

Levelling Up White Paper: Full Briefing Note

8 February 2022



West Midlands
Combined Authority

Introduction

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

1 System Change: A New Policy Regime for Levelling Up

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

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

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

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

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

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

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

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

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

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

The 12 Missions to Level Up the UK

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

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

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

2 Trailblazing Devolution Deal

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

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

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

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

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

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

3 Policy commitments and spending allocations

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

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

UK Shared Prosperity Fund ['SPF']

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

- SPF funding confirmed as:

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

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

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

Innovation/Research and Development

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

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

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

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

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

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

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

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

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

Housing and Regeneration

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

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

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

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

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

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

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

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

Skills, Education and Employment

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

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

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

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

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

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

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

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

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

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

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

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

Transport

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

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

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

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

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

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

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

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

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

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

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

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

Health and Communities

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

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

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

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

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

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

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

Culture and Creative

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

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

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

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

Other funding mechanisms

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

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

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

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

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

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

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

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

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

4 Changes to Institutions and Systems

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

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

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

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

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

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

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

5 Data and Transparency

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

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

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

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

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

6 Notable mentions

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

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

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

Annexes

Annex 1

Devolution Framework

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

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

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

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

Annex 2

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

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

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

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

Annex 3

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

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

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

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

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

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

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

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

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



West Midlands
Combined Authority