

Covid-19: Economic recovery asks and funding

- Of the 31 asks in ‘Recharge the West Midlands’, **18 propositions** have been either allocated funding or are in policy areas where we believe the Government has allocated money and we will continue to push for the swift confirmation of funding for the West Midlands.
- In addition to the schemes which were part of our £3.2 billion recovery plan, we estimate the Government has provided **£6.18bn of further support** for the West Midlands over the last few months through schemes like grants for small businesses, furloughing and additional funding for councils.
- The regional uptake of measures announced in the Chancellor’s Winter Economy Plan will become clearer in the coming months and we expect **further announcements on other support measures**, namely the Comprehensive Spending Review.

The four tables below outline government funding announcements related to the West Midlands’ economic recovery.

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

Get Britain Building, A Plan for Jobs and departmental announcements – West Midlands implications	
Regional asks	Funding package, statements and indications [GBF = £66m allocation for Getting Building Fund]
Create green manufacturing jobs <ul style="list-style-type: none"> • Project GREAT (£85m) • Gigafactory (£250m) • EV charging (£35m) • Very Light Rail - VLR (£114m) • Fuel poverty and regional retrofit programme (£100m) • Repowering the black country (£30m) 	<ul style="list-style-type: none"> • Verbal support for the Gigafactory proposal – the Prime Minister said: “the whole of the West Midlands is now a global centre of battery technology and batteries for EVs and that is the vision of Mayor Andy Street, and we will back that vision”. • £1bn national Automotive Transformation Fund • £500m national programme for electric vehicle charging • £14.115m for VLR schemes in Dudley and Coventry [GBF] • A national £2bn "green homes grant" programme to help make homes more energy efficient. • £1bn to improve energy efficiency of public buildings.
Maximise job creation <ul style="list-style-type: none"> • UK Central (£95m) • Curzon Street / Digbeth (£131m) • Cultural Catalyst (£80m) 	<ul style="list-style-type: none"> • £9.96m for completing the cultural capital project in Coventry and the Commonwealth Games economic legacy for the Ricoh Arena [GBF] • £1.57bn national package for cultural and heritage organisations - £16m for West Midlands organisations
Invest in healthcare innovation <ul style="list-style-type: none"> • Birmingham Life Sciences Park (£60m) • ReSCue (£54m) • Grand Central Diagnostic Hub (£13m) • Radical Health Prevention Fund (£10m) 	<ul style="list-style-type: none"> • £10.86m – Precision Health Tech Accelerator (part of Birmingham Life Sciences Park) [GBF]
Build better digital and transport links <ul style="list-style-type: none"> • Metro (£101m) • Sprint (£61) • WMRP (£84m) • Local connectivity (£86m) • Fibre (£16m) • 5G Accelerator (£28m) 	<ul style="list-style-type: none"> • £15.1m for University Station [GBF] • £1m for WM5G application accelerator [GBF] • £4.2bn for mayoral combined authorities from 2022/3
Regenerate brownfield sites and build new homes <ul style="list-style-type: none"> • Urban Transformation Fund (£200m) • National Brownfield Institute (£24m) • Affordable Housing (£400m) • Advanced Methods of Construction (£50m) 	<ul style="list-style-type: none"> • £14.875m for National Brownfield Land Institute [GBF] • £84m to support the building of up to 7,500 new homes secured from a pot of £400m brownfield fund. To be deployed via WMCA Single Commissioning Framework. • £12bn national programme to build 180,000 new affordable homes

<p>Get people back into work</p> <ul style="list-style-type: none"> • Supporting young people - one off support (training, tracking, wage subsidy) (£272m) • Getting the West Midlands back to work (£33m) • Future Skills, Future Jobs (£60m) • Future Skills, Future Jobs (FE capital plan) (£185m) 	<p>A Plan for Jobs 2020 speech:</p> <ul style="list-style-type: none"> • Kickstart Scheme – £2bn work experience programme for 16-24 year olds that have been unemployed for more than six months. • New payment of £2,000 to employers in England for each new apprentice they hire aged under 25, and a £1,500 payment for each new apprentice they hire aged 25 and over. • £200m for college improvements. • £111m extra will be added to the traineeship budget, employers will be paid £1,000 per trainee. • £100m for more places on level 2 and 3 courses. • £32m over two years for the National Careers Service to fund careers advice for 269,000 more people. • £17m to expand sector based work academies, tripling the number of places. <p>For the West Midlands:</p> <ul style="list-style-type: none"> • £1.5m for West Midlands digital retraining • £5.2m for West Midlands AEB for 2020/21 <ul style="list-style-type: none"> ○ £2.6m for high value courses for 18 and 19 year olds ○ £2.6m for sector based work academies
<p>Back our region's businesses</p> <ul style="list-style-type: none"> • Speed to Scale Region (£382m) • Restart, reposition and transform (£60m) • Productivity Factory (£90m) • Enterprise Investment Growth Fund 	<ul style="list-style-type: none"> • Proposals to extend the 'Made Smarter' pilot to the West Midlands • 20m for Growth Hubs nationally, including £1.5m allocated to West Midlands LEPs/Growth Hubs.
<p>Total</p>	<p>£174.2m secured directly for the West Midlands, plus opportunities to secure more investment via national programmes</p>

Table 2 – West Midlands uptake of other national funding – March 2020 onwards

Get Britain Building, A Plan for Jobs and other interventions – West Midlands implications	
Area	Funding package, statements and indications
CBILS and Bounce Back Loans	<ul style="list-style-type: none"> • CBILS - £633m: <ul style="list-style-type: none"> ○ Black Country - £165.3m ○ Coventry and Warwickshire - £151.3m ○ Greater Birmingham and Solihull - £316.6m • Bounce Back Loans - £1.9bn: <ul style="list-style-type: none"> ○ Black Country - £505.7m ○ Coventry and Warwickshire - £407.1m ○ Greater Birmingham and Solihull - £977.3m
Business grants payments by Local Authorities	<ul style="list-style-type: none"> • Grants paid by WMCA Local Authorities - £561m • Discretionary Grants - £28m
Business rates relief	<ul style="list-style-type: none"> • As national framework
Local Authority Emergency Funding allocations	<ul style="list-style-type: none"> • WMCA Local Authorities - £418m from 3 tranches of payments
Furlough support	<ul style="list-style-type: none"> • £2bn in furlough payments
Self-employment support	<ul style="list-style-type: none"> • £550m worth of claims (across NUTS1)
Town centres	<ul style="list-style-type: none"> • £500,000 - £1m for each area in the towns fund to spend on improvements to parks, high street and transport, £5.75m for the WM: <ul style="list-style-type: none"> ○ Bloxwich - £750,000 ○ Dudley - £1,000,000 ○ Rowley Regis - £750,000 ○ Smethwick - £750,000 ○ Walsall - £750,000 ○ West Bromwich - £750,000 ○ Wolverhampton £1,000,000 • Three non-constituency towns have also received funding (Nuneaton, Redditch and Telford)
Travel	<ul style="list-style-type: none"> • £46.7m for Travel: <ul style="list-style-type: none"> ○ Local package to support bus services (using the WMCA transport levy): £25m ○ Light Rail Support: - further settlement for Metro is being discussed and agreed to take us through to early next year. ○ Pothole and Challenge Fund: £17.862m ○ Emergency Active Travel Fund: £3.85m
Roadworks	<ul style="list-style-type: none"> • £15m for West Midlands secured from a pot of £100m for 29 road network projects: <ul style="list-style-type: none"> ○ Swanswell Viaduct Phase 2 ○ Dudley St Bridge repairs ○ Filongley Bridge maintenance ○ Arthur St Bridge repairs
Total	£6.17bn

Grand total for all funding

£6.33bn, plus opportunities to secure more investment via national programmes

Table 3 - Post lockdown announcements – West Midlands detail to follow

Winter Economy Plan and other national announcements	
Area	Funding package, statements and indications
Winter Economy Plan	<ul style="list-style-type: none"> • Job Support Scheme <ul style="list-style-type: none"> ○ Employees will need to work at least 33% of their normal hours to be eligible. ○ All SMEs can apply, but larger firms only qualify if they have had a fall in turnover. ○ It will run for six months, beginning in November 2020. • Self-employment grant <ul style="list-style-type: none"> ○ The scheme is being extended on "similar terms" to the existing job support scheme • Business cash-flow support measures support: <ul style="list-style-type: none"> ○ Bounce Back Loan Scheme - Loans are between £2,000 and £50,000, capped at 25% of turnover, with a 100% government guarantee to the lender. ○ Coronavirus Business Interruption Loan Scheme - The scheme provides loans of up to £5 million with an 80% government guarantee to the lender. ○ Coronavirus Large Business Interruption Loan Scheme - The scheme provides loans of up to £200 million (to a maximum of 25% of turnover), with an 80% government guarantee to the lender. ○ Future Fund – investment scheme for innovative and fast-growing UK-based businesses provides loans ranging from £125,000 to £5 million which are subject to at least equal matching from private investors. ○ Pay as you grow - scheme will help business repay loans taken out as part of the Bounce Back Loans Scheme. ○ The temporary reduction of VAT from 20% to 5% for some sectors will remain in place until 31 March 2021. • Enhanced Time to Pay for Self-Assessment taxpayers - Taxpayers with up to £30,000 of Self-Assessment liabilities due will be able to use. HMRC's self-service Time to Pay facility to secure a plan to pay over an additional 12 months.
Financial support for businesses and jobs	<ul style="list-style-type: none"> • Tier 1 <ul style="list-style-type: none"> ○ Business grants: None ○ Job Support Scheme: Job Support Scheme for businesses that remain open but face considerable difficulty; employer contribution was cut from 33% to 5% and employees are now required to work 20% of their normal working hours instead of 33%. • Tier 2 <ul style="list-style-type: none"> ○ Business grants: Business in hospitality, leisure, and accommodation a grant worth up to £2,100 every month that Tier 2 restrictions apply. ○ Job Support Scheme: As per Tier 1. • Tier 3 <ul style="list-style-type: none"> ○ Business grants: Businesses that have to close: entitled to grants up to £3,000 (by rateable value). For firms that can remain open: covered through business support packages devised by places with resources triggered by moving into Tier 3. • Self-employment grant: <ul style="list-style-type: none"> ○ Doubling of the self-employed grants from 20% to 40%, meaning the maximum grant will go up from £1,875 to £3,750. It will be available to anyone who was previously eligible for the SEISS grant one and grant two.
COVID-19 Tier 3 Area Support	<ul style="list-style-type: none"> • Job Support Scheme <ul style="list-style-type: none"> ○ Government will pay 66% of wages - up to a maximum of £2,100 a month - for each employee in business that are forced to close. Government contribution is capped at £697.92 per month for part-time workers. ○ £3000 grant will be paid to businesses forced to close due to Coronavirus.
Lifetime Skills Guarantee	<ul style="list-style-type: none"> • New entitlement to flexible loans to allow courses to be taken in segments, boosting opportunities to retrain and enhancing the nation's technical skill • £1.5 billion in capital funding for colleges, with more detail in in a further education white paper later this year

Employment support	<ul style="list-style-type: none"> • £1,000 to be paid to businesses that retain furlough staff from November to January, staff must be paid £520 per month at minimum. This could equate to £9bn funding. • £1,500 for every out-of-work 16-24 year-old given a "high quality" six-month work placement • £2,000 for every under-25 apprentice taken on until the end of January, or £1,500 for over-25s
Competitive Brownfield Fund	<ul style="list-style-type: none"> • £40m competitive fund – WMCA submitted bid – awaiting result soon.
Brownfield Fund	<ul style="list-style-type: none"> • £8m to help MCAs accelerate brownfield development
Hospitals	<ul style="list-style-type: none"> • £1.5bn for hospital maintenance, eradicating mental health dormitories, enabling hospital building and improving A&E capacity.
Schools	<ul style="list-style-type: none"> • £1bn to fund a schools building projects. • 560m and £200m for repairs and upgrades to schools and FE colleges respectively.
Hospitality sector	<ul style="list-style-type: none"> • “Eat out to help out” vouchers that will give diners 50% off their meals out, with conditions, for August. • Temporary cut to VAT on food, accommodation and attractions from 20% to 5% for six months
Criminal Justice System	<ul style="list-style-type: none"> • £83m for maintenance of prisons and youth offender facilities, and £60m for temporary prison places
Total	Details on WM allocation/benefits from various national schemes like Eat Out to Help Out and support for business cashflow to be provided once known.