



Economic Growth Board

Date: Monday 4 July 2022

Time: 4.00 pm **Public meeting** Yes

Venue: To be held remotely via MS Teams

Membership

| | |
|-----------------------------------|--|
| Councillor Ian Brookfield (Chair) | Portfolio Lead for Economy & Innovation |
| Tom Westley (Vice-Chair) | Black Country Local Enterprise Partnership |
| Councillor Adrian Andrew | Walsall Metropolitan Borough Council |
| Councillor Ian Courts | Solihull Metropolitan Borough Council |
| Councillor George Duggins | Coventry City Council |
| Councillor Peter Hughes | Sandwell Metropolitan Borough Council |
| Councillor Ian Ward | Birmingham City Council |
| Andy Street | Mayor of the West Midlands |
| Councillor Matthew Dormer | Non-Constituent Authorities |
| Councillor Shaz Saleem | Dudley Metropolitan Borough Council |
| Councillor Bob Sleigh | Portfolio Lead for Finance & Investments |
| Lee Barron | Midlands Trades Union Congress |
| Stuart Croft | Higher Education Sector |
| Anita Bhalla | Greater Birmingham & Solihull Local Enterprise Partnership |
| Sarah Windrum | Coventry & Warwickshire Local Enterprise Partnership |
| Corin Crane | Black Country Chamber of Commerce |
| Matthew Hammond | West Midlands Growth Company |
| Mike Wright | West Midlands Innovation Board |

Quorum for this meeting shall be at least one member from five separate constituent councils

If you have any queries about this meeting, please contact:

Contact Wendy Slater, Senior Governance Services Officer
Telephone 07557 831344
Email wendy.slater@wmca.org.uk

AGENDA

| No. | Item | Presenting | Pages |
|---|--|-------------------|---------|
| Items of Public Business | | | |
| 1. | Apologies for absence | Chair | None |
| 2. | Declarations of Interest Members are reminded of the need to declare any disclosable prejudicial interests that have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality). | Chair | None |
| 3. | Chair's Remarks (if any) | Chair | None |
| 4. | Minutes - 13 May | Chair | 1 - 8 |
| 5. | Economic Conditions in the West Midlands | Delma Dwight | 9 - 24 |
| 6. | Progress Update on LEP Integration | Dr Julie Nugent | 25 - 34 |
| 7. | UK Shared Prosperity Fund Investment Plan | Dr Fiona Aldridge | 35 - 44 |
| 8. | West Midlands Innovation Accelerator | Mike Wright | 45 - 50 |
| 9. | West Midlands Plan for Growth | Dr Julie Nugent | 51 - 54 |
| 10. | Economic Growth Board Work Programme Update | Jonathan Skinner | 55 - 60 |
| Date of Next Meeting - 23 September 2022 at 11.00 AM | | | |



West Midlands Combined Authority

Economic Growth Board

Friday 13 May 2022 at 4.00 pm

Minutes

Present

Councillor Ian Brookfield (Chair)
Tom Westley (Vice-Chair)

Councillor Kerrie Carmichael
Councillor Ian Courts
Councillor Ian Kettle
Andy Street
Stuart Croft
Anita Bhalla

Sarah Windrum

Corin Crane
Matthew Hammond

Portfolio Lead for Economy & Innovation
Black Country Local Enterprise
Partnership
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Dudley Metropolitan Borough Council
Mayor of the West Midlands
Higher Education Sector
Greater Birmingham & Solihull Local
Enterprise Partnership
Coventry & Warwickshire Local
Enterprise Partnership
Black Country Chamber of Commerce
West Midlands Growth Company

Item Title No.

10. Apologies for absence

Apologies for absence were received from Councillors Duggins, Dormer, Sleigh and Ward and Mike Wright.

11. Chair's Remarks

The Chair welcomed everyone to the meeting and reported that this meeting would be the first opportunity to discuss the Trailblazer Devolution Deal.

12. Minutes - 2 February 2022

The minutes of the meeting held on 2 February 2022 were agreed as a correct record.

13. Trailblazing Devolution Deal - Economic Positions

The board considered a report of the Executive Director of Economy, Skills and Communities that sought comments and endorsement to the economic aspects of the devolution deal particularly relating to business support, trade and foreign direct investment, research and development innovation and West Midlands Smart City Region.

The Executive Director of Economy, Skills and Communities, Dr Julie Nugent introduced the report and advised that this work was part of the wider

devolution work being led by the Executive Director of Strategy, Integration and Net Zero, Ed Cox.

It was noted that the economic positions presented follow development and testing with different groups of public and private partners for their thoughts and advice. The Head of Economy and Local Industrial Strategy, Jonathan Skinner reported on 3 key areas of focus these included the beneficiaries and impacts on business and entrepreneurs, attracting foreign investment and intense activity around research and development and innovation to double investment in the West Midlands.

The Chair asked members if they were happy with the proposals outlined in the report and invited the board to put forward any comments or questions.

Corin Crane (Black Country Chamber of Commerce) commented that it was a really good report and reported on the importance of delivery and ensuring inclusion and diversity underpins everything.

The Mayor reported that whilst the proposal was a good one it would not be easy to get 'over the line' with Government and commented on the need to give consideration to how business backs the economic positions and to look at the issue of freeports and tax advantages.

Councillor Courts considered the need to focus on measures of success and outcomes such as growth, job creation and foreign direct investment.

The Executive Director Economy, Skills and Communities reported that the proposals outlined were in draft form and these would be more precise following negotiations with Government.

Neil Rami (West Midlands Growth Company) reported that with regards to foreign direct investment, England was at a disadvantage compared to other parts of the UK and referred to the funds that had been made available to Wales for Aston Martin. He advised that the focus is how funds are administered and the importance of regional decisions, rather than new money.

The Chair reported that comments would be considered and incorporated into the overarching positions that would be put to the WMCA Board. Details of any specific initiatives or programmes would come back to the board.

Resolved:

1. The emerging positions in the report about the devolution of economic powers and resources be endorsed;
2. These positions be further considered by the Devolution Strategy Group and Mayor and Portfolio Holders Group ahead of formal decisions by the WMCA Board on 10 June be noted and
3. That further updates on the progress and implementation of the Trailblazer

Devolution Deal be considered by the Economic Growth Board.

14. Latest on Economic Taskgroup - Local Enterprise Partnership Integration

The board considered a report that proposed an approach to integrating the West Midlands Local Enterprise Partnerships (LEPs) into the WMCA through the appropriate pathways.

The Executive Director of Economy, Skills and Communities, Dr Julie Nugent introduced the report that outlined the three pathways for the integration of LEP functions into democratic institutions. It was noted that issues were being worked through for submission of the integration plan to Government by January 2023.

Anita Bhalla (Greater Birmingham & Solihull LEP) reported on the engagement being undertaken by the Greater Birmingham and LEP with business partners including taking forward existing work such as the work on clusters. Anita added that she would like this board to receive an update on LEP integration at its meeting in December ahead of sign-off of the integration plan by the WMCA Board in January.

Sarah Windrum (Coventry & Warwickshire LEP) supported the board endorsing the integration plan in December and advised that Coventry and Warwickshire LEP board would be seeking to approve its proposals at a meeting in September.

Dr Julie Nugent advised that the final integration plan would be shared with the board before it was submitted to the WMCA Board for approval.

Further to an enquiry from Tom Westley (Black Country LEP) regarding whether LEPs would retain and manage their significant legacy funds, the Mayor reported that local authorities/ LEPs would retain funds from enterprise zones and their defined income streams as the WMCA had no right to claim these.

The Mayor reported of the need for the Authority to give consideration to the non-constituent status of its members and what this means for economic integration.

Councillor Courts commented on the need to keep links across boundaries.

Paula Deas (Coventry & Warwickshire LEP) concurred it was important not to lose economic geography and that bespoke solutions would be discussed with Government.

The Executive Director of Economy, Skills and Communities, reported that businesses would be at the heart of the arrangements and all three LEP Chairs would be invited to join the Task and Finish Group.

Resolved:

1. The work ongoing in the region to the respond to the Levelling Up White Paper and subsequent guidance from Government to oversee the integration of LEPs within Mayoral Combined Authorities be noted;

2. This is in line with the work overseen by the Economic Growth Board's Task and Finish Group, to review the economic functions undertaken by organisations across the West Midlands, with a particular focus on LEP integration be noted;

3. That given the subsequent implications for LEPs, all 3 LEP Chairs should be invited to join the Task and Finish Group (currently this is just the Black Country Chair) be agreed and

4. That a full integration plan be submitted to Government by January 2023 with a draft progress report to be submitted by the end of July 2022 be agreed.

15. Latest on Economic Taskforce- Role of West Midlands Growth Company

The board considered a report of the Executive Director of Economy, Skills and Communities that sought agreement in principle to the 'business as usual' scope of the West Midlands Growth Company's role in the regional economic development system. This would enable input into the WMCA's budget setting, Trailblazer Devolution Deal and UK Share Prosperity Fund investment plan processes and also enable West Midlands Growth Company (WMGC) to work to more precise objectives and key indicators to deliver both regional and place specific outcomes.

Matthew Hammond (WMGC) outlined the report and advised that the report was a 'Starter for 10', based on the initial thoughts from the Growth Company and how it envisaged it would take forward the region's ambitions from the Plan for Growth and build on the achievements of the Business and Tourism Programme (BATP) and the legacy from the Commonwealth Games

The Chair reported that he supported the need for the Growth Company and for it to continue to undertake its valued role in bringing investment into the region.

Anita Bhalla (Greater Birmingham and Solihull LEP) reported that she would like a conversation with Matthew Hammond around the LEP functions transferring from the LEP to the Growth Company and key economic development priorities.

The Mayor reported that he concurred with the Chair and firmly supported the need for the Growth Company. He considered that growth would come from trade given the current economic climate and it was therefore critical to obtain the maximum funds from Government, accepting that the WMCA would be also need to provide funding

Councillor Courts reported that he was supportive of the Growth Company and considered the need for a competitive strategy to promote the region as it was vital to get more investment into West Midlands.

Neil Rami (WMGC) advised that work has been undertaken in this area and undertook to share this work.

Resolved:

1. Agreement be given in principle that West Midlands Growth Company (WMGC) should continue to deliver activity similar in scope and scale to the Business and Tourism Programme (BATP) and should continue to explore other opportunities to add value to delivering the region's economic strategy, recognising that appropriate funding streams will need to be secured and

2. That WMGC work with partners to establish a new suite of objectives and key indicators to better deliver the Plan for Growth, address the region's levelling-up challenges and to meet the specific needs of places in the region be noted.

16. UK Shared Prosperity Fund Update

The board considered a report of the Executive Director of Economic Delivery, Skills and Communities that sought endorsement to the principles of an investment plan for the UK Shared Prosperity Fund (UKSPF) that seeks to build pride in place and boost life chances across the Combined Authority area.

The Executive Director of Economic Delivery, Skills and Communities, Dr Julie Nugent, introduced the report and reported on the work being undertaken with partners to respond to the 3 key investment priorities around community and place, supporting local business and, people and skills.

The Head of Skills Insight, Dr Fiona Aldridge, outlined the report including the approach and principles to developing and approving the investment plan, the proposed approach to allocations and next steps.

The Chair reported that he was supportive of the report but felt the new funding for local investment was not comparable to funding previously available through European Structural Funds. He noted that funding for 'people and skills' was not available until 2024/25 and similarly, no funding is available to support 16-18 year olds not in employment, education or training and reported of the need for the WMCA to look at this as part of the devolution deal.

Councillor Courts commented that there was no relationship between the UK Shared Prosperity Fund and LEP funding and also noted that the previous funding arrangements supported employment and young people. He also enquired about the arrangements and timing of local authorities approving the investment plan.

The Executive Director of Economic Delivery, Skills and Communities

reported that consultations would be undertaken with local authorities, MPs and stakeholders but the approval of the investment plan was a decision for the WMCA Board. This board would oversee the UK Shared Prosperity Fund strategy with further details submitted to the next meeting. Julie Nugent added that there was not enough money to do everything.

Resolved:

1. The proposed principles and approach set out in the report to underpin the development of the approach to UK Shared Prosperity Fund (UKSPF) be agreed;
2. The ongoing work to quantify demand and develop funding options for the investment plan be noted;
3. That these principles and the approach to UKSPF be further considered by the Mayor and Met Leaders, the Regional Economic Directors Group, West Midlands Local Authority Chief Executives and Finance Directors, ahead of formal decisions by the WMCA Board in July be noted;
4. That the commissioning and future performance management of UKSPF be considered by the Economic Growth Board be agreed and
5. The UKSPF activity supports the Local Business theme, offering the potential to build upon the latest outputs from the West Midlands Business Support Review, led by LEPs in conjunction with partners be noted.

17. West Midlands Plan for Growth Next Steps

The board considered a report of the Director of Economy, Skills and Communities that outlined the next steps in taking forward the West Midlands Plan for Growth. It was noted that the Plan for Growth had been approved by the WMCA Board in February 2022 and described how cluster opportunities would be taken forward through more active integration of the six cross-cutting interventions, to drive above-average growth in high value areas, creating good jobs for local people.

The Director of Economy, Skills and Communities, Dr Julie Nugent reported that a stakeholder event in June would support the Plan for Growth and demonstrate how it is to be embedded into mainstream economic activity across the region.

Resolved: The proposed steps to take forward the aims of the West Midlands Plan for Growth including an update on how some of the Levelling Up White Paper announcements, including LEP integration, UK SPF and the Innovation Accelerator will be critical to taking forward Plan for Growth interventions and launching the plan at a stakeholder event, setting out the region's broad plans for economic recovery with the Plan for Growth at its heart be noted.

18. Economic Growth Board Work Programme

The board considered a report of the Executive Director Economy, Skills and Communities that set out the board's work programme for the new municipal

year taking account of activity linked to the Levelling-Up White Paper and timetables relating to the Trailblazer Devolution Deal, the UK Share Prosperity Fund and Innovation Deals.

Resolved: That the updated work programme attached to the report as Appendix 1 (a live document to be refined according to the economic situation, priorities and decisions required) be noted.

The meeting ended at 5.06 pm.

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Economic Growth Board

| | |
|--------------------------------------|--|
| Date | Monday 4 th July 2022 |
| Report Title | Economic conditions in the West Midlands |
| Portfolio lead | Economy and Innovation – Councillor Ian Brookfield |
| Accountable Chief Executive | Laura Shoaf, West Midlands Combined Authority laura.shoaf@wmca.org.uk |
| Accountable Employee | Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: julie.nugent@wmca.org.uk |
| Report has been considered by | |

Recommendations for action or decision:

- a) Note current economic conditions, including insight from the region's businesses and long-term economic forecasts.

1 Purpose

- 1.1 To support the Economic Growth Board's decision-making by providing a summary of:
- Long-term economic forecasts for the West Midlands;
 - Latest quantitative economic intelligence;
 - Recent feedback and insight from West Midlands businesses and from the Economic Impact Group.

2 Background

Current economic conditions

- 2.1 The West Midlands' Economic Dashboard is attached as **Appendix 1**. Compiled by the Black Country Consortium Economic Intelligence Unit, it summarises headline data covering business, place, the economy, and people. Some highlights from the dashboard include the West Midlands Business Activity Index decreasing from 54.5 in April 2022 to 49.7 in May 2022; this was the first contraction in 16 months. The contraction has been linked to inflationary pressures, subdued demand, challenging economic conditions and input shortages. However, reflecting national trends in the last month, the number of pay-rolled employees has increased (+0.7% vs +0.6% UK), meaning there were over 1.2m pay-rolled employees in the WM 7 Met. area in May 2022. When compared to March 2020 pay-rolled employees were 3.1% higher in the WM 7 Met. area – above the UK growth of 2.5%.

2.2 The West Midlands Regional Economic Development Institute (WM REDI) produces a bi-weekly Monitor¹ which pulls together information across regional partners and beyond – including relevant regional, national, and global activity. Highlights from the latest Monitor (dated 24th June '22) are:

- **Inflation in the UK:** The Office for National Statistics (ONS) announced that [Consumer Price Inflation \(CPI\)](#) had risen even further to 9.1% in the 12 months to May, up slightly from April's rate of 9%. This is the highest rate of inflation in 40 years since March 1982, and the Bank of England is now forecasting that inflation could reach 11%. [ONS](#) stated that inflation in May was fuelled by rising prices for food and non-alcoholic beverages. The inflation in this sector is largely due to Russia's invasion of Ukraine severely restricting wheat and maize supplies; the two countries make up almost a [quarter of worldwide production](#).
- **Rail strikes:** Last ditch talks between the Rail, Maritime, and Transport (RMT) Union and the Government failed to resolve the disputes over jobs, pay and conditions meaning that some 40,000 RMT members at Network Rail and 13 train operators have walked out. The Centre for Economics and Business Research (CEBR) has found that the rail strikes will cost the UK economy at least £91m, warning that these figures could be much higher, especially for hospitality and retail. Rail strikes will limit or prevent freight from moving round the UK at expected rates which will impact on the West Midlands (WM), significantly limiting business's ability to get output to customers and reducing economy activity. The West Midlands is a distribution and logistics hub, due to its location enabling 90% of the UK population being reachable within 4 hours. With many businesses producing and storing goods in the region to enable quicker distribution of goods across the UK.
- **Impact of Energy Price Rises on Businesses:** Energy prices hit their peak in March 2022, when gas prices hit a high of £314.52 per therm (a therm is approximately 29kwh). The latest update by OFGEM on the 25th April stated that gas energy prices were £219.46. Much like gas prices, electricity prices have also been rapidly rising, with prices peaking in December 2021 at £240.58 MWh. OFGEM report that current electricity prices are at £195.12 MWh. The West Midlands Combined Authority (WMCA) area has the second largest number of SMEs amongst combined authorities in England and is home to around 90,000 micro and small businesses. With SME's accounting for 97% of the regions total business count, energy prices potentially rising by 250% in the first quarter of this year will drastically impact their ability to continue to operate at current capacities. If energy prices do continue to rise at such a rate many businesses in the region may be forced to reduce operations or raise prices.

Direct insight from businesses and business groups

¹ The latest and previous versions of the WMREDI Monitor can be accessed [here](#)

2.3 As well as quantitative analysis, strong business engagement channels with large & small businesses and business representative groups provide invaluable 'real-time' insight. Chaired by the Mayor, the informal Economic Impact Group (EIG) was set up in response to the pandemic and continues to provide a barometer of current business issues and the effectiveness of responses by Government, regional partners, and businesses themselves. Likewise, it has become an effective vehicle of sharing information across the region from the WMCA and its partners. Recent items have included:

- **Business Energy Costs:** At the meeting of the EIG on the 23rd June 2022, the membership explored the issue of rising business energy costs and how this particularly affects businesses in the West Midlands. Individuals provided examples & testimonies of what they or their members were experiencing in terms of commercial energy cost inflation, and then some examples of practical solutions that had been undertaken by businesses to alleviate financial pressures. Members discussed the barriers that existed for businesses to access these practical solutions and then some short term and wider systemic medium solutions which would help businesses mitigate the challenging economic environment. The item concluded with some preliminary information on a longer-term strategy and how the WMCA's devolution deal asks could help the region.
- **Trailblazing Devolution Deal and the UK Shared Prosperity Fund:** The opportunity for the WMCA to enter a Trailblazer Devolution Deal (TDD) with the Government was set out in the Levelling Up Whitepaper which was published on 2nd Feb 2022. Since then, EIG has been kept well informed on the development of the business and skills devolution asks, the process of the TDD and the type of engagement the WMCA is undertaking with partners to ensure that the asks are holistic and meets the need of the region. Similarly, the UK Shared Prosperity Fund (UKSPF) prospectus was published on the 13th April 2022. UKSPF is the new single pot of funding designed to support the levelling up agenda. The WMCA has been identified as the responsible body for disbursing the allocation of funding across the West Midlands (7 Met area). Members have received some information on our allocation and the preliminary plans on how this will be spent over the next three years.

Regional Business Council

2.4 At the Regional Business Council on the 19th May 2022, members discussed topics including the upcoming Commonwealth Games and the Business and Tourism Programme. Members were briefed and discussed on how the Commonwealth Games is being used to showcase the West Midlands and leverage long term economic benefit for the region and the UK. Similarly, members examined the West Midlands foreign direct investment (FDI) attraction strategy and the subsequent marketing campaigns that have been undertaken to help bring new money into the region from foreign investors. Finally, members were concerned with the rising energy and fuel costs that all businesses are experiencing and discussed possible short-term solutions to mitigate this challenge.

Skills and Employment insights

2.5 Another key barometer of the West Midlands economy is the condition of the labour market. This section highlights the latest information regarding skills and employment insights in the West Midlands:

- **Regional Employment:** For the three months ending April 2022, the West Midlands region employment rate (aged 16 – 64 years) was 75.9%, above the UK rate of 75.6%. Since the previous quarter, the West Midlands employment rate increased by 0.2pp, the UK also increased by 0.2pp. There was an increase of 2.7pp for the West Midlands when compared to the same period in the previous year – joint largest change (with Southwest) across all UK regions and the UK increased by 1.0pp.
- **Regional Unemployment:** For the three months ending in April 2022, the West Midlands region unemployment rate (aged 16 years and over) was 4.5%, which has decreased by 0.5pp since the previous quarter and a decrease of 1.5pp from the previous year (annual change shows the West Midlands had one of the highest decreases with London the highest at -1.8pp). The UK unemployment rate was 3.8%, a decrease of 0.2pp from the previous quarter, and a 1.1pp decrease when compared to the previous year.
- **Regional Inactivity:** For the three months ending April 2022, the West Midlands region economic inactivity rate (aged 16 – 64 years) was 20.6% - below the UK at 21.3%. Since the previous quarter, the West Midlands economic inactivity rate increased by 0.2pp, while the UK decreased by 0.1pp. There was a decrease of 1.5pp for the West Midlands when compared to the same period in the previous year, the UK decreased by 0.1pp.
- **Claimant Count:** There were 150,175 claimants in the WMCA (3 LEP) area in May 2022. Since April 2022, there has been a decrease of 0.9% (-1,430) claimants in the WMCA (3 LEP) area, while the UK decreased by 1.5%. When compared to May 2021, the number of claimants has decreased by 25.7% (-51,855) in the WMCA (3 LEP) area, with the UK decreasing by 34.7% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 27.7% (+32,585) in the WMCA (3 LEP) area, with the UK increasing by 26.7% over the same period.
- **Vacancies:** After a blip in April 2022, job postings across the WMCA 3 LEP area rebounded strongly, up 10.7% or 13,990 job postings to 144,319. All 19 local authority areas bar East Staffordshire (-5%) recorded a positive change compared to the previous month. Whilst Stratford-upon-Avon (+33%) and Sandwell (+20%) recorded the greatest increase, 11 other local authorities all recorded double-digit growth. Posting intensity, i.e., the effort towards hiring for positions was heightened in all 19 local authorities but remained strongest across the 7 Met areas. ²

² Source: Emsi Burning Glass, June 2022 - please note, as of March 2022, Emsi Burning Glass have implemented new data collection and processing procedures within the Analyst Tool. It is estimated that this will result in an approximate 22% reduction in overall job posting counts, which will vary depending on the filters used within the research. Emsi Burning Glass believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process.

3 Financial Implications

3.1 There are no financial implications arising from this report.

4. Legal Implications

4.1 There are no legal implications arising from this report.

5. Equalities Implications

5.1 There are no immediate equalities implications arising from this report.

6. Inclusive Growth Implications

6.1 Presentation of up to date and current data on the state of the West Midlands economy, workforce and population will allow EGB to recommend and agree actions to address inclusive growth needs.

7. Geographical Area of Report's Implications

7.1 The report refers to the 3 LEP area and incorporates links with all constituent and non-constituent authorities.

8. Other implications

8.1 None.



West Midlands
Combined Authority

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group ¹ | Commentary | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--------------|---------------|----------------|------------|---|---|-------------------------------------|------------|----------|----------|----------|----------|------------|------------|------------|---|---|--|------------|------------|--|------------|------------|------------|------------|--|------------|------------|------------|------------|--|-----|---|
| Business | Regional Business Activity Index ² (monthly) | 51.9 | 58.4 | 59.1 | 54.5 | 49.7 | <table border="1"> <thead> <tr> <th>May 2018</th> <th>May 2019</th> <th>May 2020</th> <th>May 2021</th> <th>May 2022</th> </tr> </thead> <tbody> <tr> <td>56.3</td> <td>50.7</td> <td>27.9</td> <td>65.5</td> <td>49.7</td> </tr> </tbody> </table> | May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | 56.3 | 50.7 | 27.9 | 65.5 | 49.7 | WM: 3 rd Lowest Region UK: 53.1 London: 56.5 (1 st) North East: 48.4 (12 th) | The West Midlands Business Activity Index decreased from 54.5 in April 2022 to 49.7 in May 2022; this was the first contraction in 16 months. The contraction was linked to inflationary pressures, subdued demand, challenging economic conditions and input shortages. | | | | | | | | | | | | | | | |
| | May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 56.3 | 50.7 | 27.9 | 65.5 | 49.7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Regional Future Business Activity Index ³ (monthly) | 80.3 | 76.7 | 75.2 | 71.8 | 66.1 | <table border="1"> <thead> <tr> <th>May 2018</th> <th>May 2019</th> <th>May 2020</th> <th>May 2021</th> <th>May 2022</th> </tr> </thead> <tbody> <tr> <td>64.7</td> <td>69.5</td> <td>62.1</td> <td>83.6</td> <td>66.1</td> </tr> </tbody> </table> | May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | 64.7 | 69.5 | 62.1 | 83.6 | 66.1 | WM: 6 th Highest Region Yorkshire & The Humber: 78.9 (1 st) Northern Ireland: 47.8 (12 th) | The West Midlands Future Business Activity Index decreased from 71.8 in April 2022 to 66.1 in May 2022. Firms in the West Midlands remained confident of a rise in output over the course of the coming 12 months. However, overall sentiment slipped to a 19-month low and was below the long-run series average. Acute inflationary pressures, issues with transportation, a challenging economic climate and the Russian invasion all reportedly dampened optimism in May. | | | | | | | | | | | | | | | | |
| May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 64.7 | 69.5 | 62.1 | 83.6 | 66.1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| National Business Investment ⁴ (Q – Jun/Jul 22 TBC) | | | | £51.6bn Q1 (p) | | | <table border="1"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>£57bn Q1</td> <td>£56.1bn Q1</td> <td>£55.1bn Q1</td> <td>£47.5bn Q1</td> <td>£51.6bn</td> </tr> <tr> <td>£56.1bn Q2</td> <td>£56.2bn Q2</td> <td>£44.8bn Q2</td> <td>£50.9bn Q2</td> <td></td> </tr> <tr> <td>£55.5bn Q3</td> <td>£56.9bn Q3</td> <td>£48.8bn Q3</td> <td>£51.3bn Q3</td> <td></td> </tr> <tr> <td>£55.2bn Q4</td> <td>£56.7bn Q4</td> <td>£51.3bn Q4</td> <td>£51.8bn Q4</td> <td></td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | 2022 | £57bn Q1 | £56.1bn Q1 | £55.1bn Q1 | £47.5bn Q1 | £51.6bn | £56.1bn Q2 | £56.2bn Q2 | £44.8bn Q2 | £50.9bn Q2 | | £55.5bn Q3 | £56.9bn Q3 | £48.8bn Q3 | £51.3bn Q3 | | £55.2bn Q4 | £56.7bn Q4 | £51.3bn Q4 | £51.8bn Q4 | | N/A | Provisional figures show that business investment fell by 0.5% in Quarter 1 (Jan to Mar) 2022. Business investment is 9.1% below the pre-coronavirus level in the latest quarter. Transport equipment, and other buildings and structures are the two weakest assets contributing most to bringing down the level of business investment in relation to the pre-coronavirus quarter; transport equipment is 26.8% lower and private sector other buildings and structures is 20.4% lower. |
| 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £57bn Q1 | £56.1bn Q1 | £55.1bn Q1 | £47.5bn Q1 | £51.6bn | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £56.1bn Q2 | £56.2bn Q2 | £44.8bn Q2 | £50.9bn Q2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £55.5bn Q3 | £56.9bn Q3 | £48.8bn Q3 | £51.3bn Q3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £55.2bn Q4 | £56.7bn Q4 | £51.3bn Q4 | £51.8bn Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

The dashboard has been RAG rated based on; Red indicating a decline in performance, Amber where they have been an improvement in performance and Green indicators an improvement above UK-wide (excluding the UK-wide indicator where they are either green or red depending on change each quarter and business activity and future business activity where amber shows a decline in performance but above the 50-growth mark and green indicators continually increases).

¹ Comparisons vary depending on geography; Birmingham has been compared to Bristol, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester and Newcastle. Due to data availability, the WM 7 Met. has been either compared to other combined authorities (following what is available Greater London Authority is not always included), (combined authorities are Greater Manchester CA (GMCA), Sheffield City Region, West Yorkshire CA, Liverpool City Region CA, Tees Valley CA, Cambridgeshire and Peterborough CA, West of England CA, North East CA and North of Tyne CA) or NUTS 2 geography, the WMCA (3 LEP) has been compared to other combined authorities. The West Midlands region has been compared to other regions in the UK. No comparators have been included for UK-wide.

² NatWest, PMI research – released June 2022

³ NatWest, PMI research – released June 2022

⁴ Office for National Statistics (ONS), Business investment in the UK (provisional results) – released May 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group ¹ | Commentary | | | | | | | | | | |
|--------|---|--------------|---------------|-------------|------------|----------|---|-------------------------------------|------------|------|------|---------|--------|--------|--------|--------|-------|-----|--|
| | WMCA (3 LEP) Business Dissolutions ⁵ (Q – Jul 22) | | | 9,881 Q1 | | | <table border="1"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>Q1 2022</th> </tr> </thead> <tbody> <tr> <td>31,099</td> <td>31,673</td> <td>22,074</td> <td>34,447</td> <td>9,881</td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | Q1 2022 | 31,099 | 31,673 | 22,074 | 34,447 | 9,881 | N/A | <p>There was a total of 129,204 company dissolutions in the WMCA (3 LEP) between 2018 to 2021. 26.7% (34,477) of the company dissolutions were in 2021. Between 2020 and 2021, company dissolutions in the WMCA (3 LEP) area increased by 56.2% (+12,403).</p> <p>Quarterly data shows, when comparing Q1 2022 to Q4 2021, there was an increase of company dissolutions by 11.1% (+988) to a total of 9,881. When comparing Q1 2022 to Q1 2021, there was an increase in company dissolutions by 5.0% (+472).</p> |
| 2018 | 2019 | 2020 | 2021 | Q1 2022 | | | | | | | | | | | | | | | |
| 31,099 | 31,673 | 22,074 | 34,447 | 9,881 | | | | | | | | | | | | | | | |

Annual Business Dashboard

| Themes | Indicator | 2017 | 2018 | 2019 | 2020 | Trend | Relative to Peer Group | Commentary |
|----------|--|--------|--------|--------|--------|-------|---|---|
| Business | WMCA (3 LEP) High Growth Enterprises ⁶ (annual – Nov 22) | 710 | 725 | 690 | 620 | | WMCA (3 LEP): Highest CA GMCA: 540 (2 nd) Tees Valley: 70 (10 th) | The latest available for 2020 for the WMCA (3 LEP) area shows that the number of high growth enterprises has decreased from 690 in 2019 to 620 in 2020. This equates to a decrease of 10.1% (-70 enterprises), which is greater than the UK decrease of 4.0%. The number of high growth enterprises has now decreased in each of the last 2 years, perhaps somewhat unexpected given major economic shocks. |
| | WMCA (3 LEP) Enterprise Births ⁷ (annual – Nov 22) | 24,180 | 24,195 | 28,175 | 22,375 | | WMCA (3 LEP): Highest CA GMCA: 16,915 (2 nd) Tees Valley: 2,335 (10 th) | In the WMCA (3 LEP) area, there were 22,375 enterprise births in 2020. This is a considerable decrease of 20.6% (-5,800 births) since 2019, with the UK also decreasing (by 8.3%) over the same period. There were 53 enterprise births per 10,000 population in the WMCA (3 LEP) area in 2020, the same as reported in the UK. |
| | WMCA (3 LEP) Enterprise Deaths ⁸ (annual – Nov 22) | 20,270 | 24,840 | 20,070 | 22,580 | | WMCA (3 LEP): Highest CA GMCA: 13,260 (2 nd) Tees Valley: 16,915 (10 th) | Enterprise deaths in the WMCA (3-LEP) area increased by 12.5% (+2,510 deaths) since 2019 to 22,580 in 2020, contrasting with the UK overall which saw a 2.5% decrease over this period. |

⁵ Companies House via FAME – June 2022

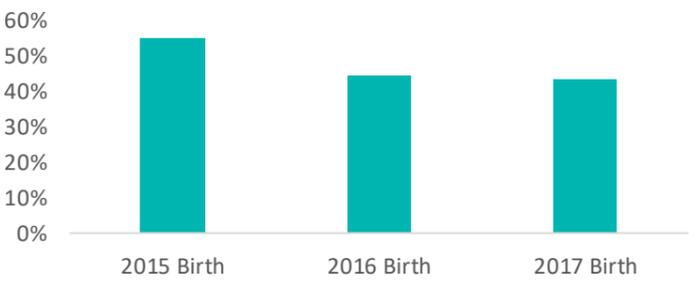
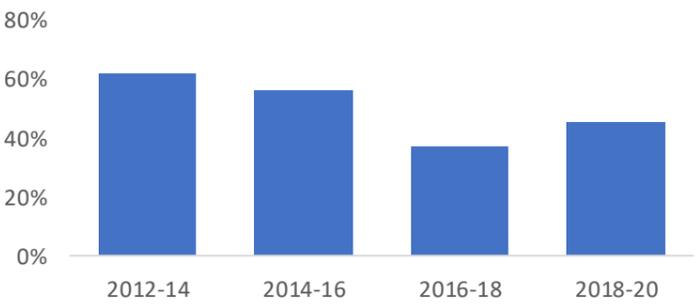
Exploratory data – to be used with caution. Definition of a company dissolution - According to [Companies House](#), Dissolution is the act of removing an incorporated company from the Companies House register, reflecting all company closures at the time of removal. There are many ways a company can become dissolved, including the final outcome of insolvency and being struck off the register. Company insolvency proceedings are formal measures taken when a company becomes unable to pay its debts, including through liquidation and administration. Both reflect slightly different measures of company closure but are reasonable sense-checks of the stability and uncertainty of an economy's business base.

⁶ ONS, Business Demography – released November 2021

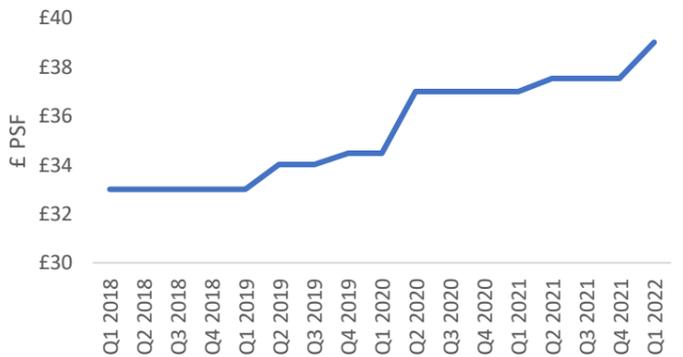
⁷ ONS, Business Demography – released November 2021

⁸ ONS, Business Demography – released November 2021

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | 2017 | 2018 | 2019 | 2020 | Trend | Relative to Peer Group | Commentary |
|--------|---|-----------------------|-----------------------|-----------------------|------------------|---|---|--|
| | WMCA (3 LEP) 3 Year Enterprise Survival Rates ⁹ (annual – Nov 22) | 54.7% (2015 birth) | 44.5% (2016 birth) | 43.1% (2017 birth) | |  | WMCA (3 LEP): 2 nd Lowest CA UK: 53.4% West of England: 58.8% (1 st) GMCA: 42.4% (10 th) | The WMCA 3-LEP area performs better on short-term survival (1–2-year enterprise survival rates are higher in the West Midlands than the UK average), but lag behind when it comes to longer-term survival (3-5 years enterprise survival rates in UK are higher than in the West Midlands). Of the 24,180 enterprise births in 2017 in the WMCA (3 LEP) area, 43.1% (10,415) were still active after 3 years compared to 53.4% for the UK. |
| | WM 7 Met. Innovative Businesses ¹⁰ (Biennial – May 2024) | | 36.8% (2016-18) | | 45% (2018-20) |  | WM 7 Met.: Joint 17 th (with Kent and Northumberland & Tyne & Wear) / 40 UK: 44.9% Inner London-East: 58.9% (1 st) Highlands and Islands: 38.9% (40 th) | Prior to 2016-18, the WM 7 Met. area had more innovative businesses than UK-wide proportions. There was a notable drop in 2016-18 which reflected national trends and the WM 7 Met. figure dropped below the UK (36.8% vs 37.6%). The latest available data shows the WM 7 Met. area has rebounded and was narrowly back above the UK-wide figure (45.0% vs 44.9%). |

Monthly Place Dashboard

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------|---|--------------|---------------|-----------------------|------------|----------|--|------------------------|------------|------|------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|--|-----------|-----------|-----------|-----------|--|---|---|
| Place | Birmingham City Centre Rent ¹¹ (Quarterly – Jul/Aug 2022) | | | £39.00 Per Sq ft (Q1) | | |  <table border="1" data-bbox="1291 1375 2003 1543"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>£33.00 Q1</td> <td>£33.00 Q1</td> <td>£34.50 Q1</td> <td>£37.00 Q1</td> <td>£39.00 Q1</td> </tr> <tr> <td>£33.00 Q2</td> <td>£34.00 Q2</td> <td>£37.00 Q2</td> <td>£37.00 Q2</td> <td></td> </tr> <tr> <td>£33.00 Q3</td> <td>£34.00 Q3</td> <td>£37.00 Q3</td> <td>£37.50 Q3</td> <td></td> </tr> <tr> <td>£33.00 Q4</td> <td>£34.50 Q4</td> <td>£37.00 Q4</td> <td>£37.50 Q4</td> <td></td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | 2022 | £33.00 Q1 | £33.00 Q1 | £34.50 Q1 | £37.00 Q1 | £39.00 Q1 | £33.00 Q2 | £34.00 Q2 | £37.00 Q2 | £37.00 Q2 | | £33.00 Q3 | £34.00 Q3 | £37.00 Q3 | £37.50 Q3 | | £33.00 Q4 | £34.50 Q4 | £37.00 Q4 | £37.50 Q4 | | Birmingham: 2 nd /9 Average: £33.64 Bristol: £42.50 (1 st) Liverpool: £23.00 (9 th) | Birmingham (in the city-centre) rent per sq. ft increased by 4.0% between Q4 2021 and Q1 2022 to £39. In Q1 2022, Also, in Birmingham City Centre for Q1 2022, there was 24 months on ten-year term rent free (average 20). The net effective rent (including rent free period less three months fit-out) was £32.18 (average £28.77). |
| 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £33.00 Q1 | £33.00 Q1 | £34.50 Q1 | £37.00 Q1 | £39.00 Q1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £33.00 Q2 | £34.00 Q2 | £37.00 Q2 | £37.00 Q2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £33.00 Q3 | £34.00 Q3 | £37.00 Q3 | £37.50 Q3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £33.00 Q4 | £34.50 Q4 | £37.00 Q4 | £37.50 Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

⁹ ONS, Business Demography – released November 2021

¹⁰ Department for Business, Energy & Industrial Strategy, UK Innovation Survey 2021 – released May 2022

¹¹ Avison Young, The Big Nine – created May 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------------|-----------------------|-----------------------|------------|---|---|------------------------|------------|------|------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|--|---|
| Page 18 | Birmingham Out of Town Rent ¹² (Quarterly – Jul/Aug 2022) | | | £26.00 Per Sq ft (Q1) | | | <table border="1"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>£23.50 Q1</td> <td>£25.00 Q1</td> <td>£26.00 Q1</td> <td>£26.00 Q1</td> <td>£26.00 Q1</td> </tr> <tr> <td>£23.50 Q2</td> <td>£25.00 Q2</td> <td>£26.00 Q2</td> <td>£26.00 Q2</td> <td></td> </tr> <tr> <td>£25.00 Q3</td> <td>£25.00 Q3</td> <td>£26.00 Q3</td> <td>£26.00 Q3</td> <td></td> </tr> <tr> <td>£25.00 Q4</td> <td>£25.00 Q4</td> <td>£26.00 Q4</td> <td>£26.00 Q4</td> <td></td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | 2022 | £23.50 Q1 | £25.00 Q1 | £26.00 Q1 | £26.00 Q1 | £26.00 Q1 | £23.50 Q2 | £25.00 Q2 | £26.00 Q2 | £26.00 Q2 | | £25.00 Q3 | £25.00 Q3 | £26.00 Q3 | £26.00 Q3 | | £25.00 Q4 | £25.00 Q4 | £26.00 Q4 | £26.00 Q4 | | <p>Birmingham: 2nd Highest/ 9 Average: £21.41 Edinburgh: £29.00 (1st) Cardiff £15.50 (9th)</p> | <p>There has been no change in Birmingham’s out of town rent since 2020 – remaining at £26.00. This has only increased by £1 Q3 2018.</p> |
| | 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | £23.50 Q1 | £25.00 Q1 | £26.00 Q1 | £26.00 Q1 | £26.00 Q1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £23.50 Q2 | £25.00 Q2 | £26.00 Q2 | £26.00 Q2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £25.00 Q3 | £25.00 Q3 | £26.00 Q3 | £26.00 Q3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £25.00 Q4 | £25.00 Q4 | £26.00 Q4 | £26.00 Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Birmingham – City Core Office Market Rent ¹³ (frequency – tbc) | | | £26.91 Per Sq ft (Q1) | | | <table border="1"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>£23.51 Q1</td> <td>£23.75 Q1</td> <td>£24.18 Q1</td> <td>£26.53 Q1</td> <td>£26.91 Q1</td> </tr> <tr> <td>£23.27 Q2</td> <td>£23.90 Q2</td> <td>£25.06 Q2</td> <td>£27.31 Q2</td> <td></td> </tr> <tr> <td>£23.32 Q3</td> <td>£24.06 Q3</td> <td>£25.36 Q3</td> <td>£27.17 Q3</td> <td></td> </tr> <tr> <td>£23.72 Q4</td> <td>£24.04 Q4</td> <td>£26.06 Q4</td> <td>£27.12 Q4</td> <td></td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | 2022 | £23.51 Q1 | £23.75 Q1 | £24.18 Q1 | £26.53 Q1 | £26.91 Q1 | £23.27 Q2 | £23.90 Q2 | £25.06 Q2 | £27.31 Q2 | | £23.32 Q3 | £24.06 Q3 | £25.36 Q3 | £27.17 Q3 | | £23.72 Q4 | £24.04 Q4 | £26.06 Q4 | £27.12 Q4 | | | <p>Office rent per sq. ft in Birmingham City Centre was £26.91 in Q1 2022. This was a decrease of 0.8% since Q4 2021 but a 1.5% increase when compared to Q1 2021.</p> <p>For the surrounding areas in Q1 2022, office rent per sq. ft varies from £11.66 in Wolverhampton, £14.38 in Coventry central and £15.43 in Birmingham Gun Quarter. Wider- Birmingham area shows Eastside and Brindleyplace were both over £20 per sq. ft (£20.09 and £23.80 respectively).</p> | |
| 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £23.51 Q1 | £23.75 Q1 | £24.18 Q1 | £26.53 Q1 | £26.91 Q1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £23.27 Q2 | £23.90 Q2 | £25.06 Q2 | £27.31 Q2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £23.32 Q3 | £24.06 Q3 | £25.36 Q3 | £27.17 Q3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £23.72 Q4 | £24.04 Q4 | £26.06 Q4 | £27.12 Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Birmingham – City Core Industrial Market Rent ¹⁴ | | | £7.16 Per Sq ft (Q1) | | | <table border="1"> <thead> <tr> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>£5.33 Q1</td> <td>£5.67 Q1</td> <td>£6.08 Q1</td> <td>£6.52 Q1</td> <td>£7.16 Q1</td> </tr> <tr> <td>£5.42 Q2</td> <td>£5.77 Q2</td> <td>£6.17 Q2</td> <td>£6.66 Q2</td> <td></td> </tr> <tr> <td>£5.50 Q3</td> <td>£5.87 Q3</td> <td>£6.28 Q3</td> <td>£6.79 Q3</td> <td></td> </tr> <tr> <td>£5.59 Q4</td> <td>£5.98 Q4</td> <td>£6.40 Q4</td> <td>£6.98 Q4</td> <td></td> </tr> </tbody> </table> | 2018 | 2019 | 2020 | 2021 | 2022 | £5.33 Q1 | £5.67 Q1 | £6.08 Q1 | £6.52 Q1 | £7.16 Q1 | £5.42 Q2 | £5.77 Q2 | £6.17 Q2 | £6.66 Q2 | | £5.50 Q3 | £5.87 Q3 | £6.28 Q3 | £6.79 Q3 | | £5.59 Q4 | £5.98 Q4 | £6.40 Q4 | £6.98 Q4 | | | <p>Industrial rent per sq. ft in Birmingham City Centre continues to steadily increase each quarter and was at its highest value (£7.16) since records started in Q1 2009.</p> <p>For the surrounding areas in Q1 2022, office rent per sq. ft varies from £5.86 in Wolverhampton, £6.91 in Coventry centre and £9.01 in Solihull.</p> | |
| 2018 | 2019 | 2020 | 2021 | 2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £5.33 Q1 | £5.67 Q1 | £6.08 Q1 | £6.52 Q1 | £7.16 Q1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £5.42 Q2 | £5.77 Q2 | £6.17 Q2 | £6.66 Q2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £5.50 Q3 | £5.87 Q3 | £6.28 Q3 | £6.79 Q3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| £5.59 Q4 | £5.98 Q4 | £6.40 Q4 | £6.98 Q4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

¹² Avison Young, The Big Nine – created May 2022

¹³ CoStar – accessed June 2022

¹⁴ CoStar – accessed June 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | | | | |
|--|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---|---|---|-------------|-------------|--|---|
| Page 19 | Regional Retail and Recreation Footfall ¹⁵ (Index: 100= 3 rd Jan to 6 th Feb 2020) (weekly) | 81.6 (average daily index) | 88.9 (average daily index) | 88.5 (average daily index) | 88.6 (average daily index) | 92.8 (average daily index) | <table border="1"> <tr> <th>May 2021</th> <th>May 2022</th> </tr> <tr> <td>77.8 (avg.)</td> <td>92.8 (avg.)</td> </tr> </table> | May 2021 | May 2022 | 77.8 (avg.) | 92.8 (avg.) | <p>WM Region: 5th Lowest / 12</p> <p>UK: 90.1</p> <p>Wales: 100.8</p> <p>London: 76.7 (Avg. May 2022)</p> | <p>Visits to retail and recreation locations has yet to be above pre-pandemic levels in the West Midlands region on the 31st May 2022 it was at 95.3.</p> <p>Also, on the 31st May 2022 for the West Midlands region, visits to workplaces were at 79.3 and transit stations was at 83.7. On a positive note, visits to grocery & pharmacy, parks and residential were all above pre-pandemic levels (107.7, 125.5 and 102.5 respectively).</p> |
| | May 2021 | May 2022 | | | | | | | | | | | |
| 77.8 (avg.) | 92.8 (avg.) | | | | | | | | | | | | |
| (WMCA 3 LEP) Gigabit broadband Connectivity ¹⁶ (triannual – Summer 2022) | 78.8% (1,462,063 premises) As of Jan. 2022 | | | | | | | <p>WMCA (3 LEP): 3rd highest CA / 10</p> <p>UK: 64.0%</p> <p>Tees Valley: 86.7% (1st)</p> <p>North of Tyne: 54.2% (10th)</p> | <p>In September 2020, the WMCA (3 LEP) was significantly above the UK-wide figure for gigabit connectivity (68.3% vs 26.7%). Meaning that the increase has since been steady for the WMCA (3 LEP) area as the UK-wide area has had to significantly increase.</p> | | | | |

Monthly Economy Dashboard

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary |
|---------|--|--------------|---------------|------------|------------|----------|-------|--|--|
| Economy | Regional GDP ¹⁷ (Q-on-Q) (Quarterly – TBC Aug/Sep 2022) | | | | | | | <p>WM Region: Joint 2nd lowest (with East of England) / 9</p> <p>England: 0.6%</p> <p>London: 2.3% (1st)</p> <p>North East: -1.2% (9th)</p> | <p>Quarterly GDP analysis shows for the West Midlands region there was a contraction of 0.6% in Q3 2021, while England overall increased by 0.6%.</p> <p>For the West Midlands region, there was positive growth in GDP for three sectors in Q3 2021; the services sector by 0.1%, agriculture, forestry and fishing sector by 3.9% and the construction sector by 4.9%. The production sector had a contraction in GDP by 5.5%.</p> |

¹⁵ Google Mobility – released June 2022

¹⁶ Ofcom, connected nations – released May 2022

¹⁷ ONS, quarterly country and regional GDP – released May 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary |
|--------|---|--------------|---------------|--|------------|----------|-------|---|--|
| | Regional Exports in Goods ¹⁸ (Q – Jul/Aug 2022 TBC) | | | <i>New data covering up to March 2022 due in July/Aug 2022</i> | | | | WM – 6 th Highest Region South East: 13.0% (1 st) Northern Ireland: 2.5% (12 th) | In 2021, the West Midlands region's export in goods value was worth £25.5bn, an increase of £931m (+3.8%) since 2020. The UK increased by 6.6% to £309.9bn worth of exports in year 2021. The West Midlands had a trade deficit of £8.5bn in 2021. |

Annual Economy Dashboard

| Themes | Indicator | 2017 | 2018 | 2019 | 2020 | Trend | Relative to Peer Group | Commentary |
|--------------------|---|---------------|---------------|---------------|---------------|-------|--|---|
| Page 20 Economy | Regional Gross Domestic Expenditure on R&D ¹⁹ (annual – TBC Aug 22) | £3bn | £3.3bn | £2.9bn | | | WM Region: 7.6% of UK total - 5 th Highest South East: 19.5% (1 st) North East: 1.9% (12 th) | The latest available data shows that there was a decline on expenditure for R&D in the West Midlands region (-11.2%, UK-wide +3.4%) to £2.9bn. Of the 2.9bn West Midlands expenditure on R&D in 2019, £76m was for Government & UKRI, £470m for higher education, nearly £2.4bn for business and £14m for private non-profit. |
| | Regional Business Enterprise on R&D ²⁰ (annual - Nov 22) | £2.5bn | £2.7bn | £2.4bn | £2.3bn | | WM Region: 8.4% of UK total - 4 th Highest East of England: 21.7% (1 st) North East: 1.6% (12 th) | Prior to 2018, business R&D was steadily increasing in the West Midlands region. The latest data shows that between 2018 and 2019 the West Midlands there was a decline of 13.7% in business R&D (UK-wide +3.4%) and between 2019 and 2020 there was a decline of 4.6% (UK-wide +3.5%). |
| | WMCA (3 LEP) FDI Projects ²¹ (annual – Jun/Jul 22) | 140 (2017/18) | 131 (2018/19) | 130 (2019/20) | 118 (2020/21) | | N/A | In total there has been 1,154 FDI projects from 2011/12 to 2020/21 in the WMCA (3 LEP) area. Data shows for 2020/21 there were 118 FDI projects to the WMCA (3 LEP) area, a decrease of 9.2% (-12) compared to a decrease of 17.0% for the UK since 2019/20. |

¹⁸ HMRC, UK regional trade in goods statistics – released April 2022

¹⁹ ONS, Business enterprise research and development – released November 2021

²⁰ ONS, Gross domestic expenditure on research and development – released August 2021

²¹ Department for International Trade, inward investment - letters sent June 2021

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | 2017 | 2018 | 2019 | 2020 | Trend | Relative to Peer Group | Commentary |
|--------|--|--------------------|--------------------|--------------------|--------------------|-------|--|--|
| | WMCA (3 LEP) FDI New Jobs ²² (annual – Jun/Jul 22) | 7,933 (2017/18) | 4,666 (2018/19) | 3,558 (2019/20) | 4,183 (2020/21) | | N/A | In total there has been 58,291 new jobs created from FDI projects from 2011/12 to 2020/21 in the WMCA (3 LEP) area. Data shows for 2020/21 there were 4,183 new jobs in the WMCA (3 LEP) area, an increase of 31.6% (+625) compared to an increase of 4.9% for the UK since 2019/20. |
| | WM 7 Met. GVA per Hour ²³ (Annual – TBC later summer 2022) | £30.88 | £31.51 | £31.76 | | | WM 7 Met.: 5 th Highest CA / 11 Greater London Authority: £46.38 (1 st) Sheffield City Region: £28.32 (11 th) | Smoothed GVA per hour worked for the WM 7 Met. area increased by 0.8% (+£0.25) since 2018 to reach £31.76 in 2019, the UK increased by 1.0% (+£0.36 to £35.15). The WM 7 Met. area had a shortfall of £3.39 to the UK-wide rate in 2019. |

Monthly People Dashboard

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | |
|---------|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------|---|--|---------|
| Page 21 | WMCA (3 LEP) Claimants (16+) ²⁴ (monthly) | 157,740 (6.0% of Pop. aged 16-64) | 158,790 (6.0% of Pop. aged 16-64) | 156,265 (5.9% of Pop. aged 16-64) | 151,605 (5.8% of Pop. aged 16-64) | 150,175 (5.7% of Pop. aged 16-64) | | WMCA (3 LEP): Highest CA UK: 3.8% GMCA: 5.2% (2 nd) West of England: 2.7% (10 th) | There were 150,175 claimants in the WMCA (3 LEP) area in May 2022. Since April 2022, there has been a decrease of 0.9% (-1,430) claimants in the WMCA (3 LEP) area, while the UK decreased by 1.5%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 27.7% (+32,585) in the WMCA (3 LEP) area, with the UK increasing by 26.7% over the same period. | |
| | | May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | 83,240 | 102,305 | 206,870 | 202,030 |
| | WMCA (3 LEP) Youth Claimants (18-24) ²⁵ (monthly) | 26,135 (6.6% of Pop. aged 18-24) | 26,525 (6.7% of Pop. aged 18-24) | 26,205 (6.6% of Pop. aged 18-24) | 25,385 (6.4% of Pop. aged 18-24) | 24,925 (6.3% of Pop. aged 18-24) | | WMCA (3 LEP): 2 nd Highest CA UK: 4.4% Tees Valley: 6.9% (1 st) West of England: 2.1% (10 th) | There were 24,925 youth claimants in the WMCA (3 LEP) area in May 2022. Since April 2022, there was a decrease of 1.8% (-460) youth claimants in the WMCA (3 LEP) area, while the UK decreased by 2.5%. When compared to March 2020 (pre pandemic figures), the number of youth claimants has increased by 10.4% (+2,345) in the WMCA (3 LEP) area, with the UK increasing by 4.5% over the same period. | |
| | | May 2018 | May 2019 | May 2020 | May 2021 | May 2022 | 16,165 | 19,220 | 40,520 | 39,340 |

²² Department for International Trade, inward investment - letters sent June 2021

²³ ONS, subregional productivity in the UK – released July 2021

²⁴ ONS/DWP, claimant count – released June 2022

²⁵ ONS/DWP, claimant count – released June 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | | | | | | | | | | | | |
|--|--|--------------|--|------------|------------|-----------|--|---|---|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|--|--|
| People | WM 7 Met. Payrolled Employees ²⁶ (monthly) | 1,186,574 | 1,187,705 | 1,190,429 | 1,195,943 | 1,204,289 | <table border="1"> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>May 2018</td> <td>1,156,110</td> </tr> <tr> <td>May 2019</td> <td>1,161,720</td> </tr> <tr> <td>May 2020</td> <td>1,147,185</td> </tr> <tr> <td>May 2021</td> <td>1,154,241</td> </tr> <tr> <td>May 2022</td> <td>1,204,289</td> </tr> </tbody> </table> | Month | Value | May 2018 | 1,156,110 | May 2019 | 1,161,720 | May 2020 | 1,147,185 | May 2021 | 1,154,241 | May 2022 | 1,204,289 | <p>WM 7 Met.: 3rd Highest NUTS 2 / 41 Surrey, East and West Sussex: 1,278,173 (1st) Highlands and Islands: 205,713 (41st)</p> | <p>Reflecting national trends in the last month, the number of payrolled employees has increased (+0.7% vs +0.6% UK), meaning there were over 1.2m payrolled employees in the WM 7 Met. area in May 2022.</p> <p>When compared to March 2020 payrolled employees were 3.1% higher in the WM 7 Met. area – above the UK growth of 2.5%.</p> |
| | Month | Value | | | | | | | | | | | | | | | | | | | |
| | May 2018 | 1,156,110 | | | | | | | | | | | | | | | | | | | |
| May 2019 | 1,161,720 | | | | | | | | | | | | | | | | | | | | |
| May 2020 | 1,147,185 | | | | | | | | | | | | | | | | | | | | |
| May 2021 | 1,154,241 | | | | | | | | | | | | | | | | | | | | |
| May 2022 | 1,204,289 | | | | | | | | | | | | | | | | | | | | |
| WMCA (3 LEP) Employment Rate ²⁷ (Q– Jul 22) | | | <i>New data covering up to March 2022 due in July 2022</i> | | | | | <p>WMCA (3 LEP): 5th Lowest CA UK: 74.7% West of England: 79.3% (1st) Tees Valley: 69.4% (10th)</p> | <p>In 2021, the employment rate in the WMCA (3 LEP) area was 72%, compared to 74.7% for UK-wide. This was a 0.6pp decrease in the employment rate for the WMCA (3 LEP) area when compared to 2020. The UK employment rate decreased by 0.4pp over the same time period. For the WMCA (3 LEP) area to reach the UK rate of 74.7%, an additional 69,923 people are required.</p> | | | | | | | | | | | | |
| WMCA (3 LEP) Economic Inactivity Rate ²⁸ (Q– Jul 22) | | | <i>New data covering up to March 2022 due in July 2022</i> | | | | | <p>WMCA (3 LEP): Joint 5th (with Tees valley)/10 UK: 21.8% GMCA: 25.6% (1st) North of Tyne: 18.5% (10th)</p> | <p>The economic inactivity rate for the WMCA (3 LEP) area was 23.4% compared to 21.8% UK-wide for 2021. For the WMCA (3 LEP) area, this has increased by 0.6pp matching the UK growth rate since 2020.</p> <p>In 2021, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in three categories, these categories were; students (32.5% vs 28.1%), looking after family home (21.8% vs 19.1%) and temporarily sick (2.4% vs 2.0%).</p> | | | | | | | | | | | | |
| WMCA (3 LEP) Modelled Unemployment ²⁹ (Quarterly – Jul 22) | | | <i>New data covering up to March 2022 due in July 2022</i> | | | | | <p>WMCA (3 LEP): 3rd Highest CA England: 4.5% North of Tyne: 6.7% (1st) West of England: 2.7% (10th)</p> | <p>The modelled unemployment figures show for the WMCA (3 LEP) area that unemployment rate was 5.9% for 2020 and 2021. The numbers show a 100 decrease over this period for the unemployment count (to 120,300 in 2021).</p> | | | | | | | | | | | | |

²⁶ ONS, labour market in the regions of the UK – released June 2022

²⁷ ONS, Annual Population Survey – released April 2022

²⁸ ONS, Annual Population Survey – released April 2022

²⁹ ONS, modelled based estimates of unemployment – released April 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – JUNE 2022

| Themes | Indicator | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | Trend | Relative to Peer Group | Commentary | | | | | | | | | | | | | | |
|-----------------------------------|--|--------------|---------------|--|------------|---|--|------------------------|------------|---------|----------|---------|----------|--------|----------|--------|----------|---------|--|---|-------|--|---|
| | WMCA (3 LEP) Economic Activity Rate ³⁰ (Q- Jul 22) | | | <i>New data covering up to March 2022 due in July 2022</i> | | | <table border="1"> <tr> <th>Year</th> <th>Rate (%)</th> </tr> <tr> <td>2016</td> <td>73.4%</td> </tr> <tr> <td>2017</td> <td>75.3%</td> </tr> <tr> <td>2018</td> <td>75.8%</td> </tr> <tr> <td>2019</td> <td>76.7%</td> </tr> <tr> <td>2020</td> <td>77.3%</td> </tr> <tr> <td>2021</td> <td>76.6%</td> </tr> </table> | Year | Rate (%) | 2016 | 73.4% | 2017 | 75.3% | 2018 | 75.8% | 2019 | 76.7% | 2020 | 77.3% | 2021 | 76.6% | <p>WMCA (3 LEP): 3rd Highest CA UK: 78.2% West of England: 81.5% (1st) North East: 74.4% (10th)</p> | <p>In 2021, the economic activity rate in the WMCA (3 LEP) area was 76.6%, compared to 78.2% for UK-wide. This was a 0.6pp decrease in the economic activity rate for the WMCA (3 LEP) area when compared to 2020 – matching the UK-wide decrease. For the WMCA (3 LEP) area to reach the UK rate of 78.2%, an additional 40,857 people are required.</p> |
| | Year | Rate (%) | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 73.4% | | | | | | | | | | | | | | | | | | | | | | |
| 2017 | 75.3% | | | | | | | | | | | | | | | | | | | | | | |
| 2018 | 75.8% | | | | | | | | | | | | | | | | | | | | | | |
| 2019 | 76.7% | | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 77.3% | | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 76.6% | | | | | | | | | | | | | | | | | | | | | | |
| Unique Job Postings ³¹ | 126,379 | 135,910 | 147,287 | 130,329 | 144,324 | <table border="1"> <tr> <th>Month</th> <th>Postings</th> </tr> <tr> <td>May 2018</td> <td>180,231</td> </tr> <tr> <td>May 2019</td> <td>123,554</td> </tr> <tr> <td>May 2020</td> <td>42,070</td> </tr> <tr> <td>May 2021</td> <td>91,115</td> </tr> <tr> <td>May 2022</td> <td>144,324</td> </tr> </table> | Month | Postings | May 2018 | 180,231 | May 2019 | 123,554 | May 2020 | 42,070 | May 2021 | 91,115 | May 2022 | 144,324 | <p>WMCA (3 LEP): Highest CA GMCA: 133,413 (2nd) Tees Valley: 12,064 (10th)</p> | <p>There were 144,324 unique active jobs postings in May 2022. This has increased by 13,995 since April 2022. When compared to May 2021, unique job postings increased by 53,209.</p> | | | |
| Month | Postings | | | | | | | | | | | | | | | | | | | | | | |
| May 2018 | 180,231 | | | | | | | | | | | | | | | | | | | | | | |
| May 2019 | 123,554 | | | | | | | | | | | | | | | | | | | | | | |
| May 2020 | 42,070 | | | | | | | | | | | | | | | | | | | | | | |
| May 2021 | 91,115 | | | | | | | | | | | | | | | | | | | | | | |
| May 2022 | 144,324 | | | | | | | | | | | | | | | | | | | | | | |

³⁰ ONS, Annual Population Survey – released April 2022

³¹ Emsi Burning Glass, June 2022 (please note, as of March 2022, Emsi Burning Glass have implemented new data collection and processing procedures within the Analyst Tool. It is estimated that this will result in an approximate 22% reduction in overall job posting counts, which will vary depending on the filters used within the research. Emsi Burning Glass believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process).

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Economic Growth Board

| | |
|--------------------------------------|---|
| Date | 4 th July 2022 |
| Report title | Progress Update on LEP integration |
| Portfolio Lead | Councillor Ian Brookfield Portfolio Holder for Economy and Innovation |
| Accountable Chief Executive | Laura Shoaf, Chief Executive, WMCA |
| Accountable Employee | Julie Nugent, Executive Director for Economic Delivery, Productivity and Skills, WMCA |
| Report has been considered by | Economic Growth Board – Task and Finish Group on Economic Functions |

1. Purpose

- 1.1. This paper provides an update for noting and discussion of the work to take forward LEP Integration in the West Midlands, as part of an overall plan to simplify and strengthen economic development functions across the West Midlands. **No decisions are required.**
- 1.2. The paper refers primarily to the seven Met area, recognising that the Warwickshire element of the Coventry and Warwickshire LEP will follow a different pathway.

2. Recommendations

Economic Growth Board is recommended to:

- 2.1.1. Note and discuss progress made to date, particularly the focus on “core” functions to be integrated and the reduction in Government funding for them;
- 2.1.2. Comment on the positions regarding embedding the voice of the private sector and each “core” LEP function; and
- 2.1.3. Note that Directors of Economic Development have commissioned the three Growth Hubs to develop options for a sustainably funded business support model from April 2023 for consideration in September.

3. Summary

- 3.1. Good progress has been made to date, with discussions underway on each of the core functions, building on the direction of travel agreed at previous Economic Growth Boards.
- 3.2. Discussions have been both formal – through the LEP Integration Programme Board and Directors of Economic Development group – and informal, for example through bilaterals with each LA.
- 3.3. In addition, each of the 3 LEPs has begun to provide more detailed information on the functions they deliver, and the core resources used, so we can begin to understand the HR implications of transfers.

- 3.4. Local Authority partners have also begun to ‘firm up’ their positions on future structures and delivery priorities, which is feeding into the work on integration.

4. LEP Integration – context

- 4.1. The letter on LEP Integration set out Government’s expectations that the following responsibilities, currently discharged by LEPs, will be integrated into WMCA:
- Embedding a strong, independent and diverse local business voice into local democratic institutions
 - Delivering a number of functions on behalf of government departments, shaped by the local business voice where relevant
 - Growth Hubs
 - Local digital skills partnerships, local skills analysis and Careers Hubs
 - International trade & investment activity
 - Monitoring and assurance pertaining to existing local growth programmes
- 4.2. Our intention is to submit a full Integration Plan to government by January 2023, with a progress report in July 2022. Our current understanding is that the latter will be an informal update rather than an interim plan.
- 4.3. In 2022/23, LEPs received reduced core funding of £1.125m in total – a 25% reduction on previous years. Government has said that future core funding will be further reduced, in part to reflect reduced geographic footprint. Our assumption is therefore an annual core budget of less than £1m, with a working assumption of £750k.
- 4.4. The Greater Birmingham & Solihull and Black Country LEPs have Growth Hubs as part of their operating models, whilst Coventry & Warwickshire LEP have established their Growth Hub as a subsidiary.
- 4.5. In 2022/23, Growth Hub core funding totalled £0.852m in 2022/23 – a 50% reduction on previous allocations. Again, our expectation is that this will, at best, be further reduced in 2023/24 – to reflect smaller geography – potentially to less than £750k. To date, BEIS have been unable to confirm future funding at all.
- 4.6. In 2023/24, core funding for LEPs and Growth Hubs will transfer to the WMCA to enable it to discharge the functions which, previously, government commissioned through LEPs. **We are therefore anticipating a reduction in overall core funding – from c£2m pa. to between £1m – £1.5m for core LEP and Growth Hub functions.** This will be needed to support the following “core” activities:

| Core LEP funding – up to £750k | Core Growth Hub funding – up to £750k |
|--|--|
| Embedding the private sector in policy and decision making | Single “front door” / website for businesses |
| Economic strategy, including sectors | Initial diagnostic support |
| Point of liaison for Government departments | Signposting to other services |
| PMO, monitoring & evaluation of local growth programmes | CRM and intelligence |

- 4.7. LEPs have also received funds from government departments to deliver particular services – for example, Careers Hubs – where we are working to clarify future funding and delivery mechanisms.
- 4.8. Similarly, we are aware that some LEPs also receive other local funding (e.g. from LAs directly) which supports a range of other functions. We have assumed that local partners are reviewing the future of these arrangements, locally.
- 4.9. In practice, therefore, LEP integration is essentially comprised of two parts:
1. Integration of “core” functions for which government provides core funding, including any associated TUPE transfers;
 2. Clarification of the continuity / discontinuation of other functions that are funded locally or through other funding streams, be they from other Government departments or ESIF etc.
- 4.10. **Our expectation is that the WMCA will not fund LEPs or Growth Hubs through future core funding – rather, this will be used to fund a smaller number of WMCA/LA posts undertaking core functions (reflecting a reduced funding envelope). Where appropriate, we would expect TUPE to apply.**
- 4.11. **LAs are currently considering the extent to which they will continue to invest in LEPs/Growth Hubs and the extent to which they will prioritise them for local delivery of UKSPF services (e.g. business support). This parallel exercise will be critical to determining the future shape and sustainability of LEP structures.**
- 4.12. **LEPs have requested that this latter work is confirmed by September 2022, so LEP Boards can make appropriate decisions about future operating models. All 3 LEPs have established Transition Boards.**
- 4.13. At this point, we understand from LEP colleagues that:
- Coventry and Warwickshire LEP board are working with local authorities via an Operational Transition Group and developing plans to invest in a shared vehicle, which will include responsibility for business support (Growth Hub) and other economic growth activities.
 - The Black Country authorities are unlikely to continue investing in the Black Country LEP but are considering the role of the Consortium.
 - Discussions are continuing in Birmingham & Solihull.
- 4.14. It seems clear that where LEPs do continue, their size and remit will be significantly different to their current operating models to the point where they may not be branded “LEPs” at all. This will have an impact on WMCA’s constitution, includes the LEPs as non-constituent, non-voting private sector members of the WMCA Board (and can only be amended by Government), and ultimately on how the private sector is embedded throughout WMCA.

5. Embedding the voice of the private sector

- 5.1. The letter from government on LEP Integration sets out the requirement for the region to embed a strong, independent and diverse local business voice into democratic processes. While LEP integration inevitably means the nature of the relationship will evolve, the contribution the private sector has made over the past ten years has been recognised by all stakeholders. Moreover, private sector

engagement in economic policy and strategy-making is a well-established model around the world, and there is a collective commitment to ensuring a strong private sector voice throughout WMCA as we gear up to deliver the Plan for Growth.

- 5.2. In addition, there are a range of other private sector voices who feed into regional policy and decision-making, represented at many committees. There is work underway to map the full range and extent of these, but key fora include: Economic Impact Group, Regional Business Council, Digital Skills Partnership, Commercial Property Developers Group, Energy Capital, Innovation Board, etc.
- 5.3. The LEP integration plan will set out how the private sector is fully embedded in policy making, providing clear, business-led insight, challenge, and advocacy.
- 5.4. Where LEPs continue to operate beyond 31st March 2023, WMCA will continue to work closely with them. This will include LEP Chairs remaining on the WMCA Board and sub-boards as co-opted members, pending further consideration of both their terms of office. If a LEP is wound up, we recommend that positions allocated to that LEP would go.
- 5.5. Following discussions with LAs, the emerging position is that there is no requirement for **additional private sector representatives on the WMCA Board, or any additional business board**. This will require further consideration in light of a detailed review of current arrangements; but it seems clear that there are and will remain opportunities to engage the private sector through a range of existing and evolving fora in order to influence and inform policy and strategy-making. Work is underway to map these clearly and transparently, and ensure that all sectors, geographies are able to inform policy making. It will be critical to ensure that channels of communication are accessible – particularly to SMEs. This may include expanding and strengthening some fora – for example, ensuring that the metals and materials sector is informing the work of the Energy Capital Board.
- 5.6. Further work is required to develop a comprehensive and transparent summary of these arrangements, with a clear read-across to decision-making groups such as the Economic Growth Board. This transitional arrangement is in the context of principle of strengthening the range of opportunities for business involvement in, and embedding of LEPs into, WMCA arrangements.



6. LEP functions to be integrated

6.1. The following table sets out established and/or emerging regional positions, along with initial views from local authority partners, and the implications arising for LEPs.

| Function | Recommended approach | LA views | LEP implications |
|----------------------------------|--|---|--|
| Economic strategy | The regional economic strategy sits with the Combined Authority through the Economic Growth Board (EGB), informed by local authority strategies and priorities, and reporting into the CA Board | Local Authorities will have their own local authority economic strategies which will inform regional economic plans. In addition, LAs have a range of other statutory planning responsibilities, e.g. for all local planning activities. | There will no longer be a <u>requirement</u> for sub-regional economic strategies, but this does not preclude such strategies being developed where local areas want/fund them. We are working with LEP colleagues to confirm the number of people, funded through core funds, and employed in LEPs directly to work on economic strategies, sector plans etc. Further work will be needed to assess any transfer implications here. |
| Economic intelligence | Is being rationalised across the region, and better linked to informing strategic and commissioning priorities for services. This approach will also need to complement Government's emerging approach to data and transparency and any roles or requirements of local authorities (e.g. new Audit Commission). | Local authorities have in-house economic intelligence, although capacity varies across the region. | BC Consortium provides economic intelligence to BCLEP, as well as commissioned input to WMCA and Midlands Engine, and collaborates with WM Redi on the Economic Monitor. We are working with LEP colleagues to confirm the number of people who are core-funded and who are employed directly by LEPs to work on economic intelligence. |
| Growth Hubs and Business Support | In discussing Growth Hubs, it is important to distinguish between their "core" responsibilities (i.e. the initial diagnostic and signposting for which BEIS provides funding) and the wider set of | Local authorities have many and complex relationships with businesses in their area from business rates collection, planning, provision of grants to businesses, support with sites, new business start-ups, | We are working with LEP colleagues to confirm the numbers of people working directly on LEP core-funded and BEIS core-funded business support activities. |



| | | | |
|-------------------------|---|--|---|
| | <p>business support activities undertaken through a variety of other funding streams, primarily EU funds.</p> <p>The requirement on WMCA is to integrate the core service, noting that, at this point, there has been NO future core funding confirmed by BEIS.</p> <p>Wider business support services will be commissioned separately through UKSPF and other government departments.</p> <p>WMCA and LAs are developing a regional commissioning framework, building on the WM Business Support Review recommendations – with delivery mechanisms to be determined in consultation with LAs.</p> | <p>recruitment etc. LAs are keen to maintain and, in some cases, develop these roles further.</p> <p>LAs are currently considering their position on LEPs/GHs with some indicating that they are keen to integrate generic business support activities within their own local brands and services to employers.</p> | <p>LAs are confirming their expectations around future delivery vehicles for wider business support.</p> <p>This will impact on the extent to which LEPs/Growth Hubs will be able to access UKSPF.</p> |
| <p>Careers Activity</p> | <p>There are 3 main strands of activity: Careers hubs Enterprise networks Support for schools – activities and resources</p> <p>Careers Hubs are currently the responsibility of LEPs, who use a number of different delivery models. Each Hub has a fully funded (by CEC) strategic hub lead. BC and CW plan to have fully funded operational leads too in the 22-23 year.</p> <p>CEC provides funding to BC and CW LEP (£339k and £224k respectively) for the co-ordination of enterprise networks activity including match funding for the Enterprise Co-ordinator</p> | <p>Further work to do, but there appears to be a keen appetite to integrate schools-focused careers activity with other LA career roles and responsibilities. This is consistent with the regional framework developed around improving careers and our TDD proposals.</p> <p>LAs already provide match funding here, which we would expect to continue.</p> <p>Engagement of employers to support careers activities in schools to be done through business support to enable economies of scale and a more streamlined ask of business.</p> <p>The provision and management of on-line careers hub resources and</p> | <p>Work is in hand to distinguish between core and contracted services.</p> <p>There are c15 posts currently employed across Black Country and Coventry and Warks. There are no CEC funded posts in GBSLEP as the posts are in Solihull MBC / BEP although GBSLEP provide match funding and linked ESF projects support activity.</p> |



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| | <p>posts. In GBS, the CEC funding goes directly to Solihull MBC and BEP with GBSLEP providing the match.</p> <p>NB The CEC requires match funding for these services. Whilst this is confirmed for 2022/23, there is a need to confirm how this will be sourced in 2023/24.</p> <p>BC and CW receive funds for schools to access careers activities. BCLEP has successfully bid for a number of additional pots of activity funding too.</p> | <p>LMI portals can also be combined to provide efficiencies</p> | |
| <p>Trade and Investment</p> | <p>Our current understanding is that the West Midlands Growth Company delivers international investment promotion.</p> | <p>Investment facilitation is undertaken by some local authorities – notably Coventry and Wolverhampton – in conjunction with WMGC.</p> | <p>The LEP role appears to be serving as a point of contact for DIT, and in the case of BCLEP providing trade remedy liaison for the metals and materials sector.</p> <p>We are confirming this with LEPs.</p> |
| <p>Delivery, monitoring and evaluation</p> | <p>The transfer of functions relates to the monitoring and assurance of legacy programmes (eg EZs) – essentially Programme Management Office functions to monitor spend and benefits realisation across funded programmes - not the actual delivery, or the accountable body role that local authorities play for the funding.</p> <p>Immediate next steps are to work with LEP colleagues to understand the state of play on a fund-by-fund basis, including practical completion dates; benefits realisation periods; risks; and capacity and capability in place within LEP PMOs.</p> | <p>Local authorities – particularly those that act as accountable bodies for LEPs – are responsible for the funding of various programmes through City Deals, Growth Deals and Enterprise Zones.</p> <p>Work is underway with Birmingham and Walsall Councils to understand the detail of the accountable body role they play for GBS and BC LEPs respectively.</p> | <p>We are working with LEP colleagues to confirm the numbers of people, funded through core, and employed directly by LEPs working in PMOs.</p> |

7. Sustainably funded business support

- 7.1. Given the financial challenges outlined above, Directors of Economic Development commissioned the three Growth Hubs to develop options for a sustainably funded business support model for April 2023 onwards. In doing so, options will need to demonstrate the principles being set by the Economic Functions Task Group in respect of LEP integration and will need to be flexible according to the priorities set by the EGB.
- 7.2. It is proposed that initial options are ready for presentation in August, for the Directors of Economic Development to consider ahead of the EGB on 23rd September.

8. Next Steps

- 8.1. Meeting with LEP and WMCA colleagues to map out private sector involvement in WMCA boards and committees
- 8.2. Ongoing iterations with LEPs re staffing implications of functions and roles potentially in scope for TUPE transfer
- 8.3. Further discussions to take place with local authorities on delivery priorities for UKSPF, which will inform future structures
- 8.4. More work required to understand needs/expectations in relation to programme assurance of legacy funds – various meetings with local authorities, LEPs and civil servants have been arranged.

9. Financial Implications

- 9.1. There are no financial implications as a direct result of this report, although clearly financial implications will arise as a consequence of the decisions to be taken subsequently by EGB and the WMCA Board.

10. Legal Implications

- 10.1. There are no immediate legal implications as a direct result of this report.

11. Equalities Implications

- 11.1. There are no immediate equalities implications arising from this report.

12. Inclusive Growth Implications

- 12.1. There are no immediate inclusive growth implications arising from this report.

13. Geographical Area of Report's Implications

13.1. The report primarily covers the seven West Midlands Combined Authority metropolitan areas

14. Other implications

14.1. None.

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Economic Growth Board

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| Date | Monday 4 th July 2022 |
| Report Title | UKSPF Investment Plan |
| Portfolio lead | Councillor Brookfield Portfolio Holder for Economy and Innovation |
| Accountable Chief Executive | Laura Shoaf, Chief Executive WMCA |
| Accountable Employee | Dr Julie Nugent, Executive Director for Economic Delivery, Skills and Communities Dr Fiona Aldridge, Head of Insight – Economic Delivery, Skills and Communities |
| Report has been/will be considered by | Financial Directors (16/6) Directors of Economic Development (21/6) Economic Growth Board (4/7) Mayor and Met Leaders (5/7) WMCA Board (15/7) |

Economic Growth Board are recommended to:

- i. Consider the approach outlined which ties together:
 - a. the broad approach to prioritising UKSPF funding across the three themes.
 - b. wider skills investment to reduce the demand on UKSPF for this activity
 - c. the timescale and next steps for the development and approval of the outline UKSPF investment plan at the WMCA July Board.
- ii. Note further work requested by local authorities to review the methodology for allocating resources, to better reflect the principles of Levelling Up.

1 Purpose

- 1.1 The purpose of this report is to provide an update on progress on towards developing our UKSPF Investment Plan. It is shared as a work in progress and provides an update to the paper considered by Economic Growth Board on 13th May 2022.

2 UKSPF allocations

- 2.1 Following the publication of the UKSPF prospectus in April, the WMCA is formally identified as the lead authority for the West Midlands 7 Met area, with responsibility for developing an investment plan for the UKSPF, that will build pride in place and boost life chances across the CA area. This is an opportunity for the CA to work with local partners to develop a commissioning framework that enables strong locally focused delivery, through key partners, embracing the principles of double devolution, whilst

maintaining efficient systems and recognising the CA's overall accountability for this fund.

- 2.2 The WMCA welcomes the opportunity to lead a strategic and joined-up approach that responds to the economic needs of the region and supports our levelling up ambitions. Whilst there are challenges about the level of UKSPF funding available, we recognise that this is as an opportunity to do things better, where the region can set priorities rather than respond to nationally driven criteria. We are therefore keen to adopt a strategic and streamlined approach to the commissioning of provision, where we can better address local and regional priorities, avoid unhelpful bureaucracy, complement other funding streams, and add value to existing activities.
- 2.3 In this context, the Economic Growth Board has previously considered how best to apportion UKSPF funds. At their request, the LA Directors of Economic Development have explored a range of options, including a consideration of how local priorities would best be served. This included a consideration of which areas were best commissioned within a regional framework with local delivery, and which were best deployed locally in line with the principle of double devolution. We have previously agreed to avoid a competitive approach, where LAs submit projects to be assessed.
- 2.4 The development of our approach reflects the current restrictions on UKSPF funding – including the restrictions on carrying over funds between years; the ineligibility of spend on 'people and skills' before 2024/25; and the need to confirm priorities with government in a short timescale. We are challenging these restrictions and Annex A contains the letter sent to Minister O'Brien from the Mayor and Cllr Brookfield setting out our concerns and proposed mitigations.
- 2.5 Our approach has also sought to recognise where additional funding sources may be available – for example, devolved AEB can be used to fund skills activities, whereas our current assumption is that business support will need to be exclusively funded through UKSPF.
- 2.6 We have also conducted bi-lateral meetings with each LA, to be complemented with briefings with CEX and Leaders, to ensure we have reflected local priorities fully. We will also be consulting with local MPs, following Board approval of the plan, to get their endorsement of the approach.
- 2.7 The key issues that have emerged consistently and which we will reflect in plan, are:
 - 2.7..1 The need for a significant focus on employment support, recognising the particular challenges faced in each local area and the need to preserve critical local infrastructure e.g., Wolves at Work, Walsall Works and Coventry JobShop.
 - 2.7..2 The need to develop an efficient approach to business support, recognising the lack of other funding for this activity, and the critical need to ensure high quality support for businesses in the region in our challenging economic context. Whilst further analysis is needed, based on previous analysis from LEPs and local authorities, we believe the equivalent of £31m p.a. (excluding match) has previously been invested across the six themes of the ERDF programme – which broadly equate to the 'Supporting Local Business' theme.



- 2.7..3 The commitment to use existing skills funding (e.g., AEB) to support people priorities thereby reducing the pressure on UKSPF.
- 2.7..4 The need to ensure that investment leverages outcomes across all 3 pillars.
- 2.7..5 The need for local determination of 'communities and place' and 'people and skills' pillars.
- 2.7..6 The need for a transparent approach to the use of the maximum 4% admin fee, recognising that while the CA is accountable for the delivery and monitoring of this budget, there will be additional work required by LAs which will also need resourcing. Our commitment is to develop an open and transparent approach to agreeing the use of administration funds, reflecting the balance of work required both locally and regionally. We will share further detail in due course.
- 2.8 The CA is required to submit an investment plan by 1st August. This is very high level and does not include detailed local allocations or project proposals. Rather it will set out the broad ambition of the region and the key areas of focus. We are clear that this plan has been produced quickly and will be subject to further changes as the details of priorities and projects are further developed and agreed. Moreover, we will be developing a clear process of assurance and performance monitoring that fully engages LAs, and reports through this Board, to ensure that funding reflects local priorities, with maximum flexibility to move money in response to need and demand.
- 2.9 The plan is therefore proposing the following initial approach to prioritising funding. Please note this will be subject to further detailed costing and development and will need to be sufficiently flexible to enable the region to respond to wider social and economic challenges and opportunities.
- 2.9.1 **We are proposing that 50% of the available allocation should be assigned to 'supporting local business' to ensure we can sustainably fund a comprehensive business support offer across the West Midlands.**
- 2.9.2 This will take enable us to take forward the regional business support review, previously agreed by the CA Board, ensuring that we have a consistent and cohesive offer to the region's businesses, developed with LAs and co-located with local services. Further detail is still to be developed, but at this stage it is envisaged that this would cover a broad offer to businesses across all 7 Met areas:
- Core publicly-funded business support infrastructure, including locally-embedded generic business advice for SMEs plus supporting systems (CRM, comms & marketing, etc.).
 - Specialist 'premium products' commissioned from best-placed providers (which could include universities, business groups, WMGC, local authorities, etc.), reflecting existing WMCA priorities like decarbonisation, internationalisation and export, investment readiness, etc.
 - At this point, and subject to procurement advice, we are recommending that the decision to commission more locally specific provision – for example, town centre

support, entrepreneurship and social enterprise activity will be taken by LAs, where funding will be redeployed from the remaining 50% (see para 2.9.3 below).

2.9.3 **We are proposing that the remaining 50% of UKSPF funding should be prioritised locally by individual local authorities.** This will enable each LA to vary their spend across each of the three priority areas according to local need.

2.9.4 The 50% local allocation could cover:

- Any locally determined investment in ‘communities and place’
- Any locally determined investment in ‘people and skills’, noting that funds cannot be spent on this priority until 2024/25. (We are proposing to brigade these 2 priorities together, where possible, as there is a lot of overlap and this may give us greater flexibility, particularly in relation to maintaining critical social infrastructure.)
- Any flexibility for VCS organisations in a local area deemed to be at risk.
- Any additional local business support activity beyond that outlined above – for example, entrepreneurship or town centre support.

2.10 We recognise that these proportions may shift as we develop further details, particularly on the business support offer, and as we respond to the changing economic context. For now, we believe they provide reasonable parameters to develop our high-level plan, and balance local flexibility with the need for a regional strategic approach to supporting businesses at a critical time.

2.11 The West Midlands’s UKSPF budget is for the 7 MET area rather than a 3 LEP geography. The allocation was based on a national system that adopted a 70:30 methodology, of population and need. Some LAs have requested that we explore an alternative methodology to that used by HMG, to take greater account of need and better reflect the ambitions of the Levelling Up agenda. Work on this is underway and will be discussed at the Mayor and Met Leaders meeting on the 5th July. **Please note that local allocations are not required for the 1st August submission of the Investment Plan.**

3 Completing the UKSPF Investment Plan

3.1 At this stage, we only need to develop a single high-level plan containing a broad indication of where our collective priorities will be. We do not need to agree individual projects or to confirm local distribution of funds.

3.2 To help us develop our investment plan in the timescales set out by HMG, we have asked Local Authorities to share their current plans and priorities with the CA. In doing so, we recognise that plans are not yet fully developed and are subject to change.

3.3 As part of the investment plan, we are required to select a set of outcomes and interventions for the region. There is no requirement to include individual project details in the investment plan; these will be used to select the most appropriate outcomes from the given list (see Annex B). Our intention is to keep the investment plan as high-level as possible, in order to allow maximum flexibility in shaping implementation once this is approved. There will also be opportunity to review Y2 and 3 plans as the programme progresses.

3.4 The investment plan will go to Board for approval by the CA Board on 15th July.

4 Wider skills investment

4.1 Additional adult skills funding for 2022 has been delegated from the Department of Education (DfE) to the WMCA. This funding is part of the National Skills fund and comprises annual allocations of £10.9m 'Free Courses for Jobs' focused on Level 3 technical qualifications and £11.2m 'Technical Bootcamp' funding. We will also receive £16.7m over 3-years to deliver the Government's 'Multiply' programme, an adult numeracy focussed programme funded through a ring-fenced allocation of UKSPF.

4.2 Together with the £131m p.a. Adult Education Budget, these programmes provide alternative skills funding to reduce the demand for UKSPF, whilst increasing our overall capacity to deliver skills and training that meet the needs of local residents and businesses. Critically, this includes our ability, working with LA partners, to commission provision that meets local needs and reflects local priorities, helping more residents gain skills, move into employment, and pursue rewarding careers. The estimated levels of Adult Education Budget investment in each local area are set out in the following table. ¹

| | Grant AEB | AEB procured | All AEB | AEB (over 3 years) |
|---------------|-------------|--------------|-------------|--------------------|
| Birmingham | £53,402,841 | £14,024,897 | £67,427,738 | £202,283,214 |
| Coventry | £9,424,030 | £3,301,559 | £12,725,589 | £38,176,767 |
| Dudley | £6,384,020 | £3,012,179 | £9,396,199 | £28,188,597 |
| Sandwell | £11,146,703 | £3,679,073 | £14,825,776 | £44,477,328 |
| Solihull | £3,344,010 | £1,589,495 | £4,933,505 | £14,800,515 |
| Walsall | £8,209,026 | £3,096,652 | £11,304,678 | £33,914,034 |
| Wolverhampton | £9,525,364 | £2,896,141 | £11,304,678 | £33,914,034 |

4.3 Over a 3-year period, core UKSPF and AEB funding will provide significant investment in each Local Authority. Further funds from DfE, via Multiply and through the Trailblazer Devolution Deal will likely add to this.

5 Business Support

5.1 In the context of deteriorating economic conditions, a vulnerable manufacturing sector and growing cost and labour pressures on the region's businesses, it is essential that we develop a consistent and cohesive business support system for the region that is effective, agile, collaborative, impactful and fit for purpose.

5.2 As noted, there is very limited funding available for business support from 2022/23 and significantly less than has been available previously. BEIS growth funding is unconfirmed. Partners across the region are seeking to secure additional investment, including through the Trailblazer Devolution Deal. However, until this is secured we are assuming that UKSPF will be the principal source of funding for activity from April 2023 onwards.

¹ This shows the current Local Authority split of the Adult Education Budget, based on historical patterns of delivery. Provision is deliberately responsive however, and funding may shift in year to meet demand.

- 5.3 As summarised in para 2.8.2 the proposal is that business support funding covers three connected but distinct elements: a cohesive 'core' system; regionally-commissioned targeted premium products and locally-commissioned programmes on topics that are best suited to very local conditions. The detail of regionally commissioned activity will be further developed in conjunction with the Directors of Economic Development and agreed by the EGB. Decisions about delivery mechanisms will also be agreed via the EGB, taking account of the parallel work on determining future LEP integration.

6 Financial Implications

- 6.1 There are no financial implications as a direct result of this report, although clearly financial implications will arise as a consequence of the decisions to be taken subsequently by EGB and the WMCA Board.
- 6.2 The paper proposes to distribute the UKSPF funding by allocating 50% to develop a core business support offer across the region. The other 50% will be prioritised locally by individual LAs. Our current proposal is to determine local allocations using the 70:30 model developed by HMG, however LAs have asked us to reconsider the methodology to give greater weight to need.
- 6.3 Currently there are restrictions on the fund around carrying over funds between years; the ineligibility of spend on 'people and skills' before 2024/25; and the need to confirm priorities with government in a short timescale. This is being challenged through a UKSPF letter to Minister O'Brien.
- 6.4 Please note that there is a maximum admin fee of 4%.

7 Legal Implications

- 7.1 There are no immediate legal implications as a direct result of this report.

8 Equalities Implications

- 8.1 There are no immediate equalities implications arising from this report.

9 Inclusive Growth Implications

- 9.1 There are no immediate inclusive growth implications arising from this report.

10 Geographical Area of Report's Implications

- 10.1 The report covers the 7 West Midlands Combined Authority metropolitan areas

11 Other implications

- 11.1 None.

Annex A: UKSPF letter to Minister O'Brien

Neil O'Brien M.P.
Parliamentary Under Secretary of State for Levelling Up, The Union and Constitution
Department for Levelling Up, Housing and Communities
2 Marsham Street
London
SW1P 4DF
Sent via: neil.o'brien@levellingup.gov.uk

14th June 2022

Dear Neil,

As you know, the West Midlands Combined Authority shares the Government's Levelling Up ambitions and welcomes its investment of £2.6bn through the UK Shared Prosperity Fund (UKSPF) to help local areas build pride in place and increase life chances. As the lead authority for our area, we particularly welcome the opportunity to lead a strategic and joined-up approach to investing in our region, in a way that best supports our levelling up ambitions.

We are pleased to have developed a strong and collaborative working relationship with your officials – working on both our plans for UKSPF, as well as wider plans for devolution, through our Trailblazer status.

However, we are increasingly finding that the parameters and processes associated with the UKSPF programme are imposing national restrictions in a way that is preventing us from being agile and responsive, and working against the principles of greater devolution. We recognise that some of these issues may be out of your control, but we do feel it is important to share the details of our issues, and the way they are frustrating our efforts to do what is right for the region's businesses and communities:

- **The inability to carry funds across financial years:** A 3-year funding envelope would enable us to strategically plan and build interventions over time, maximising impact and value for money. The current arrangements of three annual allocations works against this, and instead risk driving a focus on spending money quickly rather than well. This is of particular concern in year 1, where we anticipate that there will only be a few months between plans being approved and funds having to be spent.
- **The artificial separation of spend across 'Communities and Place' and 'People and Skills':** We believe that the renewal and development of our local communities is critically dependent on ensuring residents have the right skills and support to find good work. Dividing this activity into two competing investment priorities with separate outputs and outcomes is counterproductive. Instead, we would like to see UKSPF funding split between just two investment priorities – support for businesses and support for residents – rather than separating out places from the people who live and work in them.
- **The inability to invest in people and skills until 2024-25:** Linked to the previous point, we are particularly concerned about the impact of this restriction on our ability to support residents to find employment and progress at work. Given the economy-wide challenges around falling labour market participation, the rising cost of living, and potential economic stagnation, it is more critical than ever that we can invest in local employment support that supplements national DWP programmes. Whilst we recognise that there are existing funds already at play, the current restriction on spend is frustrating local efforts to maintain sustainable and enhanced support for residents.



- **The restriction on funding local authority posts that support community initiatives:** Similarly, we are concerned that the current criteria prevent us from continuing to invest in essential posts, based in local authorities, that support wider engagement with communities, and the wider facilitation of the voluntary and community sector, particularly in areas like employment support. As you will know from your experience of Wolverhampton, local initiatives like Wolves at Work have seen a combination of EU and Local Authority funding provide essential infrastructure to help residents move into, and progress within work. We would therefore like to see this restriction lifted.
- **The inflexibility of current reporting mechanisms:** We are committed to ensuring that UKSPF investment delivers the best possible outcomes for local areas, and we recognise the need to be held accountable for achieving this and ensuring best value for money. Alongside this accountability however, we would like to see greater freedom to allocate funds in line with regional needs and priorities. As such, we are expecting your department to take a very light-touch approach to assessing plans, enabling us to respond to current and emerging needs by moving money across years and between priorities. This flexibility is particularly important given the current volatility of our economic and social environment.

As you would expect, we are raising these points in the spirit of what has been good and constructive collaboration with your officials. We would be very happy to discuss this further with you.

Yours sincerely,

Andy Street
Mayor of the West Midlands

Cllr Ian Brookfield
Leader, Wolverhampton City Council & WMCA Portfolio Holder for Economy and Innovation



Annex B: UKSPF Investment Plan: Outcomes

A list of UKSPF interventions, outputs and indicators can be found at this link:

<https://www.gov.uk/government/publications/uk-shared-prosperity-fund-interventions-outputs-and-indicators/interventions-list-for-england>

In our investment plan, we are required to select from the outcomes listed below:

| WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY? SELECT ALL THAT APPLY. | |
|--|---------------------------|
| Outcome | Tick if applicable |
| Jobs created | |
| Jobs safeguarded | |
| Increased footfall | |
| Increased visitor numbers | |
| Reduced vacancy rates | |
| Greenhouse gas reductions | |
| Improved perceived/experienced accessibility | |
| Improved perception of facilities/amenities | |
| Increased number of properties better protected from flooding and coastal erosion | |
| Increased users of facilities / amenities | |
| Improved perception of facility/infrastructure project | |
| Increased use of cycleways or paths | |
| Increase in Biodiversity | |
| Increased affordability of events/entry | |
| Improved perception of safety | |
| Reduction in neighbourhood crime | |
| Improved engagement numbers | |
| Improved perception of events | |
| Increased number of web searches for a place | |
| Volunteering numbers as a result of support | |
| Number of community-led arts, cultural, heritage and creative programmes as a result of support | |
| Increased take up of energy efficiency measures | |
| Increased number of projects arising from funded feasibility studies | |
| Number of premises with improved digital connectivity | |
| None of the above | |

| WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY? SELECT ALL THAT APPLY. | |
|--|---------------------------|
| Outcome | Tick if applicable |
| Jobs created | |
| Jobs safeguarded | |
| Increased footfall | |
| Increased visitor numbers | |
| Reduced vacancy rates | |
| Greenhouse gas reductions | |
| Number of new businesses created | |
| Improved perception of markets | |
| Increased business sustainability | |
| Increased number of businesses supported | |
| Increased amount of investment | |
| Improved perception of attractions | |
| Number of businesses introducing new products to the firm | |



| | |
|---|--|
| Number of organisations engaged in new knowledge transfer activity | |
| Number of premises with improved digital connectivity | |
| Number of businesses adopting new to the firm technologies or processes | |
| Number of new to market products | |
| Number of R&D active businesses | |
| Increased number of innovation active SMEs | |
| Number of businesses adopting new or improved products or services | |
| Increased number of innovation plans developed | |
| Number of early stage firms which increase their revenue following support | |
| Number of businesses engaged in new markets | |
| Number of businesses engaged in new markets | |
| Number of businesses increasing their export capability | |
| Increased amount of low or zero carbon energy infrastructure installed | |
| Number of businesses with improved productivity | |
| Increased number of projects arising from funded feasibility studies | |
| Increased number of properties better protected from flooding and coastal erosion | |
| None of the above | |

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.

| Outcome | Tick if applicable |
|--|---------------------------|
| Number of economically inactive individuals in receipt of benefits they are entitled to following support | |
| Increased active or sustained participants of UKSPF beneficiaries in community groups [and/or] increased employability through development of interpersonal skills | |
| Increased proportion of participants with basic skills (English, maths, digital and ESOL) | |
| Number of people in supported employment [and] number of people engaging with mainstream healthcare services | |
| Number of people sustaining engagement with keyworker support and additional services | |
| Number of people engaged in job-searching following support | |
| Number of people in employment, including self-employment, following support | |
| Number of people sustaining employment for 6 months | |
| Increased employment, skills and/or UKSPF objectives incorporated into local area corporate governance | |
| Number of people in education/training | |
| Increased number of people with basic skills (English, maths, digital and ESOL) | |
| Fewer people facing structural barriers into employment and into skills provision | |
| Increased number of people familiarised with employers' expectations, including, standards of behaviour in the workplace | |
| Fewer people facing structural barriers into employment and into skills provision | |
| Number of people gaining a qualification or completing a course following support | |
| Number of people gaining qualifications, licences, and skills | |
| Number of economically active individuals engaged in mainstream skills education, and training. | |
| Number of people engaged in life skills support following interventions | |
| Number of people with proficiency in pre-employment and interpersonal skills (relationship, organisational and anger-management, interviewing, CV and job application writing) | |
| None of the above | |

Economic Growth Board

| | |
|--------------------------------------|---|
| Date | Monday 4 July 2022 |
| Report title | West Midlands Innovation Accelerator |
| Portfolio Lead | Economy and Innovation – Councillor Ian Brookfield |
| Accountable Chief Executive | Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk |
| Accountable Employee | Dr Julie Nugent, Executive Director of Economic Delivery, Skills and Communities Email: Julie.Nugent@wmca.org.uk |
| Report has been considered by | West Midlands Innovation Board |

Recommendation(s) for action or decision:

The Economic Growth Board is recommended to:

1. Endorse the direction proposed by the Innovation Board for the £33m West Midlands Innovation Accelerator and the process proposed to reach final decisions in winter 2022.
2. Agree the direction of the draft business plan attached to this paper, with the first-stage to be submitted in conjunction with the Chair of the Innovation Board by end of June.

1 Purpose

- 1.1 To seek the Economic Growth Board's endorsement about the progress made on the West Midlands Innovation Accelerator, steered by the Innovation Board.
- 1.2 This is part of a new approach to place-based R&D activity set by Government and Innovate UK as part of the Levelling-Up White Paper. As part of doing things differently, the Innovation Board is co-designing the approach with Government's agencies. This report covers the recommended strategic direction and areas of focus of the Accelerator, aligned to the West Midlands Plan for Growth. The proposed timeline and process means decisions about priority regional projects will not be taken until late 2022.

2 Background

- 2.1 Announced in the Levelling-Up White Paper, the West Midlands Innovation Accelerator will see around £33m invested in the region over the next three years to bolster the region's innovation and R&D capability and capacity to spark commercial growth and investment.
- 2.2 The Innovation Accelerator serves two purposes:
1. To invest around £33m of one-off funding to build greater capacity and capability to perform high-quality applied and translational R&D which drives commercial returns and investment, regional growth and meet societal needs.
 2. To forge a new co-design relationship which can be the basis for ensuring the region benefits from the increase in overall UK public R&D funding to £20bn by 2024/5.
- 2.3 The West Midlands secured the Innovation Accelerator because of its 'future R&D leader potential' and is currently characterised by BEIS as a 'University Hub' with talent pipelines that are being translated into university innovation and knowledge exchange¹.
- 2.4 The region has also considered its wider performance on R&D and innovation and the region is an outlier with a private/public R&D ratio of 4.8:1, which is concentrated in an unusually narrow and deep range of expertise and institutions². These strengths in engineering, automotive and metals demonstrate how industry investment has crowded-in to areas of academic excellence. A third element – vital translational institutions like Catapult centres – have demonstrated impact but also operate in only parts of our economy.
- 2.5 **The West Midlands Innovation Accelerator means acting differently.** Although managed by Innovate UK, the Innovation Accelerators are deliberately taking a different approach to usual competitions; the emphasis is on growing regional innovation strengths with reference to broader place-based economic and social plans to level-up, rather than competing nationally based on established R&D excellence.
- 2.6 All Accelerators have been invited to submit their initial plan by the end of June (draft attached as Appendix 1). This will be iterated during the rest of the year and requires places to set out their strategic direction, approach to ensuring strong business leadership and the broad types of activities – it does not require details or decisions about specific projects. The overall thrust of the plan is summarised in section 3 and 4 below.
- 2.7 The Innovation Accelerator's **impact** will be:
- Strengthening public R&D assets in areas where there is a credible case for commercial success and cluster growth - thereby diversifying and making the regional economy more resilient.
 - Improved capability, capacity and awareness of the West Midlands as a location for R&D which will help the region double public R&D investment to the region by 2030.

¹ https://access-research-development-spatial-data.beis.gov.uk/indicators/eurostat_berd_data

² See Collinson (2021) - <https://blog.bham.ac.uk/cityredi/rd-investment-in-our-city-region-local-potential-for-future-inclusive-growth/>

- Helping address major societal challenges, particularly on net zero and health inequalities.

3 Innovation Accelerator Focus

- 3.1 The Innovation Board has considered analysis of Accelerator focus areas to ensure that the funding would be optimally leveraged to support business growth and help deepen relationships with relevant Research Councils to drive further public R&D investment into the region.
- 3.2 A heatmapping analysis was undertaken of regional public and private STEM assets across the seven technology families in the BEIS Innovation Strategy³ and the different types foundational, applied, and translational research. It points to some economic clusters where there is a mismatch between regional strengths in foundational and/or applied research, but this does not follow across to translational activities, as shown in the examples below.
- 3.3 The West Midlands Plan for Growth identified clusters where the region has competitive advantages, market confidence and where there is also greatest potential for additional growth by interventions. When our regional technical and advanced manufacturing and engineering strengths were aligned against these clusters, strong synergies with the Manufacturing of Electric Vehicles and Associated Battery Devices; Aerospace; HealthTech; Future Housing and Low carbon utilities could be seen. However, the Innovation Board felt that there was already considerable support available to the EV (Electric Vehicle), Battery and Aerospace clusters and that the Innovation Accelerator funding would be most beneficial when focused on:
- **HealthTech and MedTech**
 - HealthTech: prevention, monitoring of wellbeing, mental health, and telehealth. Which includes wearables, software applications, data, connectivity, AI (Artificial Intelligence) and in practice management.
 - MedTech: equipment, medical devices, machines, diagnostics, software, and tools. Better treatments and improvements on things like laser surgery, managing patient health journeys etc
 - **CleanTech**
 - CleanTech covers a wide range of technologies and applications, and the Accelerator will support the region to develop its R&D capability and capacity to spark growth and deliver our net zero ambitions.
 - It is expected that the Accelerator will only be able to focus on specific areas of CleanTech, however, it will support the development of a wider pipeline of activity in this area, with UKRI (UK Research and Innovation) and its agencies heavily prioritising net zero-related ambitions in their planned funding calls (including with Research Councils where the West Midlands has lower relative funding).

³ [BEIS Innovation Strategy](#)

4 Governance

- 4.1 The Innovation Board is responsible for developing the plan for the West Midlands, supported by the WMCA, in collaboration with a dedicated BEIS-Innovate UK policy and delivery team and local partners.
- 4.2 The Innovation Board's role is to knit together two agendas:
 1. Setting a focus of the Innovation Accelerator given the region's economic opportunities set out in the West Midlands Plan for Growth. This means using our engineering heritage and knowledge of commercial opportunities and societal impact to grow emerging R&D strengths with strong commercial potential.
 2. Ensure the Innovation Accelerator is supported by complementary regional and national activities. This includes the breadth of issues across the region's Innovation Framework which covers business support programmes to catalyse the diffusion and adoption of innovation; interventions to upskill and reskill cohorts of workers; ensuring an appropriate supply of risk capital and that businesses are investment ready; ensuring appropriate supply of sites with the digital, energy and transport connectivity for firms to grow and an internationalisation offer that helps firms trade and attracts foreign direct investment to catalyse local supply chains.

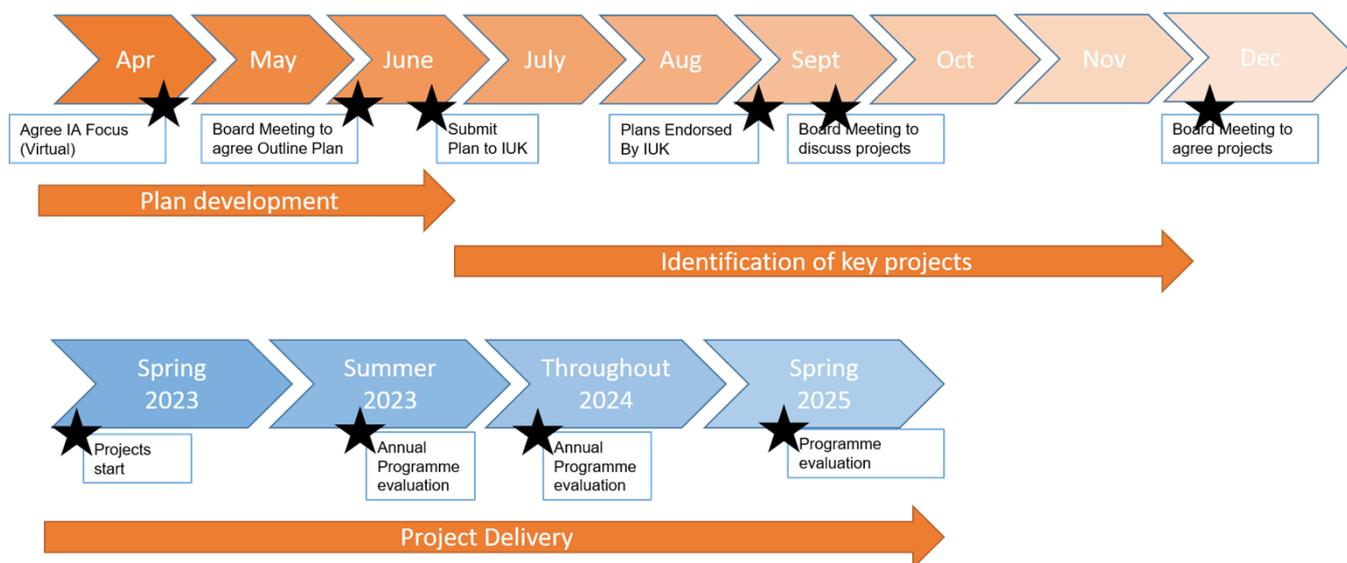
5 Delivery Timeline

- 5.1 The Innovation Accelerator pilot will run between 2022-3 and 2024-5. The first year of the programme will primarily focus on developing the plans and project proposals. Years 2 and 3 will involve ongoing cross-government policy engagement, as well as delivery of funded projects.
- 5.2 The draft IA Business Plan is due for submission at the end of June. The plan will outline how the WMIA will fulfil the purpose of the national Innovation Accelerator programme and deliver on the programme objectives. The plan will show how the WMIA proposal contributes to the broader strategy for the region and how it will deliver benefits for local people. The draft Business Plan is attached to this paper.
- 5.3 The Innovation Board, supported by the WMCA will work with industry partners and representative groups to develop a prioritised pipeline of RDI projects, details of which will be included in the draft business plan.
- 5.4 The following steps outline the process going forward to develop projects for the Innovation Accelerator.
 1. The WMCA will be running 2 ideation workshops in the coming weeks. These workshops will provide the opportunity for partners to provide market validation of the Innovation Accelerator intervention requirements.
 - Workshop 1: CleanTech. 29th June from 2pm to 5pm.
 - Workshop 2: HealthTech & MedTech. 4th July from 10am to 1pm.
 2. Once our ideation workshops have taken place, we will update the refined intervention requirements and open the form for idea submission of Expressions of Interest in the second half of July.

3. As EOIs are submitted they will be filtered to ensure that they align with the overall objectives of the Innovation Accelerator and clearly address challenges in the clusters of focus.
4. During August, the WMCA, supporting the Innovation Board, will encourage collaboration, mutual alignment and avoid duplication where possible in the EOIs.
5. Following this stage stakeholders will be asked to develop their EOIs into fully costed proposals based on IUK criteria, between early September and the end of October.
6. IUK will assess proposals in November.
7. The Innovation Board and Economic Growth Board will decide at the beginning of December which proposals which pass the IUK assessment will be funded by the Innovation Accelerator.
8. Successful projects will begin in quarter 1 of 2023 and must be completed by end of March 2025.

5.5 The major milestones can be seen in the below timeline.

WM Innovation Accelerator Timeline



6 Financial Implications

- 6.1 The WMCA will not be the Accountable Body for the Innovator Accelerator funding. All funding will be contracted between Innovate UK and the project delivery partners. Most of the public funding for the WMIA will be available in financial years 2023/4 and 2024/5. The funding will be contracted and managed directly between Innovate UK and project promoters, so there are no direct financial implications for the WMCA.

7 Legal Implications

- 7.1 There are no immediate legal implications arising from this report

8 Equalities Implications

- 8.1 There are no immediate equalities implications arising from this report.

9 Inclusive Growth Implications

- 9.1 The WMIA will place inclusive economic growth at the heart of project design.

10 Geographical Area of Report's Implications

- 10.1 The report refers to the 3 LEP area and incorporates links with all constituent and non-constituent authorities. Subject to policy decisions by Government and local partners, decision-making over economic growth policies and programmes might relate to either the 7-met WMCA area, or the wider economic footprint.

11 Other Implications

- 11.1 None

Economic Growth Board

| | |
|--------------------------------------|--|
| Date | 4 July 2022 |
| Report Title | West Midlands Plan for Growth |
| Portfolio lead | Economy and Innovation – Councillor Ian Brookfield |
| Accountable Chief Executive | Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk |
| Accountable Employee | Dr Julie Nugent, Executive Director for Economic Delivery, Skills and Communities Email: julie.nugent@wmca.org.uk |
| Report has been considered by | Directors of Economic Development (21/6/22) |

Recommendations for action or decision:

The Economic Growth Board is asked to:

- a) Note the West Midlands Regional Economic Growth Event on 7 July.
- b) Comment on the evolving picture of cluster leadership, including business-led activity and capacity to embed that business direction across economic development levers.

1 Purpose of Report

- 1.1 To inform the Economic Growth Board of the plans for a regional economic event structured around the West Midlands Plan for Growth.
- 1.2 To update Economic Growth Board on the development of cluster leadership across Plan for Growth priorities, covering both business convening and .

2 Background

West Midlands Regional Economic Event

- 2.1 The last Economic Growth Board noted a suggestion to host a Regional Economic Event, which will take place on 7 July in Wolverhampton with two connected aims:
 - in the face of challenging economic conditions, give confidence about the region’s economy and its long-term direction and potential.
 - showcase how the West Midlands Plan for Growth will shape major cross-cutting interventions, including programmes like the UKSPF and Innovation Accelerator.

- 2.2 The target audience is partners (local authorities, business groups, universities, Government departments and agencies) and the launch event will cover:
- (i) the challenge and focus of the West Midlands Plan for Growth
 - (ii) the alignment of cross-cutting interventions, covering current private and public funding, and new resources across UKSPF and potentially Trailblazer Devolution Deal powers/resources
 - (iii) the importance of cohesively linking strong business leadership of clusters with cross-cutting interventions.
- 2.3 Attendees will receive a short summary of the West Midlands Plan for Growth, but it is not an “implementation plan”. Instead, delivery comes from flexing all the cross-cutting interventions to meet the specific commercial needs and opportunities of those clusters with additional growth potential.
- 2.4 Directors of Economic Development have also highlighted how market dynamics change the nature of cluster needs and growth opportunities. The key is strong business cluster leadership, connected to decision-making about interventions.

Cluster Leadership

- 2.5 The Economic Functions Task Group has identified commissioning of cluster leadership as an area of future activity for consideration, which covers two dimensions:
- i) How businesses in the clusters come together to articulate opportunities and needs - often via business-led trade bodies like Midlands Aerospace Alliance, SMMT or Logistics UK.
 - ii) Interpreting how public bodies can decide to flex cross-cutting interventions to quickly address cluster barriers/opportunities – where capacity needs to be closely embedded with decision-makers.
- 2.6 Work to identify both cluster membership bodies and translational capacity (across local authorities, the WMGC, Virtual Innovation Team and LEPs) has been undertaken. This work will then be progressed with the Economic Functions Task Group based on the principle that translational capacity needs to be closely connected to decision-makers like the Economic Growth Board.
- 2.7 The implications of those discussions will be embedded with broader Economic Functions activity on LEP Integration, development of the UKSPF investment plan and business support review and reported to subsequent EGB meetings.

3 Financial Implications

- 3.1 There are no immediate financial implications arising from this report. The Plan for Growth emphasises the importance of aligned resources which may affect

the focusing of established or future funds. These decisions will be taken through the arrangements for managing those funds.

4. Legal Implications

4.1 There are no immediate legal implications arising from this report.

5. Equalities Implications

5.1 There are no equalities implications arising from this report.

6. Inclusive Growth Implications

6.1 The West Midlands Plan for Growth is designed to drive additional growth across the region in clusters related to good quality jobs.

7. Geographical Area of Report's Implications

7.1 The West Midlands Plan for Growth covers the 3 LEP area with hotspots of cluster activity right across the region. Interventions may focus on other geographies (e.g. the 7Met area) where funding/future commissioning responsibilities dictate.

8. Other implications

8.1 None

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Economic Growth Board

| | |
|--------------------------------------|--|
| Date | Monday 4 th July 2022 |
| Report Title | Economic Growth Board Work Programme |
| Portfolio lead | Economy and Innovation – Councillor Ian Brookfield |
| Accountable Chief Executive | Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk |
| Accountable Employee | Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: julie.nugent@wmca.org.uk |
| Report has been considered by | |

Recommendations for action or decision:

The Economic Growth Board is asked to:

- a) **Note the updated work programme attached at Appendix 1 which is a live document and will continue to be refined according to the economic situation, priorities and decisions required.**

1 Purpose

- 1.1 For the Economic Growth Board to agree its work programme in support of the region's overall vision to build a healthier, happier, better connected and more prosperous West Midlands.

2 Background

- 2.1 Economic Growth Board (EGB) was established to strengthen democratic leadership, working with business. The Board's work programme is divided into four topic areas based on its terms of reference, plus standing items.

3 Financial Implications

- 3.1 There are no immediate financial implications arising from this report.

4. Legal Implications

- 4.1 There are no immediate legal implications arising from this report



5. Equalities Implications

5.1 There are no immediate equalities implications arising from this report.

6. Inclusive Growth Implications

6.1 The work programme of EGB places inclusive economic growth at the heart of CA decision making.

7. Geographical Area of Report's Implications

7.1 The Economic Growth Board's remit is for the 3 LEP area with all constituent and non-constituent authorities within that area. Subject to the individual items of work being considered by the EGB, work, policies and programmes might relate to either the 7-met WMCA area, or the wider economic footprint.

8. Other implications

8.1 None.

Economic Growth Board – Updated Workplan July 2022

| | 4 th July '22 | 23 rd September '22 | 2 nd December '22 | 15 th February '23 |
|---------|--|---|---|---|
| Page 57 | <p>1. Oversight of regional economic strategies, plans, and their implementation, including influencing plans to attract government and commercial investment.</p> | <p>Endorsement of the direction of economic elements of the Trailblazer Devolution Deal submission - post 10th June CA Board. This will include an overview of economic funding streams available across the region and how they can be aligned to best effect.</p> <p>Review Commercial Land Strategy, in line with West Midlands Plan for Growth priorities</p> <p>Agree response to the Race Equalities Taskforce as it affects economic opportunity and outcomes</p> <p>Annual report of the Midlands Engine for its benefits to the West Midlands</p> <p>Commonwealth Games 2022 economic impact</p> | <p>Agree response to Life Chances Commission as it affects economic opportunity and outcomes</p> <p>Agree the West Midlands Town Centre Regeneration Delivery Strategy</p> <p>Impact of the West Midlands Digital Roadmap on the economy and leadership of the digital economy</p> <p>Receive update on the West Midlands Plan for Growth and how that aligns with the issues highlighted by the Regional Productivity Forum report about what's needed to increase productivity in a way that's inclusive</p> <p>Final Create Central Business Plan 2023 - 33 and Financial Plan signoff. Before CA Board final signoff in budget.</p> | <p>Agree scope of the Business Taxation Commission & Review</p> <p>Agree next steps on the Circular Economy Routemap after its first year</p> |



| | 4 th July '22 | 23 rd September '22 | 2 nd December '22 | 15 th February '23 |
|---|--|--|--|-------------------------------|
| 2. Deliver inclusive economic growth through the West Midlands Jobs Plan, ensuring we link local communities to new jobs and opportunities. | <p>Updates on devolved funding – UKSPF Investment Plan and its alignment to places</p> | <p>Decisions about devolved funding – UKSPF Investment Plan and its alignment to places</p> <p>Agree Plan to address gaps in provision in line with Employment Support Framework</p> <p>Agree skills provision to support inward investment pipeline and Plan for Growth priorities</p> <p>Update on the Direction on the West Midlands Jobs Plan - regional activity to link new jobs and opportunities with local people, through training, support and other interventions.</p> | <p>Approach to Local Skills Improvement Plan: To agree approach</p> | |
| 3. Oversee a coherent and complementary approach to business support across the region. | <p>LEP Integration Plan – agree ‘Direction of Travel’ as part of devolution deal.</p> <p>Agree direction and priority outcomes of West Midlands business support system, linked to UKSPF direction following completion of business support review – inc KAM, Skills, business advice, role of the WMGC.</p> | <p>Draft LEP Integration Plan</p> <p>WMCA commissioning of WMGC</p> | <p>LEP Integration Plan Sign off</p> <p>Agree to a region-wide campaign to drive up business demand</p> <p>Determine how decision-making over the Co-Invest Fund aligns with business support offer</p> | |



| | 4 th July '22 | 23 rd September '22 | 2 nd December '22 | 15 th February '23 |
|--|---|--|--|---|
| | Digital Economy – how activity on digital roadmap reflects economic functions, Smart City Region proposal | | | |
| 4. Oversee the work of the Innovation Board and other relevant sub-Boards | Endorse plan for West Midlands Innovation Accelerator | Receive report from Cultural Leadership Board Outcomes and evaluation from West Midlands Innovation Programme | Agree next steps from Commercial Green Energy Taskforce Economic input to potential Energy Deal | Endorse Energy Capital Smart Local Energy System activity and how this can be supported by business services |
| | <ul style="list-style-type: none"> • Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures. • Annual reports from sub-boards: <ul style="list-style-type: none"> ○ Create Central ○ Innovation Board ○ Energy Capital ○ Tourism Board ○ Cultural Leadership Board | | | |

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