

**GROWTH DEALS 3 FACTSHEET – Greater Birmingham and Solihull Local Enterprise Partnership (LEP)**

**1. How much is the Government investing in Greater Birmingham and Solihull Local Enterprise Partnership as part of the Growth Deal programme?**

	<b>Growth Deal One (July 2014)</b>	<b>Growth Deal Two (Jan 2015)</b>	<b>Growth Deal Three (Nov 2016)</b>
Local Growth Fund Award	£357.4 million	£21.4 million	£54.2 million
<b>Total Award</b>	<b>£433 million</b>		

**2. What will this new funding deliver?**

This new tranche of funding is expected to enable Greater Birmingham and Solihull LEP to deliver programmes that:

- Boost innovation and productivity in businesses across the Greater Birmingham and Solihull area in key growth sectors such as life sciences, energy and creative and digital sectors. Projects that are likely to benefit from funding that support this objective include the Precision Technologies Accelerator and Thermal Energy Demonstrator, and Research and Development Centre;
- Deliver connectivity improvements to support the growth and unlocking of housing and employment sites. Projects that are likely to benefit from funding that support this objective include the Birmingham Business Park Southern Link Road and the University Interchange project;
- Increase skill levels, meet employers’ skills needs and help retain skilled workers in the area, such as through the Future Skills Fund programme;
- Develop vibrant, thriving strategic towns and local centres. Projects that are likely to benefit from funding that support this objective include the Burntwood Town Centre Enhancement project; and
- Enhance and harness the potential of the cultural and creative assets and institutions across Greater Birmingham. Projects that are likely to benefit from funding that support this objective include the Symphony Hall extension project.

**3. What has previous funding delivered?**

This builds on previous Growth Deal investments in Greater Birmingham and Solihull, which were targeted at:

- Investing in growth in Greater Birmingham and Solihull – maximising the connectivity within and to Birmingham city centre and the broader economic area to encourage growth and to bring forward new commercial and housing developments, such as through the East Staffordshire Growth and Regeneration Programme;
- Maximising the benefits of HS2 - providing a package of investment in a range of HS2-related projects that would significantly enhance connectivity to Birmingham

Curzon and support extended provision of construction skills. This included projects such as the extension of the Midland Metro routes to Centenary Square, Edgbaston and Eastside; and

- Enhancing growth sectors, and supporting and growing businesses - supporting businesses by ensuring there are appropriate sites with good connectivity, state-of-the-art skills programmes, and interventions to drive innovation and to increase exports and FDI, such as through the Advanced Manufacturing Hub project.

#### **4. How will this benefit the local community?**

The existing Growth Deal is on course to secure up to £119 million of public and private investment, which the LEP estimates could create 29,000 jobs and 7,000 new homes – this additional investment will enable the LEP to continue on that course and to fund projects that will deliver the LEP’s vision of a globally competitive Greater Birmingham, ranked as the number one core city LEP area for quality of life.

#### **5. How will this benefit local businesses?**

To date, the Growth Deal programme has invested in the vital infrastructure that Birmingham’s businesses need, such as the Hoobrook Link Road in north Worcestershire and the Midland Metro extensions in Birmingham city centre; and in the skills pipeline, to ensure that businesses have access to the talent they will need in the future.

The LEP has taken a holistic approach to business support and, in addition to funding infrastructure and skills provision, is supporting businesses through the Growth Hub – their one-stop-shop that provides advice and guidance to businesses to enable them to thrive. The Greater Birmingham and Solihull LEP Growth Hub handled over 5,200 enquiries and intensively assisted 639 businesses in its first year.

#### **6. How will this Deal help the Government work to deliver one million homes in this Parliament?**

Greater Birmingham and Solihull LEP is on course to surpass its target and deliver up to 9,100 homes through its current Growth Deal programme, and we envisage that the funding awarded by Government in this round will continue to enable the delivery of homes to support national targets and to meet local need.

#### **7. How does this announcement link to the Midlands Engine?**

Through the Local Growth Fund, central government has already agreed £1.5 billion worth of investment in the Midlands, supporting locally-led projects to boost economic growth. This additional funding round will provide an extra boost of **£392 million** to LEPs based in the Midlands. This funding will be used to provide vital investment for transport, infrastructure, skills, innovation and business-support projects, acting as a catalyst for growth and building towards the Prime Minister’s vision of an economy that works for everyone, up and down the country.

#### **8. What is the connection between devolution and the Local Growth Fund?**

As part of our efforts to deliver an economy that works for everyone, the Government is devolving wide-ranging powers directly from Whitehall to local people who know their areas best. Opportunities for growth are best identified by those with detailed

local knowledge, and the Local Growth Fund enables places to tailor transformational interventions to local circumstances.

The West Midlands Combined Authority devolution deal is one of 8 across the country – 7 of which will have directly elected mayors. It means decisions that have previously been made in Westminster will now be made in the areas they affect most.

The Greater Birmingham and Solihull LEP area will benefit significantly from this deal. The annual revenue allocation of £36.5 billion for 30 years will unlock an £8 billion investment plan which will support key projects in the area, such as the HS2 connectivity package. The deal also included the extension of the city centre Enterprise Zone to cover the Curzon Masterplan area. This has enabled the adoption of the £1 billion Curzon Investment Plan, which will aim to build the world-class Curzon HS2 station, regenerate the area, create over 76,000 new jobs and contribute nearly £4 billion to the economy in Gross Value Added (GVA) per annum. Devolution of the adult education budget from 2018/9 onwards will help to ensure that local people have the skills needed for local jobs and devolution of specific planning powers will help to accelerate house building.

### **Other Sources of Funding for LEPs**

This is currently the last round of Growth Deals that will take place in this Parliament. However, LEPs are eligible to bid for many other sources of funding, which they can use to make investments in significant economic projects in their local area.

Greater Birmingham and Solihull LEP has successfully secured significant additional funding, which will help to fund a number of projects:

- **Growing Places Fund:** £22.5 million fund, of which £20.8 million has been invested in capital projects that will contribute to the creation of up to 10,000 jobs over the next 10 years by developing a Revolving Fund, according to LEP estimates. Some of the projects supported include the Advanced Manufacturing Hub in Birmingham, the Red Carpet cinema and café, Solihull Town Centre Gateway and the Mezzanine Fund Programme;
- **Birmingham City Centre Enterprise Zone funding:** £1 billion total for Birmingham city centre (£275 million) and the Birmingham Curzon area (£724 million), funded by local borrowing against the projected uplift in business rates across the Enterprise Zones. Amongst the most significant schemes is the re-development of Paradise, a £500 million project supported by £88 million of funding from the Enterprise Zone which the LEP estimates could create more than 10,000 jobs. As of September 2016, the Enterprise Zone had already created over 2,300 new jobs and secured £388 million of private sector investment into the area;
- **Greater Birmingham City Deal:** £21 million has targeted skills, life sciences and low carbon. This has created 117 high value jobs at the Institute for Translational Medicine and, through the Green Deal, provided energy improvements to 356 houses and creating 261 jobs. £25 million has created a Public Assets Accelerator (PAA) that utilises HCA receipts from former Regional Development Agency assets

located in Birmingham to bring forward specific underused sites within the City to create housing and employment. The PAA is intended to create an 'evergreen' fund for investment in further publicly owned sites within the Great Birmingham and Solihull LEP's area and is expected to deliver 2,800 homes by 2022;

- **European Regional Development Fund:** €130.4 million will be spent within the Greater Birmingham and Solihull area;
- **European Social Fund:** €124.4 million for Greater Birmingham and Solihull area;
- **Regional Growth Fund:** £71.6 million investment in Greater Birmingham and Solihull with a further £50 million invested in programmes which cover the area;
- **Greater Birmingham and Solihull Growth Hub:** £1 million funding for the growth hub for 2016-18. This has levered additional funding from ERDF of £1 million as well as a further £0.5 million from partners, Greater Birmingham Chambers, Aston University and Birmingham City University. This has ensured that the Greater Birmingham and Solihull LEP Growth Hub service can be expanded and secured until the end of 2019, helping a minimum of 500 businesses in depth per year;
- **Gainshare funding:** £36.5 million per year for 30 years through the West Midlands devolution deal. This will be invested by the West Midlands Combined Authority, which covers the Greater Birmingham and Solihull area, to drive growth in the region. The funding will help to unlock and £8 billion investment package which includes £4.4 billion to support the HS2 connectivity package.

**Communities Secretary Sajid Javid said:**

"This Government is backing Greater Birmingham and Solihull with this new £54.2 million funding pot. Exciting projects to benefit include new medical research laboratories and a new centre to develop clean energy.

"This new funding will help create jobs, boost skills and give businesses support.

"Local people will also have the chance to have their say and vote on 4 May for their new mayor."

**Steve Hollis, Chair of the Greater Birmingham and Solihull Local Enterprise Partnership, said:**

"We welcome the news that the Government has committed this funding to the Greater Birmingham and Solihull Local Enterprise Partnership. In total, the Government's investment now stands at £433 million – a real statement of confidence in our track record of delivery and ambition. When combined with the £1 billion of funding we are unlocking through our Enterprise Zone and the billions of pounds of investment in HS2, we have significant resources to deliver projects that will help support the realisation of our vision to be a global city region by 2030.

"Through this Growth Deal we will look to work with partners to support projects, such as the Precision Technologies Accelerator Life Sciences project and the Future Skills Fund that will

help us to reach our ambition to grow the regional economy by £29 billion, benefitting both local residents and businesses.

“We expect this additional investment to unlock the development of 1,000 new homes, create and safeguard 2,900 jobs and assist many more learners to take advantage of the economic opportunities on offer across Greater Birmingham. In doing so, we will leverage £163 million from public and private sector partners to boost economic growth across the region.”