



HM Government



West Midlands
Combined Authority

West Midlands Combined Authority Trailblazer deeper devolution deal

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including public consultation, the consent of the West Midlands Combined Authority and its constituent local authorities, parliamentary approval of the secondary legislation implementing the provisions of this deal, and accompanying accountability arrangements.

15 March 2023

Contents

Introduction.....	3
Summary of the deal	5
Governance and accountability	9
Data.....	15
Fiscal devolution	17
Levelling Up Zones.....	19
Single settlement.....	21
Transport.....	24
Housing and regeneration	31
Skills	39
Employment support.....	44
Innovation	47
Business productivity	50
Trade and investment.....	53
Net zero and the environment	57
Digital.....	63
Culture and tourism.....	65
Public service reform	67
Places for Growth	70

Introduction

1. The West Midlands has been a hub of innovation and creativity for hundreds of years. The West Midlands was the site of Britain's first bicycle factory, manufacturing the penny farthing; the birthplace of the first fuel-burning engine; and the home of world-famous chocolatier, Cadbury. Today, the region covered by West Midlands Combined Authority (WMCA) represents 2.9 million people across seven constituent authorities with a combined gross value added of over £70 billion. Prior to the pandemic, the West Midlands was the fastest growing city region outside London. It is home to world-leading businesses and sectors across advanced manufacturing, future mobility and life sciences, with key regional assets, including leading universities, on which to build.
2. The West Midlands has also been at the forefront of devolution in England. In November 2015, the government and WMCA agreed an ambitious devolution deal, including a directly elected mayor and powers to improve transport, skills, housing and to drive growth in the region. In 2017, devolution was deepened, and new funding agreed, including significant further investment in transport.
3. The West Midlands has seized these opportunities, demonstrating what local leaders can achieve when empowered with the tools they need. Local leaders have increased investment in transport from £38 million in 2016/17 to £363 million in 2021/22, pioneered new approaches to brownfield development and net zero homes and delivered the c. £130 million Adult Education Budget, securing an over 10% increase in 2020 alone in the portion of the population with Level 3 skills.
4. However, up to now, WMCA has lacked key levers and flexibilities to fully unleash the potential of devolution. Despite being home to the UK's second city, the West Midlands' economy continues to lag against international comparators in terms of productivity. The productivity of the region has remained at 90% of the national average for the past decade. Lifting the productivity of the West Midlands to just the UK average would deliver an estimated £7.8 billion per annum to the UK economy. Unleashing the potential of the people, entrepreneurs and businesses of the West Midlands requires a step change in our approach to realising local and regional economic growth.
5. That is why, in the Levelling Up White Paper, the government committed to open negotiations on trailblazer deeper devolution deals with the West Midlands and Greater Manchester Combined Authorities, acting as a blueprint for other areas to follow.

6. This document sets out the terms of the deal agreed between the government and WMCA. The deal sets out a landmark new approach to devolution in England, devolving responsibility for a clear set of policies to WMCA to support economic growth, alongside enhanced accountability with clear outcomes for delivery. This will be underpinned – from the next Spending Review – by a single funding settlement to invest in local priorities. Altogether, this will release WMCA to get on and deliver for its area, to try innovative new policy approaches, to drive forward the local economy and to be better held to account for delivery.

Summary of the deal

The ‘trailblazer’ deeper devolution deal is between the UK Government and the West Midlands Combined Authority.

7. The government and the West Midlands Combined Authority (WMCA) are minded to agree a trailblazer deeper devolution deal, which marks a step change in WMCA’s devolution settlement and the governance of England. Together, we have agreed new levers, functions and responsibilities for WMCA, underpinned by an enhanced approach to accountability.
8. This trailblazing deal provides WMCA with greater control than ever before over the levers of economic prosperity and will create job opportunities and increase productivity across the West Midlands. It demonstrates levelling up in action: empowering local leadership to make the right decisions to stimulate growth and inclusion across the towns and cities of the West Midlands. This deal takes WMCA’s ability to coordinate and locally-tailor devolved action to a new level, with commitments in policy areas previously untouched by English devolution and a deal that is unprecedented in both breadth and depth.
9. The sections of this deal document detail the specific agreements reached across a range of functions and policy levers. These include:
 - New arrangements for **accountability** to recognise the enhanced powers and responsibilities provided for by this deal. There is also a summary of the **governance** procedures in place to explain how WMCA will exercise its responsibilities and make decisions effectively.
 - A new Data Partnership and commitments to boost WMCA’s **data** capacity and capability, to underpin and support local decision-making, as well as to develop and evaluate policies and programmes with greater impact.
 - Delivering **fiscal devolution** by extending WMCA’s 100% business rates retention pilot for 10 years.
 - Providing a series of tools across the deal that will support WMCA’s vision to deliver **Levelling Up Zones** across the West Midlands.

- A consolidated, long-term budget for WMCA. This **single settlement** will be designed in the mould of government departments' budgets: set at Spending Reviews and based on thematic functions.
- A new **rail** partnership with Great British Railways, devolution of the payment of the bus service operators grant, and establishment of the West Midlands as a 'sandbox' for transport innovation.
- On **housing and regeneration**, a new, wide-ranging Strategic Place Partnership between Homes England and WMCA and local leadership of the Affordable Homes Programme for the first time outside of London – worth at least £200 million to the West Midlands – with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million and with greater powers and flexibilities over time. The deal also commits to devolution of £100 million brownfield land funding, joint working between the government and WMCA through the West Midlands Public Land Taskforce, and £3.8 million to support homeless families. The deal also includes the provision of essential infrastructure especially public transport connectivity to give communities access to essential services, facilities and opportunities, including £60 million of investment in the proposed metro line extension from Wednesbury to Brierley Hill.
- Devolution of non-apprenticeship adult **skills** functions and grant funding in the next Spending Review, local flexibilities, which will increase over time, over Free Courses for Jobs and Skills Bootcamps during this Spending Review, and establishment of a strong joint governance board to provide oversight of post-16 technical education and of WMCA as the central convenor of careers provision in the city region.
- A co-design approach to all future contracted **employment support** programmes and commitments to explore data sharing, supported by a new joint board.
- Building on the Innovation Accelerator programme, a Strategic Innovation Partnership to give WMCA a new and influential role informing the national **research and innovation** ecosystem, a knowledge transfer programme focused on local strengths and a pilot to boost innovation adoption and diffusion by local businesses, transferring more autonomy to the West Midlands' developing regional innovation ecosystem.
- Boosting **business productivity** through a new Strategic Productivity Partnership, enabling WMCA to raise local priorities for future **business support** and advisory services and ensuring complementarity between national and local commissioning activities, alongside a new role for WMCA in the governance of the next generation of British Business Bank UK funds in the Midlands and stronger strategic and operational relationships with the UK Infrastructure Bank.
- Stronger partnership between the government and WMCA across a range of **international trade** activities.

- Piloting the devolution of **net zero** funding, including for buildings' retrofit, through allocation rather than competition in the period from 2025 onwards, which will form part of WMCA's single department-style settlement, recognition of WMCA's roles and activity across the energy system and further work on standards, green finance and advice to increase household energy efficiency.
 - To support the **environment**, WMCA leadership of the West Midlands Local Nature Recovery Strategy and government support to help build lasting capacity and capability to support natural environment financing.
 - A Regional Culture and Heritage Framework to support greater funding alignment, joint investment and strategic collaboration between **cultural** arm's length bodies and WMCA, development of a Social Economy Accelerator Programme and Growth Fund and work by the West Midlands Growth Company to become a Local Visitor Economy Partnership.
 - A new Digital Infrastructure Leadership Group to accelerate the roll out and take up of high-speed **digital** connectivity, alongside engagement in Project Gigabit and on digital inclusion.
 - A new formal duty on WMCA to improve the public's **health**.
10. In exercising existing and newly devolved functions, as well as in general decision-making and spending, WMCA (and the government when supporting implementation of the deal, where relevant) will continue to adhere to their public sector equality duties, subsidy control legislation, and relevant guidance set by HM Treasury for spending public money.
11. When referring to WMCA as the decision-making body in this deal, it means those members appointed by the seven constituent councils and the Mayor. When referring to the constituent councils, it means the councils for the local government areas of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

Governance and accountability

Governance

12. WMCA was created under provisions in the Local Democracy, Economic Development and Construction Act 2009 and was formally established in June 2016. The first WMCA mayoral election was held in May 2017.
13. There have been a series of devolution deals between WMCA and the government. The deals have led to number of functions being devolved to WMCA via secondary legislation, including transport, housing, and adult education budget functions. These previous devolution deals mean WMCA already has a wide-ranging functionality so is able to take on many of the new areas contained within this deal without the additional conferral of functions.
14. The new functions contained in this deal will be devolved to WMCA by the government. Under WMCA's constitution, the conferral of new powers onto WMCA will require the unanimous agreement of all the constituent members and a simple majority of all other members entitled to vote on the matter.
15. The default position for decision-making in relation to all new functions devolved is that they will require the agreement of the Mayor, two thirds of the constituent members, and a simple majority of any other members who are subsequently given a vote on the matter by WMCA; anywhere this differs is set out below. Where new functions are designated as functions exercisable only by the Mayor, all decisions will be taken by the Mayor or under his delegation without reference to WMCA.
16. The government will devolve to WMCA the following functions:
 - a. Adult education and skills functions, including non-apprenticeship adult skills and funding, and delegated delivery of contracted employment programmes; decisions taken with agreement of the mayor and a two-thirds majority of constituent members of WMCA.
 - b. Transport functions: payment of the bus service operators grant; a function to be exercised by the Mayor, with decisions from WMCA inputting into the allocation taken by a two-thirds majority.

- c. A public health duty concurrent with local authorities; decisions taken on the basis of agreement of the Mayor and a two-thirds majority of WMCA.
 - d. Any other functions which are identified as necessary to implement the deal.
17. Unless otherwise stated in this deal, functions will be conferred through regulations created under the Local Democracy, Economic Development and Construction Act 2009 and are subject to:
- a. The ratification of the deal by WMCA and the agreement of its constituent councils.
 - b. WMCA undertaking a governance review, the development of and consultation on a scheme, and the submission of the results of the consultation to the Secretary of State for Levelling Up, Housing and Communities, following agreement of WMCA and constituent councils.
 - c. The Secretary of State for Levelling Up, Housing and Communities being satisfied that the required statutory requirements have been met as set out in the Local Democracy, Economic Development and Construction 2009.
 - d. Consents from the necessary parties locally to and parliamentary approval of the required secondary legislation.
18. The government will work with WMCA to determine how these functions apply within a framework of fiscal responsibility and accountability.
19. Subject to receiving Royal Assent and coming into force, the devolution provisions in the Levelling Up and Regeneration Bill will facilitate the deepening of devolution for existing mayoral combined authorities, including WMCA. Reforms include:
- a. Changes to statutory consents – to simplify the requirements for combined authority expansion and for mayors to take on new public authority functions.
 - b. Financial remuneration – the ability for mayoral combined authorities to financially remunerate their Overview and Scrutiny Committee and Audit Committee members to ensure constituent authority councillors are compensated for their roles on the committees, strengthening local scrutiny and accountability.
 - c. Alternative mayoral titles – flexibility around mayoral titles so that the area can choose an alternative title to mayor - such as “governor” or “directly elected leader”, if desired.

Accountability

20. 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, 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, WMCA commits to building a culture of greater scrutiny and accountability through the proposals set out in this section.

Overview and Scrutiny and Audit Committees

21. The WMCA and Mayor will also continue to be subject to their existing scrutiny arrangements in place. These currently comprise of the Overview and Scrutiny Committee, Transport Scrutiny Sub-Committee and Audit, Risk and Assurance Committee.
22. To facilitate the building of a culture of scrutiny, government will legislate through the Levelling Up and Regeneration Bill, subject to receiving Royal Assent and coming into force, to allow combined authorities to financially remunerate their Overview and Scrutiny Committee and audit committee members. This will ensure combined authorities are able to compensate constituent authority councillors for their roles on the committees, strengthening local scrutiny and accountability.
23. The government will, in the English Devolution Accountability Framework, also develop the scrutiny protocol for all institutions with devolved functions, which will set out the relationship between the mayor/elected leader, the institution and its scrutiny and audit functions. The scrutiny protocol will focus on ensuring that each institution has a sustained culture of scrutiny. In advance of its publication in summer 2023, WMCA will engage in the development of the protocol and then adhere to its proposals.
24. The scrutiny protocol will be designed to ensure that all areas with devolution deals, but especially those which manage single settlements, should have best in class scrutiny functions. Membership on committees and in particular the role of chair should be prized and competed for. Retention of members for several years should be common. Members should be able to devote the time to the role. The committees should have

the profile and cache to ensure that their findings are brought to the attention of the public wherever necessary.

25. The protocol will also look at the question of how to ensure that overview and scrutiny and audit committees are politically and geographically representative, so that as many different viewpoints as possible can be applied to scrutinising the performance, judgment and conduct of the mayor and combined authority.
26. In developing the scrutiny protocol, government will apply learning from the Greater Manchester Combined Authority (GMCA) Independent Review by the Centre for Governance and Scrutiny. WMCA will consider the recommendations from the Independent Review of GMCA when reviewing its own overview and scrutiny arrangements and consider which recommendations might be appropriate for delivering its own culture of scrutiny, including:
 - a. A single Overview and Scrutiny Committee.
 - b. The chair and deputy chair, who must be from opposition parties to the Mayor of the WMCA, to have clear job descriptions.
 - c. Compensating members of scrutiny committees.
 - d. Requesting constituent local authorities appoint members based on their interests and skills and if possible, for two-year terms, enabling substitute members to take part in task and finish exercises.
 - e. New rules about how information will be shared with members between meetings, informed by members' existing rights of access to information.
 - f. A renewed commitment by WMCA officers to give committees the time to feed into the decision-making process.
 - g. Feedback from senior officers on where formal recommendations by committees have led to a change in the approach of WMCA; and
 - h. The scrutiny function itself should take the lead on monitoring and evaluating the effectiveness of the new system, through on-going reflections and a formal review after one year of the new arrangements.
27. WMCA commits to reviewing their overview and scrutiny arrangements and reporting on the measures taken to strengthen them by March 2024.
28. In addition, in recognition of the new functions and funding being agreed through this devolution deal, WMCA commits to the following further actions to enhance the scrutiny and audit committees' resources and prestige:

- a. To provide reasonable resources sufficient for committees to be able to ask for ambitious research and analysis either through officers or external sources, such as local universities.
 - b. As a measure to ensure quoracy, members of the scrutiny committee are clear through their role description as to their responsibilities, including attendance at all meetings; and
 - c. To provide reasonable communications support to help ensure that the chairs of the committees and the reports they develop are able to get suitable profile. As part of this support, consideration will be made to what branding (including, if necessary, name changes) and communication techniques can help the media and public understand the role of the committees.
29. Government will also look to raise the profile of the chairs of the committees and will explore different options such as ensuring that they are able to get regular meetings with Ministers of the Department for Levelling Up, Housing and Communities (DLUHC) and are empowered to report any concerns they have to appropriate teams in the Department.
30. As a condition of this deal, the chair of WMCA (the Mayor) and other portfolio leads, appointed by the Mayor at the annual meeting of the WMCA each year, commit, where appropriate, to arranging and attending the following events to allow greater scrutiny by key local and national stakeholders:
- a. Full council meetings – up to one a year for each constituent council, if requested by the council.
 - b. ‘Mayors question time’, where the Mayor visits all parts of the city region to take questions from the public, chaired by an independent person – a local journalist or businessperson, for example.
 - c. Parliamentary select committees, when invited to do so by a select committee; and
 - d. WMCA Overview and Scrutiny Committees, to present reports within their portfolio area on a regular basis.
31. In addition, the government and WMCA have agreed through this deal that WMCA will arrange with the Members of Parliament (MPs) representing West Midlands parliamentary constituencies for public, broadcasted sessions where MPs will be able to scrutinise the Mayor and other portfolio leads to aid and strengthen local scrutiny of WMCA. The sessions will allow for questions to be posed which cover at least the performance and strategic direction of WMCA and Transport for West Midlands (TfWM).

32. The government and the WMCA agree that implementation of these arrangements, and adherence to the scrutiny protocol, is a vital part of the implementation of the full range of commitments in the deal. Implementation of commitments from the government in this deal will be conditional upon consistent best and full efforts to delivering these improved arrangements.
33. The terms of reference for these MP sessions will be agreed between the government and the WMCA following engagement with West Midlands MPs by summer 2023, and consider questions of appropriate chairs, schedules, papers and the contribution of the chairs of the Overview and Scrutiny Committee and Audit Committee. The sessions will occur four times a year and will focus solely on the responsibilities of WMCA not those of the government or the constituent council. The government will also explore if these can be hosted as Grand Committees by Parliament. WMCA will then agree a resolution to introduce these with a commitment to review them and identify improvements at the end of the first spending review period for the single department-style settlement.

Publicising WMCA's role and performance

34. WMCA will engage with the government, along with other areas with a devolution deal, in developing the outcomes and metrics that all English institutions with devolved powers will report against. This process will also inform the development of the outcomes framework which will be used to assess performance against the single mayoral settlements. The outcomes framework will be developed with WMCA based on a national set of objectives.
35. WMCA will engage in the development of the plain English guidance and support its dissemination to increase awareness across the city region of the roles of the Mayor, WMCA, local authorities and the government.

Accountability arrangements for the single settlement

36. WMCA will agree with the government a streamlined, overarching single accountability process for the settlement. This will build on, and will be incorporated into future editions of, the English Devolution Accountability Framework. This process will include the assurance framework coordinated by DLUHC, the specific outcomes WMCA will achieve over the spending review period or funding period and appropriate spending control processes.
37. The government will work with WMCA to agree the more detailed elements of the settlement design ahead of the next Spending Review, including on spending control, the approach to managing financial and delivery risks, the outcomes framework and accountability arrangements.

Data

38. The government acknowledges the value WMCA can add at the local level by undertaking strategic analysis of city region-wide data. The government will work with WMCA to continue to explore options, legislative and otherwise, to safely streamline the sharing of data between the government, the wider public sector and WMCA and its constituent local authorities for this purpose. A range of options to establish a legal gateway will be considered, potentially including amending the Digital Economy Act 2017, subject to sufficient Parliamentary availability. Any and all potential options will respect the provisions in the Data Protection Act 2018, UK General Data Protection Regulation in order to achieve compliance in design, the common law duty of confidentiality and the requirement for local authority consent to any future data sharing arrangements.
39. The government will agree a new Data Partnership with WMCA. The Data Partnership will establish principles for the legal, safe and secure sharing of data between the government and WMCA. The principles will aim to support and streamline WMCA's negotiations with individual government departments over access to specific datasets. This will, in turn, support the delivery of the accountability framework and broader policy commitments set out in this deeper devolution deal. The Data Partnership will be designed with particular regard to the roles and relationships between the parties in accordance with the controller and processor definitions in the data protection legislation and underpinned by the legal powers each of those parties may rely upon. A data protection impact assessment will be produced to underpin the design of the Data Partnership.
40. To support the development and delivery of the Data Partnership, and to facilitate discussions with the relevant government departments, WMCA will be invited to participate in the government's Chief Data Officers' Council. In addition, the government will explore establishing a new Local Chief Data Officers' Council, to facilitate data sharing, share learning and maximise the value of local data and statistics for local decision-making.
41. The Spatial Data Unit will help to increase WMCA's data capability, including in data science, and will engage with WMCA to further understand its needs and priorities. In addition, WMCA will convene a symposium with the relevant government departments and agencies, including the Central Digital and Data Office, Spatial Data Unit, Office for National Statistics, Alan Turing Institute, National Innovation Centre for Data and data

science and machine learning experts in the region, to leverage the benefits of data science capability to local policymaking and service delivery.

42. The government notes WMCA's initial priorities are to have timely access to data at the right local geographical level relating to skills and training, careers, employability and labour markets, business support, transport, trade and investment, energy use and climate resilience; and data held by the government pertaining to WMCA's devolved functions. WMCA will use the Data Partnership as the basis of negotiations to access datasets in these policy areas where appropriate and practicable. Any personal data sharing between the government and WMCA and its constituent local authorities will only be possible if compliant with the Data Protection Act 2018, where applicable the common law duty of confidentiality, UK General Data Protection Regulation and all other relevant legislation and guidance; and will be underpinned by appropriate technical and organisational measures to implement the data protection principles therein to safeguard individual rights.
43. The WMCA and its constituent local authorities commit, in return, to share data and evidence with the government to support the monitoring and evaluation of government programmes in line with the direction of travel towards a single outcomes' accountability framework, to improve the efficiency of public services, and to support the activities of the forthcoming Office for Local Government.
44. The government will work with committees and bodies, such as the local health and wellbeing boards in constituent local authority areas, integrated care boards and integrated care partnerships, and WMCA to explore secure and appropriate ways to share data across the public sector, including examining existing best practice, to help WMCA embed a 'health in all policies' approach to public health, with any improvements in data access being appropriate, safe and legal, and which improves and safeguards public trust in how data is used.

Fiscal devolution

45. Through this trailblazer deal, the government commits to further fiscal devolution through allowing WMCA's constituent local authorities to retain 100% of their business rates for 10 years.
46. As with the existing model, adjustments will need to be made to ensure cost neutrality. The ability for local authorities to retain business rates over the 10-year term is conditional upon arrangements concerning the WMCA share remaining in place.
47. The government has already confirmed a reset of accumulated business rates growth will not happen until 2025/26 at the earliest. Any move to reset business rates growth would be accompanied by national consultation including with combined authorities. While the current pilot arrangements are in place, the current "no detriment" arrangement will continue until any new local arrangements, for example those proposed in this deal, come online. WMCA and its constituent local authorities and the government will need to work through further detail, including the right balance of risk and reward, ahead of the next Local Government Finance Settlement to enable this next phase of 100% business rates retention to be implemented. The government recognises that WMCA and its constituent local authorities would only sign up to arrangements where the balance of rewards outweighs the risks of being inside the scheme.
48. In addition, the government will work with WMCA and its constituent bodies towards the designation of a number of specific growth zones within which 100% of business rates growth above an agreed baseline will be retained for 25 years. Retained rates would not be subject to reset at any national reset of business rates within this period. The location of these sites will be determined locally – subject to criteria set out in a framework, to be developed by government with consultation with WMCA, and final business cases – provided the model can be sustainably delivered alongside the measures set out in paragraph 45.
49. Paragraph 45 and 48 above would be in addition to existing Enterprise Zone arrangements which would remain and would not limit WMCA from potentially participating in any new national 'incentive area' arrangements, such as the Investment Zones programme which is currently being developed.
50. The government will work with WMCA to agree the detail of these proposals, but noting that arrangements must:

- a. Be consistent with the sustainability and affordability of the overall local government finance position, fair to other local authorities across England and replicable with others.
- b. Be subject to technical design and not jeopardise the operations of the wider local government finance system.
- c. Strengthen accountability to local taxpayers; and
- d. Empower the Mayor as the accountable figure for promoting economic growth in the region working with WMCA constituent bodies.

Levelling Up Zones

51. Devolution means providing local leaders with the tools to make their economies grow, drive levelling up and improve the lives and opportunities of residents.
52. WMCA and its constituent authorities have identified six key corridors across the region on the basis of their potential for growth and levelling up. These 'Levelling Up Zones' include East Birmingham-North Solihull corridor; Wolverhampton Corridor; Walsall Growth Corridor; Dudley Metro Corridors (including the Wednesbury to Brierly Hill link); and the Coventry and Warwickshire gigafactory zone.
53. The government recognises the WMCA's vision for these places across the region and envisages that the following tools made available in this trailblazer devolution deal will help WMCA to deliver its vision to catalyse growth and levelling up:
 - a. **Fiscal devolution and investment.** WMCA will be able to work with the government towards designation of specific, targeted "growth zones", in which 100% of business rate growth above an agreed baseline could be retained for 25 years. As set out in paragraph 48 a selection of these areas will be determined locally, subject to criteria set out in a framework, to be developed by the government with consultation with WMCA, and final business cases.
 - b. **The single settlement**, which will support WMCA to align funding provided to the region, can be prioritised to further support these sites, as per their own regional objectives for investment and growth.
 - c. **Investment in regeneration.** The government has committed to devolve £100 million brownfield funding to WMCA, subject to a final business case, to deploy across the region to drive placemaking including Levelling Up Zones, housing and urban regeneration. The government will also invest £60 million in the proposed metro line extension from Wednesbury to Brierley Hill.
 - d. **A trailblazing approach to affordable housing.** The government has committed that the WMCA will set the strategic direction of the Affordable Homes Programme, including strategic priorities for spend, worth at least £200 million to the West Midlands with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million. In any relevant successor programme, the government has committed to go further, with the WMCA able to select sites, providers, and standards. This will enable the WMCA to ensure

Affordable Homes Programme delivery is aligned with its strategic objectives, and those of its constituent authority partners, such as Levelling Up Zones.

- e. **Post-19 skills funding.** The government has committed to provide local flexibilities, which will increase over time, over Free Courses for Jobs and Skills Bootcamps and devolve non-apprenticeship adult skills functions and grant funding in the next Spending Review. This will support WMCA to better align adult skills provision with priority growth sectors, such as the sectors WMCA may wish to catalyse through Levelling Up Zones.

54. It will be for the WMCA to determine how to use these tools, subject to the conditions and requirements set out throughout this deal.

55. When used in collaboration with a range of partners – including local government, central government, businesses and the voluntary, community and social enterprise sector – these tools should impact positively on delivery of new homes, jobs, and opportunities for local people, turning levelling up into a reality.

Single settlement

56. The government and WMCA recognise that the current system of funding for mayoral combined authorities is fragmented, overly reliant on centrally administered funds and lacks clear, lean and proportionate accountability structures.
57. The government therefore commits to give WMCA single capital and revenue funding settlements at the next Spending Review, agreed directly through a single process with the government. This will include the establishment of a streamlined, overarching, single accountability framework coordinated by DLUHC, rather than multiple frameworks administered by different departments. This settlement will increase WMCA's autonomy, ability to prioritise decisions locally, and ability to reprioritise across its own budgets. WMCA will no longer access certain funds. As part of the Spending Review, the government will set out how the settlement has been calculated and which funds WMCA will not be able to access during the Spending Review period. WMCA will receive the same level of long-term certainty over funding as government departments receive. Longer term fiscal arrangements, such as the Investment Funds, also referred to as Gainshare or Earnback, are not covered by the single settlement, and continue to be fully devolved to WMCA as per the existing devolution deal.
58. The government will work with WMCA to design these settlements, based on the principles that the funding settlement will:
 - a. Cover an entire Spending Review period.
 - b. Replace individual grant funding streams from across government departments and therefore mean mayoral combined authorities with single settlements would be exempt from bidding into certain national budgets.
 - c. Be the default mechanism through which WMCA receives its relevant share of additional funding for new national budgets or programmes announced during a Spending Review period associated with the functions that are devolved to WMCA. This includes any increases to relevant competitive pots that WMCA has been excluded from. WMCA will retain the right to bid into new competitive programmes which are not set out as funds WMCA will not be able to access during the Spending Review period. The government will retain the ability to direct some funding centrally.

- d. Give WMCA greater flexibility to plan and fund local priorities over the longer-term. The level of flexibility across the settlement will be agreed between the government and WMCA before the next Spending Review and will give WMCA greater funding flexibility across the pillars of the single settlement listed in paragraph 59 below for activity outside of that pillar in order to achieve the outcomes agreed with the government.
- e. Be contingent on WMCA agreeing with the government a single, streamlined accountability framework for the settlement. This will build on, and will be incorporated into future editions of, the English Devolution Accountability Framework. This English Devolution Accountability Framework will include the assurance framework administered by DLUHC, the specific outcomes WMCA will achieve over the Spending Review period or funding period and appropriate spending control processes.
- f. Represent a change to the wiring, nature and flexibility of funding from central government rather than the quantum. The quantum of funding will be decided by an agreed process between the government and WMCA.

59. WMCA will be held to account for delivering outcomes, using the settlement funding and relevant local resources, across areas associated with devolved functions set out in this and previous devolution deals. A single reporting framework across the single settlement against those outcomes will be agreed with the government. The government and WMCA anticipate that the single settlement will be structured around responsibility and accountability for five functions which will now be devolved through this or previous deals, or are already carried out by WMCA and its constituent bodies, with an appropriate split between capital and revenue funding:

- a. local growth and place.
- b. local transport.
- c. housing and regeneration.
- d. adult skills.
- e. buildings' retrofit for decarbonisation matters covered by the pilot agreement to devolve retrofit funding set out at paragraphs 208 – 214.

60. WMCA will be empowered to use funding under these devolved functions to invest in any lawful way associated with achievement of the outcomes agreed with the government. Where functions have not been devolved through this or other devolution deals, the government retains the right to direct specific funding programmes, and WMCA retains the right to continue to bid into competitive programmes. Funding for major infrastructure projects may be agreed in addition to the settlement.

61. Single settlements will be implemented at the next Spending Review and based on a methodology agreed between the government and WMCA. Therefore, their precise scope of the single settlement will be subject to Spending Review decisions. However, were single settlements to have been in place during this spending review period, the government and WMCA agree that they would have supported outcomes associated with the following budgets:
 - a. Local growth and place: the UK Shared Prosperity Fund and the Levelling Up Fund.
 - b. Local transport: City Region Sustainable Transport Settlements which consolidate highways maintenance and integrated transport block funding for small scale renewals as well as transformational funding for local transport. In addition, the settlement would also have included revenue funding for buses, active travel funds and electric vehicle funds.
 - c. Housing and regeneration: the Brownfield Housing Fund and the Brownfield Infrastructure and Land fund.
 - d. Adult skills: the Adult Education Budget and Free Courses for Jobs.
62. The government will work with WMCA to agree the more detailed elements of the settlement design ahead of the next Spending Review, including around spending control; approach to managing financial and delivery risks; transitional arrangements; the outcomes framework; accounting arrangements; and accountability arrangements. The government will work with WMCA to agree a memorandum of understanding outlining how single settlements will work by the end of January 2024. WMCA will reserve the right to not agree the memorandum of understanding should it be deemed to be detrimental to WMCA. This timescale will be reviewed when the timing of the next Spending Review is confirmed, if this happens before January 2024. Outcomes agreed as part of existing programmes which span into the next Spending Review, such as City Region Sustainable Transport Settlements, will be maintained.
63. Single settlements represent an ambitious step on the road to greater simplification of the funding mayoral combined authorities receive from the government. This programme will continue to progress through each spending review, drawing on lessons learnt from engagement with local partners, deepened strategic relationships with arm's length bodies, and the closer alignment with national government programmes set out in this deal.
64. The government and WMCA anticipate that single settlements will become a permanent feature of the landscape for financing WMCA. Nevertheless, it is recognised that this is a novel approach to financing WMCA, and so following the next Spending Review, the government and WMCA will review the approach.

Transport

65. WMCA has significant transport powers and funding from the previous two devolution deals. The commitments set out below build on them and are intended to provide further autonomy to the WMCA to establish itself as a leader in transport innovation in the UK and improve the transport offer to its citizens.

Transport planning

66. Transport is a critical element of place-making and has a huge impact on people's lives and communities. Well planned and supported transport improves quality of life, ensuring that the needs of all users are considered. Getting transport right is also critical to the government's efforts to achieve net zero and overall approach to safeguarding the environment.
67. The government recognises that every place is unique and has different transport needs. That is why an area's local transport plan is so crucial to ensuring good transport outcomes for the area. An area's local transport plan is both a process and public facing document that brings together evidence and aspirations to shape the future transport in a local area. local transport plans should be kept updated to make a stronger strategic case for transport investment in an area and provide a platform for accountability needed to support further devolution and funding simplification.
68. WMCA has developed its Reimagining Transport in the West Midlands local transport plan core strategy, and the government is committed to supporting WMCA as it looks to build on its success so far. The government will provide new guidance to assist WMCA in developing its local transport plan, including meeting defined environmental and decarbonisation standards and fully adopting planned new guidance on quantifying carbon reductions. The WMCA will act as a trailblazer with the government to ensure that quantifying carbon reductions are embedded as part of WMCA's local transport plan area strategies by the end of 2023.
69. A key feature of transport planning in WMCA is developing an inclusive economy where anyone, including disabled people, can access travel and play an active role in local economies. This means delivering inclusive local transport plans that support accessibility and reduce health, economic and social inequalities.

70. WMCA will work closely and collaboratively with local authorities to ensure better join up between strategic land use planning and transport planning, from the earliest stages of the funding and planning process. WMCA, along with its constituent local authorities, should provide an integrated system that unlocks homes while enabling more sustainable transport journeys by provision of public, sustainable and active travel, effectively densifies well-connected areas and ensures communities have access to employment, leisure and other opportunities they need. WMCA should work to ensure the benefits transport can provide to leverage regeneration and growth are realised.
71. As WMCA develops its local transport plan, it will host a complementary new trailblazing approach to collaborative research and learning programme. This programme will be coordinated through an influencing transport lab. The government is exploring sponsorship of the influencing transport lab. This approach will seek to better understand how to support the development and design of changes to the transport system that can more readily enable more sustainable choices.
72. The commitments set out below are intended to support and enable WMCA to ensure that it has the tools necessary to achieve the outcomes set out in their local transport plan.

Funding

73. The government recognises the importance of a consolidated, devolved and long-term approach to transport funding and has provided a £1.05 billion City Region Sustainable Transport Settlement to the WMCA area running until 2027. Clarity and certainty of funding are important to help areas plan appropriately to deliver the government's ambition to level-up local transport connectivity across the country to become significantly closer to the standards of London by 2030.

Transport innovation

74. WMCA was the government's first future transport zone and will continue to be a leader in transport innovation in the UK. The WMCA will establish itself as a 'sandbox' to create economic benefits by attracting new global investment, catalysing additional growth in high-value clusters and boosting private sector confidence to deliver new transport services in the WMCA, with learning that can be applied across the UK. This will help the WMCA build on its excellence in the automotive and transport sector, such as TfWM Connected and Automated Mobility programme, and remain a leader in innovation.
75. WMCA and the government will form an ongoing relationship to accelerate and drive forward innovations that are priorities for the WMCA and match the government's policy priorities, including the future of transport regulatory review, transport decarbonisation plan and future of freight plan.

76. The sandbox will aim to exploit new transport service opportunities including challenging regulatory barriers where appropriate to provide a safe and secure space to test innovative products and services with private industry. To improve the user experience for travellers, the sandbox will look to modernise practices through digitising services and processes and identify smarter and quicker ways of working within existing regulatory frameworks.
77. New services and business models enabled by digitisation and advances in technology should provide opportunities for all and be designed from the outset on an inclusive and equitable basis, accounting for the needs of a diverse community including disabled people.
78. From spring 2023, the government and WMCA will begin conversations on a range of issues aimed at unlocking innovation. This will involve WMCA working closely with government across the Future of Transport programme on projects that will deliver shared outcomes. The government and WMCA will:
 - a. Discuss how to best enable low speed zero emission and automated vehicle trials, with consideration for operational and regulatory challenges.
 - b. Explore the regulatory challenges facing demand responsive transport in the WMCA.
 - c. Explore the use of dynamic traffic management and digitising street spaces.
79. Additionally, the government is exploring a number of further projects that would support innovation and delivery of a safe, efficient, and reliable transport network within the WMCA:
 - a. The government is exploring the implications of, and options for, introducing simplified side road zebra crossings, and recognises WMCA's ambitions to introduce these. The WMCA and the constituent authorities will support the government in developing a robust evidence case.
 - b. The government intends to introduce legislation, when parliamentary time allows, that will create a new low speed zero emission vehicle category which is distinct from the cycle and motor vehicle categories. Supported by evidence from trials in the WMCA, new powers would enable government to set proportionate rules for specific micromobility vehicles. The proposed legislation would also enable the creation of a licensing framework for rental micromobility operations, providing consistent powers for local transport authorities such as WMCA to shape rental operations to their local priorities.
 - c. Following the great success of Birmingham and the WMCA hosting the 2022 Commonwealth Games, the government will work with the WMCA to develop a

proposal for the West Midlands to bid to host the 2027 World Intelligent Transport Systems Congress.

- d. WMCA also intends to develop a local, last mile freight and logistics programme to support the area's growing high value logistics and distribution cluster, as identified in the WMCA's Plan for Growth.

Buses

80. In line with the commitment in the National Bus Strategy, the government is working on the reform of the bus service operators grant. This will enable the bus service operators grant to support the governments and West Midlands' shared priorities to support important local bus services and reduce environmental impacts through facilitating the transition to zero emission buses.
81. The government will devolve powers for the payment of the bus service operators grant to the Mayor. WMCA will provide support to identify the funding for bus services entirely within the WMCA boundary that is paid to commercial operators and would be suitable to be devolved to WMCA, both currently and following national reform.
82. The government will work with WMCA and other key local authority stakeholders to finalise the design of a national reform package for the bus service operators grant bus service operators grant. The government will support WMCA by devolving the bus service operators grant bus service operators grant for services entirely within the WMCA boundary. The government and WMCA will work together to agree an ambitious timeline to implement the bus service operators grant bus service operators grant reforms in the West Midlands, by 2025.
83. WMCA has introduced bus bye laws to help improve passenger safety, increase bus patronage and reduce anti-social behaviour on public transport. The government shares this ambition and will work with WMCA to ensure TfWM has appropriate enforcement powers to enforce these existing bye laws and can introduce further byelaws, where necessary.

Rail

84. The government will support the West Midlands Rail Executive, which represents the rail interests of WMCA and other local transport authorities in the region, and is chaired by the Mayor, in seeking a new rail partnership with Great British Railways. This will form part of the journey towards greater local accountability for the West Midlands rail network, in the context of Great British Railways' ultimate overall accountability for the national rail network. This will enable West Midlands Rail Executive to further embed itself as a central part of the rail industry in the region and, by extension, allow their priorities to drive future decisions regarding the local network. Local priorities will need

to be coordinated and compatible with the needs of the national network and surrounding areas.

85. This should build on the collaboration and successful joint working already in place on the WMCA's rail network demonstrated through the collaboration agreement with government and the West Midlands Grand Railway Collaboration. Delivery of rail reform in the WMCA will enable opportunities for enhanced local accountability, scrutiny, responsibility and influence that West Midlands Rail Executive will be at the forefront of due to their prior experience. Enhanced local accountability for the WMCA will be in the context of, and will not override, Great British Railways' ultimate accountability to the Secretary of State for Transport.
86. Partnerships between Great British Railways and mayoral combined authorities will be a key driver in progressing the levelling up transport mission for local public transport connectivity to be significantly closer to the standards of London with improved services, simpler fares, and integrated ticketing by 2030.
87. Reflecting WMCA's position with a trailblazer deal, and with a view to evolving today's successful collaboration agreement with government, the Great British Railways Transition Team is working with West Midlands Rail Executive to discuss local priorities for a partnership. The existing agreement, and the West Midlands Separable Business Unit, will act as a baseline for the future partnership with Great British Railways. The government is supportive of these discussions continuing and of exploring whether aspects of new local partnership working can be piloted ahead of Great British Railways operation.
88. West Midlands Rail Executive will continue to jointly oversee the delivery of rail services within the West Midlands Separable Business Unit and work with Great British Railways Transition Team and government on shared objectives and future outcomes. Partnership working will enable West Midlands Rail Executive to feed in their views regarding optimum services for WMCA's travel to work area, including their ambition for a separate contract for these WMCA services which will be considered within the context of the national network. Progress here will be subject to development of wider reform of the railways and industry processes that support this.
89. As steps to develop the existing agreement ahead of Great British Railways being operational, the government commits to:
 - a. Supporting West Midlands Rail Executive and TfWM to explore a fully integrated multi modal fares and ticketing structure, through the region's already existing Swift platform. In collaboration with West Midlands Rail Executive and TfWM, the government will initially progress pay as you go ticketing infrastructure pilots, to be developed and agreed by the end of 2023. These pilots will be revenue neutral and align with government's wider fares, ticketing and retail programme. Collaboration will allow Great British Railways Transition Team, government, West Midlands Rail Executive, TfWM and train operators to test the technology,

explore and agree potential options for rail fare simplification, and test the revenue raising potential of a genuinely integrated public transport offer. Subject to funding, this will include trialling agreed approaches within the WMCA. Great British Railways Transition Team is already discussing how pay as you go ticketing on rail could work with West Midlands Rail Executive aspirations for local pay as you go and simplifying fares for passengers.

- b. Supporting development of multimodal transport integration by working with West Midlands Rail Executive to co-develop a brand proposition that is compatible with the Plan for Rail's ambition for a single, national rail brand, while also retaining and strengthening the West Midlands Railway brand within the wider TfWM network.
 - c. Working collaboratively with Great British Railways Transition Team, and subject to discussions with Network Rail and train operating companies, to support West Midlands Rail Executive to better integrate local stations into the local public transport network and wider community. This will include exploring the local branding proposition across rail stations, provide opportunities to shape station design and drive-up standards to improve and simplify the customer experience.
 - d. Working closely with Great British Railways Transition Team and West Midlands Rail Executive, taking current responsibilities as a baseline, to ensure they continue to play a full role in future processes and are committed to exploring where that role can be enhanced in areas of rail delivery to enable greater local influence.
 - e. Providing greater access to local rail data to West Midlands Rail Executive, to improve local scrutiny of performance.
 - f. Continuing to engage with WMCA, so that local input is actively considered and exploring whether aspects of the West Midlands Rail Investment Strategy could be incorporated in developing a long-term strategy for rail.
 - g. Giving West Midlands Rail Executive opportunities to promote infrastructure and service enhancement schemes by West Midlands Rail Executive, Network Rail and the government on the options for funding, timing and delivery given existing network challenges.
 - h. Supporting West Midlands Rail Executive in leading and distributing funding for community rail activity in the region. Such engagement can enable rail to connect communities in addition to offering social value and economic impact.
90. The details and progress on the above, including determining appropriate locations for trials of pay as you go ticketing, is subject to further discussions between government, Great British Railways Transition Team, and West Midlands Rail Executive.

Mass transit delivery

91. The WMCA is driving forward the delivery of a comprehensive transport infrastructure programme including an extension of the Metro network in Birmingham and the Black Country. The government commits to consider solutions to be developed by the WMCA to resolve the pressures on the WMCA's capital programme.
92. WMCA and Coventry City Council are developing proposals for very light rail in Coventry (and tested in Dudley). The aim is to develop a new more cost-effective alternative to conventional light rail which could be deployed in major urban areas and exported globally. If this aim is realised, it could potentially create a reliable, frequent, battery-driven, hop-on hop-off transport system which provides an alternative to a traditional tram system.
93. The proposals for very light rail in Coventry are subject to ministerial approval at key business case stages. At each stage, the government will work with local partners to help ensure that the plans are best formulated to deliver benefits and improvements for the transport system. WMCA and Coventry City Council will provide feedback to the government on the very light rail experience of Transport and Works Act order processes to help inform potential reforms. Government will provide advice to WMCA on future Transport and Works Act order applications to ensure it can be processed as quickly as possible (without prejudice to what any final decision on such application might be).

Roads

94. Building on the WMCA's flagship, multi-agency Regional Transport Coordination Centre, the government will work with the WMCA to explore whether opportunities exist for traffic officers on the WMCA's key route network to support management of periods of planned and unplanned disruptions.
95. The government is considering options for tackling pavement parking, and we will work with WMCA to explore appropriate powers for mayoral combined authorities and their constituent authorities in this area, once any decisions relating to the national framework are made.

Housing and regeneration

96. WMCA has a history of success in leading housing delivery, land repurposing, urban renewal and brownfield regeneration across the West Midlands, leveraging private sector investment, driving new innovation in areas like modular construction and delivering high quality brownfield regeneration projects. This deal will build on the success of WMCA's previous devolution deals, and WMCA's track record to date, to be ambitious in delivering high quality regeneration schemes and policy innovation in areas like design quality and affordable housing.
97. This deal will support WMCA's continuing development of brownfield land and the building of new homes and will help the WMCA better manage a portfolio of housing and land funds which the Government and WMCA will continue to make sure is as efficient and effective as possible as we proceed to implementation. It will support the creation of new jobs and commercial floorspace, and repurposing of town and city centres. We will ensure that public sector land is better used, designed and developed as a result of this deal, supporting WMCA's ambitions on housing supply, including the supply of new social and affordable housing, and maximising the ability of the WMCA to continue to lead the way in brownfield development, public land disposals and urban renewal nationally.
98. We will also create a revolutionary new model of delivering affordable housing for the people of the West Midlands, putting WMCA at the centre of the key strategic decisions on how and where this new affordable housing should be delivered – providing the tools and mechanisms to support new affordable housing products, investors and suppliers.
99. At the next Spending Review, we will implement the new single settlement which seeks to better align housing policies alongside other key levers for local economic growth.

Regeneration funding

100. The government will devolve £100 million brownfield funding to WMCA to drive placemaking, housing and urban regeneration across the region. This will be deployed within this spending review period, supporting WMCA to deliver 4,000 homes. From the next Spending Review, WMCA will receive a simplified single department-style settlement. This will better align housing policies alongside other key levers for local economic growth.

101. Subject to further discussions to refine the business case, WMCA intends that it will be deployed at scale and pace to de-risk stalled and challenging housing, urban and commercial development sites across the West Midlands, which include sites in the city of Wolverhampton, which was identified as a priority in the Levelling Up White Paper, in city centres like Coventry and Birmingham, in town centres (e.g. Walsall, Dudley, Sandwell) and along major transport corridors (e.g. East Birmingham to North Solihull)
102. This investment will support progression and delivery of emerging and adopted local plans, support brownfield first and town centre regeneration policy, and provide WMCA with the critical flexibility and strategic funding, and barrier-busting abilities necessary to tackle the most pertinent development issues for the region and the specific barriers facing individual sites.
103. This funding would have robust reporting and accountability provisions, which satisfy the Single Assurance Framework and the outcomes of which are aligned with the West Midlands Outcomes Framework, as agreed with the government and focussed on enabling placemaking and supporting conditions for growth.
104. There is untapped regeneration and development potential in parts of the WMCA area. As part of the trailblazing commitment to funding simplification, DLUHC commits to provide £60 million of additional funding towards the proposed metro line extension from Wednesbury to Brierley Hill, subject to a subsidy control assessment and business case approval. All further costs for the scheme will be met locally.

High street rental auctions

105. The government is committed to tackling high vacancy rates which can impact the economic prosperity and pride in place felt across our high streets. As such, the government commits to work closely with WMCA to empower them to take a role in convening its constituent authorities to implement new powers for high street rental auctions following the passage of the Levelling Up and Regeneration Bill.
106. We want the West Midlands to be a first mover in the use of these new powers once the programme commences in autumn 2023.
107. We expect WMCA to identify areas on their patch which would benefit most from HSRA powers, and where the required capacity and capability lies to deliver them. WMCA should then oversee the delivery of high street rental auctions and act as a champion for the programme to encourage and support other areas to maximise take up high street rental auctions.

Strategic Place Partnership

108. Government commits to working with the WMCA through a strategic place partnership with its housing delivery agency Homes England. Homes England commit to working in partnership with WMCA from the outset of this Deal to bring new housing supply and regeneration sites forward. To do so Homes England will be establishing a new wide-ranging Strategic Place Partnership with WMCA, to support the WMCA with their ambitious plans on housing supply, investment, and urban regeneration. Homes England will work with WMCA and its constituent local authorities to agree a set of place-making outcomes, focused on delivering transformational change across the West Midlands. The Strategic Place Partnership will align expertise, funding and other relevant assets to support the delivery of these outcomes, and other strategic priorities at combined authority level. A part of this new Strategic Place Partnership will include a joint pipeline and delivery plan to bring forward additional affordable homes, land and assets formalised through a Memorandum of Understanding and a future delivery plan.

Affordable housing provision

109. The government commits to a new trailblazer approach to the delivery of affordable housing within the West Midlands. This will be centred on a new approach to the Affordable Homes Programme 2021-26 being piloted with the WMCA. The Affordable Homes Programme is the government's flagship programme for delivering affordable housing in England. It provides grant funding towards the supply of new social and affordable housing. This agreement relates to funding within the existing Affordable Homes Programme envelope.
110. The trailblazer approach means that the WMCA will set the overall strategic direction, strategy, objectives and local leadership for the deployment of the Affordable Homes Programme in its region. Operational management and administration of the programme will remain within Homes England and hence a strong partnership and collaboration, through the Strategic Place Partnership, will be important from the outset.
111. This provides for local leadership, direction and strategic oversight over the Affordable Homes Programme for the first time by the West Midlands, while retaining Homes England's delivery expertise, administration and operational management, ensuring the Affordable Homes Programme business case objectives are delivered and existing local authority arrangements are maintained.
112. The trailblazer approach will be delivered in two stages, allowing for an evolving picture that increases WMCA involvement, leadership, decision making and direction at each stage. This approach will protect in-flight delivery of the current Affordable Homes Programme, existing investment commitments and strategic partnerships, ensure the fund's business case objectives are met and provide the necessary accountability

arrangements. It will still ensure a trailblazing approach, with WMCA central to key decisions on the Affordable Homes Programme deployment in the West Midlands.

Current Affordable Homes Programme

113. Within the first phase of the trailblazer approach (with timings aligned to the current Affordable Homes Programme):
- a. WMCA will be central to decisions on the Affordable Homes Programme in the region, responsible for setting the strategic direction, leadership and strategy of the Affordable Homes Programme, priorities for investment and strategic oversight within the WMCA area. WMCA will continue to work closely with its local authority partners on Affordable Homes Programme delivery, and work with Homes England, who will continue to lead on day-to-day management, monitoring, grant allocation and administration of the Affordable Homes Programme in the region during this pilot phase.
 - b. Through the Strategic Place Partnership, WMCA will work with local authorities, the government and its agencies, namely Home England, to jointly identify projects for affordable housing. This will be, in line with the strategic direction and policy framework for the Affordable Homes Programme set by WMCA in alignment with the overarching business case for the Affordable Homes Programme. Homes England, the WMCA and its local authorities will develop an effective pipeline of projects across the region within the strategic framework set by WMCA.
 - c. WMCA, local authorities and Homes England will work in close partnership to ensure effective delivery of Affordable Homes Programme funding. WMCA and Homes England will work together in formulating the necessary governance to help ensure strong partnership working and collaboration and support regional decision making on investments and spend of the Affordable Homes Programme. This will sit underneath the existing programme governance structure.
 - d. Where any funding decisions are not acceptable to the WMCA the mayor, as chair of the WMCA board, will have the right to challenge and escalate the decision to DLUHC before any final funding decisions are taken.
114. This represents the first time that decisions on local affordable housing priorities have been devolved, outside of London. Overall funding decisions will need to be aligned and consistent with the national targets set for the current Affordable Homes Programme, but, recognising the trailblazer nature of the deal, more flexibility may be granted to take greater account of regional priorities.

115. The specific arrangement will depend on the provider and/or whether funding has been allocated already and the approach will be formalised through a memorandum of understanding, signed between WMCA, DLUHC and Homes England.
116. Homes England will invest at least £200 million of AHP funding within the WMCA area by March 2026 with a clear ambition for WMCA, local partners and Homes England to work together to invest up to £400 million to build more social and affordable homes by 2026. This will be dependent on appetite from providers alongside the ongoing work to develop a joint pipeline and delivery plan, developed as part of the Strategic Place Partnership. WMCA will work collaboratively with Homes England, constituent local authorities and local delivery partners to develop a joint pipeline and delivery plan which alongside the other elements set out in this trailblazer approach will help bring forward additional funding opportunities beyond the minimum level, through the identification and development of pipeline projects by Homes England and WMCA.

Future affordable homes provision

117. In the second phase of the trailblazer approach (to begin in any successor programme), WMCA will be responsible for adopting a strategic role on affordable housing, including in some decisions currently taken by Homes England, namely agreeing sites and providers and identifying standards, working in partnership with its local authorities. This will be subject to securing appropriate value for money and considering the risks of different standards across the country.
118. This would be subject to any relevant successor programme being agreed in the next Spending Review, the delivery of outcomes to be agreed at the start of any successor programme with the government, set out in a formal settlement including an expectation for the amount of funding to be delivered over the programme within the WMCA. This initial agreement will include the number of homes to be delivered over the programme, annual trajectories of delivery and possible interventions on the event of non-delivery.
119. In this new 'trailblazing' model of delivery, the WMCA will make the key strategic decisions over local investment and spend of Affordable Homes Programme in the WMCA area in line with its strategic framework. The WMCA will be held accountable for delivery through the new accountability framework, which is set out in the Governance and Accountability section of this deal. Day to day administration of the Affordable Homes Programme in the West Midlands will continue to be undertaken by Homes England working to the strategy, objectives and framework set by WMCA, with Homes England reporting to the WMCA on delivery of the agreed outcomes and outputs. Homes England will continue to provide its expertise were called upon, building on the partnership working set out in the Strategic Place Partnership.
120. The development of such an approach for a potential successor programme, including the nature of the relationship between WMCA and Homes England and whether this can be included in WMCA's single settlement, will consider how to maintain the

benefits of nation-wide competitive bidding and long-term contracting with national housing providers, alongside those arising from greater local control and place-led strategic delivery, innovation and objectives for some areas.

121. DLUHC will attempt to pilot this more flexible approach during the current programme, subject to protection of delivery of the existing programme, business cases and appropriate finance becoming available, and will apply the lessons learnt when designing the simplified single department-style settlement for the next Spending Review.

Land reform and public land in the WMCA area

122. The government recognises that repurposing and redeveloping publicly owned land can represent a significant opportunity to drive regeneration, unlock private investment, create new jobs, repurpose town and city centres and increase housing supply across the WMCA area. For the first time, a combined authority will be involved in decisions on major UK government land disposals and reconfiguration of the government estate in a region – the WMCA and the West Midlands being the national pathfinder of this approach.
123. It is important that departments and arm's length bodies apply Green Book guidance for all public authorities regarding asset sales when designing the sale, disposal and development of public land and buildings. This guidance sets out how estimates of social value should include wider social costs and benefits that may be affected by a sale. It is also important that disposal of public sector assets is done transparently and where a department disposes of assets below market price that the reduced income is properly accounted for and recognised and the social value resulting from this is quantified.
124. Equally we recognise that in terms of the national picture, the government (Treasury and Cabinet Office, DLUHC included) has a role to play in ensuring the right systems and incentives are in place to ensure local needs can be met with local solutions while at the same time delivering for the public purse.
125. The Cabinet Office will continue to champion social and public value as part of their property control function on behalf of the Treasury. Their first priority will be to making this commitment real within the context of delivery in the combined authority trailblazer areas.
126. The government and WMCA agree a number of areas to ensure the full implementation of the West Midlands Public Land Charter and support the work of WMCA and its West Midlands Public Land Taskforce and showcase the contribution of public land and buildings to levelling up and placemaking including:

- a. A formal public land reform partnership with the government led by Cabinet Office will be signed which provides WMCA with new strategic leadership and clarity on government department and agency land and buildings centring on decisions on disposals/development in the government estate in the region. The new land reform partnership with Cabinet Office will include a joint plan to anticipate where there may be potential upcoming disposals and reconfiguration of government land and buildings within the West Midlands.
- b. DLUHC and the Cabinet Office will support the WMCA to become a leader in public land policy and delivery including being the first region for the Cabinet Office's new "place pilots" programme.
- c. The West Midlands is a regional trailblazer for the measures and principles set out in the Levelling Up and Regeneration Bill, with the WMCA, local authorities and DLUHC working together to explore and demonstrate the more flexible compulsory purchase and land assembly opportunities for regeneration.
- d. DLUHC, the WMCA and its constituent authorities, will undertake a review of the effectiveness of local development orders in the West Midlands, explore how local authorities could be supported in their application to accelerate regeneration delivery, growth and investment, and pilot resulting models in the region.
- e. DLUHC and Cabinet Office will, as part of the public land reform partnership between WMCA and Cabinet Office, commit to work with the WMCA to better understand issues around use and redevelopment of public land and buildings.

Housing quality

- 127. Homelessness.** The government will provide £3.8 million during financial year 2022/23 to WMCA on behalf of Birmingham City Council to lease good-quality private rented sector properties in the City for homeless families, supporting their ongoing work to end the use of bed and breakfast accommodation for families
- 128. Live and Work.** The St Basil's 'Live and Work' model provides an excellent example of collaborative working to help young people enter employment and secure an affordable home. The Live and Work scheme was previously allocated funding for a pilot scheme in Sandwell, and DLUHC will work with Homes England, WMCA and suitable registered providers to consider how the Live and Work model may be expanded and tested in additional localities across the region to strengthen the evidence base for the proposed model.
- 129.** Such schemes would support young workers, and potentially others transitioning from supported housing or homelessness experience, to live, work and be benefit free.

130. DLUHC officials commit to continue to discuss with WMCA and Birmingham City Council what more can be done to increase the replacement of homes sold under the Right to Buy.

Skills

131. Both the government and WMCA are committed to creating the conditions for West Midland's people, communities, businesses and economy to thrive. Central to that commitment is ensuring that the education, skills, and employment support system is truly responsive to local needs, including those identified by employers in the local skills improvement plan.
132. This deal sets out further commitments towards a more devolved adult skills system. The deal extends existing devolved adult skills functions to include further areas of post-19 education and skills activity; and provides greater oversight of post-16 technical education and skills and careers. In this Spending Review period, the deal proposes increased flexibility on adult skills programmes. The deal also proposes exploring pilots of new local skills and careers initiatives as well as increasing partnership between national government and WMCA.
133. The government recognises that there are distinct labour market challenges faced in the West Midlands to upskill the population, generate inclusive growth, and assist employers in filling vacancies requiring advanced and higher skills. Central to this deal is greater oversight of the local skills system and increasing alignment of careers provision. As a result, WMCA will play a crucial role in the region to ensure the local skills system responds to the local skills improvement plan.
134. This deal is underpinned by the enhanced accountability measures, outlined in the Accountability section of this deal. As a milestone to that devolution, WMCA commit to stretching but achievable targets, as set out in this deal, in the current Spending Review period in return for the greater flexibility and path to devolution that it creates. This will be underpinned by the English Devolution Accountability Framework. Further accountability arrangements as they relate to the single settlement are set out in the single settlement section of this deal. The government will also continue to work with WMCA to simplify the funding landscape for skills provision in the area.

A new partnership for post-16 technical education and skills

135. The government recognises the critical role that mayoral combined authorities play in supporting education and skills and their alignment to regional economic growth. This is particularly true of technical education and skills up to and including Level 3, which draw their primary purpose from the workplace and employer need and have a line of

sight to occupations and occupational areas. Both WMCA and the government are committed to delivering a simplified technical education and skills system which is more closely aligned to employers' needs, connects people to high quality jobs, and harnesses opportunities to attract investment.

136. A strong joint governance board will be established to provide oversight of post 16 technical education and skills in West Midlands. It will ensure the link between the technical education offer within West Midlands and real time labour market intelligence about the needs of the West Midlands labour market.

137. The board would have four main roles:

- a. **Responsiveness.** Creating a strong strategic partnership between commissioners/funders (with senior representatives from WMCA and the government), the demand side (the designated employer representative body) and supply side (providers), to utilise all available levers and resources to secure a post 16 technical and vocational offer that is aligned to local skills needs. This should ensure sufficiency, capacity, capability and curriculum relevance and pathways.
- b. **Local skills improvement plan implementation.** As part of this responsiveness, the board will have strategic oversight (i.e., facilitating alignment and addressing issues) of relevant post-16 technical education or training offer linked to delivering the local skills improvement plan, including a role in signing off the local skills improvement fund application from the lead college to ensure alignment of local skills improvement fund-funded projects and wider labour market strategies.
- c. **Data sharing.** The board will commit to lawful and relevant data sharing to support effective planning functions linked to both sufficiency and alignment between the technical education offer and local labour market needs. This will include considering ways to join up on data collection to avoid placing avoidable burdens on providers.
- d. **Careers.** Responsibility to develop an all-age careers strategy for West Midlands that responds to the local skills improvement plan and reflects the skills ambition for the city-region. The board will help align the needs of business, the careers ambitions of our residents and the services and providers with the remit to support residents to develop their careers (see careers section of the deal

138. The government envisages that the role of the board will evolve as it becomes established. We will explore, in the next Spending Review, how to better reflect the board's views in relation to place-based capital investment.

Adult skills

139. The government is committed to ensuring that adult skills functions and funding support people to access the skills they and the economy need, increasing productivity, supporting growth industries, and giving people the opportunity to progress. To ensure this happens at a national and local level, the government commits to devolving non-apprenticeship adult skills functions and grant funding to WMCA in the next Spending Review period.
140. However, there will be specific instances when the national government needs to direct the design of adult skills provision or allocation of adult skills funding – as such, the Secretary of State for Education will retain the ability to do so in next Spending Review period and beyond. However, this will be the exception rather than the rule, where the scale or urgency are such that a national response is judged required to deliver the required outcomes or where there are national skills priorities that the government believes are not being met sufficiently by the skills system. The government will work with the WMCA to ensure that any such direction can be aligned with the existing skills landscape.
141. In this current Spending Review period, the government commits to increasing the local flexibility for MCAs on Free Courses for Jobs and Skills Bootcamps – providing greater flexibility and a path to devolution in the next Spending Review. This will allow them to expand eligibility and select courses and subjects that best respond to the needs of WMCA’s residents, employers and the local labour market.

Free Courses for Jobs

142. On Free Courses for Jobs, the government plans to remove the ringfence on this programme from the beginning of the next Spending Review by full devolution within WMCA’s single settlement, subject to WMCA demonstrating effective use of its budget that has been allocated for Level 3 provision. This will ensure we deliver more of these high value Level 3 skills, which the country needs, but with greater focus on ensuring resonance with local labour market needs including those identified in local skills improvement plans.
143. From financial years 23-24 the government commits to increasing the flexibility of Free Courses for Jobs funding by enabling WMCA to spend up to 50% on any Level 3 adult qualifications deemed necessary by WMCA to meet local skills needs – this is significantly more flexibility than currently available and will support them to meet their delivery targets.
144. In recognition of their trailblazer status, the government commits to fully devolving and removing all ringfences on Free Courses for Jobs for WMCA, subject to and once WMCA have delivered 80% of their available Free Courses for Jobs funding across an academic year by increasing the amount of delivery.

Skills Bootcamps

145. Skills Bootcamps will retain the core purpose, policy intent and branding consistent with the national model, and maintain the focus on delivering employment outcomes which respond to local and national skills needs.
146. Commencing in financial years 23-24, to ensure ongoing value for money and guard against duplication, the government commits to sharing relevant commissioning activity, performance information and data with WMCA on Skills Bootcamps provision that will, or is likely to, include delivery to local residents or employers. In turn, WMCA commits to share relevant commissioning activity, performance information and data about local delivery.
147. In 2023-24, the government commits to increasing the flexibility mayoral combined authorities have to spend up to 30% of the available budget to develop bootcamps that meet local labour market/skills needs in any sector.
148. From 2024-25, in recognition of their trailblazer status, the government commits to then further increasing this flexibility for WMCA – to spend up to 100% of the available budget to develop bootcamps that meet local labour market and skills needs in any sector. WMCA will have the ability to flex the Skills Bootcamp model to meet local needs, subject to agreement from DfE about the nature and substance of these changes. This will allow WMCA the discretion to build on the core model, sharing and applying lessons learned to date around the most effective delivery models, tailored to each sector. We expect this provision to be aligned with priorities identified via the relevant local skills improvement plan.
149. As early as possible in the next Spending Review the government plans to provide WMCA with an un-ringfenced, devolved allocation of funding for the delivery of Skills Bootcamps that is representative of their national share of the total amount of funding allocated for Skills Bootcamps delivery, and subject to conditions that ensure that (where funding is used for Bootcamps) the core model and branding is protected.¹ The government will ensure that funding for Bootcamps is added to the single settlement once the activity is fully devolved.

Careers: joint, place-based governance arrangements

150. With a mandate from the Secretary of State for Education, the government will work with WMCA to take forward the recommendations of the Holman review of careers education by offering a more place-based approach to careers education and develop joint governance arrangements for the delivery of careers services in the West Midlands. This will establish WMCA as the central convenor of careers provision in the

¹ For any funding above this amount, national criteria will determine the remaining funding share and will be ringfenced for spend on Skills Bootcamps delivery.

region; facilitating more effective and joined up delivery between the National Careers Service and local careers hubs and ensuring greater regional tailoring of careers provision, including through locally agreed key performance indicators.

151. As part of this joint governance, WMCA will join DfE at the quarterly performance monitoring of the relevant National Careers Service regional contractor, allowing them to evaluate the impact of the programme locally and enable the Service to better respond to local need.
152. The government also commits to working with WMCA in shaping the design of future careers provision for all ages in the region, to ensure services more clearly reflect local priorities from the outset. Through this government will establish the WMCA's role in shaping the specification for future contracts and ongoing performance management of future regional careers services
153. The government will pilot a new strategic fund to respond to careers priorities for young people in the West Midlands, including to support those who are not in education, employment or training or at risk of becoming not in education, employment or training.

Employment support

Regional labour market governance

154. The DWP Secretary of State will ask WMCA to convene a new Regional Labour Market Partnership Board, which builds on the current collaborative structure that is already in place. The board will oversee the development and implementation of a strategy to tackle regional labour market challenges and move people back into the labour market and into work. This board will include senior representation from DWP, and, where relevant, other government departments, as well as key regional stakeholders.
155. To ensure a rapid and effective response to the actions agreed by the Partnership Board, regular engagement on both a strategic and operational working level between WMCA and DWP, including policy and Jobcentre Plus colleagues as necessary, will continue. This engagement will oversee the development and implementation of these actions.
156. By taking this approach WMCA and DWP will work together to ensure value for money, better use of public funding and achieving the best possible outcomes for clients locally and nationally.

Contracted employment programmes

157. WMCA and DWP are both committed to ensuring the best employment outcomes and support for WMCA residents; to do this requires working towards alignment of national and locally funded public services, integration of public services so they can deliver to best effect for residents and reducing gaps or duplication. In turn, this requires strengthened partnership working and planning to ensure better value for money and achieve a more targeted approach nationally and locally is achieved. DWP is accountable for paying benefits to people who are out of work, and therefore needs to be sure employment provision is effective.
158. Both government and WMCA recognise that, whilst the core national Jobcentre Plus offer works well for many people, contracted employment programmes are a more impactful way of supporting those with more complex needs with more tailored support that addresses multiple barriers to work. Similarly, WMCA's local authorities are responsible for many public services, like public health and housing, which are crucial

in tackling the barriers that often prevent people moving into good, sustainable employment and which see the wider social consequences of unemployment and inactivity resulting in increased demand and poor outcomes. WMCA also has access to significant funding from the UK Shared Prosperity Fund which is intended to support people furthest from the labour market.

159. In all circumstances, WMCA and DWP commit to formalised joint working as the basis of ensuring the best value for money and outcomes for residents on all new and future employment programme provision. DWP and WMCA will:

- a. Commit to a co-design approach to all future contracted employment support programmes, for young people and adults. This means understanding and agreeing the shared policy intent, pooling relevant data and evidence bases to identify gaps and identifying local need, circumstances, assets, and value-add when constructing the specification for the West Midlands contract package area. DWP and WMCA will reach joint agreement around the high-level design and objectives (purpose, outcomes and accountability), so that target cohorts, payment models, routes to market and referrals meet local need.
- b. This co-design needs to recognise that the programmes sit within the framework agreed between DWP and HMT when the funding is secured and ensure that any minimum standards or requirements that would exist in comparable national contracted employment programmes are met or exceeded.
- c. DWP's Secretary of State will have final sign-off of contracted employment programme design, procurement and delivery mechanisms, given the Annual Managed Expenditure implications, using written advice from the DWP Accounting Officer based on DWP and WMCA assurances.
- d. Agree that, in recognition of the special status of the trailblazers, any contracted employment programme activity within WMCA will start from the assumption of a delegated delivery model, but subject to WMCA satisfying conditions which provide assurance on readiness to deliver a value for money programme, including strengthened accountability arrangements, which are yet to be decided. WMCA will then commission on behalf of DWP on a WMCA footprint.

160. In exceptional circumstances, DWP does however reserve the right to adopt a national approach to new employment programmes, as they did in response to the rise in unemployment during the pandemic. DWP commits to exploring options with WMCA prior to reaching any such decision, and to setting out these circumstances in writing where this is the case. Even in these circumstances, recognising the importance of integrating any new interventions into the existing place-based employment support system which encompasses both national and local services, DWP will commit to actively engaging on the purpose of the national approach and attempt, wherever and as far as reasonably possible, to incorporate WMCA's views on the design and

implementation of the programme to ensure maximum alignment with the wider programmes, optimise value for money, and avoid any unnecessary duplication.

Data sharing: labour market and skills

161. Alongside these new levers, which will ensure a stronger link between skills and jobs in the local labour market, the government and the WMCA will work together 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, as set out in the data section of this deal.
162. Dependent on the requisite legal gateway being defined, DWP and WMCA will work together to explore feasibility and potential for proportionate data sharing arrangements for programmes and services operating in the region to reduce duplication and facilitate better targeting and efficiency of an integrated employment and skills offer, and an immediate scoping exercise to identify additional areas for reforming data access arrangements. This will test how data can be lawfully shared to better target services and manage the experience of customers with the aim of improving impact and value for money.

Innovation

163. The government has set itself an ambitious goal: for the UK to become a top global hub of innovation as part of our science superpower mission. But to achieve this, we need to support the research and development clusters all around the UK to ensure more places are able to harness the innovation economy. This is vital if we are to ensure that the industries of the future bring benefits to everyone – as growth and jobs boost productivity, opportunity, and prosperity for all.
164. The Levelling Up White Paper set out clear steps for making this ambition a reality. In it, the government committed to maximising the contribution of innovation to levelling up, by building on existing and emerging research and development strengths across our country's diverse economic landscape. It set out a new mission, led by the Department for Science, Innovation and Technology (DSIT): to increase domestic public investment in research and development outside the Greater Southeast by at least 40% by 2030, and by at least one third over this Spending Review period. This should result in an increase in public research and development investment in the West Midlands.
165. DSIT has set up a new unit to lead on mapping, and supporting clusters, and is working with the Department for Business and Trade (DBT) on inward investment.
166. As the UK's largest public funder of research and innovation, UK Research and Innovation has made 'world-class places' a key objective in its 2022 – 2027 strategy, with a core commitment to drive levelling up by delivering impact in all parts of the UK, and to support the research and development cluster agenda.

Innovation Accelerators: empowering local leaders

167. Home to the city of a thousand trades, the West Midlands has a long tradition of industrial innovation. The West Midlands is one of three areas selected as an Innovation Accelerator, in recognition of its research and development strengths, robust private and public innovation governance, and strong local leadership.
168. The Innovation Accelerator programme is pioneering a new model of research and development decision-making. The West Midlands Innovation Board, involving business and university leaders alongside the WMCA, has developed a plan for growing the city region's innovation ecosystem, and is taking the lead in allocating a

share of £100 million funding to transformative research and development projects, working closely with Innovate UK, to strengthen local clusters and attract investment. This plan puts local leaders at the very centre of decision-making, enabling them to harness innovation to local growth and align research and development investments with local economic strategy.

169. The whole of the government is backing the West Midlands Innovation Board and WMCA in its mission to create a globally competitive innovation cluster with access to dedicated support from DSIT, UK Research and Innovation and DLUHC over the lifetime of the Innovation Accelerator programme. This will help the board to attract vital private research and development investment and overcome barriers on the road to cluster growth.
170. Together, the Innovation Accelerators form part of a pilot programme. The government will evaluate the effectiveness of this approach as we work to empower local leaders in research and development decision-making. Depending on the outcome of the programme and future funding decisions, this will include the government and WMCA working together through the strategic innovation partnership to identify further mechanisms for accelerating innovation in the West Midlands and transferring more autonomy to the West Midlands' developing regional innovation ecosystem. In return, the West Midlands will need to demonstrate that their innovation evidence base, decision making capacity, and ability to generate private sector co-investment is sufficiently robust and mature.

A Strategic Innovation Partnership

171. Alongside the Innovation Accelerator ways of working, this deeper devolution deal will give the WMCA a new and influential role informing the national research and innovation ecosystem at the strategic level. This will maintain progress towards delivering the commitments set out in this devolution deal. This will be achieved through:
- a. Formally and periodically inviting the WMCA to articulate its research and development priorities to UK Research and Innovation. This will enable local leaders to shape decisions about regional funding priorities and ensure that local priority sectors, technologies, and clusters are fully understood by key decision-making bodies. In return, the WMCA will demonstrate that these priorities are informed by local research and development ecosystem stakeholders in a well governed and inclusive manner.
 - b. Consulting the WMCA on the development of future UK Research and Innovation strategies where appropriate and inviting the WMCA to work with the government research divisions on their respective research and development strategies and programmes. This includes engagement on any long-term alternatives to Horizon programmes, should the UK not be able to associate.

- c. Annually inviting the WMCA to set out their regional research and innovation priorities to the government science ministers. This will ensure that local innovation priorities are understood at the highest level of the government; and provide the WMCA with a means to escalate and address barriers to realising innovation-led growth. Where possible and subject to ministerial agreement, this will include involving the WMCA in inter-Ministerial information sharing structures and fora.
- d. UK Research and Innovation working with the WMCA to support the identification of regional comparative innovation advantages, helping to identify corresponding funding opportunities. UK Research and Innovation will provide their publicly available data to the WMCA annually on UK Research and Innovation investment in the West Midlands including changes in investment levels over time in support of the research and development levelling up mission.

172. In progressing the above, the government remains committed to an impartial funding decision-making process for UK-wide open R&D competitions.

Working in partnership to grow innovation clusters

173. Alongside the Innovation Accelerators programme and strategic innovation partnership, Innovate UK and DSIT will work in partnership with the WMCA to grow the city region's innovation ecosystem.
174. Innovate UK will co-develop regional action plans with the WMCA to identify and bolster regional innovation strengths.
175. The government and Innovate UK will work with WMCA to pilot new approaches to boost innovation adoption and diffusion across the local business base. This will include the pilot Innovate UK further education innovation fund, which will fund further education colleges to pursue innovation activities. The WMCA will work closely with Innovate UK to embed Innovate UK Edge as part of its business support ecosystem to drive productivity improvements across the region.
176. Innovate UK's Knowledge Transfer Network will work with the WMCA to co-design locally led place-based knowledge transfer programmes focused on regional innovation strengths. These programmes will generate new ideas partnerships, enabling innovation to flourish at a local level.
177. Subject to the Procurement Bill receiving Royal Assent, the government encourages the WMCA to become a trailblazer for use of the new, more flexible public procurement procedures, empowering all contracting authorities to use procurement as a tool to drive innovation and bring early-stage innovations to market. The Cabinet Office will support the WMCA to make full use of the provisions in the Procurement Bill.

Business productivity

178. The Levelling Up White Paper sets a target to boost productivity, pay, jobs and living standards by growing the private sector, especially in places where they are lagging. However, UK productivity growth, which is the bedrock of higher living standards, has slowed since the global financial crisis and lags behind comparative economies.
179. The commitments included in this deal will empower the WMCA to affect the drivers of productivity at a local level, from skills to infrastructure, to innovation and trade. The end goal of our joint efforts is ultimately to boost enterprise, business growth and jobs – the pathway to a stronger economy nationally and in the West Midlands.
180. At the firm-level, the uptake of business support is one of the key determinants of productivity, and businesses that seek external advice are more likely to experience high growth. The proportion of businesses in the UK accessing support and particularly for growth, however, is low compared to other countries, which evidence suggests is partly due to the complexity and fragmentation of the business support landscape. External finance, and particularly growth finance, can also help companies to achieve their entrepreneurial potential.
181. The government welcomes and will support WMCA's desire to bring greater coherence to the business support and finance landscape. This will be a key part of our joint efforts to boost local growth, and to raising living standards across the city region.

Business support

182. The government recognises the WMCA as the lead institution for integrating business productivity interventions at the city region level. The WMCA will develop a service, working in conjunction with private sector providers, to make it much easier for enterprises to access programmes to boost productivity. The WMCA will, through this deeper devolution deal, have a new, empowered role in integrating, promoting and overseeing access to business support and advisory services, small and medium-sized enterprise finance and the broader commitments agreed as part of the deal. This will strip inefficiencies out of the system and increase small and medium-sized enterprise access to support.

183. The government – DBT, DLUHC and DCMS – and WMCA will establish a new Strategic Productivity Partnership, beginning immediately. Through this regular, at least biannual, initiative:
- a. The government and WMCA will share information and intelligence on live and upcoming business support and advisory services, with the aim of ensuring complementarity between national and local commissioning activities to maximise value for money.
 - b. The WMCA will have the opportunity to raise local priorities for future business support and advisory services to inform and influence government's future commissioning priorities, including as part of the next Spending Review. The government recognises the advantages of locally delivered business support programmes and will work pro-actively with the WMCA to put in place the structures and mechanisms for the devolution or co-commissioning of future business support where it makes sense to do so, as part of preparations for the next spending review. This means that business support may form part of the WMCA's simplified funding settlement in the future.
 - c. WMCA will work with the government and its delivery partners to encourage relevant businesses to engage with and take part in the help to growth management programme. WMCA will also work with the Chartered Association of Business Schools to co-design regional help to grow alumni events for businesses and entrepreneurs in the West Midlands and to improve the signposting of support for local businesses. This will help to ensure that when local business leaders and entrepreneurs 'graduate' from the programme, they are able to access additional follow-on support from across the local public and private sectors to further boost productivity.
184. The government will work with WMCA (plus Warwickshire County Council for former Coventry and Warwickshire local enterprise partnership functions) on the future of growth hubs to inform a refreshed approach to the service, which will be progressed quickly. The government and the WMCA will work together to ensure that as much as possible future delivery models enable effective join-up and co-ordination at the local level and complement business support services being delivered by the WMCA and its partners. This builds upon local decisions to invest over £40m of the UK Shared Prosperity Fund to support local businesses and local growth initiatives.

Small and medium-sized enterprise finance

185. WMCA will have a new, empowered role in the provision of finance to small and medium-sized enterprises. In particular, the WMCA will have a role in the governance of the next generation of British Business Bank UK funds in the West Midlands. In addition:

- a. The referral network between the WMCA's, commercial lenders and the British Business Bank UK funds will be strengthened to make it easier for more local businesses to access the finance they need.
- b. Partnership working and collaboration between the WMCA and the British Business Bank's UK network representatives for the relevant area will be strengthened to stimulate informed demand for finance among businesses. This could involve joint events and initiatives, as well as knowledge sharing.
- c. The WMCA and British Business Bank will work together to bring cohesion to the supply of investment across multiple programmes and institutions. This will include working together with the private sector on a shared understanding of business finance conditions in the West Midlands and priorities and activities, so businesses are financed to grow.

UK Infrastructure Bank

186. The UK Infrastructure Bank is already working with local authorities, combined authorities, other public sector bodies and the private sector to increase investment in infrastructure across the UK. The bank has already supported WMCA with the transition to greener transport through financing infrastructure for sprint bus services. The bank will continue to strengthen its strategic and operational relationships with WMCA, including by engaging when the WMCA is at the outset of designing the commercial arrangements for infrastructure projects which aim to leverage greater investment locally.

Trade and investment

187. The Commonwealth Games were an outstanding success and transformed the image of Birmingham across the globe. WMCA and the DBT have worked together to deliver the highly successful Commonwealth Games business and tourism programme to maximise the economic benefits of the games. This work is ongoing. The WMCA worked together with DBT in the Midlands and India to deliver a joint mission to India in early November and further missions are planned as part of the legacy of the games.
188. This document proposes how the WMCA and DBT should strengthen and deepen their successful partnership.

Strengthening our partnership

189. Upon the West Midlands Growth Company obtaining agreement with all local stakeholders (including WMCA and its local authority members and respective local enterprise partnerships), DBT will:
- a. recognise the West Midlands Growth Company as the lead agency for trade and investment on behalf of the WMCA.
 - b. adopt the WMCA economic geography as the frame of reference for related DBT trade and investment matters for the WMCA area.
190. DBT and WMCA will:
- a. Formalise their engagement at the city region level through:
 - i. Co-development of a West Midlands international strategy and delivery plan spanning both trade and investment.
 - ii. Shared accountability for strategy and delivery; and
 - iii. West Midlands Growth Company board membership subject to formal approval from both sides and standard due diligence.
 - b. Work with local partners including WMCA to gain a holistic view of the UK business environment's competitiveness vis a vis peers specific to our ability to attract regional investment.

- c. Support West Midlands Growth Company in their bid for an extension of the business and tourism programme to secure more trade and investment to the region and the rest of the UK. West Midlands Growth Company will jointly develop the trade and investment business case with DBT and ensure that the programme is scoped in line with the priorities of the international strategy and to deliver the best return in the current macroeconomic environment based on evaluation of the business and tourism programme.
- d. Further to any wider data partnership between the government and WMCA, work jointly to better enable the sharing of intelligence and data owned by each party, to better inform mutual planning and strategy, within the requirements of UK General Data Protection Regulation or other data protection obligations. Note, however, that legally the decision on disclosure for much of the relevant data is for the Commissioners of His Majesty's Revenue and Customs.
- e. Jointly seek to maximise the engagement of appropriate businesses and stakeholders in the WMCA area so that global trade opportunities and activity are created and identified as a result of this deeper devolution agreement.
- f. Maximise the opportunity for WMCA, businesses and stakeholders within the WMCA area to contribute to national policy consultations, including the development of new free trade agreements, for example by responding to Calls for Input that inform the mandate for free trade agreements.
- g. DBT and WMCA to each nominate an official as the single point of contact at operational level to discuss joint plans and delivery on an ongoing basis.
- h. WMCA and West Midlands Growth Company to provide referrals of potential DBT investment and export champions from the WMCA region. DBT will agree to make appointments based on intake capacity and selection criteria.
- i. DBT and overseas international trade representatives for the Midlands Engine to continue to work together, which will in turn directly support WMCA.

Investment

191. The WMCA will have support from the Office for Investment at regional level for transformation investment opportunities (i.e., those in excess of £100m). This will concentrate around two core elements – capital investment and traditional foreign direct investment. Both parties will work together through a long-term partnership with the aim of maximising large-scale inward investment – utilising WMCA's knowledge of capital investment propositions and opportunities, priority sites, innovation and sector/clustering opportunities. WMCA will provide/signpost to public support to help land inward investment and the Office for Investment will engage with high-value

projects and provide a cross-government convening role, working together to increase the profile of the WMCA area internationally as an investment destination.

192. DBT will continue to work in partnership in co-designing and developing operational support for investors in the city region:
 - a. DBT will undertake a review of key account management working with WMCA/ West Midlands Growth Company to consider various options e.g., delivery models which may include better leveraging West Midlands Growth Company's regional delivery capacity.
 - b. Where account management relationships with companies with a presence or interest in the WMCA area are held by DBT, the WMCA will support that relationship with access to information, local support and facilitation as needed to retain and attract high-profile companies in the UK. Likewise, DBT will provide business intelligence from such relationships to enable the WMCA to respond appropriately. Sharing of information will be within the requirements of UK General Data Protection Regulation or other data protection obligations.
 - c. DBT will seek to provide a longer-term commitment to this account management programme, to ensure stability- pending procurement approval from Treasury and business planning outcomes.
193. Future high potential opportunities that are strong UK offers for the WMCA area will continue to be jointly agreed between DBT and WMCA. DBT is currently reviewing the marketing and campaign approach across all local areas and will work with West Midlands Growth Company on promoting investment opportunities.
194. DBT will seek to co-develop a West Midlands city region-specific investment plan, which includes events and other promotional activity - including international visits; access to national marketing campaigns; sector themed inward visits; focus on supply chain opportunities etc – setting out where both parties will lead and or provide support to deliver this plan, which will support and the WMCA international strategy. DBT will work with WMCA to investigate capability/capacity required to reach the goals of the shared plan.
195. DBT will work with WMCA to explore creating a more formal network of local investment promotion agencies. With the aim of:
 - a. Increasing collaboration with investment promotion agencies across the United Kingdom to promote foreign direct investment to the UK and decreasing complexity for foreign investors.
 - b. Leveraging the benefits of the partnership between the Office for Investment and the WMCA at a local level, alongside the broader activities proposed as part of this devolution deal.

- c. Improving communication on policy and strategy.
- d. Sharing best practice and training to help build consistency of quality support, knowledge and understanding around how to effectively land investment, how to work with investors and how to work effectively with DBT.
- e. Improving knowledge and communication of local strengths and opportunities within the DBT network and externally.

Exports

196. DBT will:

- a. Support the recruitment and management of business focussed trade mission delegations to accompany mayor-led market visits, such as the mayoral visit to India in November 2022.
- b. Seek to improve the take up of significant WMCA based companies in ministerial, and other high profile trade missions, in order to provide high value and high-profile opportunities for them to increase exports in strategic markets.
- c. Agree for a UK export academy representative to work with WMCA to enhance the offer based on needs of WMCA businesses.
- d. Seek to jointly develop WMCA-specific events and other activity such as sector themed workshops, sub-regional initiatives and supply chain projects.

WMCA's commitments to the government

197. WMCA will utilise its devolved functions, particularly in relation to skills, housing and transport, to respond to investors' needs and smooth the path to landing greater levels of inward investment in the UK.
198. The WMCA will provide suitable match funding for programmes that are co-financed by DBT, such as the key account management programme.

Net zero and the environment

Strategic energy system planning

199. The government recognises the strategic role WMCA can play in planning our future energy system for net zero, with its ability to convene local authorities, the strategic transport authority, energy infrastructure providers and other key stakeholders, and is committed to ensuring that devolved regional institutions such as combined authorities have a meaningful role in planning our future energy system for net zero.
200. The government is considering the role of local area energy planning in delivering net zero and supporting efficient network planning, working closely with Ofgem and its review of local energy institutions and governance. The government is supportive of WMCA developing local area energy plans across the WMCA area. As part of their on-going work, the government and Ofgem will explore how local area energy plans can support local action, investment and delivery by energy system stakeholders.
201. As outlined in Ofgem's review, there is a need to look further at roles and responsibilities at a sub-national level, particularly to address known issues around co-ordination and accountability. WMCA is encouraged to engage both with this discussion and the future systems and network regulation workstream, which looks specifically at network investment.

Networks

202. To overcome the energy crisis and meet our future needs, it is more important than ever that we rapidly develop a smarter, more integrated, low carbon energy system. Investment by network operators is central to achieving this, as is having the right input from stakeholders to inform it.
203. As part of the next electricity distribution price control framework starting from 1 April 2024, Ofgem required National Grid electricity distribution to engage with WMCA and other local stakeholders to inform its business plans. Where additional allowances are granted during the period, Ofgem expects National Grid electricity distribution to engage with WMCA and other local stakeholders to provide them with confidence that their proposed investment will meet local needs and enable the delivery of net zero and green growth objectives.

204. Ofgem welcomes WMCA's interest in innovation zones and the trialling of novel approaches to inform investment planning. Any decisions on future innovation zones will be considered through the price control review process or as part of wider Ofgem innovation work.

Local plans

205. As per existing arrangements, local area energy plans can provide valid material evidence to justify planning policies related to energy efficiency and infrastructure. The government welcomes continuing to work with WMCA to explore how local area energy plans and spatial planning could be meaningfully integrated, and to understand implications for planning policy and local planning authorities' capacity and skills needs.

Clean heat

206. The government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, zoning coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. This will enable WMCA or its constituent local authorities to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation infrastructure. This includes requiring certain buildings to connect to heat networks within the zones. Government is committed to have heat network zoning in place by 2025.

Industrial decarbonisation

207. Industrial decarbonisation in the West Midlands is key to the economic competitiveness of the region, particularly in the Black Country and Birmingham, and energy-exposed businesses are an important provider of local jobs. Businesses in these areas often supply critical components into strategic national supply chains (defence, aerospace, energy, automotive) that export globally. The government is keen to explore new approaches to facilitating the net zero transition in the sector with WMCA and will explore a range of potential funding options to pilot a new approach to transitioning businesses and clusters to a net zero energy system, subject to business planning.

Energy efficiency

Retrofit

208. The government will pilot the devolution of net zero funding through allocation rather than competition in the period from 2025 onwards to WMCA, subject to confirmation of funding and policy design. The allocation methodology will be agreed between the Secretary of State for Energy Security and Net Zero and the Chancellor, after discussion with WMCA. This pilot will include, but is not necessarily limited to, funding for buildings' retrofit. WMCA's funding allocation will form part of its single department-style settlement.
209. The agreement to pilot devolution of funding is subject to legally binding conditions set by the Secretary of State for Energy Security and Net Zero, including agreeing outcomes and accountability frameworks so that the local and combined authorities involved demonstrate they are meeting the needs of the relevant schemes operated by the Department of Energy Security and Net Zero to the level required. These conditions are expected to include, but are not necessarily limited to, requirements related to:
- a. the type and level of greenhouse gas emission reductions that must be achieved.
 - b. fuel poverty targets.
 - c. the primary objective of the devolved scheme.
 - d. value for money.
 - e. match-funding or private-sector leverage requirements.
 - f. quality standards for the work performed, and
 - g. monitoring, evaluation and audit requirements.
210. The agreement to pilot devolution of funding will also need to take into account work done through the local net zero forum with representative local government organisations and involving WMCA.
211. In addition:
- a. WMCA and its constituent local authorities will not be eligible to bid for funding from competitive national energy efficiency retrofit schemes from which funding has been devolved to them.
 - b. The government reserves the right to pursue non-devolved, non-allocative approaches to the delivery of energy efficiency retrofit schemes; and

c. The release of funding is subject to business case approval.

212. The government will facilitate work ahead of the 2025 period to develop a business case, design a pilot and evaluation approach and harness relevant events for sharing of best practice between local authorities where they are already taking innovative approaches on retrofit delivery. The government will identify and look to utilise opportunities for early activity.
213. During the current spending review period, WMCA can already submit applications to competitive energy efficiency schemes on behalf of its constituent local authorities with their consent.
214. After the pilot, the government and WMCA will undertake a review of the effectiveness of this approach for the Secretary of State for Energy Security and Net Zero and the Chancellor to consider and agree whether to continue it, and if so in what form, as part of future multi-year spending review periods.

Minimum energy efficiency standards

215. The government plans to consult on the potential for a national minimum energy efficiency standard for social housing properties. The government will engage WMCA via a bi-annual, official-level forum to understand the extent to which any national standard meets the energy efficiency requirements of social housing properties in the WMCA area. The government is open to considering the case for enabling local areas to exceed any national standard, if there would be delivery advantages to doing so and subject to the resolution of regulatory and legislative pre-requisites. The government will, as part of the forthcoming consultation, seek views on the advantages of local approaches to energy efficiency in the social rented sector. Over the near-term, the government is open to exploring ways to support any voluntary efforts by WMCA to boost standards across the city region.
216. The government is open to considering the case for WMCA and its constituent local authorities to set minimum energy efficiency standards, which exceed the national standards, for properties in the private rented sector in their local areas. The implementation of any higher standards would be subject to appropriate legislation being in place and WMCA modelling the possible impact on landlord behaviour and supporting local housing markets to transition to any higher standard. The government will engage with WMCA via a bi-annual, official-level forum to explore this further.

Finance

217. The government supports WMCA in wanting to leverage greater private investment to support the delivery of retrofit and energy efficiency measures. The government will engage with WMCA on the development of appropriate financial instruments and innovative funding models, underpinned by existing legislative frameworks and non-legislative options, to increase the number of energy efficiency upgrades.

Advice

218. The government will work with WMCA to explore how more detailed advice can be provided to households on structural energy efficiency upgrades. This will involve looking at non-legislative options as well as considering potential future legislative options to identify the most effective route to increasing consumer choice within the retrofit market.
219. The government is enhancing its impartial consumer advice and information offer to support consumers with a more personalised advice service on retrofit. This provision includes an online 'MOT-style' checklist, providing clear direction on the structural changes they can make, including installing insulation and heating controls. The government will be launching an enhanced national phonenumber shortly, to support those consumers unable to use the website or in need of further support. In addition, the government is working with the local net zero hubs to engage local and combined authorities and other local actors, on a series of regional in-person advice services. This will provide grants for innovative ideas to better support people locally. WMCA is encouraged to work with the local net zero hubs to promote these services in the most effective way.
220. The government and WMCA will continue to engage on proposals through the bi-annual official level forum proposed below, and through representative local government bodies represented on the local net zero forum.

Climate adaptation

221. WMCA and its local partners are already demonstrating leadership in their work on climate adaptation through a new multi-stakeholder group, focusing on measures that will increase the region's resilience. Just as sub-national plans for net zero will support the government's 2050 plans, the WMCA and its local partners are committed to supporting delivery of adaptation measures across the regional, local and community level. Depending on the outcomes of the plans being developed by the multi-stakeholder group, the government could liaise with WMCA and its local partners to assist them, where possible, to develop and potentially publish a case study in the national adaptation programme, as an example of good adaptation practice.

Natural environment financing

222. WMCA has been acting as the provisional responsible authority for the preparation of the local nature recovery strategy in the area to date. The intention is that the Secretary of State for Environment, Food and Rural Affairs will formally appoint the Mayor of WMCA as the responsible authority, who will work closely with the WMCA to develop the local nature recovery strategy. Formal appointments will be made following the publication of local nature recovery strategy regulations and guidance. Funding to

cover new burdens will be agreed at that point. The local nature recovery strategy will: map the most valuable existing habitat for nature; map proposals for creating or improving habitat for nature and wider environmental goals; and agree priorities for nature's recovery, making an important contribution to the government's environmental targets.

223. To deliver national, regional and local ambitions that support nature's recovery and the implementation of nature-based solutions for climate mitigation and adaptation, there is a need to establish an appropriate investment mechanism for nature. Natural environment solutions come with financing challenges, particularly around return on investment and the offer of accreditation required to secure finance.
224. The WMCA region brings scale to this challenge and the opportunity to provide attractive strategic projects that are suitable for a blended finance approach. The government, which is committed to increasing private investment in nature's recovery across England, will support WMCA in the development of an investment mechanism for nature. This support may include a proportion of revenue funding specialist expertise; co-ordination of peer support and networking; and/or local partnership working with the Defra's arm's length bodies, such as the Environment Agency, Natural England and the Forestry Commission. Any funding provided will be subject to further agreement and approvals and conditional on participation in a programme of evaluation and shared learning.
225. The government's support will aim to build lasting capacity and capability within WMCA to continue to support natural environment financing in the longer term, moving away from working on a project-by-project basis. It will also support WMCA to take an integrated approach to delivering its place-based natural environment and climate adaptation ambitions.

Air quality

226. The government recognises the work WMCA, and its constituent councils are already doing to improve air quality, and in particular towards developing a regional air quality framework, which aims to enhance local monitoring capability. This work will evaluate and inform air quality policy to ensure objectives and targets are met, especially in relation to particulates.

Digital

Infrastructure

227. DSIT will work with WMCA via a new Digital Infrastructure Leadership Group, to explore ways to accelerate the roll-out and take-up of high-speed connectivity in accordance with the agreed terms of reference.
228. The group will seek to align and refine place-based opportunities and interventions to create the best possible conditions to deliver competitive high speed fixed, mobile and smart digital connectivity and accelerate take-up and adoption by consumers, businesses and public services to increase productivity and prosperity across the WMCA.
229. In addition, WMCA and its constituent local authorities commit to use the levers at their disposal – pertaining to street works, planning and provisions under the electronic communications code – in support of the aim of the group.
230. Building digital UK will engage with WMCA alongside other local bodies to discuss the design of interventions and procurement lots for investment in digital infrastructure, at various points in the project gigabit process including but not limited to interrogation of open market review data, design of procurement lots and appraisal of social value elements of tenders.

Inclusion

231. DSIT notes WMCA's commitment to ensuring the benefits of digital technologies are inclusively available to all residents. DSIT will continue to engage with WMCA to understand the work it is undertaking in this area and how this might interact with the development and future delivery of digital inclusion programmes and support greater funding alignment, joint investment and strategic collaboration in the region, to maximise the overall benefit of local, regional and national initiatives that drive local economic growth and support wellbeing.
232. DSIT supports WMCA's efforts to engage with operators and the private sector to provide affordable broadband access and will continue to work with local partners to maximise the reach, awareness and promotion of social tariffs.

233. WMCA has provisionally been awarded £4 million funding to support 20,000 residents with access to data and devices. This capital funding will be targeted at disadvantaged communities, to ensure they can benefit from wider services.

Culture and tourism

Culture

234. Both the government and WMCA recognise the crucial role that culture, heritage and sport can play in supporting levelling up, through giving people pride in the places they live, supporting a vibrant local economy and promoting wellbeing. In the West Midlands, the government recognises the opportunity to build on the recent success of the Commonwealth Games 2022 and Coventry UK City of Culture 2021, and to embed their cultural and sporting legacy. As such, the government has made available £70 million of contingency underspends from the Commonwealth Games to support the WMCA to capitalise on these opportunities.
235. To maximise the impact of this investment, and to explore new ways in which culture, heritage and sport can deliver on wider levelling up outcomes like health and wellbeing, the government will work with WMCA to support an ambitious regional culture and heritage framework.
236. As part of this, the government and arm's length bodies of the DCMS, including Arts Council England, Historic England, Sport England, the National Lottery Heritage Fund, the National Lottery Community Fund and the British Tourist Association (trading as Visit England / Visit Britain), will work with WMCA to support greater funding alignment, joint investment and strategic collaboration in the region, to maximise the overall benefit of local, regional and national initiatives that drive local economic growth, support wellbeing and build pride in place. Following agreement of this deal, WMCA will work with DCMS and the relevant arm's length bodies in spring 2023 to establish a terms of reference for the regional culture and heritage framework and agree a forward plan over the coming year, before finalising the framework in 2024.
237. This work could include increased alignment around funding, and programmes including Commonwealth Games legacy funding, heritage action zones, and the rollout of a new accreditation system for local destination management organisations. Investment decisions should consider strategic priorities, such as Arts Council priority places and levelling up for culture places, Birmingham 2022 Commonwealth Games legacy plans and other policies to develop identified cultural and heritage hubs and support skills, health and wellbeing.

Social economy

238. WMCA is committed to doubling the size of the social economy in ten years, as set out in the plan, growing the social economy in the WMCA area. Recognising this, the government will work closely with the WMCA to develop a pioneering social economy accelerator programme and growth fund and local social economy clusters. There is potential to use dormant assets funding to support community and voluntary sector organisations to make a difference in their places.

Tourism

239. West Midlands Growth Company is working with VisitEngland to become a local visitor economy partnership. Priorities for the West Midlands local visitor economy partnership will include a focus on the deliverables in the West Midlands tourism strategy and recovery plan and major event legacy, to raise awareness and improve perceptions of domestic and international visitors, using our strong cultural and heritage offer, hero themes, and business and major sporting event pipeline to drive visitors to the WMCA's destinations.

240. West Midlands Growth Company currently operates beyond local visitor economy partnership boundaries, in a similar way to a destination development partnership. Subject to confirmation of West Midlands Growth Company's Commonwealth Games legacy funding, and governance and delivery sign-off with VisitEngland and DCMS, WMCA proposes that West Midlands Growth Company works to achieve a second pilot destination development partnership status, an approach endorsed by VisitEngland, to work at a strategic level across the region to strengthen the visitor economy. WMCA will engage with DCMS and VisitEngland on the development and evaluation of their destination development partnership to demonstrate impact and return on investment of the approach, to ensure that ongoing and final learnings are captured. Additional activity will drive efficiencies across the wider destination development partnership area in research and insight, digital innovation, product development and business support.

Public service reform

Health

241. WMCA's Health of the Region report (2020) showed, at the time of publication, a disproportionate number of people in the West Midlands had worse health outcomes from preventable causes than the national average. In addition, two of the three integrated care systems areas in the West Midlands have a higher percentage of deprived neighbourhoods than anywhere else in the country. It is clear that health inequalities, poor health and economic inactivity cannot be tackled in isolation and require greater join up between local partners to improve outcomes for people in the WMCA region. The WMCA has a key role to play through exercising its transport, housing, skills and economic growth functions, which constitute the wider determinants of health and have a key impact on health outcomes.

Population health improvement

242. The region's constituent local authorities and NHS partners play a crucial role in the public health and addressing health inequalities. The Levelling Up White Paper acknowledges the supportive role mayoral combined authorities can play in improving the public health through devolution. This is why the government will support WMCA to work in partnership with local health and social care partners and integrated care systems on population health improvement.

243. The government and WMCA will agree a new formal duty on WMCA to improve the public's health, concurrent with local authorities as set out in the NHS Act 2006. This will neither supersede existing duties of partners nor be subservient to them, rather it will be a supportive addition to bring about systemic change and will enable WMCA to act to improve health through its wider responsibilities. We will also explore how the government and WMCA can use their collective resources and expertise to develop and test innovative solutions to shared prevention and population health priorities.

244. As part of the government's commitment to funding simplification, government will also support WMCA's ambition to explore innovative ways to improve population health, address health disparities and prevent ill-health, by exploring opportunities to better join-up funding related to population health improvement and prevention.

245. Where relevant new future, funding streams relating to population health improvement and prevention are under consideration, government will engage with WMCA and its

constituent local authorities to discuss whether the WMCA' allocation could be included as part of the department-style single settlement. New funding streams do not include new allocations from existing funds.

246. Under a new health improvement duty and through simplified funding streams, the WMCA can work with its constituent local authorities to enhance the provision of and access to a healthier food environment for children and young people, establish a regional tobacco alliance with local public health and integrated care boards and pilot vaping as a quit tool to reduce smoking rates in the region; and drive forward the ambition to be an exemplar region for disabled people through the development of a pan-disability needs assessment and a regional disability strategy in conjunction with the Cabinet Office, and in line with proposals in the emerging disability action plan.

Data and digital

247. As one of the first regions to develop a regional secure data environment for research and development, and as a trailblazer smart city region, the WMCA area is well-placed to build a more integrated, tech-enabled and population-based model of care. To support these ambitions, WMCA, and its local NHS partners, the government and NHS England will empower residents in the WMCA area through improving their understanding and use of health data through education and skills development within deprived areas and expanding patient access to data. WMCA will also work with NHS England to develop artificial intelligence lab(s) to support real-world research, working with local university partners and academic health science networks to provide patients with personalised and proactive care through predictive analytics and machine learning, encouraging early intervention and prevention through digital innovation.
248. In support of WMCA's new health improvement duty, the government will support the regional linkages of shared care records within the West Midlands integrated care boards, and work with WMCA to explore secure and appropriate ways within the existing legal framework to share data across the public sector, including examining existing best practice, with any improvements in data access being appropriate, safe and legal, and not damaging public trust in how data is used.

Workforce

249. The government supports the commitment of WMCA to work with integrated care boards and other partners to explore the use of aligned budgets along with its adult education budget, to help tackle workforce shortages in the NHS and the wider health and care system, including exploring workforce training and boosting capacity within the voluntary and community sector.

West Midlands Smart City Region

250. To improve public services, the WMCA will pioneer the extension of preventative healthcare, remote monitoring and community diagnosis. This will be delivered through

the Levelling Up: Smart City Region Health, Care and Connectivity programme which builds upon successful trials and complements government funding and priorities, including virtual wards and community diagnostics.

Early years

251. DfE remains open to discussing the further development of regional early years collaboration across the WMCA area, building on existing work, including exploring initiatives which could be piloted in the area provided they are consistent with the government's wider early years strategy and policies.

Homelessness

252. A newly established DWP and DLUHC Ministerial Housing Strategy Group will consider innovative approaches and piloting opportunities in partnership with WMCA, funded from within existing budgets and/or subject to consideration at the next Spending Review, to enable higher standards, improve outcomes for residents and communities and deliver better value for money.

253. DWP will continue working with WMCA to explore the development and implementation of a locally designed rent simplification pilot to enable young people in supported accommodation to transition into work whilst remaining, for an agreed period, in the supported environment that they require.

Antisocial behaviour

254. Addressing antisocial behaviour is a priority for the government, as well as for WMCA. The government is working to drive further action to tackle antisocial behaviour and will discuss its emerging proposals with WMCA and the police and crime commissioner.

255. In particular, the government recognises that there are specific challenges facing all constituent authorities regarding littering, graffiti, contravention of smokefree legislation and managing street traders, performers, and preachers.

Digital, cultural and environmental projects

256. The government will support WMCA with £25 million of additional capital funding during this spending review period for green and innovative projects, to drive economic growth, support businesses in the West Midlands to transition to net zero and improve public services through the Smart City Region project. The release of funding is subject to approval of a suitable business case.

Places for Growth

257. Through the places for growth programme, more than 2,100 roles will relocate to the West Midlands by 2025 from departments and public bodies including the DfT, DLUHC, Home Office, Homes England and DfE. As of December 2022, 1,400 roles have been relocated to the West Midlands campus locations, including Birmingham, Wolverhampton and Coventry.
258. The government's ambition to support the development of specialist skills clusters will bring together organisations with a shared policy interest, to encourage collaboration and foster effective engagement with industry and external stakeholders. The relocation of civil and public service roles builds on the existing expertise within the WMCA, including Network Rail and High Speed 2, and the development of a transport and infrastructure cluster, providing deep career pathways and a range of opportunities locally.
259. The government will build on existing progress and meet the commitments set out in the Levelling Up White Paper by working with WMCA to explore further opportunities for programmes to develop skills and career pathways into the civil service and public services. A West Midlands fast stream pilot will set a blueprint for establishing long-term career pathways by delivering a pipeline of civil service talent and skills in the region. This investment in skills pipeline development and the formation of a transport and infrastructure cluster will accelerate the government's places for growth programme, enabling government departments to consider functions that could be located across the WMCA footprint as part of its commitment to levelling up.

THE END



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