

**HM TREASURY**

Press Notice

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## **Government formalises Greater Birmingham and Solihull city deal**

The Government's plans to transform the powers and levers available to local leaders to deliver growth and jobs in their communities were confirmed today with the signature of agreements between the Deputy Prime Minister, Rt Hon Nick Clegg MP, the Financial Secretary to the Treasury, Rt Hon Greg Clark MP, and the leaders of Greater Birmingham and Solihull.

The deal will lead to 10,000 additional new jobs for local people through investment in the life sciences sector and expansion of the Green Deal programme in addition to the creation of up to 3,560 apprenticeships.

The Deputy Prime Minister, Nick Clegg, said:

"Today Birmingham signs a deal to hand chunks of power over from Whitehall control - a dramatic power shift that will mean everyone in Birmingham will feel the benefits.

"It is my top priority to rebalance our economy so that Birmingham and other major cities get a fair crack of the whip.

"The deal Birmingham has struck will set the city free to be innovative and unique. 10,000 jobs will be created by making Birmingham the City of Life Sciences and expanding the Green Deal scheme to make homes more environmentally friendly.

"Birmingham will be free of the ties that once bound you to decisions made by politicians in Whitehall."

Greg Clark said:

“This is a great deal for Birmingham and Solihull. The Government is committed to unlocking the full growth potential of our cities. We want powerful, innovative cities that are able to shape their economic destinies, boost entire regions and get the national economy growing.

“This deal provides a suite of new freedoms, powers and tools to help Greater Birmingham and Solihull embark on new and innovative ways to drive local economic growth. ”

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## Notes for Editors

1. On July 5 2012, the Government announced a series of historic city deals with our largest cities (Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield).
2. Today's event saw the Core Cities invited to Downing Street. They were congratulated on their efforts and signed wave 1 deals with the Government agreeing its joint commitment to the full implementation of the city deals.
3. Each deal is bespoke and reflects the different needs of individual places but every deal aims to:
  - Give cities the powers and tools they need to drive local economic growth;
  - Unlock projects or initiatives that will boost their economies; and
  - Deliver a step change in the governance arrangements.
4. The city has calculated that Birmingham and Solihull's deal will lead to 10,000 additional new jobs for local people through investment in the life sciences sector and expansion of the Green Deal programme as well as leveraging in over £15 billion of private sector investment over 25 years as a result of the new financial powers.
5. The deal will create an investment fund of £1.5 billion, called GBS Capital, that will manage, invest, recycle and leverage a number of public and private sector funding streams to deliver local infrastructure projects whilst becoming a model for sustainable funding and growth.
6. It will also tackle the long-standing skills deficit in the city by implementing a Skills for Growth Compact that will commit employers, colleges and schools to investing in skills and guarantee work opportunities for learners. This commitment will result in a quarter of the city's businesses signing up to the deal and the creation of 3,560 apprenticeships.
7. There will also be investment capitalizing on the area's reputation as a world leader in science and innovation with funding for state of the art clinical facilities and the creation of green jobs to help make the city's housing more energy efficient.

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