

Covid-19: Economic recovery asks and funding

- Of the 31 asks in ‘Recharge the West Midlands’, 26 of which have been either allocated funding or are in policy areas where we believe the Government has allocated money (e.g. through the November Spending Review, Winter Economic Plan, or 2021 Budget).
- In addition to the schemes which were part of our £3.2 billion recovery plan, we estimate the Government has provided **c£10.5bn of further support** for the West Midlands over the last 12 months through schemes like grants for small businesses, furlough and additional funding for councils.

The tables below outline Government funding announcements related to:

- Table 1 - Specific projects and priorities in the ‘Recharge the West Midlands’ proposition. Those secured and with a clear local/regional delivery route are **in bold**, to distinguish from measures delivered by other/national means.
- Table 2 - Other Government funding providing emergency economic support.

Table 1 – Funding related to ‘Recharge the West Midlands’

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
<p>Create green manufacturing jobs</p> <ul style="list-style-type: none"> • Project GREAT (£85m) • Gigafactory (£250m) • EV charging (£35m) • Very Light Rail - VLR (£114m) • Fuel poverty and regional retrofit programme (£100m) • Repowering the Black Country (£30m) 	<ul style="list-style-type: none"> • Verbal support for the Gigafactory proposal – the Prime Minister said: “the whole of the West Midlands is now a global centre of battery technology and batteries for EVs and that is the vision of Mayor Andy Street, and we will back that vision”. Government set aside £500m towards a UK Gigafactory and joint venture partnership established between Coventry City Council and Coventry Airport Ltd. • £1bn national Automotive Transformation Fund. • £500m national programme for electric vehicle charging. • £14.115m for VLR schemes in Dudley and Coventry [GBF]. • A national £2bn "green homes grant" programme to help make homes more energy efficient and £1bn to improve energy efficiency of public buildings. • Repowering the Black Country was one of six projects funded through the Industrial Decarbonisation Challenge in January 2021 (£1m). • Budget 2021: £68m UK-wide funding to implement energy storage prototypes and technology demonstrators.
<p>Maximise job creation</p> <ul style="list-style-type: none"> • UK Central (£95m) • Curzon Street / Digbeth (£131m) • Cultural Catalyst (£80m) 	<ul style="list-style-type: none"> • £9.96m for completing the cultural capital project in Coventry and the Commonwealth Games economic legacy for the Ricoh Arena [GBF]. • £23.3m for cultural assets from the Cultural Recovery Fund • £3m from GBSLEP for the Creative Content Hub. • Spending Review: £118.5m one-year Birmingham Commonwealth Games funding to support the games in 2022 and funding from the Cultural Investment Fund for Coventry’s UK City of Culture 2021 programme. • Budget 2021: £50m to develop infrastructure and development proposals around the HS2 Birmingham Interchange Station/UKC Hub/Arden Cross
<p>Invest in healthcare innovation</p> <ul style="list-style-type: none"> • Birmingham Life Sciences Park (£60m) • ReSCue (£54m) • Grand Central Diagnostic Hub (£13m) • Radical Health Prevention Fund (£10m) 	<ul style="list-style-type: none"> • £10.86m – Precision Health Tech Accelerator, part of Birmingham Life Sciences Park [GBF]. • Spending Review: £325m for the NHS to invest in new diagnostics equipment and £559m to support the modernisation of technology across the health and care system.
<p>Build better digital and transport links</p> <ul style="list-style-type: none"> • Metro (£101m) • Sprint (£61) • WMRP (£84m) • Local connectivity (£86m) • Fibre (£16m) • 5G Accelerator (£28m) 	<ul style="list-style-type: none"> • £15.1m for University Station [GBF]. • £1m for WM5G application accelerator [GBF]. • £11m for Dudley Interchange [TCF and Integrated Transport Block] • £24m for Birchley Island [MRN funding] • Spending Review: £4bn “Levelling Up Fund” to invest in local infrastructure plus confirmation of £4.2bn five-year, consolidated intra-city transport settlements for mayoral combined authorities from 2022/3,

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
	<p>£8.9m revenue capacity funding allocated to the WMCA in the Budget 2021 to help prepare for settlement programme.</p> <ul style="list-style-type: none"> • Spending Review: £300m in 2021/22 for bus services, covering Covid support and transformation. A further £120m in 2021/22 for cleaner, greener, quieter zero emission buses. • Spending Review: £200m to continue flagship digital infrastructure programmes, including Local Full Fibre Networks and the 5G Testbeds and Trials Programme. • Budget 2021: £59m towards the construction of local stations through Rail Package 1 (Willenhall & Darlaston) and Rail Package 2 (Moseley Kings Heath, Hazelwell).
<p>Regenerate brownfield sites and build new homes</p> <ul style="list-style-type: none"> • Urban Transformation Fund (£200m) • National Brownfield Institute (£24m) • Affordable Housing (£400m) • Advanced Methods of Construction (£50m) 	<ul style="list-style-type: none"> • £14.875m for National Brownfield Land Institute [GBF] • £84m of the Brownfield Fund allocated to the WMCA, with a further £24m secured through the competitive element. • £12bn national programme to build 180,000 new affordable homes. • £50m national funding set aside for Advanced Manufacturing in Construction factories and market development costs. • Budget 2021: A £10m Wolverhampton based Modern Methods of Construction Taskforce.
<p>Get people back into work</p> <ul style="list-style-type: none"> • Supporting young people - one off support (training, tracking, wage subsidy) (£272m) • Getting the West Midlands back to work (£33m) • Future Skills, Future Jobs (£60m) • Future Skills, Future Jobs (FE capital plan) (£185m) 	<p>A Plan for Jobs 2020 speech:</p> <ul style="list-style-type: none"> • Kickstart Scheme – £2bn work experience programme for 16-24 year olds that have been unemployed for more than six months. • £1.4bn to increase Job Centre Plus capacity and double work coach numbers. • Spending Review: £2.9bn Restart scheme to help more than one million unemployed people find work - £400m in 2020/21. • Payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over. A further £111m extra will be added to the traineeship budget, employers will be paid £1,000 per trainee. • £200m for college improvements and £72m in 2021/22 to support the commitment to build 20 Institutes of Technology • £32m over two years for the National Careers Service to fund careers advice for 269,000 more people. • Spending Review: £375m from the National Skills Fund in 2021/22. And £17m to expand sector based work academies. <p>For the West Midlands:</p> <ul style="list-style-type: none"> • £2m for West Midlands digital retraining • £5.2m for Sector Based Work Academy West Midlands AEB for 2020/21 • £2.6m for high value courses for 18 and 19 year olds via AEB • £9m for National Skills Entitlement Level 3 courses <p>Budget 2021:</p> <ul style="list-style-type: none"> • £126m for Traineeships - high quality work placements and training for 16-24 year olds, £1,000 incentive for employers who provide trainees with work experience. • £3,000 employer bonus for hiring new apprentices. (increase to the £2000 incentive set out in Plan for Jobs) • A £7m fund from July 2021 to set up portable apprenticeships
<p>Back our region's businesses</p> <ul style="list-style-type: none"> • Speed to Scale Region (£382m) • Restart, reposition and transform (£60m) • Productivity Factory (£90m) • Enterprise Investment Growth Fund 	<ul style="list-style-type: none"> • £1.9m confirmed for extending the 'Made Smarter' pilot to the West Midlands in 2021/22. • £20m for Growth Hubs nationally, including £1.5m allocated to West Midlands LEPs/Growth Hubs. • Spending Review: £557.5m capital funding for the British Business Bank, including new instruments. • Spending Review: £11.1bn R&D funding (out of an overall government R&D package of £14.6bn). This will include a further £400m for UKRI for core science and £350m for UKRI to support strategic government priorities and the whole research and innovation ecosystem. • Budget 2021: Help to Grow Management and Digital, to support 130,000 SMEs to scale up their management and digital practises. • £375m to introduce the Future Fund: Breakthrough which will invest in innovative, R&D intensive businesses.

Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
Total	£376.31m secured directly for the West Midlands, plus opportunities to secure more investment via national programmes of up to £440m (based on estimated West Midlands share of national programmes)
Source of funding:	
<ul style="list-style-type: none"> Getting Building Fund, A Plan for Jobs, Budget 2021 and other national interventions 	

Table 2 – West Midlands uptake of major national funding support

Funding	Details
Business loans¹	<ul style="list-style-type: none"> Coronavirus Business Interruption Loan Scheme (CBILS) - £1.486bn Bounce Back Loans (BBLs) - £3.521bn Future Fund - £18.6m
Business grants payments by Local Authorities	<ul style="list-style-type: none"> Grants paid by WMCA local authorities to Winter Economic Plan - £589m Grants paid by WMCA local authorities under the LRSG, ARG, Christmas payment – around £164m
Local Authority additional funding	<ul style="list-style-type: none"> WMCA Local Authorities - £423m across tranches of emergency funding and council tax support grant.
Furlough support	<ul style="list-style-type: none"> Around £2.8bn in furlough payments across the 3LEP area
Self-employment support²	<ul style="list-style-type: none"> £984m worth of claims
Town centres	<ul style="list-style-type: none"> £500,000 - £1m for each area in the towns fund to spend on improvements to parks, high street and transport, £5.75m for the WM: <ul style="list-style-type: none"> Bloxwich - £750,000 Dudley - £1,000,000 Rowley Regis - £750,000 Smethwick - £750,000 Walsall - £750,000 West Bromwich - £750,000 Wolverhampton £1,000,000 Three non-constituency towns have also received funding (Nuneaton, Redditch and Telford). Budget 2021: Town Investment Plans worth £92.5m for the WMCA Met area: <ul style="list-style-type: none"> Rowley Regis - £19m Smethwick - £23.5m West Bromwich - £25m Wolverhampton - £25m Two non-constituency towns have also been allocated funding (Burton-on-Trent and Nuneaton). Future Highstreets Fund: Brierley Hill – 9.9m Nuneaton, Walsall and Wolverhampton provisionally offered funding subject to further assurance
Travel	<ul style="list-style-type: none"> £43m for Travel: <ul style="list-style-type: none"> Local package to support bus and transport services (using the WMCA transport levy) Dedicated school services: £2m (Department for Education) Light Rail Support: £7m (17 March 2020 to 26 March 2021) Pothole and Challenge Fund: £17.862m Emergency/Active Travel Fund: £17m
Other business support measures	<ul style="list-style-type: none"> This includes Government spending that has benefited West Midlands businesses but is not able to ascertain an accurate regional figure. Examples include the “Eat out to help out” vouchers in August 2020, Business Rates relief and the temporary cut to VAT on food, accommodation and attractions from 20% to 5% for six months.
Total	c£10.135bn in loans, grants and other financial support
Source of funding:	
<ul style="list-style-type: none"> Government’s Support for Business, A Plan for Jobs, Budget 2021 and other national interventions 	

Grand total for all funding

£10.5bn, plus opportunities to secure more investment via national programmes

¹ Across West Midlands six LEP (NUTS1 geography)

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