

## **WEST MIDLANDS REGIONAL FUNDING ADVICE – ROUND 2**

### **Briefing Note Six**

**17 February 2009**

This is the sixth in a series of Briefing Notes on Regional Funding Advice. Government has asked all regions to submit 'Regional Funding Advice' against indicative budgets for economic development, transport and housing and regeneration for the period up to 2018-19. Regional Funding Advice (RFA) will cover public investment in the region of £1bn per year and must be submitted by the end of February 2009 and be no longer than 35 pages.

These Briefing Notes have charted the process of developing the RFA. The lead has been given by the 'shadow' Joint Strategy and Investment Board which has set out the parameters and the strategic priorities for the RFA (contained in Briefing Note Two); has agreed the emerging approach to the document (contained in Briefing Note Three); and overseen the examination of key projects in the region at Impact Investment Locations (Briefing Notes Four and Five). Throughout the process the JS&IB has been advised by the RFA Advisory Group [Chief Executives/senior staff of LA's and regional bodies], while before Christmas the RFA process was 'kick-started' by the work of an RFA Working Group, and with very helpful input from staff in a number of local authorities.

**At its meeting today the shadow JS&IB agreed a draft RFA document, subject to changes necessary to strengthen further the regional actions that partners will need to take to accelerate development.**

In developing the RFA there has been a focus on ensuring the 'deliverability' of key projects in the Impact Investment Locations, initially through a 'scrutiny' event with regional partners from some of the Locations (9 January), and since then via discussions between all the project proposers and project management consultants Davis Langdon. This work has been undertaken to test and accelerate the delivery of key projects seen as those which support our collective strategic objectives; and has been used to inform the drafting of the RFA, but will not be included in the submission to Government.

The shadow JS&IB agreed on a number of key messages to be included in RFA. These messages are attached [they vary slightly from those in the websites below, since they reflect the more recent discussion at the shadow JS&IB meeting].

**In advance of the submission of the RFA document the draft RFA document which was discussed by the JS&IB today [and associated maps and a transport table] is available on the AWM, WMLGA or WMRA websites [www.advantagewm.co.uk](http://www.advantagewm.co.uk); [www.wmlga.gov.uk](http://www.wmlga.gov.uk); [www.wmra.gov.uk](http://www.wmra.gov.uk)**

Comments should be sent to [snrtransition@advantagewm.co.uk](mailto:snrtransition@advantagewm.co.uk) by 24 February 2009. All comments will be considered by the joint chairs of the shadow JS&IB before the document is finalised.

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SNR Transition Team

## **KEY MESSAGES FROM THE WSET MIDLANDS RFA DOCUMENT**

### **Regional Actions**

*This RFA submission represents a considerable stride forward in regional partnership working. Local Government, AWM, the Homes and Communities Agency, Highways Agency and Learning and Skills Council taken a genuine partnership approach to secure the maximum impact from the public funding streams within RFA.*

*This RFA reflects the response, by Regional partners, to the recession and the need for continued integration of activities to focus their efforts - AWM has re-prioritised its activities to respond to the changing economic circumstances; Regional Transport Priorities have been agreed, recently, and an Action Plan established; the Homes and Communities Agency has produced its regional Business Plan; and AWM and LSC have led on the production of the regional Skills Action Plan. In addition, local authorities across the region have working with partners to deliver the wide range of economic development outcomes which have been prioritised for their area through Local Area Agreements.*

*The independent and open approach to test deliverability of projects within the Impact Investment Locations enables the region to have confidence that the schemes put forward for in the next 3 years can deliver on the ground in whole or in part.*

*Arising from the review of deliverability, regional partners are committed to establishing a range of solutions to enable and/ or bring forward the implementation of priority activities, including;*

- **Infrastructure Funding** – Advantage West Midlands has committed £13 million to the implementation of critical early infrastructure to unlock wider employment land and housing developments
- **Gap Funding** – Advantage West Midlands will ensure the existing £48 million gap funding programme established to support private sector led developments during the economic downturn prioritises schemes within the Impact Investment Locations
- **Commitment to fast track funding applications** – Regional public sector funding partners (HCA, LSC, NHS, AWM, Local Authorities etc) commit to the soonest possible consideration of application within the Impact Investment Locations
- **Planning Applications** within Impact Investment Locations to be prioritised for consideration
- **Improved Regional Management of Transport Projects** – Enhanced regional co-ordination and communication of transport projects, including provision of resources to support the development of proposals/ design of critical transport schemes.

*The RFA process will support the work of the region's Economic Inclusion Panel by encouraging, where legally possible, local and 'in-region' procurement, including the active encouragement, by major public bodies, of local labour and targeted training, and local sourcing clauses in construction and procurement contracts.*

*Work is in hand to build on the work undertaken as part of the RFA to develop a robust mechanism for regional project and investment management. This will support regional partners in developing a joint approach to investment planning and monitoring and management in advance of the Single Integrated Regional Strategy.*

### **Flexibilities from Government**

*Where problems/challenges exist that may prevent delivery, the submission will present a series of solutions to overcome them – some of which require support and agreement from Government. These include:-*

- *A proposal to establish a Regional Infrastructure Fund (RIF) with resources from the Transport Block and economic development (AWM), enhancing the existing Advantage West Midlands Infrastructure fund identified above. Such a fund would be used to ensure the timely delivery of critical early infrastructure projects where anticipated private funding [i.e. developer contributions] is not available, but funds can be recovered through future phases of the development (as it becomes economically viable)*
- *Piloting of the Light Touch Approval Process for Transport Schemes - the Department for Transport (DfT) are currently reviewing their approaches with a view to possibly having a light touch process to deal with schemes costing less than £20m; flexibilities in the regional management of the transport programme are also requested.*
- *Support to take forward an Accelerated Development Zone for the City Region - the proposal is for funding support for an integrated package of transport infrastructure projects, totalling £1.03bn. A conscious decision, in line with the principle of balanced growth, has been to design an ADZ that will generate private investment, economic growth, new housing and jobs throughout the City-region.*

### **Government Intervention**

*The economic down turn has created very challenging conditions for regional partners and the private sector. Government intervention can further assist with economic regeneration. Given that a significant challenge to the successful implementation of projects in the Impact Investment Locations is the inability of the private sector to raise money this submission encourages Government to explore additional measures to overcome liquidity problems experienced by developers and businesses.*