

**From:** Tim Pile  
**Sent:** 02 July 2020 15:24  
**Subject:** Local Infrastructure Funding for Shovel Ready Projects

Good afternoon

The purpose of this email is to give you an update on the Local Infrastructure Projects submission to the Secretary of State, from whom I received a letter last night (attached).

But first, a reminder of the story to date:

On 10 June 2020, the Secretary of State for the Ministry of Housing, Communities and Local Government wrote to LEPs and Mayoral Combined Authorities (MCAs) outlining the opportunity to pitch for funding for capital projects to stimulate the economy.

Two categories of projects were asked for:

1. Existing Government funded capital projects which could be accelerated to generate new activity within 18 months, to help create jobs and raise demand in the economy; and
2. Shovel ready capital projects that can be delivered in 18 months which will drive economic growth and jobs and support the green recovery.

Priorities for investment were outlined as town and city centre modernisation, physical connectivity, innovation ecosystems, improvements to human capital and digital connectivity.

During the preparation of the LEP's response, we were asked to develop one combined, prioritised, list of projects from the West Midlands (i.e. the three LEPs and the WMCA). The Chairs and Mayor agreed that this was not possible in the timeframe available (5-6 days) for a number of reasons including the different geographies of the organisations and there being no agreed joint prioritisation framework. The three LEPs and the WMCA therefore worked closely together to develop four individual lists which were closely aligned and included no duplication.

The lists, plus a joint letter from the Mayor and the three LEP Chairs, were submitted to Government on 18 June 2020.

On 30 June 2020, the Prime Minister made a speech in Dudley which focused on stimulating economic demand, primarily through accelerating capital/infrastructure projects. The announcement included £900m for "shovel ready" local projects in England this year and in 2021.

On 01 July 2020, LEPs and MCAs received letters from the Secretary of State outlining the local allocation of this fund, based on population and Covid-19 exposure and resilience. The letter sent to the Mayor and the three LEP Chairs set out that the WMCA area will receive up to £66m.

By this, the Secretary of State means the constituent members of the WMCA i.e. the seven Metropolitan authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. No funding relating to district and borough authorities is included in this allocation. The funding for these areas has been included within the allocations for Worcestershire LEP (£12m) and Stoke & Staffordshire LEPs (£23.7m).

Warwickshire will separately receive up to £8.1m which will be managed by Coventry & Warwickshire LEP.

In his letter, the Secretary of State asks the Mayor, given his role in leading economic recovery planning, to lead and coordinate a discussion with the CA Board and the three LEP Chairs to agree a single prioritised list of projects to be funded from the WMCA allocation. This needs to be submitted by 17 July 2020. Discussions now need to be had between the WMCA and the three LEPs about how best to achieve this output.

Once submitted, it is understood that there will be a short period of negotiation with Government, during which the final list of projects to be funded will be agreed. Funding will be transferred to local areas through a S31 grant (as per the Local Growth Fund). It has not yet been agreed who will receive the funding in the West Midlands, although a logical option would be for the lead organisation for the project in question to receive it i.e. one of the LEPs (via their Accountable Body) or the WMCA.

Clearly, there are short term and longer term implications. However, the immediate task is to ensure that we identify and prioritise the funding behind the right projects to drive economic growth and secure jobs. That requires clarity of process and governance.

I will come back to you with any developments as they emerge as well as the outcomes of the process itself.

Obviously, there will be further, detailed, discussion over the coming days and weeks. Sufficient time will be allocated at the July Board meeting to enable a full, collective discussion.

Many thanks

Best

Tim  
GBSLEP Chair