob Sleigh Finance Portfolio Lead	
Constitution To seek delegated authority to update the constitution as a result of the transfer of Police & Crime Commissioner powers to the WMCA in May 2024.	WMCA Board 12 January 2024	Open	Andy Street Mayor	Helen Edwards Director of Law and Governance

<p>West Midlands Digital Roadmap 2024-2027 This is the update WMCA's initial Digital Roadmap that was developed in 2021. The SENZ directorate are producing an update to the Roadmap which reflects how the WMCA has heightened its ambitions for for digital and how it will work with partners to overcome regional challenges and take advantage of existing and emerging opportunities.</p>	<p>WMCA Board 12 January 2024</p>	<p>Open</p>	<p>Councillor Patrick Harley Culture & Digital Portfolio Lead</p>	<p>Mike Lewis Strategic Lead – West Midlands Digital Roadmap</p>
<p>WMCA Budget 2024/25 To present the proposed 2024/25 budget for approval</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor Bob Sleigh Deputy Mayor</p>	<p>Beverly Sullivan, Sally Truman Financial Planning and Coordination Manager, Lead Financial Planning Accountant</p>
<p>Skills Bootcamps Change Request To seek approval of a business justification case for a change in the activity that would be delivered in respect of the Skills Bootcamp Provision from 1 April 2024.</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor George Duggins Skills & Productivity Portfolio Lead</p>	<p>Louise Phipps Senior Delivery Manager- Higher Level Skills</p>
<p>Employment & Skills Strategy for Deeper Devolution</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor George Duggins Skills & Productivity Portfolio Lead</p>	
<p>State of the Region State of the Region for the West Midlands in 2024</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Andy Street Mayor</p>	<p>Si Chun Lam Head of Research, Intelligence and Inclusive Growth</p>

<p>Homes for the Future Strategy To consider and approve the Homes for Future Strategy</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor Ian Courts Housing & Land Portfolio Lead</p>	<p>Mia Higgins, Tanya Patel, Leo Pollak Programme Support Officer, Governance Services Officer, Head of Policy</p>
<p>Faith Strategic Partnership Board - Faith Covenant To agree the proposed Faith Covenant.</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor Kerrie Carmichael Inclusive Communities Portfolio Lead</p>	
<p>Penalty Fare Bye-Laws for the Midland Metro To agree new bye-laws governing penalty fares on the Midland Metro.</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Councillor Mike Bird Transport Portfolio Lead</p>	
<p>Arrangements for Mayoral Question Time with MPs To agree the arrangements for mayoral question time sessions with the region's MPs.</p>	<p>WMCA Board 9 February 2024</p>	<p>Open</p>	<p>Andy Street Mayor of the West Midlands</p>	
<p>WMCA Financial Monitoring Report - March 2024 To update on the latest financial position</p>	<p>WMCA Board 15 March 2024</p>	<p>Open</p>	<p>Councillor Bob Sleight Deputy Mayor</p>	<p>Beverly Sullivan, Sally Truman Financial Planning and Coordination Manager, Lead Financial Planning Accountant</p>
<p>Investment Zones and Levelling Up Zones To consider the latest position.</p>	<p>WMCA Board 15 March 2024</p>	<p>Open</p>	<p>Councillor Stephen Simkins Economy & Innovation Portfolio Lead</p>	
<p>Skills Funding To consider the latest position regarding skills funding.</p>	<p>WMCA Board 15 March 2024</p>	<p>Open</p>	<p>Councillor George Duggins Skills & Productivity Portfolio Lead</p>	<p>Dr. Fiona Aldridge Head of Insight & Intelligence</p>

Zero Emission Bus Regional Area (ZEBRA) Update To provide an update on the latest ZEBRA developments.	WMCA Board 15 March 2024	Open	Councillor Mike Bird Transport Portfolio Lead	
Black Country Innovative Manufacturing Organisation To consider the latest BCIMO update.	WMCA Board 15 March 2024	Open	Councillor Mike Bird Transport Portfolio Lead	
WMCA's Overview & Scrutiny Committee and Transport Delivery Overview & Scrutiny Committee - Progress Update To provide a quarterly summary of the activity of work of the WMCA's overview and scrutiny function, as required by the Deeper Devolution Deal.	WMCA Board 15 March 2024	Open	Andy Street Mayor	Lyndsey Roberts Scrutiny Officer
Ring & Ride Update To provide an update on the latest activity.	WMCA Board 19 July 2024	Open	Councillor Mike Bird Transport Portfolio Lead	Pete Bond Director of Integrated Transport Services
Bus Options Report To consider options for the future delivery of the region's bus network.	WMCA Board 19 July 2024	Open	Councillor Mike Bird Transport Portfolio Lead	

The Forward Plan

This document sets out known 'key decisions' that will be taken by the West Midlands Combined Authority (WMCA) over the coming months.

Forthcoming key decisions are published online to meet the statutory 28 day notification rule for each meeting where a key decision will be taken. Where it has not been possible to meet the 28 day rule for publication of notice of a key decision or an intention to meet in private, the relevant notices will be published as required by legislation as soon as possible.

What is a key decision?

A 'key decision' means a decision of the Mayor, WMCA or officer which is likely:

- (a) to result in the WMCA incurring expenditure, making savings or generating income amounting to £1m or more; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the WMCA

The report relating to a decision, together with any other documents being considered, will be available five clear working days before the decision is to be taken (unless the documentation contains exempt information).

The forward plan also provides notice of when the WMCA may decide to exclude the press and public during consideration of a particular matter due to the potential for disclosure of confidential or exempt

information. The grounds upon which local authorities can exclude the press and public are specified by law and details of the exempt categories are available on request from the Governance Services team (governance.services@wmca.org.uk).

Councillors or members of the public wishing to:

- make a representation about why a matter should be heard in public, or
- submit information to the decision-making body about an item in the forward plan, or
- request details of relevant documents, or
- seek advice about the WMCA's decision-making arrangements,

should contact the Governance Services team: governance.services@wmca.org.uk

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