

## West Midlands Combined Authority Integrated Settlement 2025/26

Functional Responsibility	Fund	Home Department	Allocation Mechanism	Funding totals for 2025/26
Local growth and place	UK Shared Prosperity Fund	Ministry of Housing Communities and Local Government (MHCLG)	<a href="#">National formula</a>	£32,735,765 RDEL £13,727,835 CDEL
Local growth and place	Investment Zones	MHCLG	<a href="#">Existing allocation</a>	£6,400,000 RDEL £9,333,000 CDEL
Local growth and place	Made Smarter	Department for Business and Trade (DBT)	National formula - RDEL funding for Made Smarter Adoption is allocated based on the latest <a href="#">NOMIS</a> data on the numbers of manufacturing small and medium sized enterprises (SMEs) in a region.	£1,226,400 RDEL
Local growth and place	Growth Hubs	DBT	National formula - The DBT RDEL Core Growth Hub funding for MCA areas is allocated according to business population bandings, with dampener and allocation cap (at highest level of business population) applied to ensure network stability.	£490,700 RDEL
Local growth and place	Create Growth Programme	Department for Culture, Media & Sport (DCMS)	National formula - CGP RDEL was split equally between all 12 regions participating in the programme (i.e. Regional budget = programme budget / number of regions.	£425,000 RDEL
Local transport	Bus Service Improvement Plan	Department for Transport (DfT)	<a href="#">National formula</a> - BSIP funding was allocated using a combination of <a href="#">population</a> , <a href="#">tendered bus distance</a> and <a href="#">deprivation</a> all weighted equally. This formula also includes a mechanism to recognise the need to protect current service levels.	£37,066,610 RDEL
Local transport	Bus Service Improvement Plan Capacity and Capability	DfT	<a href="#">National formula</a> - BSIP Capacity and Capability funding was allocated to LTAs by ranking on total bus distance and population with set bands of £63,000, £94,000 and £125,000. The bands were defined based on the estimated cost of hiring an EP officer and average funding available to LTAs.	£125,000 RDEL

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Local transport	Bus Service Operators Grant	DfT	<p><a href="#">National formula</a> - Amounts were calculated based on tendered mileage in 2013 and have remained static since.</p> <p>The Government will continue to work closely with Local Transport Authorities when considering options for reform of the allocation methodology of BSOG.</p>	£1,792,259 RDEL
Local transport	Bus Service Operators Grant Plus	DfT	<p><a href="#">National formula</a> - Calculated on mileage run in 2022. Has remained static since.</p>	£11,000,000 RDEL
Local transport	Active Travel Fund	DfT	<p><a href="#">National formula</a> - The capability ratings are used to calculate funding allocations for local authorities for integrated settlements. This includes revenue funding to local authorities to boost technical capability to deliver high quality schemes as well as capital to develop and construct schemes. Ratings are used to guide indicative allocations for active travel funding. Higher rated authorities are eligible to access more funding, ensuring that investment is appropriate to the level of capability.</p> <p>Allocations are based on population level and capability level, with more favourable weightings for lower levels of capability for revenue funding in order to accelerate capability building, as follows:</p> <p>Funding weighting by Capability Rating            Level 1 = (CDEL) 1 x population / (RDEL) 1.5 x population            Level 2 = (CDEL) 2 x population / (RDEL) 2 x population            Level 3 = (CDEL) 3 x population / (RDEL) 3 x population</p>	£12,341,244 CDEL
Local transport	Active Travel Capability Fund	DfT	As above.	£3,615,215 RDEL

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Local transport	Local Electric Vehicle Infrastructure Fund	DfT	<a href="#">National formula</a> - FY25/26 local EV charging RDEL allocations will be a rollover of FY24/25 LEVI RDEL allocations, which were calculated using the existing published formula.	£493,640 RDEL
Adult skills	Adult Skills Fund (Previously Adult Education Budget and Free Courses for Jobs)	Department for Education (DfE)	National formula - Adult Skills Fund devolved distribution formula which is based on historic delivery (in AY 2017/18) to learners resident in the local authorities that now make up the MCA area.	£139,632,912 RDEL
Adult skills	Skills Bootcamps	DfE	<p>New Integrated Settlement formula - Allocations were calculated based on expected spend using the programme's local funding methodology which takes into account local areas' FY 25-26 bids and converts them into expected actual expenditure, using the % of previously allocated local funding that was not spent by all areas. This reflects prior performance achieved across local delivery.</p> <p>DfE are considering options for determining devolved areas' allocations in future financial years.</p>	£12,000,000 RDEL
Housing and regeneration	Brownfield Infrastructure and Land Fund	MHCLG	Existing allocation.	£34,000,000 CDEL
Housing and regeneration	Brownfield Housing Fund	MHCLG	National formula - allocated using the fund's existing formula - amounts were allocated based on the <a href="#">population</a> of mayoral combined authorities eligible for the fund.	£26,114,324 CDEL
Housing and regeneration	Brownfield Land Release Fund	MHCLG	New Integrated Settlement formula - BLRF CDEL amounts were calculated according to the MCA's population as a percentage of England's population. MHCLG is engaging with combined authorities on the formula that will be used for 2026/27 onwards.	£2,583,567 CDEL

Functional Responsibility	Fund	Home Department	Allocation Mechanism	Funding totals for 2025/26
Buildings' retrofit	Warm Homes: Social Housing Fund **	Department for Energy Security & Net-Zero (DESNZ)	<p>New Integrated Settlement formula - Office for National Statistics (ONS) subnational estimates of dwelling by tenure to calculate proportion of social homes within the combined authority that are an Energy Performance Certificate (EPC) D or below, divided by the total number of social homes with an EPC D or below in England.</p> <p>Quantum Multipliers for WMCA = 7.8%</p> <p>More information is available at:  <a href="https://www.gov.uk/government/publications/warm-homes-social-housing-fund-wave-3">https://www.gov.uk/government/publications/warm-homes-social-housing-fund-wave-3</a></p>	£29,172,000 CDEL
Buildings' retrofit	Public Sector Decarbonisation Scheme **	DESNZ	<p>New Integrated Settlement formula - England-only public sector floorspace pro-rated to each MCA using <a href="#">Display Energy Certificates data</a>. Acute &amp; cancer NHS trusts and universities were reserved using a combination of <a href="#">Building Energy Efficiency Survey (BEES) data</a> and sector specific datasets containing floorspace – <a href="#">Estates Returns Information Collection (ERIC)</a> and <a href="#">Higher Education Statistics Agency (HESA)</a> data. Central government buildings were also reserved but floorspace was proxied using regional civil service employment data on headcount.</p> <p>Public Sector Employment Data:  <a href="#">Public sector employment - Office for National Statistics (ons.gov.uk)</a>  <a href="#">Civil Service statistics: 2024 - GOV.UK (www.gov.uk)</a>  <a href="#">Public sector employment - Office for National Statistics (ons.gov.uk)</a></p> <p>Quantum Multiplier for WMCA = 3.6%</p>	£3,348,000 CDEL
Buildings' retrofit	Warm Homes: Local Grant **	DESNZ	<p>New Integrated Settlement formula - ONS subnational estimates of dwelling by tenure to provide the proportion of regional owner occupied / private rented sector stock in the combined authority. This is divided by the estimated number of Owner- Occupied (OO)/Private Rented Sector</p>	£5,280,000 CDEL

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			(PRS) households with EPC D-G and income less than £36k in the region (English Household Survey data).  Quantum Multipliers for WMCA = 6.0%  More information is available at: <a href="https://www.gov.uk/government/publications/warm-homes-local-grant">https://www.gov.uk/government/publications/warm-homes-local-grant</a>	
Employment support	Connect to Work	Department for Work and Pensions (DWP)	<a href="#">National formula</a>	£5,720,000 RDEL
<b>Total Quantum</b>				<b>£388,623,471</b>

\*West Midlands CRSTS1 CDEL allocation for FY25/26 is £211,477,000. CRSTS1 funding will be consolidated into West Midland's integrated settlement from FY26/27. This is one year early and reflects an agreement between the Combined Authority and DfT in recognition of a bespoke bus funding settlement.

\*\*The full 3-year funding profile for the Buildings' Retrofit funds are as follows:

	2025/26	2026/27	2027/28	Total
Warm Homes: Social Housing Fund	£29,172,000	£35,802,000	£35,802,000	£100,776,000 CDEL
Warm Homes: Local Grant	£5,280,000	£12,360,000	£12,360,000	£30,000,000 CDEL
Public Sector Decarbonisation Scheme	£3,348,000	£16,488,000	£16,488,000	£36,324,000 CDEL

More information on the approach to formulae in the integrated settlements is set out in the [MoU technical annex](#).