



Economic Growth Board

Date: Friday 23 September 2022

Time: 11.00 am **Public meeting** Yes

Venue: To be held remotely via MS Teams

Membership

Councillor Ian Brookfield (Chair)

Tom Westley (Vice-Chair)

Councillor Adrian Andrew

Councillor Ian Courts

Councillor George Duggins

Councillor Peter Hughes

Councillor Simon Phipps

Councillor Ian Ward

Andy Street

Councillor Matthew Dormer

Councillor Bob Sleigh

Lee Barron

Stuart Croft

Anita Bhalla

Sarah Windrum

Corin Crane

Matthew Hammond

Mike Wright

Portfolio Lead for Economy & Innovation

Black Country Local Enterprise Partnership

Walsall Metropolitan Borough Council

Solihull Metropolitan Borough Council

Coventry City Council

Sandwell Metropolitan Borough Council

Dudley Metropolitan Borough Council

Birmingham City Council

Mayor of the West Midlands

Non-Constituent Authorities

Portfolio Lead for Finance & Investments

Midlands Trades Union Congress

Higher Education Sector

Greater Birmingham & Solihull Local Enterprise

Partnership

Coventry & Warwickshire Local Enterprise

Partnership

Black Country Chamber of Commerce

West Midlands Growth Company

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.	Welcome & Introductions	Chair	None
2.	Apologies for absence	Chair	None
3.	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
4.	Chair's Remarks (if any)	Chair	None
5.	Minutes - 4 July 2022	Chair	1 - 6
6.	Economic Conditions in the West Midlands	Delma Dwight, Black Country Consortium	7 - 24
7.	Update on B ATP and Games-time impact	Neil Rami & Matthew Hammond (WMGC)	25 - 28
8.	West Midlands Growth Company - Future Funding and Priorities	Chair/Dr Julie Nugent (WMCA) & Neil Rami (WMGC)	29 - 44
9.	LEP Integration Update - Progress Report	Dr Julie Nugent	45 - 62
10.	UK Shared Prosperity Investment Fund (UKSPF) Investment Plan	Dr Fiona Aldridge (WMCA)	63 - 94
11.	West Midlands Innovation Accelerator	Mike Wright (Innovation Board) & Jonathan Skinner (WMCA)	95 - 104
12.	Economic Growth Board Work Programme	Jonathan Skinner	105 - 108
Date of Next Meeting- 2 December 2022 10.00am -12-00pm			



West Midlands Combined Authority

Economic Growth Board

Monday 4 July 2022 at 4.00 pm

Minutes

Present

Councillor Ian Brookfield (Chair)
Lee Barron
Anita Bhalla

Councillor Ian Courts
Corin Crane
Councillor Matthew Dormer
Councillor George Duggins
Lindsey Flynn

Councillor Peter Hughes
Councillor Shaz Saleem
Andy Street
Sarah Windrum

Mike Wright

Portfolio Lead for Economy & Innovation
Midlands Trades Union Congress
Greater Birmingham & Solihull Local
Enterprise Partnership
Solihull Metropolitan Borough Council
Black Country Chamber of Commerce
Non-Constituent Authorities
Coventry City Council
Black Country Local Enterprise
Partnership
Sandwell Metropolitan Borough Council
Dudley Metropolitan Borough Council
Mayor of the West Midlands
Coventry & Warwickshire Local
Enterprise Partnership
West Midlands Innovation Board

Item Title No.

1. Apologies for Absence

Apologies for absence were received from Stuart Croft (Higher Education Sector), Councillor Bob Sleigh (Portfolio Lead for Finance) and Tom Westley (Black Country LEP).

2. Minutes - 13 May 2022

The minutes of the meeting held on 13 May 2022 were agreed as a correct record.

3. Economic Conditions in the West Midlands

The board considered a report from the Executive Director of Economic Delivery, Skills & Communities summarising the long-term economic forecasts for the West Midlands, the latest quantitative economic intelligence, recent feedback and insight from West Midlands businesses and from the COVID-19 Economic Impact Group.

The Chair enquired whether higher employment rates in some parts of the region were masking pockets of lower employment. Delma Dwight (Black

Country Consortium) reported that there was a mixed picture across the region, and that she would provide trend data for each local authority area to future meeting to show better the localised unemployment hotspots. Andy Street noted that the first results from the 2021 census had recently been published and requested summary briefing note on the local data. Delma Dwight undertook to provide the board with this information.

Resolved:

The current economic conditions in the West Midlands, including insight from the region's businesses and long-term economic forecasts, be noted.

4. Progress Update on LEP Integration

The board considered a report from the Executive Director of Economic Delivery, Productivity & Skills on the latest 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.

Councillor Ian Courts stressed the importance of ensuring that the voice of businesses within the region continued to input into the WMCA's activities, and considered that a more innovative approach needed to be undertaken to ensure this. Sarah Windrum noted that the Liverpool City Region and West Yorkshire combined authorities had integrated their local business sectors into combined authority activity, and it would be useful to know if there were any lessons that could be learnt from their experiences. Corin Crane stressed that engagement with the business sector also needed to happen outside of formal board meetings. The Executive Director of Economic Delivery, Productivity & Skills noted these comments and undertook to develop them into the continuing work to embed the voice of the business sector into WMCA activities.

Resolved:

- (1) The progress made to date, particularly the focus on 'core' functions to be integrated and the reduction in Government funding for them, be noted.
- (2) The positions regarding embedding the voice of the private sector and each 'core' LEP function be noted.
- (3) It be noted that Directors of Economic Development had commissioned the three Growth Hubs to develop options for a sustainably funded business support model from April 2023 for consideration in September 2022.

5. UK Shared Prosperity Fund Investment Plan

The board considered a report from the Executive Director of Economic Delivery, Productivity & Skills and the Head of Insight - Economic Delivery, Skills & Communities providing an update on progress towards developing the WMCA's UK Shared Prosperity Fund Investment Plan.

The Executive Director of Economic Delivery, Productivity & Skills highlighted

a letter that the Mayor and the Chair had written to the Department for Levelling Up, Housing & Communities expressing the WMCA's frustrations at the parameters and processes associated with the UK Shared Prosperity Fund programme that were imposing national restrictions in a way that was preventing the WMCA from being agile and responsive, and working against the principles of greater devolution. A response to this letter had yet to be received.

The Chair confirmed that at this stage, the WMCA only needed to develop a single high-level plan containing a broad indication of where its collective priorities would be. It did not need to agree individual projects or to confirm the local distribution of funds, which would be agreed at a later stage in discussions between the Mayor and constituent authorities.

The Executive Director of Economic Delivery, Productivity & Skills noted that the Shared Prosperity Fund Investment Plan would only cover constituent authority areas, and that the non-constituent authorities would be agreeing their own plans applicable to their geographic areas.

Resolved:

- (1) The broad approach to prioritising the UK Shared Prosperity Fund funding across the three themes be noted.
- (2) The wider skills investment to reduce the demand on the UK Shared Prosperity Fund for this activity be noted.
- (3) The timescale and next steps for the development and approval of the outline UK Shared Prosperity Fund Investment Plan at the WMCA Board on 15 July 2022 be noted.
- (4) The further work requested by constituent authorities to review the methodology for allocating resources to better reflect the principles of levelling up be noted.

6. West Midlands Innovation Accelerator

The board considered a report from the Executive Director of Economic Delivery, Skills & Communities on the progress made on the West Midlands Innovation Accelerator, overseen by the West Midlands Innovation Board.

Announced in the Levelling-Up White Paper, the West Midlands Innovation Accelerator would see around £33m invested in the region over the next three years to bolster the region's innovation and research & development capability and capacity to spark commercial growth and investment.

The Chair stressed the importance of ensuring that existing pockets of excellence within the region were engaged with this work, particularly in

respect of CleanTech and Modern Methods of Construction. Mike Wright (West Midlands Innovation Board) supported this, stressing the importance of recognising where excellence already existed. Councillor Peter Hughes noted the CleanTech workshop held on 29 June and enquired as to the level of interest this had generated. Mike Wright reported that attendance had been very good, with 60 delegates in attendance and more joining online. He undertook to send a list of delegates to Councillor Peter Hughes.

Resolved:

- (1) The direction proposed by the West Midlands Innovation Board for the £33m West Midlands Innovation Accelerator and the process proposed to reach final decisions in Winter 2022 be endorsed.
- (2) The direction of the draft business plan be agreed, with the first stage submitted in conjunction with the Chair of the West Midlands Innovation Board.

7. West Midlands Plan for Growth

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities on the plans for a regional economic event structured around the West Midlands Plan for Growth.

A regional economic event had been organised for 7 July in Wolverhampton with the aim of giving confidence about the region's economy and its long-term direction and potential, and showcasing how the West Midlands Plan for Growth would shape major cross-cutting interventions, including programmes like the UK Shared Prosperity Fund and the West Midlands Innovation Accelerator.

Lindsey Flynn stressed the need to ensure that in respect of LEP integration, a clear narrative as to 'why' this was beneficial would help with business engagement.

Resolved:

- (1) The West Midlands Regional Economic Growth Event on 7 July 2022 be noted.
- (2) The evolving picture of cluster leadership, including business-led activity and capacity to embed that business direction across economic development levers, be noted.

8. Economic Growth Board Work Programme Update

The board considered a report from the Executive Director of Economic Delivery, Skills & Communities on its work programme in support of the region's overall vision to build a healthier, happier, better connected and more prosperous West Midlands.

Resolved:

The updated work programme, which was a live document and would

continue to be refined according to the economic situation, priorities and decisions required, be noted.

The meeting ended at 5.20 pm.

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Economic Growth Board

Date	Friday 23 rd September 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 in the West Midlands. Some of the salient information from the dashboard include the West Midlands Business Activity Index decreased from 51.1 in June 2022 to 50.3 in July 2022; which indicates a stagnation in local output. However, provisional figures show that UK business investment increased by 3.8% in Quarter 2 (Apr to Jun) 2022. It is the first time all components increased since Quarter 2 2021.

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. At the time of writing, the latest publicly available edition is from 2nd September 2022. The below content is taken from the next issue, which will be published after the 19th September 2022.

- **System Average Price of Gas:** The System Average Price (SAP) of gas decreased by 16% in the week to 4th September it is now 223% higher than the equivalent level seen on 5th September 2021. It was 1575% higher when compared to the pre-Coronavirus baseline.
- **Fuel Poverty in the UK:** According to data from 2020, the West Midlands has the highest rate of fuel poverty of any region in the UK, with the highest number of households being in fuel poverty in Wolverhampton (22.4%), Birmingham (21.8%) and Sandwell (20.8%).
- **West Midlands Exports:** 49.8% of responding WM businesses reported that exporting stayed the same in August 2022 when compared to August 2021. 54.2% of responding WM businesses reported that importing stayed the same in August 2022 when compared to August 2021.
- **NatWest Purchasing Manager Index (PMI) Survey: West Midlands Region:** WM Business Activity Index decreased from 50.3 in July 2022 to 49.3 in August 2022, indicating a quicker deterioration in demand conditions leading to a renewed fall in business activity (below the 50-growth mark, although marginal). Firms indicated that business activity contracted due to reduced client purchasing, consumers reducing expenditure, economic uncertainty, and product availability issues. Out of the 12 UK regions, the West Midlands was the fourth highest for Business Activity in August 2022. The UK Business Activity Index decreased from 52.1 in July 2022 to 49.6 in August 2022. The West Midlands Future Business Activity Index decreased from 68.3 in July 2022 to 67.8 in August 2022. Firms in the West Midlands remain optimistic for the upcoming year; however, the degree of optimism was at its second-weakest level since October 2020 and below its historical average as firms reported inflation concerns, recession fears and energy price volatility.
- **Bottlenecks in international freighting:** Bottlenecks in international freight remain high and are being accentuated by the Ukraine war and the shutdowns in China. The freight route across Russia, which for decades served as the main overland link between Europe and China, has become problematic as Beijing and other countries try to shield their economies from the snags caused by the sanctions on Moscow. Potential options in the light of these changes are:
(1) consider alternative sourcing - now is the time to either diversify partners or find alternative sourcing modes;

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

- (2) capitalize on new opportunities - to fill the gaps created by the volatility, creating new business models and potentially improving the lives of others;
- (3) understand that quantitative approaches can help, but there are challenges - while modelling can help optimize supply chain changes, there are limits to this approach given that most supply chain models assume a steady state, which is not applicable for redesigning something that is in transition;
- (4) accept that this is the new normal - the key to sustaining growth in uncertain times is developing best-in-class agile competencies.

Energy Price Guarantee

- 2.3 On the 8th September, HM Government set out the Energy Price Guarantee² in response to rising energy costs, to support families struggling to pay bills over the next 24 months and support businesses for the next 6 months. From October 1st 2022, the new Energy Price Guarantee will mean that a typical UK household will now pay up to an average of £2,500 a year on their energy bill. This will allow the average household to save £1,000 a year based on current energy prices from October and is in addition to the £400 energy bill discount for all households that as announced on the 29th July 2022. For businesses and other non-domestic energy users such as charities and public sector organisations, a 6-month scheme will be provided, with equivalent support as for consumers. The Government will provide energy suppliers with the financial difference between this new lower price and what energy retailers would charge their customers, had this scheme not been put in place. After this initial six-month scheme, the Government will provide ongoing, focused support for vulnerable industries. There will be a review in 3 months' time to consider where this should be targeted to make sure those most in need get support. Schemes previously funded by green levies will also continue to be funded by the Government during this two-year period to ensure the UK's investment in home-grown, secure renewable technologies continues.

Direct insight from businesses and business groups

- 2.4 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. It continues to be an effective vehicle of sharing information across the region from the WMCA and its partners. Recent items have included:

- **UK House and the Business and Tourism Programme:** At the meeting on 21st July 2022, Members received an updated from the West Midlands Growth Company on the Business and Tourism Programme (BATP) which coincided with the Commonwealth Games, which aimed to embed strong and positive perceptions of the West Midlands into the international imagination, driving long-term economic benefits across the region and fostering civic pride with a strong focus on tourism, trade and investment from the Games. Key outputs include 65

² More information on the Energy Price Guarantee can be found [here](#).

events hosted, 68 external events and sales mission, 10 MICE conferences (meetings, incentives, conferences and exhibitions), over 1000 media articles reaching over 710,400,000 people worldwide.

- **Industrial Energy Costs and the WM Industrial Energy Task Force:** At the meeting of the EIG on the 1st September 2022, Matthew Rhodes, Chair of the Industrial Energy presented an update in regard to the situation of energy costs for businesses in the West Midlands. It was highlighted that some 70% of businesses in the West Midlands faced energy cost increases between 300%-400% over the next 12 months as businesses came off their current energy contracts. Matthew outlined that the WM Industrial Energy Task Force was established as an industry led task force, made up 10 diverse industrialists from across the region. Members heard how the task force wouldn't be starting from scratch but building on the work of the Repowering the Black Country programme and other schemes from across regional partners. Matthew noted that the task force would attempt to address short- and medium-term interventions that were specific the regions business demography.
- **Bank of England Quarterly Monetary Policy:** Members received a presentation on the Bank of England's Quarterly Monetary Policy Report, which was published on August 3rd 2022. Between its publication and the meeting date, some changes had occurred such as CPI inflation at its highest rate in the past 40 years at 10.1%. Likewise, Russia's war on Ukraine had caused a sharp increase in energy prices with huge wholesale gas price inflation which was creating an incredibly volatile market.

Regional Business Council

- 2.5 At the Regional Business Council on the 19th July 2022, members received an item on the current skills landscape in the West Midlands; members concluded that there was a need to promote level 4 skills in the region. Likewise, members received an update relating to Innovation Accelerator activity and discussed the intended outcomes and how to best leverage it to draw in longer term benefits. Members extensively discussed the energy crisis and the real issues for businesses that were beginning to materialise because of rising energy costs. The meeting concluded with discussion on the state of the region in terms of its economy.

Skills and Employment insights

- 2.6 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 July 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 75.3%. Since the three months ending April 2022, the employment rate decreased by 0.6pp for the West Midlands region. There was an increase of 1.1pp when compared to the same period in the previous year – joint highest increase (with Scotland) across all UK regions. The UK employment rate was 75.4%, a decrease of 0.2pp when compared to the previous

quarter but an increase of 0.3pp when compared to the previous year.

- **Regional Unemployment:** For the three months ending July 2022, the West Midlands Region unemployment rate (aged 16 years and over) was 4.6%, which has increased by 0.1pp since the previous quarter but decreased by 0.6pp from the previous year. The UK unemployment rate was 3.6%, a decrease of 0.2pp from the previous quarter, and a 1.0pp decrease when compared to the previous year.
- **Regional Inactivity:** For the three months ending July 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 21.0%, an increase of 0.4pp from previous quarter but a decrease of 0.6pp when compared to the previous year, with the latter being the joint highest decrease with Yorkshire and the Humber. The UK economic inactivity rate was 21.7%, increasing by 0.4pp from the previous quarter and an increase of 0.5pp from the previous year.
- **Claimant Count:** There were 145,285 claimants in the WMCA (3 LEP) area in August 2022. Since July 2022, there has been an increase of 1.0% (+1,415) claimants in the WMCA (3 LEP) area, the UK also increased by 1.0%. When compared to August 2021, the number of claimants has decreased by 20.7% (- 38,025) in the WMCA (3 LEP) area, with the UK decreasing by 28.3% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.6% (+27,695) in the WMCA (3 LEP) area, with the UK increasing by 21.2% over the same period
- **Vacancies:** Mirroring national vacancy data, the number of job postings across the WMCA 3 LEP area decreased by 22,819 or -14% in August 2022. All 19 local authority areas recorded a drop in job postings. Bromsgrove and North Warwickshire were hit hardest with both areas logging 19% fewer job postings than the previous month, although most areas recorded negative double-digit change. Unsurprisingly, the effort towards hiring for particular positions was subdued in all 19 LAs, however, it remained strongest across the 7 Met. areas.³

Research Excellence Framework

2.7 The Research Excellence Framework is a means by which the quality of university research in the UK is assessed, with the joint purposes of providing accountability for publicly funded research, provide benchmarking data, and informing the allocation of research funding. Research quality is reviewed by expert panels across 34 broad, subject-based, areas known as units of assessment (UoAs). Each UoA must have three elements of evidence, and each element is assessed and given a quality classification which is then aggregated to give an overall UoA quality profile.

³ Lightcast, September 2022 - please note, as of March 2022, Lightcast, previously known as Emsi Burning Glass 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. Lightcast believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process.

2.8 A total of 4,868.41 FTE employed staff from 11 universities across the West Midlands (Aston, Birmingham, Birmingham City, Coventry, Harper-Adams, Keele, Newman, Staffordshire, Warwick, Wolverhampton, and Worcester) attained an overall quality judged to be 81% at 3* and 4*. In terms of quality profile, notable disciplines were chemistry, earth systems and environmental sciences, economics and econometrics, mathematical sciences and physics. Also notable, between 90%-95% research at 3* and 4* were Anthropology and development studies and clinical medicine.

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.

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Monthly Business Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group ¹	Commentary																									
Business	Regional Business Activity Index ² (monthly update)	51.9	58.4	59.1	54.5	49.7	51.1	50.3	<table border="1"> <thead> <tr> <th>Jul 2018</th> <th>Jul 2019</th> <th>Jul 2020</th> <th>Jul 2021</th> <th>Jul 2022</th> </tr> </thead> <tbody> <tr> <td>54.2</td> <td>49.7</td> <td>61.9</td> <td>58.3</td> <td>50.3</td> </tr> </tbody> </table>	Jul 2018	Jul 2019	Jul 2020	Jul 2021	Jul 2022	54.2	49.7	61.9	58.3	50.3	WM: 6 th Lowest Region UK: 52.1 London: 58.0 (1 st) Northern Ireland: 41.9 (12 th)	The West Midlands Business Activity Index decreased from 51.1 in June 2022 to 50.3 in July 2022, indicating a stagnation in local output. Firms indicated that business activity was restricted due to adverse demand conditions, reduced market confidence, input shortages and the ongoing inflationary pressures.															
	Jul 2018	Jul 2019	Jul 2020	Jul 2021	Jul 2022																															
	54.2	49.7	61.9	58.3	50.3																															
Regional Future Business Activity Index ³ (monthly update)	80.3	76.7	75.2	71.8	66.1	70.3	68.3	<table border="1"> <thead> <tr> <th>Jul 2018</th> <th>Jul 2019</th> <th>Jul 2020</th> <th>Jul 2021</th> <th>Jul 2022</th> </tr> </thead> <tbody> <tr> <td>59.5</td> <td>68.5</td> <td>75.2</td> <td>74.4</td> <td>68.3</td> </tr> </tbody> </table>	Jul 2018	Jul 2019	Jul 2020	Jul 2021	Jul 2022	59.5	68.5	75.2	74.4	68.3	WM: 3 rd Highest Region Yorkshire & The Humber: 70.9 (1 st) Northern Ireland: 47.2 (12 th)	The West Midlands Future Business Activity Index decreased from 70.3 in June 2022 to 68.3 in July 2022. The degree of optimism was at its second-weakest level since October 2020 as firms reported concerns over recession, political uncertainty, inflationary pressures and the war in Ukraine. However, firms still reported some level of confidence for the upcoming twelve months by predictions of demand improvements, new product launches and investment in people and systems.																
Jul 2018	Jul 2019	Jul 2020	Jul 2021	Jul 2022																																
59.5	68.5	75.2	74.4	68.3																																
National Business Investment ⁴ (Q – update due Sep 22 revised)			£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>£51.5bn (r)</td> </tr> <tr> <td>£56.1bn Q2</td> <td>£56.2bn Q2</td> <td>£44.8bn Q2</td> <td>£50.9bn Q2</td> <td>£53.4bn (p)</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	£51.5bn (r)	£56.1bn Q2	£56.2bn Q2	£44.8bn Q2	£50.9bn Q2	£53.4bn (p)	£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 UK business investment increased by 3.8% in Quarter 2 (Apr to Jun) 2022. It is the first time all components increased since Quarter 2 2021. Business investment is 5.7% below the pre-coronavirus level in the latest quarter.
2018	2019	2020	2021	2022																																
£57bn Q1	£56.1bn Q1	£55.1bn Q1	£47.5bn Q1	£51.5bn (r)																																
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£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 August 2022

³ NatWest, PMI research – released August 2022

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

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group ¹	Commentary										
Business	WMCA (3 LEP) Enterprise Deaths ⁵ (bi-annual – update due Jan 23)			8,675 Q1			7,115 Q2		<table border="1"> <thead> <tr> <th>Q2 2018</th> <th>Q2 2019</th> <th>Q2 2020</th> <th>Q2 2021</th> <th>Q2 2022</th> </tr> </thead> <tbody> <tr> <td>4,965</td> <td>5,870</td> <td>4,015</td> <td>6,120</td> <td>7,115</td> </tr> </tbody> </table>	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	4,965	5,870	4,015	6,120	7,115	<p>WMCA (3 LEP): Highest CA GMCA: 4,730 (2nd) Tees Valley: 860 (10th)</p>	<p>Quarterly data shows that when comparing Q2 2022 to Q1 2022, there was a decrease of enterprise deaths in the WMCA (3 LEP) area by 1,560 (-18.0%, UK -17.1%) to a total of 7,115. When comparing Q2 2022 to Q2 2021, there was an increase in enterprise deaths by 995 (+16.3%, UK +7.8%).</p> <p>When compared to Q1 2020 (pre-pandemic), enterprise deaths increased in the WMCA (3 LEP) area by 1,465 (+25.9%, UK +11.2%).</p>
	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022																
4,965	5,870	4,015	6,120	7,115																	
WMCA (3 LEP) Enterprise Births ⁶ (bi-annual – update due Jan 23)			5,990 Q1			5,765 Q2		<table border="1"> <thead> <tr> <th>Q2 2018</th> <th>Q2 2019</th> <th>Q2 2020</th> <th>Q2 2021</th> <th>Q2 2022</th> </tr> </thead> <tbody> <tr> <td>6,115</td> <td>5,900</td> <td>4,330</td> <td>5,990</td> <td>5,765</td> </tr> </tbody> </table>	Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022	6,115	5,900	4,330	5,990	5,765	<p>WMCA (3 LEP): Highest CA GMCA: 4,210 (2nd) Tees Valley: 660 (10th)</p>	<p>Quarterly data shows that when comparing Q2 2022 to Q1 2022, there was a decrease of enterprise births in the WMCA (3 LEP) area by 2,465 (-30.0%, UK -31.4%) to a total of 5,765. When comparing Q2 2022 to Q2 2021, there was a decrease in enterprise births by 225 (-3.8%, UK -3.5%).</p> <p>When compared to Q1 2020 (pre-pandemic), enterprise births decreased in the WMCA (3 LEP) area by 550 (-8.7%, UK -19.5%).</p>	
Q2 2018	Q2 2019	Q2 2020	Q2 2021	Q2 2022																	
6,115	5,900	4,330	5,990	5,765																	

⁵ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released July 2022 (RAG rating based on change from same quarter in the previous year)

⁶ ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released July 2022 (RAG rating based on change from same quarter in the previous year)

Annual Business Dashboard

Themes	Indicator	2017	2018	2019	2020	Trend	Relative to Peer Group	Commentary
Business Page 15	WMCA (3 LEP) High Growth Enterprises ⁷ (annual – update due Nov 22)	710	725	690	620		WMCA (3 LEP): Highest CA GMCA: 540 (2 nd) Tees Valley: 70 (10 th)	The latest available data 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 ⁸ (annual – update 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 (start-ups) 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 ⁹ (annual – update due 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.
	WMCA (3 LEP) 3 Year Enterprise Survival Rates ¹⁰ (annual – update due 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 lags 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.

⁷ ONS, Business Demography – released November 2021

⁸ ONS, Business Demography – released November 2021

⁹ ONS, Business Demography – released November 2021

¹⁰ ONS, Business Demography – released November 2021

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Themes	Indicator	2017	2018	2019	2020	Trend	Relative to Peer Group	Commentary
Business	WM 7 Met. Innovation Active Businesses ¹¹ (Biennial – update due May 2024)		36.8% (2016-18)		45.0% (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 “innovation active” 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%).

¹¹ Department for Business, Energy & Industrial Strategy, UK Innovation Survey 2021 – released May 2022

Monthly Place Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group	Commentary																									
Place	Birmingham City Centre Rent ¹² (Quarterly – update due Oct/Nov 2022)			£39.00 Per Sq ft (Q1)			£39.00 Per Sq ft (Q2)		<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>£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>£39.00 Q2</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	£39.00 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: Joint 2 nd /9 Average: £34.08 Bristol: £42.50 (1 st) Liverpool & Cardiff: £23.00 (Joint 9 th)	Birmingham (in the city-centre) rent per sq. ft remained at £39 between Q1 2022 and Q2 2022. Also, in Birmingham City Centre for Q2 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 £30.53 (average £27.56).
	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	£39.00 Q2																																
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£33.00 Q4	£34.50 Q4	£37.00 Q4	£37.50 Q4																																	
Birmingham Out of Town Rent ¹³ (Quarterly – update due Jul/Aug 2022)			£26.00 Per Sq ft (Q1)			£26.00 Per Sq ft (Q2)		<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>£26.00 Q2</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	£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: 2 nd Highest/ 9 Average: £21.41 Edinburgh: £29.00 (1 st) Cardiff £15.50 (9 th)	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.	
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	£26.00 Q2																																
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£25.00 Q4	£25.00 Q4	£26.00 Q4	£26.00 Q4																																	
Birmingham – City Core Industrial Market Rent ¹⁴ (update tbc)			£7.05 Per Sq ft (Q1)			£7.21 Per Sq ft (Q2)		<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>£7.05 Q1</td> </tr> <tr> <td>£5.42 Q2</td> <td>£5.77 Q2</td> <td>£6.17 Q2</td> <td>£6.61 Q2</td> <td>£7.21 Q2</td> </tr> <tr> <td>£5.50 Q3</td> <td>£5.87 Q3</td> <td>£6.28 Q3</td> <td>£6.73 Q3</td> <td></td> </tr> <tr> <td>£5.59 Q4</td> <td>£5.98 Q4</td> <td>£6.40 Q4</td> <td>£6.90 Q4</td> <td></td> </tr> </tbody> </table>	2018	2019	2020	2021	2022	£5.33 Q1	£5.67 Q1	£6.08 Q1	£6.52 Q1	£7.05 Q1	£5.42 Q2	£5.77 Q2	£6.17 Q2	£6.61 Q2	£7.21 Q2	£5.50 Q3	£5.87 Q3	£6.28 Q3	£6.73 Q3		£5.59 Q4	£5.98 Q4	£6.40 Q4	£6.90 Q4			Industrial rent per sq. ft in Birmingham City Centre continues to steadily increase each quarter and was at its highest value (£7.21) since records started in Q2 2009.	
2018	2019	2020	2021	2022																																
£5.33 Q1	£5.67 Q1	£6.08 Q1	£6.52 Q1	£7.05 Q1																																
£5.42 Q2	£5.77 Q2	£6.17 Q2	£6.61 Q2	£7.21 Q2																																
£5.50 Q3	£5.87 Q3	£6.28 Q3	£6.73 Q3																																	
£5.59 Q4	£5.98 Q4	£6.40 Q4	£6.90 Q4																																	

¹² Avison Young, The Big Nine – created July/August 2022

¹³ Avison Young, The Big Nine – created July/August 2022

¹⁴ CoStar – accessed September 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group	Commentary						
Place	Regional Retail and Recreation Footfall ¹⁵ (Index: 100= 3 rd Jan to 6 th Feb 2020) (weekly update available)	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)	92.7 (average daily index)	92.7 (average daily index)	<table border="1"> <tr> <th>Jul 2021</th> <th>Jul 2022</th> </tr> <tr> <td>63.5 (avg.)</td> <td>92.7 (avg.)</td> </tr> </table>	Jul 2021	Jul 2022	63.5 (avg.)	92.7 (avg.)	WM Region: 3 rd Lowest / 12 UK: 90.8 Wales: 104.0 London: 76.7 (Avg. July 2022)	Visits to retail and recreation locations have yet to be above pre-pandemic levels in the West Midlands region. On the 31 st July 2022 it was at 96.9. Also, on the 31 st July 2022 for the West Midlands region, visits to workplaces were at 73.2 and transit stations were at 82.0. On a positive note, visits to grocery & pharmacy, parks and residential were all above pre-pandemic levels (106.7, 144.6 and 103.7 respectively).		
	Jul 2021	Jul 2022															
63.5 (avg.)	92.7 (avg.)																
(WMCA 3 LEP) Gigabit broadband Connectivity ¹⁶ (tri-annual – update due Summer 2022)	78.8% (1,462,063 premises) As of Jan. 2022								<table border="1"> <tr> <th>Sep 20</th> <th>Sep 21</th> <th>Jan 22</th> </tr> <tr> <td>68.3%</td> <td>78.0%</td> <td>78.8%</td> </tr> </table>	Sep 20	Sep 21	Jan 22	68.3%	78.0%	78.8%	WMCA (3 LEP): 3 rd highest CA / 10 UK: 64.0% Tees Valley: 86.7% (1 st) North of Tyne: 54.2% (10 th)	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 to 78.8%, as the UK-wide area has had to significantly increase (at 64.0% in January 2022).
Sep 20	Sep 21	Jan 22															
68.3%	78.0%	78.8%															

¹⁵ Google Mobility – released September 2022

¹⁶ Ofcom, connected nations – released May 2022

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 potentially update due in Nov 2022)	Q1 Data will be released in Nov 22							<p>25% 20% 15% 10% 5% 0% -5% -10% -15% -20% -25%</p> <p>Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020 Q1 2021 Q2 2021 Q3 2021 Q4 2021</p>	<p>WM Region: Joint 4th lowest (with East Midlands) / 9 England: 1.4% London: 3.1% (1st) Yorkshire & The Humber: -0.8% (9th)</p>	<p>Quarter on Quarter analysis shows for the West Midlands region, GDP growth increased by 0.7% in Quarter 4 2021 (+1.3%). Quarter on same Quarter a year earlier shows for the West Midlands region, GDP growth increased by 6.5% in Quarter 4 2021 (UK +6.6%). Notably, when looking at percentage change year on year, the West Midlands had the highest increase in GDP in 2021 by 10.2% (England +8.3%), albeit from a lower base having been hit hardest by Covid-19 impacts.</p>
	Regional Exports in Goods ¹⁸ (Q – update due September 2022 TBC)	£25.8bn Year to Q1							<p>£35,000 £30,000 £25,000 £20,000 £15,000 £10,000 £5,000 £0</p> <p>Year to Q1 2016 Year to Q1 2017 Year to Q1 2018 Year to Q1 2019 Year to Q1 2020 Year to Q1 2021 Year to Q1 2022</p>	<p>WM – 6th Highest Region South East: 12.6% (1st) Northern Ireland: 2.6% (12th)</p>	<p>In the year ending Q2 2021, the West Midlands region’s export in goods value was worth £25.8bn, an increase of £2bn (+8.4%) since the year ending Q1 2021. The UK increased by 13.3% to £321.2bn worth of exports in the year ending Q1 2022. The West Midlands had a trade deficit of £10.8bn in the year ending Q1 2022.</p>

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

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

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Annual Economy Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary
Economy	Regional Gross Domestic Expenditure on R&D ¹⁹ (annual – TBC no set date for update)	£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 in 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 - update due 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 – update due Jun/Jul 23)	140 (2017/18)	131 (2018/19)	130 (2019/20)	118 (2020/21)	132 (2021/22)		N/A	In total there has been 1,286 FDI projects from 2011/12 to 2021/22 in the WMCA (3 LEP) area. Data shows for 2021/22 there were 132 FDI projects to the WMCA (3 LEP) area, an increase of 11.9% (+14) compared to an increase of 3.3% for the UK since 2020/21.
WMCA (3 LEP) FDI New Jobs ²² (annual – update due Jun/Jul 23)	7,933 (2017/18)	4,666 (2018/19)	3,558 (2019/20)	4,183 (2020/21)	4,176 (2021/22)		N/A	In total there has been 62,467 new jobs created from FDI projects from 2011/12 to 2021/22 in the WMCA (3 LEP) area. Data shows for 2021/22 there were 4,176 new jobs in the WMCA (3 LEP) area, a decrease of 0.2% (-7) compared to an increase of 53.2% for the UK since 2020/21.	

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 - released July 2022

²² Department for International Trade, inward investment – released July 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary
Economy	WM 7 Met. GVA per Hour ²³ (Annual – TBC update due late summer 2023)	£31.28	£32.31	£33.11	£33.70			WM 7 Met.: 5 th Highest CA / 11 Greater London Authority: £50.70 (1 st) Sheffield City Region: £28.84 (11 th)	Smoothed GVA per hour worked for the WM 7 Met. area increased by 1.8% (+£0.59) since 2019 to reach £33.70 in 2020, the UK increased by 2.1% (+£0.78 to £37.73). The WM 7 Met. area had a shortfall of £4.03 to the UK-wide rate in 2020, reflecting regional disparities in productivity.

²³ ONS, subregional productivity in the UK – released July 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Monthly People Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group	Commentary										
People	WMCA (3 LEP) Claimants (16+) ²⁴ (monthly update)	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)	147,765 (5.6% of Pop. aged 16-64)	145,765 (5.5% of Pop. aged 16-64)	145,745 (5.5% of Pop. aged 16-64)	<table border="1"> <thead> <tr> <th>July 2018</th> <th>July 2019</th> <th>July 2020</th> <th>July 2021</th> <th>July 2022</th> </tr> </thead> <tbody> <tr> <td>85,035</td> <td>105,895</td> <td>207,655</td> <td>188,780</td> <td>145,745</td> </tr> </tbody> </table>	July 2018	July 2019	July 2020	July 2021	July 2022	85,035	105,895	207,655	188,780	145,745	<p>WMCA (3 LEP): Highest CA UK: 3.7% GMCA: 5.0% (2nd) West of England: 2.6% (10th)</p>	<p>There were 145,745 claimants in the WMCA (3 LEP) area in July 2022. Since June 2022, there has been a decrease of 0.01% (-20) claimants, while the UK decreased by 0.5%. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 23.9% (+28,155) in the WMCA (3 LEP) area, with the UK increasing by 21.5% over the same period.</p>
	July 2018	July 2019	July 2020	July 2021	July 2022																
	85,035	105,895	207,655	188,780	145,745																
	WMCA (3 LEP) Youth Claimants (18-24) ²⁵ (monthly update)	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)	24,590 (6.2% of Pop. aged 18-24)	24,280 (6.1% of Pop. aged 18-24)	24,280 (6.1% of Pop. aged 18-24)	24,740 (6.3% of Pop. aged 18-24)	<table border="1"> <thead> <tr> <th>July 2018</th> <th>July 2019</th> <th>July 2020</th> <th>July 2021</th> <th>July 2022</th> </tr> </thead> <tbody> <tr> <td>16,250</td> <td>20,030</td> <td>42,265</td> <td>35,525</td> <td>24,740</td> </tr> </tbody> </table>	July 2018	July 2019	July 2020	July 2021	July 2022	16,250	20,030	42,265	35,525	24,740	<p>WMCA (3 LEP): 2nd Highest CA UK: 4.4% Tees Valley: 7.0% (1st) West of England: 2.1% (10th)</p>
July 2018	July 2019	July 2020	July 2021	July 2022																	
16,250	20,030	42,265	35,525	24,740																	
WM 7 Met. Payrolled Employees ²⁶ (monthly update)	1,186,935	1,188,048	1,190,802	1,193,869	1,199,276	1,206,416	1,210,097	<table border="1"> <thead> <tr> <th>July 2018</th> <th>July 2019</th> <th>July 2020</th> <th>July 2021</th> <th>July 2022</th> </tr> </thead> <tbody> <tr> <td>1,159,711</td> <td>1,169,389</td> <td>1,148,304</td> <td>1,171,203</td> <td>1,210,097</td> </tr> </tbody> </table>	July 2018	July 2019	July 2020	July 2021	July 2022	1,159,711	1,169,389	1,148,304	1,171,203	1,210,097	<p>WM 7 Met.: 3rd Highest NUTS 2 / 41 Surrey, East and West Sussex: 1,289,935 (1st) Highlands and Islands: 207,658 (41st)</p>	<p>Reflecting national trends in the last month, the number of payrolled employees has increased (+0.3% vs +0.4% UK), meaning there were over 1.21m payrolled employees in the WM 7 Met. area in July 2022.</p> <p>When compared to March 2020 payrolled employees were 3.6% higher in the WM 7 Met. area – above the UK growth of 3.1%.</p>	
July 2018	July 2019	July 2020	July 2021	July 2022																	
1,159,711	1,169,389	1,148,304	1,171,203	1,210,097																	
WMCA (3 LEP) Employment Rate ²⁷ (Q- update due Oct 22)			72.2%							<p>WMCA (3 LEP): 5th Lowest CA UK: 75.1% West of England: 79.9% (1st) Tees Valley: 68.8% (10th)</p>	<p>In the year ending March 2022, the employment rate in the WMCA (3 LEP) area was 72.2%, compared to 75.1% for UK-wide. This was a 0.7pp decrease in the employment rate for the WMCA (3 LEP) area when compared to the year ending March 2021. The UK employment rate increased by 0.4pp over the same time period. For the WMCA (3 LEP) area to reach the UK rate of 75.1%, an additional 75,148 people are required.</p>										

²⁴ ONS/DWP, claimant count – released June 2022

²⁵ ONS/DWP, claimant count – released June 2022

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

²⁷ ONS, Annual Population Survey – released August 2022

WMCA ECONOMIC GROWTH BOARD ECONOMIC DASHBOARD – SEPTEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group	Commentary									
People	WMCA (3 LEP) Economic Inactivity Rate ²⁸ (Q– update due Oct 22)			23.5%					<p>Year to Mar 16 Year to Mar 17 Year to Mar 18 Year to Mar 19 Year to Mar 20 Year to Mar 21 Year to Mar 22</p>	<p>WMCA (3 LEP): 5th/10 UK: 21.6% Tees Valley: 26.2% (1st) West of England: 18.1% (10th)</p>	<p>The economic inactivity rate for the WMCA (3 LEP) area was 23.5% compared to 21.6% UK-wide for the year ending March 2022. This has increased by 1.2pp for the WMCA (3 LEP) while the UK increased by 0.1pp since the year ending March 2021.</p> <p>In the year ending March 2022, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in three categories; students (31.9% vs 27.6%), looking after family home (22.8% vs 19.5%) and temporarily sick (2.5% vs 2.2%).</p>									
	WMCA (3 LEP) Modelled Unemployment ²⁹ (Q – update due Oct 22)			5.5%					<p>Year to Mar 16 Year to Mar 17 Year to Mar 18 Year to Mar 19 Year to Mar 20 Year to Mar 21 Year to Mar 22</p>	<p>WMCA (3 LEP): 5th / 10 England: 4.2% Tees Valley: 6.5% (1st) West of England: 2.4% (10th)</p>	<p>The modelled unemployment figures show for the WMCA (3 LEP) area that unemployment rate was 5.5% compared to 4.2% for England for year ending March 2022. This equated to a decrease of 0.6 percentage points for the WMCA (3 LEP), England-wide there was a decrease of 0.7 percentage points.</p>									
	WMCA (3 LEP) Economic Activity Rate ³⁰ (Q– update due Oct 22)			76.5%					<p>Year to Mar 16 Year to Mar 17 Year to Mar 18 Year to Mar 19 Year to Mar 20 Year to Mar 21 Year to Mar 22</p>	<p>WMCA (3 LEP): 5th Lowest CA UK: 78.4% West of England: 81.9% (1st) Tees Valley: 73.8% (10th)</p>	<p>In the year ending March 2022, the economic activity rate in the WMCA (3 LEP) area was 76.5%, compared to 78.4% for UK-wide. This was a 1.2pp decrease in the economic activity rate for the WMCA (3 LEP) area when compared to year ending March 2021, UK-wide decreased by 0.1pp. For the WMCA (3 LEP) area to reach the UK rate of 78.4%, an additional 48,589 economically active people are required.</p>									
	Unique Job Postings ³¹ (monthly update)	126,784	136,365	147,795	131,251	131,251	132,367	159,941	<p>Jul-21 Sep-21 Nov-21 Jan-22 Mar-22 May-22 Jul-22</p> <table border="1"> <thead> <tr> <th>July 2018</th> <th>July 2019</th> <th>July 2020</th> <th>July 2021</th> <th>July 2022</th> </tr> </thead> <tbody> <tr> <td>149,738</td> <td>123,372</td> <td>47,932</td> <td>102,481</td> <td>159,941</td> </tr> </tbody> </table>	July 2018	July 2019	July 2020	July 2021	July 2022	149,738	123,372	47,932	102,481	159,941	<p>WMCA (3 LEP): Highest CA GMCA: 138,985 (2nd) Tees Valley: 11,813 (10th)</p>
July 2018	July 2019	July 2020	July 2021	July 2022																
149,738	123,372	47,932	102,481	159,941																

²⁸ ONS, Annual Population Survey – released August 2022

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

³⁰ ONS, Annual Population Survey – released August 2022

³¹ Lightcast - September 2022 - please note, as of March 2022, Lightcast, previously known as Emsi Burning Glass 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. Lightcast believe that these new procedures will mean fewer duplicates are collected upfront alongside an enhanced deduplication process

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Date	23 rd September 2022
Report title	Update on B ATP and Games-time impact
Portfolio Lead	Councillor Ian Brookfield Portfolio Holder for Economy and Innovation
Accountable Chief Executive	Laura Shoaf, Chief Executive, WMCA
Accountable Employee	Neil Rami, Chief Executive, WMGC
Report has been considered by	WMGC Board

1. Purpose

- 1.1. This paper provides an update on the impact of B ATP activity to date, particularly during Games-time, and sets out plans for the next six months.
- 1.2. A presentation will be provided at the meeting which will set out more detail on performance to date and the regional and local impacts.

2. Recommendations

Economic Growth Board is recommended to:

- 2.1.1. Note and discuss progress made to date.

3. Background

3.1. The Business & Tourism Programme (B ATP), led by the West Midlands Growth Company (WMGC) in collaboration with the Department for International Trade (DIT) and VisitBritain (VB), is the first programme of its kind to be a formal accredited part of the Commonwealth Games and is designed to boost the economic impact of this international sporting event by:

- Building on the West Midlands' existing economic ties with Commonwealth markets, such as India, Singapore, Malaysia, Australia and Canada and develop new opportunities in Africa and beyond.
- Securing a greater slice of the UK's foreign direct investment (FDI) and attracting new investment in the region's infrastructure and real estate offer.
- Making the most of the region's excellent facilities and event management experience to bid for other major international conferences and events.
- Attracting a new generation of leisure tourists, including overseas and overnight visitors.

- 3.2. WMGC is tracking the impact of the B ATP by tracing the ‘customer journey’ a potential investor, conference or event organiser or visitor typically takes – for example:
- Short term outputs – seeing a piece of marketing collateral or media coverage, attending an event or visit, having an initial conversation about a potential investment or visit (i.e. a lead has been generated).
 - Medium term outcomes – becoming more aware and informed about what Birmingham and the West Midlands has to offer, taking a more positive view of the proposition and actively considering a potential investment or visit. Having more specific discussions about requirements and the area’s business case (i.e. the initial lead has been converted into an opportunity).
 - Longer term impacts – making a decision to invest or visit (i.e. the opportunity has been won).

4. Delivery

- 4.1. In the first half of 2022, 130 events around the world were delivered or attended as part of B ATP, through an ambitious programme of marketing campaigns, in-person and virtual sales missions to Canada, India, Australia, Singapore, Malaysia, and Dubai, tracing the route of the Queen’s Baton Relay. In parallel, WMGC secured global coverage with over 1,000 articles reaching 710 million people, and accelerated interest in key markets. As a result, the region’s investment pipeline grew from 328 opportunities in December 2021 to 978 opportunities in June 2022.
- 4.2. During the Games, WMGC held over 180 events showcasing everything the region has to offer, hosting hundreds of international investors, event organisers, travel representatives, sporting federations and media. Working closely with DIT and the University of Birmingham, WMGC ran packed sector showcase events at UK House, attended by over 1300 people. These were complimented familiarisation visits across the region focused on our key sectors which were attended by over 400 delegates.
- 4.3. The events and familiarisation visits spanned the breadth of WMGC activity – inward investment, capital attraction, tourism, MICE, Sport and media. They were designed to shine a spotlight on the region’s strengths and assets, including our university and research institutions, our tourist attractions and sporting facilities, and our event venues, accommodation, experiences and dining. This activity was delivered collaboratively with our public, private and academic sector partners – something that was very well received by attendees who commented on the strength of the regional leadership, engagement and support.
- 4.4. Ahead of the Games over 200 ‘front line’ tourism staff across the region were trained via the Getting Games Ready training platform, to ensure that visitors receive a warm welcome. Over 5000 tourists were helped by the visitor information teams over the period.

- 4.5. Birmingham also hosted the inaugural Commonwealth eSports Forum and eSports Games, putting the region on the map of a global market worth \$1.4 billion.
- 4.6. Over Games time, 40 media outlets were hosted, resulting in 1,200 media articles, reaching a total of 825 million people worldwide.

5. Impact

- 5.1. While it will take time for all this activity to feed through fully to the pipeline (the full effect should be visible in the next full quarterly update), during Games-time:
 - The number of leads in the pipeline grew by more than 20% to total nearly 1,200 – which is nearly three times the figure at the end of 2021.
 - The number of leads converted to opportunities grew by 8% to total more than 120 – which is more than twice figure at the end of 2021.
- 5.2. This is feeding through into some significant real-world impacts. The programme is already substantially ahead of this year's targets, and well on the way to achieving the 2027 end of programme targets in a number of areas including:
 - The number of inward investment projects landed and associated new jobs created (35% ahead of the 2022-23 target).
 - The number of MICE and sporting events landed (five times more events than the 2022-23 target have been secured).
 - The number of travel trade-ready 'bookable products' developed, working with the region's tourism businesses (12% ahead).
- 5.3. While a full economic evaluation of the Business and Tourism Programme will not be completed until the end of the programme in Spring 2024, it is estimated that at the conclusion of the Games more than £54 million worth of GVA has been generated by the investment, conferences and events landed and export activity supported in the UK and the region. Based on the £15.5 million expenditure incurred by the programme to date, this gives a Benefit:Cost Ratio of 4.3 – well above the central forecast of 2.4 made in the Full Business Case.

6. Next Steps

- 6.1. Over the next six months, WMGC will lead or have a presence at a variety of events taking place in the region, the UK and internationally.
- 6.2. Key investment events that WMGC will attend include the London Real Estate Forum (September), Birmingham Tech Week (October), Medica (November), Mobile World Congress (February) and MIPIM (March).
- 6.3. Key tourism and MICE events include IMEX North America (October), ICCA World Congress and IBTM World (November), Britain & Ireland Marketplace 2023 (January) and British Travel & Tourism Show (March).



- 6.4. In addition, a series of in-market events will be led by WMGC over the next six months, delivering postponed Queen's Baton Relay visits as part of the B ATP. These include missions to India (November) and Australia, Malaysia and Singapore (all February).
- 6.5. Taking place between 4th – 13th November, planning for the India mission is at an advanced stage. The overarching objective of the mission is to showcase the quality and breadth of the West Midlands proposition and promote the region as a place to 'Live, Learn and Earn,' generating place-making awareness, interest and engagements which will positively contribute to the economic legacy of the Birmingham 2022 Commonwealth Games.
- 6.6. The mission will be delivered in partnership with DIT Midlands and VisitBritain. Cities include Hyderabad, Mumbai, Chandigarh, Pune, Chennai, Delhi.
- 6.7. The mission will focus on the Future Mobility; Creative, Digital & Tech; and Data-Driven Healthcare sectors, and will build on the work of the West Midlands India Partnership by fostering closer partnerships between the West Midlands and Indian regional governments.

7. Financial Implications

- 7.1. There are no financial implications as a direct result of this report. B ATP is funded by a combination of Government grant, regional match funding and commercial income.

8. Legal Implications

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

9. Equalities Implications

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

10. Inclusive Growth Implications

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

11. Geographical Area of Report's Implications

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

12. Other implications

- 12.1. None.



Date	23 September 2022
Report Title	West Midlands Growth Company: Future funding and priorities
Portfolio lead	Councillor Ian Brookfield, Leader of City of Wolverhampton Council WMCA portfolio lead for Economy and Innovation
Accountable Chief Executive	Laura Shoaf - Chief Executive, WMCA 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

Economic Growth Board is recommended to:

1. Note the accompanying paper ([Annex A](#)) that sets out the West Midlands Growth Company's (WMGC) summary of current activity, alongside proposed objectives for 2023-24.
2. Note that funding has not yet been secured to deliver these objectives, where the Growth Company anticipates it needs:

To continue to deliver at the same scale as current activity.	<ul style="list-style-type: none"> • £6m funding from the WMCA/region • £6m additional funding from government, pursued through discussions about Trailblazer Devolution and Commonwealth Games residual contingency
To deliver any new activities that the region may require.	<ul style="list-style-type: none"> • £3m additional funding (UKSPF).

3. Agree to initiate a detailed options review for the West Midlands Growth Company (WMGC) to identify and secure funding to deliver agreed priorities. In doing so, this will take forward the recommendations of the West Midlands Business Support Review, where we will ensure the WMGC is fully embedded into the business support ecosystem, removing any duplication and ensuring activities are streamlined with appropriate governance and accountability.
4. Delegate agreement of the Terms of Reference for the review, to the Portfolio Lead for Economy, the Mayor, and the Chair of the WMGC.
5. Note that the review will be led by the WMCA Chief Executive, Chief Executive of the City of Wolverhampton Council and Chief Executive of the Growth Company. That

leadership group will work closely with local authority chief executives and finance directors.

6. Key recommendations will come to the WMCA Board in November.

1 Purpose

- 1.1 To seek the Economic Growth Board's (EGB) agreement for a comprehensive review of the future funding, focus and reporting framework for the WMGC. In doing so, note that the EGB has previously committed to supporting the work of the Growth Company in boosting Foreign Direct Investment, trade, tourism and internationalisation which is reflected in the accompanying paper. The emphasis of the review is therefore about the scope, scale and sustainable funding of activity, rather than the whether the WMGC should exist.

2 Background

- 2.1 WMGC is constituted as a company limited by guarantee, wholly owned by WMCA and the seven constituent Metropolitan authorities. In 2022/3, WMGC was funded by both the Department for Digital, Culture, Media, and Sport (DCMS) and WMCA to deliver the Business and Tourism Programme (BATP) and business as usual activity, which includes attracting businesses (Foreign Direct Investment), capital, visitors, conferences and events to the region. Annex A provides a summary of current WMGC service and core capabilities. In addition, the West Midlands Business Support Review identified a regional need for strategic account management of large employers in the region, as well as support for export scale up. These areas have been identified as potential extended roles for the Growth Company, with the option of funding these through UKSPF.
- 2.2 In May 2022, as part of the Economic Growth Board's review of economic functions, the Growth Company set out their intent to work with WMCA, local authority and other regional partners to review the focus, objectives, and KPIs of the Growth Company. This was part of the wider review of functions delivered to support economic development in the West Midlands.
- 2.3 The West Midlands Business Support Review identified the need for the Growth Company to be fully embedded into the business support ecosystem, particularly in relation for strategic account management. This is in-line with the Economic Growth Board's commitment to a more cohesive and value-driven approach that aligns activity, removes duplication to deliver value for money and impact right across the West Midlands.
- 2.4 Annex A sets out the Growth Company's initial response to this, with a clearer focus on future role, responsibilities, and KPIs. However, at this point, funding for these activities has not yet been secured. Funding discussions have progressed with a number of potential sources:
 - HMG – with requests for funding submitted as part of the Trailblazer Devolution discussions (specifically for funding for 'BATP 2' and strategic relationship management as part of *Global West Midlands*).

- Discussions with local partners and DCMS to use Commonwealth Games residual contingency funding to maximise the conversion of the current pipeline into investment into the region and potentially support a 'BATP 2'.
 - A submission to HMG re an emergency budget settlement.
 - Securing funding from the WMCA and/or constituent authorities, noting that £0.7m has already been committed as part of the CA's Medium Term Financial Plan.
 - Potentially use UKSPF funding to support strategic account management and/or export scale up activity, in line with priorities identified for business support.
- 2.5 Funding discussions are ongoing, although commitment needs to be secured quickly, to maximise leverage of national / government funds, and to enable the Growth Company to continue operations.
- 2.6 The Chair of the Growth Company, Mayor and Portfolio Lead are therefore recommending a review to set out future options for funding, in line with agreed objectives. This will:
- Set out proposed activities and KPIs for the Growth Company, in line with the attached paper and reflecting available funding, as well as ensuring greater clarity about the respective roles, responsibilities and accountabilities of the WMCA and constituent local authorities.
 - Set out recommendations for securing core funding, to be developed with regional local authority chief executives and finance directors.
 - Reflect the position on external sources of funding, including the potential to secure some UKSPF funding (c£1.1m) to support strategic account management
 - Set out a sustainable funding model for the WMGC, including the WMGC's operating model.
 - Set out a clear framework for evaluating the impact and benefits of WMGC activity so these are understood and reported on to local authorities and private sector partners.
 - Set out clear recommendations for future governance and reporting arrangements, including clarifying the relationship with the Economic Growth Board.
- 2.7 The Review will be overseen by the Economic Growth Board Chair, Mayor and Chair of the WMGC. It will be led by a leadership team of the WMCA Chief Executive, Chief Executive of the City of Wolverhampton Council and Chief Executive of WMGC. Support will be provided by the WMCA, City of Wolverhampton Council and WMGC, working in conjunction with Directors of Economic Development and the regional Financial Directors. Key recommendations will be made to the WMCA Board in November.

3 Financial Implications

- 3.1 £0.7m is currently budgeted for the WMGC in the WMCA's Medium Term Financial Plan. This is short of the £6m costed proposal put forward by the WMGC for locally funded activity.

4 Legal Implications

4.1 There are no direct legal implications.

5 Equalities Implications

5.1 There are no direct equalities implications.

6 Inclusive Growth Implications

6.1 There are no direct inclusive growth implications, but the review is an opportunity to embed inclusive growth priorities in the commissioning of the WMGC.

7 Geographical Area of Report's Implications

7.1 The report relates to the WMGC which serves the 7 Met area and wider 3 LEP footprint.

8 Schedule of Background Papers

May 2022 – Report to the Economic Growth Board

Annex A

Date	23 September 2022
Report title	West Midlands Growth Company – Objectives and Key Results (Annex)
Portfolio Lead	Councillor Ian Brookfield Portfolio Holder for Economy and Innovation
Accountable Chief Executive	Neil Rami, Chief Executive, WMGC Laura Shoaf, Chief Executive, WMCA
Accountable Employee	Katie Trout, Director of Policy and Partnerships, WMGC Julie Nugent, Director of Productivity and Skills, WMCA
Report has been considered by	Directors of Economic Development and WMGC Board

Recommendations for decision

Economic Growth Board is recommended to:

- i. Note current activity being undertaken by West Midlands Growth Company (WMGC) and performance against the existing suite of indicators which form part of the Service Level Agreement with West Midlands Combined Authority (WMCA) and those that were agreed with Government as part of the Business and Tourism Programme (BATP).
- ii. Comment and approve the draft suite of objectives and key results for WMGC for 2023-24, noting that:
 - a. these are based on WMGC continuing to be an organisation capable of delivering activity similar in scope and scale to the BATP;
 - b. that if funding is reduced, or indeed increased, then the objectives and key results would need to be amended accordingly;
 - c. some sub-objectives that cover activity for which WMGC has not been formally agreed as the lead partner have been included to reflect areas where discussions are underway; and
 - d. that figures for the key results will be developed once there is a clearer indication of the funding envelope available.
- iii. Note the funding streams that are currently being pursued to support the continuation of current levels of WMGC activity.

1. Purpose

- 1.1 The purpose of this report is to outline current levels of activity of the WMGC and performance against existing targets and to propose for discussion a suite of new objectives and key results for 2023-24. These are being proposed ahead of a funding envelope being agreed so would need to be scaled appropriately once this is finalised.

2. Background

- 2.1 WMGC is constituted as a company limited by guarantee, wholly owned by WMCA and the seven constituent Metropolitan authorities. At present, WMGC is funded by both the Department for Culture, Media, and Sport and WMCA to deliver BAMP and business as usual activity, which includes attracting businesses (Foreign Direct Investment), capital, visitors and conferences & events to the region. Appendix A provides a summary of current WMGC service and core capabilities.
- 2.3 At present, WMGC's core SLA objectives with the WMCA are to:
- Land FDI projects;
 - Create jobs; and
 - Generate GVA and business rate uplift.
- 2.4 Performance against these targets is set out in Appendix B.
- 2.5 While WMGC has consistently met and often exceeded its targets, this has not always correlated with shareholder satisfaction. Feedback from partners and WMGC analysis suggests that this is because:
- Not all places have the material conditions for FDI;
 - Some places would benefit from increased capital attraction support, on exports and/or on business / leisure tourism;
 - Economic and policy realities are shifting, and WMGC's targets do not reflect them
 - Queries over the additionality and division of responsibilities between WMGC and LA teams; and
 - General desire for a more transformative impact.
- 2.6 To address this, WMGC trailed an evolved approach at Economic Growth Board in May, setting out a desire to rescope its objectives and key results to:
- Take full account of its role attracting capital, visitors and major events;
 - Focus more heavily on leading indicators, i.e. visibility, perception and pipeline;
 - Introduce qualitative measures, such as R&D projects or projects that move the dial on net zero; and
 - Place WMGC's role in a wider regional context, e.g. shared impact targets with WMCA on skills.

- 2.7. At that meeting, the Economic Growth Board agreed in principle that WMGC should continue to deliver activity similar in scope and scale to the B ATP 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. It also agreed that the WMGC should 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.
- 2.8 The framework of Key Performance Indicators (KPIs) developed for the B ATP provide a strong basis upon which to develop a new suite of indicators because they:
- Track performance consistently across all WMGC business areas (i.e. inward investment, capital investment, MICE and sporting events, leisure tourism);
 - Allow WMGC to break down performance by priority sector, target market and places within the region; and
 - Include 'leading indicators' which help WMGC to understand what is happening in the marketplace and anticipate what is coming through the pipeline.
- 2.9 Performance against these targets is strong, with WMGC delivering significant returns in excess of agreed targets and overcoming the region's international visibility challenge, building a significant pipeline of investment, conferences and sporting events (see Appendix C and item on B ATP performance earlier on this agenda).
- 2.10 There is now an opportunity to build on this approach to track the 'strategic added value' WMGC generates for the region and where the organisation is helping achieve shared priorities such as:
- Promoting green growth
 - Raising productivity
 - Creating skilled jobs
 - Strengthening key clusters of economic activity
 - Boosting the region's global reach
 - Strengthening the region's 'value proposition' in the marketplace
- 2.11 The draft headline and sub-objectives and key results shown in the tables below have been informed by WMGC's understanding of the region's priorities (e.g. those in the Plan for Growth) and feedback from partners, including the WMCA, Met Local Authorities and the WMGC's Board.
- 2.12 The objectives shown in italics reflect activities that have been identified as important for the region and where there are discussions about WMGC leading on their delivery. Whilst this has not been agreed, nor funding allocated, they have been included to show the breadth of activity that WMGC could undertake and the complementarity with current areas of focus.

- 2.13 Given the significant economic challenges facing the region, more effective delivery of strategic relationship management, cluster development and support for firms to scale internationally has become even more important than when they were first identified as priorities. These activities will not only help to support businesses to survive and ultimately grow but also help to create much needed jobs and additional business rates to support communities.

Draft Objectives for Discussion

Headline Objective	Sub-objectives	Key Results
Working with the WMCA, LAs and other partners, make the West Midlands the most attractive destination for tourism, trade & investment in the UK outside of London by 2030	Continue to increase the region's profile and reputation in key markets, driving improvements in awareness, sentiment and consideration	See emerging framework (next table)
Leverage the "halo effect" of the Birmingham 2022 Commonwealth Games	Ensure the region fulfils its contractual obligations re: BATP benefits to 2027	
	Promote the region's major capital assets at key events with the aim of securing gear-shift private investment	
Support the delivery of the Plan for Growth and other regional and local economic plans in order to secure long-term business growth across the West Midlands	Lead location coordination, working with local authorities, central government, universities and business groups in order to land major investment across the whole region by helping potential investors understand how the West Midlands makes their firm stronger.	
	<i>Work with industry and private-sector led bodies aligned with Plan for Growth clusters [specify which ones once agreed] to identify barriers to and opportunities for growth, and with WMCA/LAs to develop the interventions to overcome them *</i>	
	<i>Enable high-growth potential firms in key clusters to scale internationally * [this objective could broaden to cover a greater role in trade/export depending on the outcome of the TDD negotiations]</i>	
	<i>Develop effective strategic relationship management with the top 500 businesses in the region*</i>	
	Work with partners to maximise the impact of R&D investment on FDI attraction	

**Sub-objectives in italics – whilst discussions have been had on the WMGC undertaking these activities, it has not yet been formally agreed that this will be the case it has nor has funding been identified. These sub-objectives are therefore included to show what the breadth of objectives could look like*

Emerging Key Results Framework for Discussion

	Inward investment	Capital investment	Trade	MICE and sporting events	Leisure tourism	Scope for within-region analysis?	Scope for analysis by sector and market?	Source data/intel
Leading indicators	Market signals - website and social media traffic, leads generated from events and sales missions						✓	Google analytics, media tools, WMGC CRM
	Perceptions shift - awareness, +ve/-ve sentiment and active consideration of the region's value proposition (i.e. as a place to invest in, trade with, organise a conference or event in or to visit)					✓	✓	Primary research with key audiences in our target markets
	Pipeline - leads converted to active opportunities, opportunities won/landed (i.e. inward investment projects, capital investment projects, export deals, business recruited to the Partners West Midlands programme, MICE/sporting events, key strategic businesses account managed, travel trade ready/bookable tourism product created)					✓	✓	WMGC CRM
Lagging indicators	Jobs created							
	GVA/economic impact generated					✓	✓	WMGC analysis
	Business rate uplift achieved							
Strategic added value - cross-cutting themes/shared objectives	Clean/green growth	Investment in low carbon real estate and infrastructure						Qualitative/case study approach
	Boosting productivity	Attraction of high tech/high value added/high productivity FDI						
	Creating high quality job opportunities	Creation of highly skilled, well paid jobs - through FDI and working with indigenous firms						
	Enhancing the region's value proposition	Boosting the region's value proposition through the attraction of 'marquee' investors, globally important conferences and events, development of new infrastructure, real estate, cultural assets etc...						
	Developing the region's tourism offer and growing the visitor economy	Attracting more high value overnight and overseas tourists						
		Increasing visitor numbers Boosting the GVA and jobs supported by tourism						
Supporting the competitiveness and growth of the region's business base	Increasing confidence and positive sentiment among the region's top 500 businesses					Chamber, CBI, IoD, PMI surveys		

*NB - WMGC is working with the WMCA to further develop the 'Strategic Added-Value – Cross Cutting Themes' so that they are fully part of the wider systems work being undertaken on outputs/outcome"



3. Financial Implications

- 3.1 To continue to deliver the current level of service that is being delivered through B ATP and to maximise the number of pipeline leads that can be landed in the region, thereby leveraging the full potential of Commonwealth Games, the WMGC requires a minimum of £12m per annum.
- 3.2 If the additional activities that are currently under discussion are also commissioned from WMGC (namely strategic relationship management, cluster development export promotion and facilitation) then this would require an additional £3m per annum. These activities are critical to helping the region navigate the challenging economic headwinds it currently faces.
- 3.3 Given the constraints on local and regional budgets, it is recognised that it will not be possible to fund the organisation to these levels from a single source. WMGC is therefore actively pursuing a number of funding streams, including resources for funding B ATP 2 through the Trailblazer Devolution Deal and funding from any residual contingency from the Commonwealth Games.
- 3.4 These funds are in addition to discussions around a regional contribution to the WMGC and any monies that might be available from other regional pots like UKSPF, recognising the funding constraints of these.
- 3.5 If funding to this level cannot be secured, then activity would need to be scaled accordingly. Various scenarios are currently being developed to model different funding envelopes.

4. Legal Implications

- 4.1 There are no legal implications as a result of this report. The Combined Authority already has a power of general competence which covers its activities on economic development and regeneration.

5. Equalities implications

- 5.1 There are no equalities implications.

6. Inclusive Growth Implications

- 6.1 “Smarter commissioning” of WMGC will enable the region to deliver greater impact against the Levelling Up Missions, which have inclusive growth and living standards at their heart.

7. Geographical Area of Report’s Implications

- 7.1 The report primarily covers the West Midlands Combined Authority area.



8. Other Implications

8.1 None.

9. Schedule of Background Papers

Appendix A – Current WMGC service and core capabilities

Appendix B - Current Performance against WMCA SLA targets

Appendix C – Current Performance against BATP targets



Appendix A

Current WMGC service and core capabilities

#	Service/Capability	Key Activity Summary
1.0	Investment Promotions Agency Services	
	Inward Investment Services	Inward investment acquisition, development and support
	Capital Investment Services	Capital investment acquisition, development and support
	Investment Insight & Analysis	Regional and investment business targetting and analysis.
	Global Growth Programme	Regional investment support service (Soft landing package)
	Account Management Programme	DIT/WMGC Account Management programme (150 FDI companies)
2.0	Marketing Service, Communications & Events	
	Sector Marketing	Sector marketing and promotion.
	Tourism Marketing	Tourism marketing and promotion
	Marketing Services (Design, Collateral, Ecommerce, Print)	Central marketing services
	Strategic Communications (Corporate, Investment & Tourism)	Cross-company strategic communications.
	Events services (Corporate, Investment, Tourism, MICE)	Inhouse events management - international and domestic.
3.0	Meetings, Incentives, Conferencing and Exhibitions (MICE)	
	Major Events Attraction (Sporting, Cultural, Business)	Event acquisition, promotion and development.
	West Midlands Convention Bureau	Major event support services.
3.2	Leisure Tourism	
	Regional Tourism/Destination Management Services	Strategic coordination and delivery of Tourism promotion
	Tourism Insight & Analysis	Tourism insight and analysis
4.0	Policy & Partnerships	
	Partnership West Midlands	WMGC paid partner programme (Income generating)
	Sponsorship Management	Acquisition and support of BATP programme sponsors.
	Policy Support	Support of regional policy formulation
	Local Authority liaison and coordination.	Combined Authority + 7 Local Authorities
5.0	International Relations Services	
	West Midlands India Partnership	India market public/private special purpose vehicle.
	In-market representation network management	WMGC representation network (IND, GER, US/CAN, SIN AUS)
	FCO/DIT Post Relationship Management	FCO/DIT liaison and coordination
6.0	Business Administration & Control	
	Project Management Office (PMO)	Strategic project management office (Corporate & BATP)



Appendix B

Current Performance against WMCA SLA targets

	Inward investment	Capital investment	MICE and sporting events	Leisure tourism
2021-22 targets	38 projects landed	1 project landed	1 event landed	1,950 visitors attracted
	1,998 jobs created	50 jobs created	£1m economic impact	£900,000 spend
2021-22 achievement	37 projects (97%)	2 projects (200%)	7 events (700%)	Impact data not yet available
	2,986 jobs (149%)	280 jobs (560%)	£13.6m impact (136%)	
Of which:				
BAU	26 projects, 2,589 jobs	2 projects, 280 jobs	3 events, £4.4m impact	
BATP	11 projects, 397 jobs		4 events, £9.2m impact	
2022-23 targets	55 projects landed	2 projects landed	2 events landed	4,680 visitors attracted
	4,000 jobs created	100 jobs created	£2m economic impact	£2.2m spend
YTD achievement (as at 12 th August 2022)	14 projects (25%)	0 projects	3 events (150%)	Impact data not yet available (due in March 2023)
	1,131 jobs (28%)	0 jobs	not yet available	
of which:				
BAU	5 projects, 431 jobs	n/a	0 projects	
BATP	9 projects, 700 jobs	n/a	3 projects	

Appendix C



Current Performance against BATP Targets

	2022-23 full year target	Achievement at the end of games time (12th Aug 2022)		End of programme target (2027)	Achievement at the end of games time (12th Aug 2022)	
		Numbers	Percent		Numbers	Percent
Inward investment projects landed	17	23	135%	75	23	31%
Sponsors secured	10	7	70%	10	7	70%
Travel trade bookable products developed	25	28	112%	25	28	112%
MICE/sporting events landed	2	10	500%	19	10	53%
Value of export wins secured	£780,000	£160,000	21%	£6,500,00	£160,000	2%

*NB these figures are cumulative since the start of the programme so are higher than the YTD figures in Appendix B

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Economic Growth Board

Date	23 September 2022
Report Title	LEP Integration Update - Progress Report
Portfolio lead	Councillor Brookfield
Accountable Chief Executive	Laura Shoaf, Chief Executive, WMCA Email: laura.shoaf@wmca.gov.uk
Accountable Employee	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: julie.nugent@wmca.org.uk
Report has been considered by	Directors of Economic Development [24/9/22]

Recommendations

Economic Growth Board are recommended to:

1. Note progress to date.
2. Note the status of the LEP integration plan
3. Confirm next steps, including key recommendations to inform final paper that goes to WMCA Board.

1 Purpose

- 1.1 To provide the Economic Growth Board (EGB) with an update on progress towards LEP integration.

2 Background

- 2.1 The Levelling Up White Paper (LUWP) and subsequent [letter](#) set out the process for LEP integration. The work has been overseen by the EGB, supported by a Task and Finish Group (15th September) as well as the Directors of Economic Development. In addition, we have held several bi-lateral meetings with LAs and LEPs to inform the paper. The formal plan needs to be submitted to government in January 2023. The final plan will be brought to EGB on 2nd December and the CA Board in January ahead of submission.
- 2.2 The WMCA has confirmed that it will not be able to provide core funding to LEPs or Growth Hubs but will instead take on new accountabilities for key functions (as set out in the LEP integration letter). We expect government funding for core activities will be cut in future – with core funds anticipated at c£750k pa – to be transferred to WMCA. Funding for core Growth Hub activity has yet to be confirmed for 2023/24. Our expectation is that this will be similarly reduced (c£750k) and will need to be managed through the CA, who will be accountable for delivery. However, we expect this to link into wider proposals for business support, to include funding through UKSPF, with the majority of delivery expected to be at local level.



2.3 Update on individual LEP positions

At the time of writing, Board meetings are likely (but not confirmed) to be postponed and moved to a later date following the death of Her Majesty The Queen.

Black Country LEP

- A detailed transition plan will be agreed by the Black Country LEP Board on 19/9.
- The Black Country LEP expects to close, with the Growth Hub and CEC functions/staff to transfer to CA/LAs. The details of this, including all TUPE implications is being worked up with the Black Country LEP.

Coventry and Warwickshire LEP

- At the time of writing, there is no formal direction, however, Coventry and Warwickshire LEP are anticipating a Board decision on 19/9/22.
- Coventry and Warwickshire LEP anticipates closure by March 2023, with a new Coventry and Warwickshire delivery vehicle, funded through LAs across Coventry & Warwickshire.
- WMCA will explore funding and TUPE implications for the whole CWLEP group, particularly around the Growth Hub and CEC activity in Coventry, following the Board decision.

Greater Birmingham and Solihull LEP

- Greater Birmingham and Solihull LEP is working towards a Board decision on 22/9.
- The GBSLEP Board will consider a transitional year, where the LEP will continue activities supported by existing EU and residual funding. There will be no core funding for CEC and Growth Hub activity from March 2023.
- The management of the Greater Birmingham and Solihull Enterprise Zone is expected to transfer out of GBSLEP by March 2024
- CEC activity will transfer to the WMCA and local authorities.
- The future of Growth Hub activity will be informed by discussions with two LAs (Birmingham City Council & Solihull Metropolitan Borough Council), including on the use of UKSPF.
- WMCA will explore funding and TUPE implications – particularly around Growth Hub and CEC activity.

3 Key issues outstanding

3.1 There are 5 broad areas to be resolved:

- a) Each LEP to formally confirm the detail of future arrangements, including the plan for legacy activities (to be determined locally).
- b) The need to confirm future monitoring and assurance arrangements, where the WMCA will be accountable for this function, but where the expectation is that this activity may primarily sit with local authority partners.
- c) The detailed nature of TUPE as the above functions are integrated, including the implications for Growth Hubs, where TUPE to LAs/other partners may also apply.



- d) The precise nature of the business voice in WMCA going forward, including future arrangements for representatives on various fora.
- e) Other policy and partnership issues – such as the integration of LEP responsibilities into County Councils (Warwickshire, Staffordshire, Worcestershire etc). Further detail is provided at Appendix B.

a) Future Arrangements

- 3.2 Each LEP will formally confirm the detail of future arrangements, including the plan for legacy activities at their Board meetings in September. The Board dates are noted in 2.2 above. The Board decisions will trigger any further work required.

b) Monitoring and Assurance, Management, and evaluation of local growth programmes

- 3.3 WMCA is clear that the responsibility for assets and opportunities (such as Enterprise Zones), including all risks and liabilities, will not transfer to the CA. However, the WMCA will be accountable for the future monitoring and assurance of these programmes.
- 3.4 Detailed conversations have begun with all partners regarding the details of how this will operate in future.

Black Country LEP (and Walsall Council as their accountable body). WMCA now has visibility of the key programmes and funds, long-stop dates and monitoring & evaluation requirements.

Greater Birmingham and Solihull LEP: Birmingham City Council is the accountable body and is currently undertaking a more detailed analysis of how it will take forward these activities, particularly around the Enterprise Zone. There may be a requirement for a formal MoU with ministerial sign off for the transfers of EZ responsibilities, income (NNDR retention until 2046) and liabilities from the Greater Birmingham and Solihull LEP to Birmingham City Council. The WMCA will still retain accountability for providing monitoring and assurance to HMG.

Coventry and Warwickshire LEP: Coventry City Council is the accountable body for CWLEP funded programmes and the CWLEP Growth Hub. There is a proposal for the accountable body capital programmes team to provide monitoring and assurance and management and evaluation for the remaining capital projects post March 2023. This is subject to CWLEP board approval on 19/09/22.

- 3.5 Additionally, as part of work on residual LEP programmes and funds, the WMCA and partners need to understand the legal, financial and monitoring implications of any long term 'evergreen'/loan-based funds, particularly those managed by private bodies.

c) TUPE

- 3.6 Discussions are underway with the CA and LEPs. Broadly, we are expecting TUPE to apply in those areas where LEPs have had core funding for functions that will transfer to WMCA (eg Growth Hubs and CEC). This will include understanding any TUPE implications for LAs, where functions may transfer to local level.

d) Business Voice in Decision Making

- 3.7 In the [“Integrating Local Enterprise Partnerships into local democratic institutions”](#) letter from HM Government (from DLUHC and BEIS), there are clear expectations that



the CA will need to “Embed a strong, independent and diverse local business voice into local democratic institutions,” potentially through the creation of a new Business Board. In the current structure, this is delivered by LEPs – through their Boards, and through their non-voting, non-constituent member status of the WMCA Board. As and when LEPs formally cease to exist they will no longer be non-constituent members of the WMCA.

- 3.8 The Economic Growth Board has previously agreed that the region has extensive business engagement in place and does not believe that a new Business Board would add value. This follows a recent WMCA Governance Review which sought to streamline the numbers of boards and associated decision-making groups, and which led to the establishment of the Economic Growth Board.
- 3.9 The details of current engagement are set out at Appendix A, and include diverse representation from across each locality, at thematic, sector/cluster, and local level. Over 100 businesses are represented across 45 formal and informal thematic groups (excluding LEP structures), which advise WMCA on policy and delivery. In addition, the CA and partners are establishing and/or strengthening cluster groups to provide strong business leadership on delivering our Plan for Growth. There are also a number of task and finish groups – eg Hospitality taskforce – to provide critical insight into key sectors.
- 3.10 In addition, the WMCA is working with each LEP to understand the detail of business groups that will come to an end if/when LEPs cease. We are keen to retain maximum engagement and identify new opportunities for members to serve, where appropriate. EGB will receive the following four recommendations as a result (Subject to confirmation from WMCA Governance team):
- *The EGB is recommended to agree that LEP-nominated private sector members of existing WMCA groups, excluding WMCA Board, have terms of service extended by a further year to support transition*
 - *The WMCA is keen to ensure that the voice of business is properly reflected within democratic structures. The Board is therefore recommended to agree that the Economic Growth Board will open up a place for an SME representative, where the process for recruiting is open and transparent, and reflects existing good practice.*
 - *To formalise the link between the Regional Business Council (RBC) and EGB, review the membership of the RBC, ensure the chair of the RBC attends EGB, and widen the membership of the RBC to include the Portfolio Holder for Economy;*
 - *In order to ensure that we have embedded the voice of the private sector, the Board is asked to agree to a review of private sector representation post integration (Autumn 2023).*

4 Next steps / Flightpath to decision

- 4.1 Economic Growth Board on 23rd September will agree a clear position on each of the above to allow further detailed operational planning. This will ensure a draft of the LEP Integration Plan is brought to EGB on 2nd December, and CA Board on the 13th January ahead of submission to Government later that month.
- 4.2 Forthcoming key meetings:

*meetings moved due to the period of National Mourning.



<i>What</i>	<i>When</i>	<i>Decisions/Actions required</i>
Directors of Ec Dev	24 Aug (papers published 22/8)	Agree outstanding issues, direction of travel and timeline for resolution of issues.
Economic Functions Taskgroup	w/c 12 th Sept	
LEP Boards	22 nd Sept*	Decisions on integration
EGB	23 rd Sept (papers published 15/9).	Agreement on matters raised in this paper
LEP Execs/WMCA	Fortnightly	Close working arrangement
Mtg with LEPs	11 th October	
LA/LEP/WMCA meetings	October	Workshops for detailed planning/identification of issues
Directors of Economic Development	21 st September 21 st October 2022 25 th November 2022 4 th or 22 nd December 2022	Further input and joint working
Economic Growth Board	2 nd December 2022	Integration Plan agreement
CA Board	13 th January 2023	Final Sign off Integration Plan and submission

4.3 Informal conversations with HMG have taken place and whilst they are content with progress, they expect an update during September.

5 Financial Implications

5.1 There are significant, but as yet uncostered, implications arising from the integration of the LEPs and staff into the WMCA. The loss of LEP contributions towards the WMCA will also have a financial impact. These will be factored into decisions.

6 Legal Implications

6.1 LEPs are Non-Constituent Members of the WMCA in the constitution. Their integration will mean that the WMCA's constitution will need to be amended to reflect this change.

7 Equalities Implications

7.1 There are no further equalities implications flowing from the contents of this report.



8 Inclusive Growth Implications

8.1 LEP Integration should enhance inclusive growth opportunities across the region.

9 Geographical Area of Report's Implications

9.1 WMCA Area / three LEP geography

10 Schedule of Background Papers

Appendix A. [Draft] Embedding the private sector in WMCA advice and decision-making

West Midlands Boards and Working Groups

Please Note: table updated 12-09-22. CA team continuing to update.

Boards	Advisory	Decision-making	Accountabilities	Business representative organisations	Employer representatives, including SMEs	Membership process – eg. by invitation, applications etc	Summary of focus
WMCA Boards							
Investment Board		x	WMCA Board	LEPs (3)			To make investment decisions, or recommendations for the WMCA Board as appropriate, relating to applications made in accordance with the Investment Program.
Economic Growth Board		x	WMCA Board	LEPs (3) Chambers of Commerce (1)		EGB may recommend adding to (or varying) the membership of the Board in order to better fulfil its functions in driving green and inclusive economic growth or to reflect organisational changes in the region or nationally.	To provide strong, democratically accountable leadership to the strategic oversight of the region's approach to driving green and inclusive economic growth.
Housing and Land Board	x		Housing and Land Board			Officers from all constituent and non-constituent authorities are represented. Also representation from Environment Agency and Homes England.	Officer group feeding into Housing and Land Board
Transport Delivery Committee	x		WMCA Board				To provide oversight of operational delivery of transport across the West Midlands.
Skills Advisory Board	x		DfE	Chambers LEPs (3)	ParentPay (Chair of Digital Skills Partnership) Balfour Beatty (Chair of Construction Taskforce)	Employers are selected as Chairs of the skills taskforces that the CA has established	The priority functions of the Board to: <ul style="list-style-type: none"> increase the quality of local-level skills and labour market analysis strengthen links between local employers and skills providers



							<ul style="list-style-type: none"> increase the continuity of output across the country, with all areas publishing Local Skills Reports
Wellbeing Board	x		WMCA Board				To support the West Midlands Combined Authority to achieve its ambitions of improving health and wellbeing outcomes for its residents by adding value to the work that already goes on within individual localities.
Environment and Energy Board	x		WMCA Board	Chair is founder of Encaft		Members of the Board can nominate one substitute to attend and act on their behalf, if they cannot attend. This needs to be agreed in advance with the Monitoring Officer.	To help the WMCA become 'best in class' in terms of the delivery of 'clean, inclusive and resilient growth'.
PSR and Inclusive Growth Board	x		WMCA Board	LEPs (3)			To advise Combined Authority Board on Public Service Reform strategy and policy.
WMCA Employer Fora							
Regional Business Council	x		None		Members: NEC Group, Birmingham Airport, Jaguar Land Rover, Lloyds, Cadent, Gymshark, Gowling, Eon, Aston Villa, National Express, PWC, Birmingham Airport, Coventry FC, Coventry Building Society, Cagent, the Rigby Group, Kier, Pet- Xi, Pertemps, National Express, and Deloitte		To consider the latest economic picture and advise the WMCA on actions needed to address challenges
Economic Impact Group	x		None	LEPs (3) FSB Chambers MakeUK CBI Institute of Chartered Accountants	Members: Balfour Beatty, WMG, PWC, DPD, Deliveroo, NEC Group, Merlin Group, JLR, BT, Create Central Solihul Touchwood, Avison Young, Pinsent Mason, Birmingham Airport, The Wilderness, WMGC, GB Training, Lloyds Banking	By invitation.	Fortnightly dialogue with region's BROs and businesses to raise issues and inform CA policy



				England and Wales Midlands Aerospace Alliance	Group, HSBC, InnovateUK, British Business Bank and Bank of England, Goldman Sachs		
WMCA Thematic Boards							
Commercial Property Taskforce	x		Housing and Land Delivery Board	CWLEP	Members: Segro, Lendlease, Hermes, Harworth Group, Stoford Developments, Prologis, Legal and General, IM Properties, Muse Developments, St Modwen, MEPC and M&G		The Forum acts like a taskforce in shaping WMCA's commercial property work, providing insight into the opportunities and risks associated with commercial property development. Members provide expert opinion on specific matters such as funding bids to HM Government and the Investment Prospectus.
Future Homes Taskforce	x		Housing and Land Delivery Board	UKGBC NHF Homes England Dudley MBC	Members: L&G, Midland Heart, Cast Consultancy, Travis Perkins, Lendlease, Innovare, and Elements Europe		Provides technical expertise, commercial insight and critical steer to development of Future Homes Strategy which is intended to set out a single, coherent approach to achieving the shared ambition across the region of increasing new housing supply, establishing the West Midlands as an exemplar in the take up of AMC, responding to the 2041 zero carbon agenda, developing new skills and working practices and improving the environmental sustainability of new homes.
Public Land Taskforce	x		Housing and Land Delivery Board		Members: Legal & General, Lovell, MEPC, St. Modwen, Segro, Sigma Capital, Urban Splash, Wallis Real Estate, Willmott Dixon, Wilton Capital Advisors, Arup, Cast Consultancy and Useful Projects		To create an expert public land taskforce to work alongside WMCA to support public sector partners in unlocking the potential of public land.
Town Centre Taskforce	x				Members include: Arup, Warwick Arts Centre, Toolbox Group, Lendlease, Hammersons, Lendlease, GT, L&G, WTF Pirton,		An overarching aim to support WMCA and its partners on town centre redevelopment, repurposing and regeneration.



					Phil Jones Associates, MEPC and Arcadis		
West Midlands Housing Association Partnership Board	x				Members: Integer Advisor, Green Square Accord and housing associations.		To ensure everyone can live in a quality home they can afford.
Digital Coalition	x			One Walsall	Members: Digikick, Virgin Media, We are Digital, Stem Learning Limited, Learn Play Foundation.		To tackle digital exclusion in the region.
Digital Skills Partnership	x		DCMS		Parent Pay, Colmore Tang Construction Ltd, CISCO, Microsoft, BT, Birmingham Tech, Amazon, Application & Multi Cloud Services and cx-squared	By invitation.	This partnership aims to improve digital skills for people and organisations
Hospitality Taskforce				Birmingham Chamber of Commerce GBSLEP BID Manager	Members: Aston Villa FC, Purnell Restaurant, South Side District, Bourne Leisure, Malmaison, Digbeth Dining Club, Dishoom and Pet XI	Employer's can express interest via aeb.enquiries@wmca.org.uk	Work collaboratively to support and discuss the hospitality sector over the next four years, as part of the Mayor's job initiative scheme.
Construction Taskforce				CECA Midlands CITB	Members: Balfour beatty, BSS, Doocey Group, Galliford Try, HS2, Independent Lendlease, Macegroup, Morgan Sindall, Rmd kwikform, Stepnell, Tilbury Douglas, Willmott Dixon and Winvic		To provide strategic leadership and guidance to WMCA's approach to tackling skills issues in the construction sector in line with the WMCA's Regional Skills plan and construction sector action plan, and make recommendations to the WMCA Skills board; while exploring other ways of improving efficiency in the sector (e.g., innovation).
Cultural Leadership Board	x		Economic Growth Board WMCA Board WMCA Portfolio Holder for Culture		Members: 21 members representing different parts of the arts, culture & heritage sectors. Membership is by individual, not representing organisations.	<ul style="list-style-type: none"> • Chair direct appointment by the Mayor • Other members through an open recruitment process • Board established a number of working groups which also include non-board members 	The WMCA Cultural Leadership Board was established in 2019 as an advisory board consisting of members from the arts & cultural sector across the WMCA area.



Cultural Officers Group	x		Economic Growth Board WMCA Board WMCA Portfolio Holder for Culture	LEPs (3)	Members: Culture and/or tourism (or other relevant) officers constituent LAs + Telford & Wrekin and Stratford upon Avon as non-cons. Also three LEP's, representative from WMGC.	<ul style="list-style-type: none"> • Membership by direct appointments, not open to non LA or LEP • Chaired by WMCA • Have a terms of reference 	Bringing together LA's, LEP's and WMGC with a focus on regional aspects of cultural policy, heritage and tourism.
Innovation Board	x		WMCA	Make UK	Members: Thomas Dudley, Gen2Carbon, BruntwoodScitech, Intercity Technology and Forensic Pathways.		To drive overall levels of innovation, research and commercialisation success in the region.
Create Central Executive Board	x		Economic Growth Board WMCA Board			<ul style="list-style-type: none"> • Founder Members selected to remain as Executive Members will be approved by Create Central's Governance Working Group. • New Executive Members will be appointed by an open recruitment process managed by WMCA. • Membership will be approved by the Mayor of the West Midlands and the portfolio lead for Creative Industries following recommendation by WMCA Director of Strategy and the Chair of Create Central. 	To accelerate the growth of the West Midlands screen sector through dynamic privatesector leadership



						<ul style="list-style-type: none"> Membership will reflect the screen sub-sectors and the WMCA geographical footprint. 	
WM5G Board					Chair and member are from <ul style="list-style-type: none"> Giff Gaff Nachural Group 		
University Strategy Group	x		N/A	N/A	N/A	West Midlands regional universities.	To check in on key policy issues that impact Higher Education.
WM Bus Alliance Board					<ul style="list-style-type: none"> Bus operators 		Brings together bus operators, local councils, and other partners to work together to deliver high levels of passenger satisfaction and drive forward investment in our bus services.
Strategic Transport Board							
WM Rail Board of Directors							
Transport Delivery Committee							
Midlands Metro Limited							
Transport Operations Board							



Black Country Transport Officers Group							
TfWM Board							
Investment Panel	x		Investment Board		Commercial Member – Director of Investment & Commercial Activities or their nominee		The Investment Panel will support the Investment Board in making investment decisions and making recommendations on investment decisions.
Homelessness Taskforce	x				Housing associations Charities		To design out homelessness in the West Midlands.
Net Zero Infrastructure Board							
Energy Capital Partnership						All welcome, subject to some demonstrable commitment to WM Regional Energy Strategy (which could be financial) and willingness to represent specific parts of the sector	Oversight and responsibility for regional energy strategy.
Energy Capital Supervisory Board						Limited number of defined roles. Independent chair.	Agree priorities and recommendations into WMCA structures for consideration
Net Zero Infrastructure Delivery Panel						Membership made up of infrastructure delivery bodies, regulatory bodies and two or three net zero place advocates	Strengthen regional 'voice' in centralised UK energy system governance to enable cost-effective delivery of net zero
Energy Capital Executive						As made possible by budget allocation.	Deliver funded aspects of Regional Energy Strategy
Place-based activities						Varied local structures led by local bodies	Ensuring a Just transition to net zero of places across the West Midlands
Social Economy Taskforce							
WM Growth Company							
WMGC Board		X	WMCA Board; Investment Board; Economic Growth Board	MAKE UK	PwC; Bruntwood; Advanced; NEC; Black Country Living Museum; Westley Group; Deloitte	Drawn from local authorities and universities; private sector appointments are made by application.	Growing the economy through inward investment, capital investment and visitor attraction (including the Business & Tourism Programme).
Tourism Board							



LA Boards and Working Groups

Dudley Economic Growth Board							
Walsall Economic Board					Members: Barhale, Home Serve, Enoch Evans, Fortel Group, ZF Lemforder, Autobase, Handelsbanken and Maloney Metalcraft		
Walsall Health and Economic Board						Includes members of both WEB and the Health and Wellbeing Board	To develop healthy workplace initiatives that benefit employers and their employees.
Walsall Employment & Skills Board				One Walsall	Black Country Training Provider Network		
Wolverhampton Towns Fund Board				One Walsall	Members: Jhoots Group, Vine Trust, Fairfax saddles and ZF Lemforder		
LEP structures							
Black Country LEP Board		x			Business Leads / owners.	Nominations/applications to vacant posts. Completing expression of interest form.	Being accountable for the management of any funding programmes that may be assigned to BCLEP.
Competitiveness and Enterprise Advisory Board	x			FSB BC Chambers Make UK	Liberty		
Place Making and Land Advisory Board							
People Theme Advisory Board							
Active Black Country Board							
CWLEP Board Other sub committees with similar membership: <ul style="list-style-type: none"> Finance and Governance Board Programme Delivery Board 		x			Business Leads / owners.		Being accountable for the management of any funding programmes that may be assigned to CWLEP.



CWLEP Planning and Housing Business Group	x				Members: JLL Real Estate, IDP and Framptons Planning		A strategic advisory body to the Board on all matters related to planning and housing.
CWLEP Culture and Tourism Group	x				Members: Belgrade Theatre, Warwick Castle, Electric Zoo, PR firm Advent communications and Compton Verney Art Gallery and Park		A strategic advisory body to the Board on all matters related to culture and tourism.
CWLEP Productivity and Skills Group	x			FSB	Pet Xi		A strategic advisory body to the Board on all matters related to skills, employment and productivity
CWLEP Transport and Infrastructure Group	x			FSB	Members, Birmingham Airport, Railway – Chiltern and Cross Country and PR firm Advent communications		A strategic advisory body to the Board on all matters related to infrastructure.
CWLEP SMEs Group	x			FSB	Members: PR firm Advent communications, Burgis and Bullock, Llyods Bank, HS2, NFU Mutual and Apex recruitment		A strategic advisory body to the Board on all matters related to SMEs.
GBSLEP Board Other sub committees with similar membership: <ul style="list-style-type: none"> • Programme Board • Scrutiny Board 		x			Business owners / entrepreneurs.		Being accountable for the management of any funding programmes that may be assigned GBSLEP.
GBSLEP Place Board	x				Members: Innovation Birmingham, Arcardis		
GBSLEP Employment and Skills Board					Innovation Birmingham, PTP Training and CX Squared		
GBSLEP Business & Innovation Pillar Board							

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Appendix B

Agreed Actions and outstanding issues arising from bilaterals with LEPs.

1 Key issues

- 1.1 Government has now provided a LEP Integration Plan template. The template is designed primarily for areas where there is one LEP to be integrated.
- 1.2 In particular, the following areas require urgent attention:
 - Discussions with Coventry & Warwickshire regarding how CWLEP's responsibilities will be integrated into Warwickshire County Council
 - Discussions with both Staffordshire and Worcestershire County Council's regarding how GBSLEP's responsibilities will be integrated into the County Councils
 - Inventories of projects, programmes and services being delivered by each LEP; discussions will also be required, including with local authorities, as to whether those projects will continue and how they will be funded
 - Arrangements for assets, contracts and liabilities. The working assumption is they will remain with accountable bodies and that WMCA will have a role in the assurance process, but further discussions are required with the accountable bodies. In addition, further discussions will be required by the districts of Staffordshire and Worcestershire about a commitment that was made regarding investment from the Birmingham Enterprise Zone.
 - The staff in scope for TUPE and, crucially, where they will transfer to. At present it would seem some staff will transfer to WMCA, some to local authorities and some potentially to the West Midlands Growth Company. In addition, Growth Hub Directors are due to provide a paper soon on potential future Growth Hub models.
 - Less urgently, while we believe our proposals are compliant with the requirements set out by Government, there is more work to be done to achieve best practice in engaging the private sector.
 - A key point to note is that while the LEP Integration Plan will need to be submitted to Government in January, the timescales for implementation can be longer – Government has advised there is no hard longstop date, but clearly it is in the interests of all parties to implement a sensitive but swift integration.

2 Next steps

- 2.1 In order to make rapid progress, additional resource will be allocated to LEP Integration by WMCA.
- 2.2 We propose that a series of one-day meetings is held with each LEP and their accountable bodies, including HR as appropriate, to review the above. These workshops should take place in October, once all parties have had chance to review and digest each LEP's plans for their own operational futures. In addition, we propose that meetings are held with

Staffordshire, Worcestershire and Warwickshire Counties to clarify our collective positions. We propose that those meetings take place during October.

- 2.3 This will allow time for all parties to take independent legal advice and have further discussions as necessary, which should enable a strong draft of the Integration Plan to be brought to the Economic Growth Board for endorsement in December, before WMCA Board approval in January.
- 2.4 Government will ultimately need to sign off on the Plan, which creates a risk for those in scope for TUPE. To mitigate this risk, we propose that plans are shared early and frequently with Government and any issues reported to the Functions Task Group.



Economic Growth Board

Date	Friday 23 rd September 2022
Report Title	UK Shared Prosperity Fund (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, WMCA
Report has been/will be considered by	Directors of Economic Development (21/9) Finance Directors (22/9) Economic Growth Board (23/9) Mayor and Met Leaders (14/10) WMCA Board (28/10)

Economic Growth Board are recommended to:

- i. Consider the approach outlined which ties together:
 - a. Our approach to developing more detailed priorities and plans for our UKSPF investment
 - b. Consideration of how we might use wider skills investment to reduce the demand on UKSPF and achieve a more equitable split of funds across the region
 - c. A proposed delivery model for business support that provides a consistent West Midlands offer, with specialist programmes and a campaign to boost take-up.
 - d. The timescale and next steps for the approval of the UKSPF investment plan at the October WMCA Board.
 - e. The timescale and next steps in mobilising delivery activity
- ii. Note the proposals to ensure that overall investment reflects a greater focus on need than the HMG methodology for allocating UKSPF.
- iii. Note the ongoing work to:
 - a. explore whether we can focus funding for business support on financial years 2023/24 and 2024/25 to the value of c.£21m per year.
 - b. develop the details underpinning the 4% administration arrangements

1. Purpose

- 1.1 The purpose of this report is to provide an update on progress towards developing our more detailed UKSPF Investment Plan, for approval by the CA Board on 28th October.

2. UK Shared Prosperity Fund

- 2.1 WMCA has been identified as the lead authority and accountable body for UKSPF across the 7 Met area, with responsibility for developing its investment plan, and for delivery of the Fund thereafter. The CA welcomes the opportunity to lead a strategic and joined-up approach, working with local authorities to identify local and regional investment priorities that support our levelling up ambitions.
- 2.2 While government has stressed that overall investment in UKSPF, including Multiply, is comparable at a national level with that previously available through European Structural Funds, directly available funding through UKSPF for the CA area is lower than previously available via ESF and ERDF, particularly in years 1 and 2.
- 2.3 As well as advocating for further investment in the region, it is therefore critical that we allocate existing funds where they can have most impact for places, residents, and businesses across the region. We have worked in partnership with Local Authorities and LEPs to develop an approach to UKSPF that enables strong locally focused delivery, embracing the principles of double devolution, whilst maintaining the need for overall regional impact.
- 2.4 We have also worked with local partners to identify the risks associated with the transition between EU funding and UKSPF and there is work underway to mitigate the impact of reduced funding on critical programmes and strands of work – for example, employment support. However, it is also clear that the quantum of funding will be significantly less.
- 2.5 We will continue to lobby government for additional investment in key areas, including through the Trailblazer Devolution process, and for maximum flexibility in the deployment of UKSPF. This will include continued lobbying to remove the need for annual budgets and the ineligibility of spend on ‘people and skills’ before 2024/25. This will be actively pursued with the new ministerial team.

3. Our Approach

- 3.1 The July WMCA Board approved the submission of an outline initial investment plan by 1 August, recognising the need for further work to be undertaken to determine priorities, local allocations, and administrative costs. It was agreed that a final detailed plan would be submitted to the October meeting of the CA Board for approval, and that there would need to be a clear rationale for any funds held by the WMCA.
- 3.2 In developing the plan further, we have reflected the key principles agreed and the feedback received from Met leaders and officials:
 - 3.2.1 *Provision for ‘communities and place’ and ‘people and skills’ should be directed by Local Authorities* – the investment in local provision in these areas will be determined by each local authority, in line with the principles of double devolution. The Investment Plan provides a summary of overall priorities and expected outputs. Funding for this activity will be passed directly to LAs through a back-to-back grant agreement. The CA will be responsible for overall monitoring and reporting to government on progress.

- 3.2.2 *Where possible, alternative sources of funding should be used to reduce the pressure on the UKSPF budget* – We have worked with each local authority to identify alternative sources of funding for activities relating to people and skills. This has enabled us to increase the overall amount of investment, reduce pressure on UKSPF, target funding on areas of need and support local skills priorities.
- 3.2.3 *The proposed investment in business support should be co-designed with Local Authorities, taking forward the key recommendations of the WM Business Support Review, with a clear commitment to local delivery and alignment with other business support and services. While a working assumption was made that 50% of funds would be used to support local business, this activity should be properly costed as the model is developed* – A costed approach to business support has been developed in partnership with local authorities based on these principles. The overall amount of funding for business support activities is £42.4m – which equates to 50% of UKSPF, but 37.5% of the overall investment pot. (See table at paragraph 3.5)
- 3.2.4 Within this, £9.6m will be allocated for local business support advisers. These will be embedded with local arrangements – for example, local authorities or Growth Hubs (where these remain). In line with the recommendations of the West Midlands Business Support Review, previously agreed at Board, the advisors will work within an agreed regional framework or hub and spoke arrangement (as set out in the Review) which will be overseen by the Economic Growth Board. The intention is to have a consistent offer to businesses across the region, which will include signposting to other services, whilst maintaining maximum local flexibility and links to other local support. The detail of how the hub and spoke arrangement will work is being developed with local authorities and will be brought to the Economic Growth Board for approval.
- 3.2.5 £32.8m of the overall budget will be for cross-regional specialist services. The latter will be more explicitly focused on helping businesses address short to medium term priorities in response to the cost of doing business crisis. This will include services to help businesses reduce energy costs and become greener; become investor ready to improve their ability to access finance and improve efficiency and innovation. These programmes will be designed and commissioned with local authorities, where we expect the delivery to be subject to competitive procurement.
- 3.2.6 *There needs to be a clear rationale for any funds for business support held by and delivered through the CA.* Of the £42.4m allocated to business support activity, the majority will be delivered locally – through a network of local advisors – and/or will be targeted at local businesses. This is consistent with the direction of the West Midlands Business Support Review and decisions of the WMCA Board.¹ The model also builds upon the direction of the Levelling-Up White Paper, integration of LEP functions into the WMCA (ahead of a decision by the WMCA Board in January 2023) and pursuit of more devolved powers and funding through the Trailblazing Devolution Deal. For example, it is expected that SPF-funded, locally embedded SME Growth Advisors will work as part of a wider team, including a small coordination hub within the WMCA resourced through BEIS Growth Hub core funding who will:

¹ The four major changes set by the WMCA Board following the West Midlands Business Support Review:

- Put in place a modern customer journey, built around the user not the provider.
- Implement a new approach to account management, covering the largest firms, investors and SMEs, with the LEP Growth Hubs, local authority teams and the West Midlands Growth Company operating as a fully integrated support ecosystem.
- Replace the current large number of schemes which were coming to an end with new premium products aimed at specific sectors, supply chains and issues, and delivered region-wide at scale.
- Carry out a campaign to drive up demand and usage.

- align the cohesive, universal offer which is overseen by the Economic Growth Board, using advice from private and university partners and the Directors of Economic Development.
- connect strongly with offers from the private sector, business organisations and universities to ensure this is targeted at the needs of the region's businesses;
- champion how further powers and resources can improve support for businesses;
- use data and analysis to proactively target businesses according to regional and local priorities;
- support overall co-ordination and professional development of the network of business advisors, in line with the West Midlands Business Support Review;
- support the development of the clusters previously prioritised by Board in the West Midlands Plan for Growth;
- co-ordinate marketing activity to promote support available to businesses.
- provide required reporting and assurance to government.

3.2.7 *There should be an open and transparent approach to the use of the 4% admin fee, reflecting the balance of work required locally and regionally* – The details of this are being finalised, and we recommend that the final plan is signed off by the Portfolio Lead in consultation with the Executive Director of Economic Delivery, Skills and Communities, and the WMCA Section 151 Officer. However, our expectation is to allocate funds to each Local Authority, as well as the Combined Authority, to support the management, monitoring and evaluation of UKSPF. This will be fair and proportionate to activity. This fund will also cover monitoring and evaluation and additional legal costs, including guidance to LA's on the management of subsidy control.

Funding Methodology

3.3 The Portfolio Lead for Economy has requested officers to consider how we might achieve a more equitable split of UKSPF funds across the region. **Annex A** sets out further details on the methodology used by HMG to determine the initial calculations of funding for the region. It also sets out the implications of changing the balance away from population and the impact on investment in local areas. Other local Leaders have been clear that they do not expect to see a decrease in UKSPF investment their areas.

3.4 We have therefore looked at ways of maintaining overall levels of investment but moving to a methodology that is more weighted to local need. This includes:

3.4.1 *Ensuring a minimum level of investment in business support services in all areas.* This includes:

- Taking a more sophisticated approach to business support, recognising that specialist services will be available to all businesses across the region.
- Establishing a 'floor' for the number of locally embedded advisors to ensure a minimum service is available.
- Integrating support for local enterprise, entrepreneurship and start up within the business support offer.

3.4.2 *Maximising the use of other funds and ensuring these are targeted on areas of most need.* This includes:

- Focusing Multiply investment in areas with poor numeracy and with low levels of existing spend on adult numeracy. It should be noted however, that these are notional allocations, with actual spend determined by learner demand. We will work with LAs and providers to stimulate demand across the area.

- Using alternative funding streams, such as the Adult Education Budget, to support local skills priorities.

3.5 This has enabled us to increase the overall level of targeted investment in the region, while ensuring a greater focus on need than the UKSPF funding formula, as outlined in the table below.

	Notional UKSPF allocations: HMG methodology ¹	UKSPF: local allocations	Multiply ²	AEB investment on local skills priorities ³	UKSPF: Business Support		Total spend
					Spend through Local Authorities	Specialist programmes delivered across the WM	
Birmingham	36,375,301	17,460,144	5,670,266	tbd	2,880,000	12,700,000	38,710,410
Dudley	9,367,406	4,496,355	2,299,220	1,800,000	1,120,000	3,600,000	13,315,575
Sandwell	9,817,228	4,712,269	1,886,555	2,600,000	1,120,000	3,700,000	14,018,824
Walsall	8,374,365	4,019,695	1,785,434	1,200,000	1,120,000	3,200,000	11,325,129
Wolverhampton	7,831,883	3,759,304	1,434,078	2,600,000	1,120,000	3,000,000	11,913,382
Solihull	5,310,432	2,549,007	1,126,312	1,200,000	960,000	2,400,000	8,235,319
Coventry	11,331,741	5,439,236	2,565,268	2,125,000	1,280,000	4,200,000	15,609,504

¹ 4% top slice for administration has been removed prior to the budget being allocated across investment priorities or geographical areas.

² Notional Multiply allocations for adult numeracy training spend in each area have been calculated using a model based on need, existing provision, and our assessment of likely take-up based on previous procurement. Figures include training funds granted to LAs as well as funds to be procured. Multiply investment is focused on adults in work. LAs are also able to use AEB investment to support unemployed or inactive adults.

³ These figures for AEB spend on training in local areas are based on proposals for local skills priorities put forward by each LA. We will continue to work together to identify further opportunities to use AEB funds to relieve pressure on UKSPF.

3.6 The West Midlands Investment Plan for UKSPF is set out in **Annex B**. This has been developed with the support of officers from across each local authority and LEP. The plan is deliberately high level, setting out the broad priorities and outcomes that we want to achieve, but leaving us with sufficient flexibility to respond to changing needs.

3.7 The Investment Plan and this covering paper have yet to be discussed by the Finance Director's Board. This will take place on 22 September, and verbal feedback will be presented to EGB on the 23 September.

4. Focus on business support

4.1 The 'Supporting Local Business' theme of the SPF Investment Plan has been developed based on the West Midlands Business Support Review, led by LEPs, the WMCA and partner authorities in 2021. The overall vision is to boost business growth and jobs across the region by providing businesses with an integrated customer journey through a consistent West Midlands offer, with specialist programmes and a campaign to boost take-up. Here we elaborate on the necessary ingredients of the overall approach across:

- Strategy – what we're committed to achieve through our shared plans and principles
- Economic conditions – the major changes underway in our economy and future unknowns
- Funding mix – quantum, timescales, levers we control, options
- Powers and institutions – aligning with the Trailblazing Devolution Deal discussions to boost local delivery and influence
- Understanding impact in places.

4.2 Our strategy is to boost business growth using the approach that set our economic Trailblazing Devolution aims and tackles the relatively low levels of firm productivity in the West Midlands by:

- Catalysing additional growth in high-value clusters where the region has comparative advantage and private sector confidence to create good jobs².
- Attract more firms at the productivity frontier using FDI, particularly where they are able to add further strategic value to the region.
- Help indigenous frontier firms to expand.
- Help firms with mid-level productivity to move to improve through innovation, investment, internationalisation and excellent management and leadership.
- Prompt firms with low productivity to assess their business models and strengthen incentives to change.

4.3 The Business Support Review emphasises that business support must be agile to stay relevant to economic and business conditions in West Midlands. In doing so, support will need to react to immediate needs whilst positioning for long-term sustainability and growth.

This means:

- Providing immediate help and advice to help SMEs weather the spike in costs of doing business, covering energy, raw materials, finance and wage increases.
- Proactively targeting firms and supply chains to shift to higher value added and more resilient activities like decarbonising business processes or adapting to new Rules of Origin requirements.

4.4 UKSPF is a major funding stream, but it is important to reflect how this sits as part of a cohesive system of public and private support with different connected components including:

- Private sector activity from business organisations, banks, accountants and professional advisers – both paid for and free
- Charity and non-profit activity, such as The Prince's Trust on young people's entrepreneurship and Business in the Community toolkits and support.
- National programmes such as the national business helpline for basic signposting advice about starting a business, the Help to Grow programmes delivered by Business Schools, DIT export support, British Business Bank and the Intellectual Property Office's work on patents.
- Paid-for and free support from universities and Catapult centres, including Knowledge Transfer industry partnerships and spinout support.
- Locally-funded activity, including support to BIDs, local markets and high-streets and social enterprises.

4.5 The amount of UKSPF dedicated to the business support system (£42.3m) over the UKSPF period is heavily backloaded. The universal view of Directors of Economic Development is to seek to smooth the funding profile over 2023/4 and 2024/5 because 2022/3 sees significant activity through existing Growth Hubs and ERDF-funded programmes. Overall, the majority of funding (around £29m) will support specialist programmes with the remainder funding the system of support. While comparisons with previous support is very difficult, the balance of the proposed position reflects a deliberate decision to invest in locally-embedded SME Advisor capacity for intensive relationship management to drive the integrated customer journey. With limited UKSPF resources, this means there will be significantly fewer specialist commissioned programmes than are currently funded through ERDF.

4.6 The new delivery model address fragmentation and lack of capacity in some areas (e.g. data and promotion). SME Advisers will work as a coordinated network across the region

² As set out in the West Midlands Plan for Growth - <https://wmca.euwest01.umbraco.io/media/vd3fjeot/plan-for-growth.pdf>

but be locally embedded in a way that works; potentially in local authorities, a university, Chamber, charity or Growth Hub with neighbouring areas. WMCA will co-design with local authorities the specialist programmes to deliver the strategic priorities of net zero transition, investment readiness and business competitiveness and tailor commissioning and delivery options. Decisions will be made by the Economic Growth Board and WMCA Boards, according to the level of financial commitment. WMCA will also use Trailblazer Devolution Deal discussions to empower the delivery model by embedding as far as possible nationally commissioned activity.

- 4.7 The final dimension is a robust impact and evaluation system to capture the effect in places and ensure this is visible and accountable to local partners and business groups. Our ambition is that this understanding captures not just the impact of WMCA-commissioned activity but the wider effect of national / publicly-funded support and the contribution of private and third-sector offers.
- 4.8 Using the structures and priorities from the West Midlands Business Support Review, local authorities, WMCA and LEPs have shaped a costed model for activity to begin in April 2023. Details and commissioning specifications need to be developed over the next three months, along with a chance to respond to any decisions on funding by central government or regional partners. This model sees £9.6m delivered locally over the next two years, along with resources for cluster leadership and potentially strategic account management/FDI to be directed by the Economic Growth Board.

	Commissioned activity	Proposed SPF allocation (£ per year)
Core system	SME Growth Advisors: <i>They provide locally-embedded support, diagnostic and signposting to local small and medium-sized businesses and entrepreneurs/social enterprises using a Hub and Spoke model. The businesses will be a mix of those who have sought support themselves, along with those that are proactively targeted by Advisors.</i>	£6.3m (with £9.6m embedded locally over 2023/4 and 2024/5)
	Strategic Relationship Management: <i>Works proactively with (500) most significant firms, linking local, regional and national conversations and intelligence to catalyse growth opportunities.</i>	£1.1m ¹
	FDI and Internationalisation: <i>FDI activity (reactive and proactive) along with capital attraction work and profile-raising</i>	Subject to further decisions about WMCA MTFP
	Cluster Leadership: <i>Funding for organisations convening firms within primary clusters and leveraging additional investment.</i>	£0.9m
Targeted specialist programmes	Decarbonisation advice and grants	£4.5m
	Investor readiness training	£1.1m
	Advice and services to support trade and export	£0
	Specialist advice and grant support to tackle barriers to innovation / improve productivity & SME competitiveness / create jobs and supply chain development	£4.5m
	Business leadership, management and workforce planning	£0
	Advice and grants for entrepreneurs and start-up	SME Advisors
	Health and wellbeing advice	£0
	Unallocated	£1.6m

¹strategic relationship management has previously been considered by the Strategic Economic Development Board (November 2021). It agreed that strong, coordinated relationship management with the most strategically important firms provides important benefits to the region's communities and supply chains. Further detail on the delivery models should be developed as/when resources are available and Strategic Relationship Management has been a significant element of Trailblazer Devolution Deal discussions.

5. Next Steps

- 5.1 Subject to the approval of this report, WMCA will submit the UKSPF Investment Plan to release its £88m allocation. A draft version is set out in Annex A, reflecting the ambition and priorities of the region at the current time. The Plan does not require details of local allocations or project proposals.
- 5.2 Our UKSPF allocation is comprised of 3 annual allocations, against the following profile, with limited flexibility to carry funds between years.

2022-2023	2023-2024	2024-25	Total
£10,729,170	£21,458,339	£56,220,848	£88,408,357

- 5.3 WMCA will continue working with key stakeholders including DLUHC to identify options to accelerate the availability of funding in the first year, particularly in relation to business support activity. Here, the availability of Growth Hub and ongoing ERDF programmes means that there is a fairly good business support offer in the region, before a cliff-edge in April 2023. Directors of Economic Development have therefore recommended that UKSPF funding for business support should be focused on financial years 2023/24 and 2024/25 to the value of c.£21m per year.
- 5.4 WMCA will also continue to work with key stakeholders to develop the details underpinning the 4% administration arrangements for approval under delegations, as documented within the recommendations to this report.
- 5.5 Recognising the challenges associated with maximising spend in year 1 and avoiding any clawback, WMCA are keen to progress mobilisation of delivery activity as a priority. In order to support this the following steps/actions will need to progress by the CA and Local Authority Partners.

End Oct	WMCA Submit Investment Plan and Supporting Annexes to Government for review/approval
Oct – Nov	WMCA to work with LA partners to develop/refine delivery schedules for inclusion in back-to-back agreements – building on data already provided for the development of the Investment Plan Annexes to align with DLUHC M&E requirements
Oct – Dec	Work to begin with WMCA and LA Partners to draft specifications for business support (for yr2 delivery)
Nov	Government review/clarification questions issued on Investment Plan submission for WMCA response
End Nov (est)	Government approval of the Investment Plan and Deliverables and issue Funding Award Letter/Agreement to WMCA
Early Dec	WMCA Legal, Finance, Procurement, Data and Assurance leads to carry out a review of the funding agreement issued and subject to no issues/clarifications, approve receipt of funding/sign agreement.
Early Dec	WMCA Legal to begin work drafting back-to-back agreement templates for issuing to LA partners
Mid Dec	Back-to-Back Agreements and schedules of delivery activity issued to LA partner legal teams to review, sign off and return to WMCA
Late Dec/ early Jan	Subject to receipt of signed funding agreements from LA partners delivery activity can commence
Jan/Feb	Commissioning of Business Support activity for Yr 2 / Yr 3 to commence

- 5.6 DLUHC recognise that the Plan has been produced quickly and will be subject to change as projects are further developed and agreed, and investment responds to changing local priorities. Negotiations for our Trailblazer Devolution Deal (TDD) are also ongoing, which includes asks around additional flexibility within / between funds. If relevant additional

sources of funding are secured through the TDD process, we will look to reassess priorities and re-deploy UKSPF funds in light of this. DLUHC have confirmed that there will be opportunities for review throughout the funding period.

5.7 As set out in the UKSPF prospectus, we are required to seek support for our approach from local partners and MPs. This process is underway, led by Cllr Brookfield, and is advisory only. Approval of the final Investment Plan is the responsibility of the CA Board.

6. Financial Implications

6.1 The overall UKSPF allocation for the WM 7 Met area is as follows:

2022-2023	2023-2024	2024-25	Total
£10,729,170	£21,458,339	£56,220,848	£88,408,357

6.2 Currently there are expected to be restrictions to UKSPF 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 was challenged through a letter to Minister O’Brien; we will now flag these issues with the new ministerial team.

6.3 A maximum of 4% of the total allocation can be utilised to support the administrative costs of managing the fund and options around the utilisation of this funding are being considered.

7. Legal Implications

7.1 There are no immediate legal implications as a direct result of this report. Legal will continue to advise on the preparation of the investment plan and any agreements entered into as a result of any funding being awarded.

7.2 Should the final grant terms and conditions place at risk the full award being realised by WMCA (i.e. through under performance in year), then the impact of this will need to be passed on to project sponsors (LAs) through appropriately worded funding agreements. Mitigations around the impact of those risks crystallising would also need to be considered at a local level (i.e. by LAs).

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. There may be inclusive growth implications that arise, as a consequence of the decisions to be taken around funding methodology etc. This will be flagged and discussed as appropriate and highlighted to the WMCA Board.

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: Allocations methodology

1. Launched as part of the Levelling Up White Paper, UKSPF is a central pillar of the UK Government's Levelling Up agenda, with a primary goal of building pride in place and increasing life chances across the UK.
2. Allocations for each area of the UK have been determined through a national methodology [[UK Shared Prosperity Fund: allocations methodology - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/uk-shared-prosperity-fund-allocation-methodology)], through which:
 - Total allocations, at a minimum, match the size of some EU structural funds across the UK
 - Funding is distributed across all four UK nations, and to all MCAs and LAs within England.
 - The share of total funding allocated to LEPs matches what they were notionally allocated under ERDF and ESF in real terms (once Multiply has been added in)
 - The share of funding allocated to each delivery geography (MCA or LA) is distributed on the basis of both population and need.
3. The distribution of allocations is based on 70% of the total allocation to each LEP being distributed based on LA population size and 30% using a [needs-based index](#) developed for the Community Renewal Fund. The needs-based index seeks to prioritise places that suffer from weak economic performance and are less equipped to resist and recover from shocks, and includes metrics relating to productivity, skills, unemployment, population density and household income.

WM 7 Met allocation

4. The West Midlands 7 Met area is considered to be a single delivery geography, in which WMCA is identified as the lead authority. Using the national methodology outlined above, our UKSPF allocation is as follows:

2022-2023	2023-2024	2024-25	Total
£10,729,170	£21,458,339	£56,220,848	£88,408,357

5. The allocation of funds across different geographies within the 7 Met area and between investment priorities can be locally determined. However, given HMG published LA level figures to illustrate how our allocation was arrived at, most LAs have used these to underpin their assumption of spend in their area.
6. Assuming 50% of overall funds would be distributed as local allocations (as agreed by CA Board), these would be distributed as follows:

Birmingham	Coventry	Dudley	Sandwell	Solihull	Walsall	Wolves
£17,460,144	£5,429,236	£4,496,355	£4,712,269	£2,549,007	£4,019,695	£3,759,304

7. However, some LAs have requested that, in determining local allocations, we explore an alternative methodology to that used by central government, to take greater account of need and better reflect the ambitions of the Levelling Up agenda. While this would not impact the

overall funding envelope, it would rebalance investment towards those LAs with greater 'need' and away from those with larger populations.

8. In modelling this, we have developed a range of alternative scenarios, including basing allocations on 50:50 population/need and 30:70 population/need. Each of these adjustments involve reducing allocations for Birmingham and Coventry and increasing allocations elsewhere. Implementing this would require political agreement from the leaders of these authorities.

	HMG model - 70% population, 30% need	50% population, 50% need	Difference from 70:30 model	30% population, 70% need	Difference from 70:30 model
Birmingham	£17,460,144	£12,417,598	-£5,042,546	£9,588,568	-£7,871,576
Coventry	£5,439,236	£5,043,436	-£395,800	£5,013,245	-£425,991
Dudley	£4,496,355	£5,735,002	£1,238,647	£6,176,942	£1,680,588
Sandwell	£4,712,269	£5,978,519	£1,266,250	£6,519,683	£1,807,413
Solihull	£2,549,007	£2,503,253	-£45,754	£2,970,364	£421,356
Walsall	£4,019,695	£5,269,014	£1,249,319	£5,893,777	£1,874,082
Wolverhampton	£3,759,304	£5,489,189	£1,729,885	£6,273,432	£2,514,128

9. In addition to these local allocations, we are also exploring how we can use wider UKSPF funds – Business Support Funds and Multiply – to rebalance investment towards areas of greatest need.
10. Furthermore, because it is not possible to invest in People and Skills interventions until 2024/24, the CA has been working with LAs to identify how it can deploy its wider skills investment to meet local priorities. This involves looking at how we use existing AEB and Community Learning grant funding in each area to meet skills and employment support priorities.

Annex B: Draft UKSPF Investment Plan (included as separate attachment)



UK Government

**LEVELLING
— UP —**

UK Shared Prosperity Fund

Investment Plan

Version 2
May 2022

Your location

To be eligible for funding, you will need to be applying on behalf of a lead authority in one of the [delivery geographies](#).

Select the lead authority

For Scotland and Wales only: Who else is this investment plan being submitted on behalf of? Select all that apply

Your details

Name: Dr Fiona Aldridge

Email address Fiona.Aldridge@wmca.org.uk

Phone number: 07775 698181

Organisation name: West Midlands Combined Authority

Local challenges and opportunities

In this section, we will ask you:

- If you've identified any challenges or opportunities, you intend to support
- Which of the UKSPF investment priorities these fall under

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

The West Midlands has enormous economic potential, where the success of our region is critical to the success of the UK more widely. Prior to the pandemic we were the fastest growing region outside of London, breaking through the £100bn economic output mark in 2019-20. This success was powered by a young and diverse population, a strong Higher Education base and many Good and Outstanding schools, colleges and training providers. We experienced growth in high value-added sectors, new investment and infrastructure, and a growing digital capability. However, underlying this growth there are significant issues with inequality, poverty, youth unemployment, low skills, poor health and school performance.

Our ambition is to build a better connected, more prosperous, fairer, greener and healthier West Midlands. Inclusive growth is at the heart of our vision. We want to build a region where people thrive in the places they live and work, a region that is focused on people as well as place.

In order to achieve this ambition, our [2021 State of the Region report](#) identified five key challenges to shape future strategic activities across partners. These were agreed through the WMCA Board:

1. Delivering good jobs

- a. Although employment has returned to pre-pandemic levels, parts of the region have low levels of employment and high levels of unemployment. Despite a tight labour market, part of the region continue to display stubborn levels of long-term unemployment
- b. WM has a strong start up rate, but with new businesses most vulnerable to economic shocks. The insolvency rate is also high.

2. Supporting thriving places and communities

- a. Affordable housing – the region is building houses at a good rate but house prices continue to rise, resulting in a decline in affordable housing and additional affordable rented homes
- b. Visitor numbers – prior to the pandemic, visitor numbers were growing steadily. The region relies heavily on business tourism which has been heavily impacted as a result of covid

3. Embedding our green ambitions

- a. The region is a net importer of energy, due to a lack of natural assets for renewables. Despite this, the low-carbon manufacturing sector is the fastest growing in the region.
- b. Even before recent price hikes, WMCA had one of the highest rates of fuel poverty.

4. Tackling inequality and levelling up

- a. While disposable income per person continues to rise, this remains lower than the UK average. Nearly 20% of the region is in the top 10% most deprived.
- b. Pre-covid, health life expectancy was improving, though a gap remains with the national average.

5. Preventing a lost generation

- a. Prior to covid, the WM was a strong apprenticeship performer. However, since then, we have seen a significant drop in opportunities for young people and with SMEs in particular.
- b. The WM has fewer people qualified to Level 4+ (37% vs 43% UK) and more people with no qualifications (9.6% vs 6.6% UK) compared to other areas.

In addition:

- Access to green space across the WMCA region is not equitable. Furthermore, as the population in the WMCA area increases, the levels of publicly accessible park and green space provision per person are likely to fall below the minimum standard of provision. Many of the same communities are also vulnerable to flooding and overheating. Measure to tackle this are outlined in the [West Midlands Natural Environment Plan](#).
- The region has in excess of 10,500 heritage assets, many of which are buildings that are not being used to their full potential, whilst costing a great deal to run and maintain. These assets have been mapped [here](#), and would benefit from further investment to build pride in place.
- The [social economy](#) in the WMCA area is diverse, but that diversity does not lead to asset wealth, or the rewards of growth being shared equitably. A literature review led by Locality (2020), indicated that diverse-led organisations are more likely to be micro enterprises (turnover of less than £10k per year), with lower levels of paid staff and barriers to accessing grants, funding and finance. Addressing this will help to address the region’s lower uptake of social investment.
- West Midlands Police has the highest crime severity score of all forces in England and Wales and a much higher rate of domestic abuse-related incidents per 1,000 population than other forces, leading to harm, disruption and homelessness for those women and children. This undermines the stability of communities and pride in place, and prevents victims from contributing to, or benefiting from social capital.
- [Research by Local Trust](#) has indicated that 20 wards in the WMCA area contain ‘left behind places’ with a lack of places to meet, lower levels of engagement and activity, and poor connectivity (in all respects) to the wider economy.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

As well as deploying UKSPF funds for the improvement of high streets and town centres, community and neighbourhood infrastructure, and local green spaces, we anticipate using funding within the ‘communities and place’ investment priority to build capacity and support local civil society and community groups.

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

(If yes) Describe these challenges, give evidence where possible

Compared with other regions, the West Midlands has suffered the sharpest decline in economic output over the last two years, as a result of the Covid pandemic, supply chain disruptions and new trade frictions. The region is responding through the West Midlands [Plan for Growth](#) which pinpoints clusters where the region has comparative advantage and there is additional growth potential, alongside an ambitious Trailblazing Devolution Deal to secure more resources and powers for the region.

The West Midlands’ local context and needs include:

- Productivity (GVA per hour worked) is 11% lower than the national rate, with slower growth over last five years, particularly in Walsall, Dudley and Wolverhampton.

- Below average 5-year business survival rate in Coventry, Sandwell, Walsall, and Wolverhampton; lower job density across all areas except Solihull, and decreasing job density in Coventry, Dudley, Sandwell and Walsall.
- Declining high growth firms: 10% (over 5 years) and lower business demand for innovation.
- Job density is slightly below the national average, though this varies across the area from +22% in Solihull to -13% in Sandwell.
- Manufacturing remains important to the economy with the highest GVA of all sectors, though total employees has fallen (-10%).
- Information & communication and professional, scientific & technical sectors are the two fastest growth sectors in GVA terms with strong employment growth.

In responding to these challenges, we have identified four key areas of economic opportunity for the West Midlands which covers:

- **Support SMEs with low to mid-level productivity:** New jobs and higher wages depend on having more successful businesses. A 1% rise in productivity each year for 5 years, would increase output per head to £26,735, reducing the productivity gap from £17.4bn to £12bn and supporting higher wages.
- **Expand & attract frontier firms:** The number of £1m+ turnover firms is falling in the West Midlands (-0.8% in 2018/19), whilst it is rising in the UK overall (3.4% increase in the same period). Reversing this trend would deliver and safeguard significant numbers of jobs and opportunities for progression.
- **Catalyse growth in target clusters where the region has a competitive advantage:** 10,000 new jobs in priority sectors (Business, Professional & Financial Services, Creative & Digital and Low Carbon & Environmental tech) will provide more than twice as much output and higher wages than in non-priority sectors.
- **Support business transformation to boost jobs growth & safeguard existing jobs:** Supporting even a return to the 2018/19 job growth rate of c.1% through effective business support in priority sectors alone would create 22,857 new jobs and safeguard 135,000 jobs over 5 years, using Government figures.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT?

(If yes) Describe these opportunities, give evidence where possible

As a result of LEP integration and institutional change, public and private partners across the region are repositioning business support in the West Midlands in accordance with the West Midlands Business Support Review. The Supporting Local Business investment priority will be a central plank of the cohesive, sustainable system advocated by the Review, including an integrated customer journey and core support offer to firms across the West Midlands, but with flexibility to respond to hyper-local needs and opportunities. There will also be a range of commissioned specialist programmes targeting shared priorities including decarbonisation, improving investment readiness of firms and supporting firms to grow by adopting new technologies and processes

ARE THERE ANY LOCAL CHALLENGES YOU FACE WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

(If yes) Describe these challenges, give evidence where possible

The West Midlands has enormous economic potential, where the success of our region is critical to the success of the UK more widely. Prior to the pandemic we were the fastest growing region outside of London. This success was powered by a young and diverse population, a strong Higher Education base and many Good and Outstanding schools, colleges and training providers. We experienced growth in high value-added sectors, new investment and infrastructure, and a growing digital capability.

However, the region also faces long-standing challenges in relation to 'people and skills', including:

- **lower GVA per head** compared to national figures (£25.5k in the region compared to £30k nationally).
- **Relatively low employment and high unemployment**, particularly in some parts of the region.

- **Growing in-work poverty, driven by low wage levels** (average full-time wages in the WM 7 Met area are £2k lower than the national average).
- **Low skill levels in the population**, with fewer people qualified to Level 4+ (37% vs 43% UK) and more people with no qualifications (9.6% vs 6.6% UK) compared to other areas; 85% of residents are qualified to Level 1 (vs 88% UK), 72% to Level 2 (vs 78% UK) and 55% to Level 3 (vs 62% UK).
- **Persistent skills shortages** faced by employers; around 1 in 4 vacancies in the region are classed as 'hard to fill', particularly in roles that require advanced and/or higher skills
- **Lack of digital skills:** 56% of people in the West Midlands do not have the essential digital skills needed for work. As a result, the WM has the highest proportion of employers who say they find applicants with digital skills difficult to find (38%).
- **Uneven development and attainment by young people** through early years, primary, secondary and tertiary education and training (69% of children achieving a good level of development at the end of Reception, compared to 72% nationally in 2019).

More recently, the region was hit hard by Covid-19, with a high number of workers furloughed to the end of the scheme, alongside significant job losses and large numbers of benefit claimants. Young people and those from BME communities were hit hardest, particularly those who are less well qualified, and who live in areas with already high levels of unemployment and deprivation. While the economy has now begun to recover, this is uneven with a real risk that some places and people will be left behind. In particular, challenges remain in relation to:

- The **variability of recovery across the region**, across places, sectors and demographic characteristics. Recovery is slowest in areas with high levels of deprivation.
- A **high level of unfilled vacancies** reflecting where many businesses are struggling to fill roles due to labour market and skills shortages.
- **Pockets of high unemployment**, particularly among young people in some areas (Walsall, Sandwell, Wolverhampton)
- **Stubborn levels of long-term unemployment**, with 84,272 residents across the WMCA area claiming Universal Credit and Seeking Work, but who have been unemployed for 12+ months.
- **Economic inactivity**, with a growing number of older people and those with both short-term and long-term health conditions leaving the labour market.

ARE THERE ANY LOCAL OPPORTUNITIES UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY THAT YOU INTEND TO SUPPORT? (In Scotland, Wales, and Northern Ireland this should also include challenges relating to Multiply)

(If yes) Describe these opportunities, give evidence where possible

Within the 'people and skills' investment priority, we intend to predominantly focus on employment support interventions, recognising the particular challenges faced in each local area and the need to preserve and develop critical local infrastructure. We will also focus on supporting digital inclusion and developing the digital skills required to access employment and progress at work. We have chosen not to prioritise wider skills interventions within our UKSPF. Instead, we will use alternative skills funding available to the region (Adult Education Budget, National Skills Fund, Multiply), to reduce the demands on UKSPF whilst increasing our overall capacity to deliver skills and training that meet the needs of local residents and businesses.

Interventions

In this section, we will ask you about:

- Interventions you've chosen for each year of funding
- Outcomes you want to deliver
- Any interventions that are not listed here
- How these interventions fall under the UKSPF investment priorities, and your rationale for them
- Interventions not included in our list will be assessed before being approved, where you will need to show a clear rationale, how the intervention is value for money, what outcomes it will deliver and how you will monitor and evaluate the intervention. This may include a theory of change or logic chain.

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

Outcome	Tick if applicable
<i>Note – this section will be updated when finalised expenditure and deliverables info is shared with us by LAs.</i>	
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	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE COMMUNITIES AND PLACE INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

E1: Funding for improvements to town centres and high streets, including better accessibility for disabled people, including capital spend and running costs.
E2: Funding for new, or improvements to existing, community and neighbourhood infrastructure projects including those that increase communities' resilience to natural hazards, such as flooding. This could cover capital spend and running costs.
E3: Creation of and improvements to local green spaces, community gardens, watercourses and embankments, along with incorporating natural features into wider public spaces.
E5: Design and management of the built and landscaped environment to 'design out crime'.
E6: Support for local arts, cultural, heritage and creative activities.
E8: Funding for the development and promotion of wider campaigns which encourage people to visit and explore the local area.
E9: Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.
E11: Investment in capacity building and infrastructure support for local civil society and community groups.
E12: Investment in community engagement schemes to support community involvement in decision making in local regeneration.
E13: Community measures to reduce the cost of living, including through measures to improve energy efficiency, and combat fuel poverty and climate change.
E14: Funding to support relevant feasibility studies.
E15: Investment and support for digital infrastructure for local community facilities.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE COMMUNITIES AND PLACE LIST?

State the name of each of these additional interventions and a brief description of each of these

We do not plan to use any interventions not included in the communities and place list.

Explain how each intervention meets the Communities and Place investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

n/a

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes | No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

n/a

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Describe these projects, including how they fall under the Communities and Place investment priority and the location of the proposed project.

Specific projects under the communities and place investment priority have not yet been identified.

Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes | No

Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.

n/a

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 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	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

E18: Supporting Made Smarter Adoption: Providing tailored expert advice, matched grants and leadership training to enable manufacturing SMEs to adopt industrial digital technology solutions including artificial intelligence; robotics and autonomous systems; additive manufacturing; industrial internet of things; virtual reality; data analytics. The support is proven to leverage high levels of private investment into technologies that drive growth, productivity, efficiency and resilience in manufacturing.

E19: Increasing investment in research and development at the local level. Investment to support the diffusion of innovation knowledge and activities. Support the commercialisation of ideas, encouraging collaboration and accelerating the path to market so that more ideas translate into industrial and commercial practices.

E20: Research and development grants supporting the development of innovative products and services.

E21: Funding for the development and support of appropriate innovation infrastructure at the local level.

E22: Investing in enterprise infrastructure and employment/innovation site development projects. This can help to unlock site development projects which will support growth in places.

E23: Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

E24: Funding for new and improvements to existing training hubs, business support offers, 'incubators' and 'accelerators' for local enterprise (including social enterprise) which can support entrepreneurs and start-ups through the early stages of development and growth by offering a combination of services including account management, advice, resources, training, coaching, mentorship and access to workspace.

E26: Support for growing the local social economy, including community businesses, cooperatives and social enterprises.

E27: Funding to develop angel investor networks nationwide.

E28: Export Grants to support businesses to grow their overseas trading, supporting local employment.

E29: Supporting decarbonisation and improving the natural environment whilst growing the local economy. Taking a whole systems approach to invest in infrastructure to deliver effective decarbonisation across energy, buildings and transport and beyond, in line with our legally binding climate target. Maximising existing or emerging local strengths in low carbon technologies, goods and services to take advantage of the growing global opportunity.

E30: Business support measures to drive employment growth, particularly in areas of higher unemployment.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE SUPPORTING LOCAL BUSINESS LIST?

State the name of each of these additional interventions and a brief description of each of these

We do not plan to use any interventions not included in the supporting local business list.

Explain how each intervention meets the Supporting Local Business investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

n/a

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.	
Yes	No
Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.	
n/a	

HAVE YOU ALREADY IDENTIFIED ANY PROJECTS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?	
Describe these projects, including how they fall under the Supporting Local Business investment priority and the location of the proposed project.	
Specific projects under the supporting local business investment priority have not yet been identified.	
Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance.	
Yes	No
Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.	
n/a	

WHAT ARE THE OUTCOMES YOU WANT TO DELIVER UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY? SELECT ALL THAT APPLY.	
Outcome	Tick if applicable
<i>Note – this section will be updated when finalised expenditure and deliverables info is shared with us by LAs.</i>	
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)	✓
Multiply only - Increased number of adults achieving maths qualifications up to, and including, Level 2.	
Multiply only - Increased number of adults participating in maths qualifications and courses up to, and including, Level 2.	
None of the above	

SELECT THE INTERVENTIONS YOU INTEND TO USE WHICH MEET THE PEOPLE AND SKILLS INVESTMENT PRIORITY. YOU CAN SELECT AS MANY AS YOU LIKE.

E33: Employment support for economically inactive people: Intensive and wrap-around one-to-one support to move people closer towards mainstream provision and employment, supplemented by additional and/or specialist life and basic skills (digital, English, maths* and ESOL) support where there are local provision gaps.

E34: Courses including basic skills (digital, English, maths (via Multiply) and ESOL), and life skills and career skills** provision for people who are unable to access training through the adult education budget or wrap around support detailed above. Supplemented by financial support for learners to enrol onto courses and complete qualifications.

E35: Activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

E36: Intervention to increase levels of digital inclusion, with a focus on essential digital skills, communicating the benefits of getting (safely) online, and in-community support to provide users with the confidence and trust to stay online.

E37: Tailored support to help people in employment, who are not supported by mainstream provision to address barriers to accessing education and training courses. This includes supporting the retention of groups who are likely to leave the labour market early.

E38: Support for local areas to fund local skills needs. This includes technical and vocational qualifications and courses up to level 2 and training for vocational licences relevant to local area needs and high-value qualifications where there is a need for additional skills capacity that is not being met through other provision.

E39: Green skills courses targeted around ensuring we have the skilled workforce to achieve the government's net zero and wider environmental ambitions.

E40: Retraining support for those in high carbon sectors.

E41: Funding to support local digital skills.

DO YOU PLAN TO USE ANY INTERVENTIONS NOT INCLUDED IN THE PEOPLE AND SKILLS LIST?

State the name of each of these additional interventions and a brief description of each of these

We do not plan to use any interventions not included in the people and skills list.

Explain how each intervention meets the People and Skills investment priority. Give evidence where possible, including why it is value money and the outcomes you want to deliver.

n/a

Do you consider that any of these interventions may provide a subsidy to potential recipients of the funding under the intervention's planned activity?

All bids must also consider how they will deliver in line with subsidy control as [set out in the guidance](#).

Yes

No

Detail the assessment you undertook to consider whether the intervention is a subsidy and any specific measures you will take to make sure the subsidy is permitted.

n/a

ENGLAND ONLY: People and Skills interventions can only be used in 2022-2023 and 2023-2024 if you have identified a local voluntary and community provision, previously supported by the

European Social Fund, at risk of closure. If you have not identified a suitable provision, you will not be able to select interventions for 2022-2023 and 2023-2024 and your investment plan will not be approved.		
HAVE YOU ALREADY IDENTIFIED ANY PROJECTS for 2024-2025 WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?		
Specific projects under the people and skills investment priority have not yet been identified.		
Describe the projects for 2024-25, including how they fall under the People and Skills investment priority and the location of the proposed project.		
n/a		
Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance .		
Yes	No	
Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.		
n/a		
HAVE YOU IDENTIFIED A LOCAL VOLUNTARY PROVISION AT RISK AS PART OF YOUR PEOPLE AND SKILLS INVESTMENT PRIORITIES?		
Yes	No	
(If Yes) Describe the local voluntary provision at risk and your rationale for supporting it.		
Provide the European Social Fund Project Names and Project References for this voluntary and community provision at risk.		
n/a		
What year do you intend to fund these projects? Select all that apply.		
2022-2023	2023-2024	2024-2025
Describe the projects for 2022-2023 and 2023-2024, including how they fall under the People and Skills investment priority and the location of the proposed project.		
n/a		
Do you consider these projects may provide a subsidy to potential recipients of the funding under the proposed planned activity? All bids must also consider how they will deliver in line with subsidy control as set out in the guidance .		
Yes	No	
Detail the assessment you undertook to consider whether the proposed projects constitute a subsidy and any specific measures you will take to make sure the subsidy is permitted.		
n/a		

Approach to delivery and governance

In this section, we will ask you about:

- Structures you have in place to support delivery
- Support you have from stakeholders and the local community
- How you've engaged with MPs as part of your investment plan
- Opportunities you have identified to work with other places

Places need to show how MPs that cover the lead local authority have been engaged on the investment plan and whether they support it. More detail on the role of MPs can be found here.

STAKEHOLDER ENGAGEMENT AND SUPPORT		
Have you engaged with any of the following as part of your investment plan? Select all that apply.		
Public sector organisations ✓	Private sector organisations ✓	Civil society organisations ✓

Describe how you have engaged with any of these organisations. Give examples where possible.

In developing our UKSPF Investment Plan, we have engaged extensively with a wide range of stakeholders – from the public sector, private sector and civil society – across the WMCA area. We will continue to engage with stakeholders as we develop detailed project and implementation plans, and review these throughout the duration of the programme.

Engagement has taken place through:

- A series of bilateral meetings with officers and leaders from the 7 Local Authorities that comprise the WMCA area.
- Engagement with existing networks and groups – for example LA/LEP skills officers’ group, LA/LEP Employment and Skills Boards, Colleges West Midlands, WMCA/Universities check-in meetings, West Midlands Combined Universities, Regional Business Council, WMCA Economic Impact Group, VCS Chairs Group, WMCA Faith Strategic Partnerships Group, WMCA Cultural Officers Group
- Engagement with WMCA taskforces and commissions – including homelessness task force, race equalities task force, Young Combined Authority
- Presentations for and meetings with individual organisations and sub regional groups/networks, on request – for example Office of the Police and Crime Commissioner
- A series of interactive webinars – open to all stakeholders, with recordings made available for those unable to attend
- Dedicated [webpage](#) and [email address](#) providing a single source of information and contact for queries.

Summarise the governance structures you have in place, including how any advisory panels or associated partnership groups are made up

WMCA have robust processes in place through a Single Assurance Framework (SAF) to ensure programmes meet our corporate aims and objectives. Our SAF is a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance through the lifecycle of a programme. This includes processes for ensuring accountability, probity, transparency and legal compliance, and for ensuring value for money is achieved across investments. This high level UKSPF Investment Plan has been taken through this SAF process, providing initial internal assurance and oversight. As we move into detailed project planning and delivery, project businesses cases will be developed using the green book 5 case business model which will also go through this SAF approval process.

In addition to the SAF processes, oversight, implementation and monitoring of the WMCA UKSPF Investment Plan and delivery activity will be the responsibility of the WMCA Economic Growth Board. Representation on this Board includes the WMCA Mayor and Leaders of our 7 constituent Local Authorities, Local Enterprise Partnership Chairs, Chair of WM Innovation Board, Chair of WM Growth Company and representatives from Midlands TUC, WM Chambers of Commerce and the Higher Education sector. The UKSPF will be monitored through this Board throughout the delivery period.

WMCA have also established a UKSPF Local Partnership Group, with representation across a wide variety of sectors, stakeholders and partners, aligned to the guidance as set out in the UKSPF Prospectus. A first meeting of the Group was convened to consider the outline Investment Plan and a second meeting took place in October to provide sector input and subject matter expertise into our more detailed proposals. Contact details for all members of the Group are provided on the [WMCA UKSPF webpage](#), alongside the terms of reference for the group, clearly outlining its role in supporting development of the Investment Plan, strategic fit and deliverability. Clear processes have been established around declarations of conflicts of interest and how these are managed as part of this Group.

The West Midlands Combined Authority Board provide final approval to submission of the plan and will receive updates annually as the plan is refined and programme delivery commences.

Confirm all MPs covering your lead local authority have been invited to join the local partnership group.

Yes

No

We have written to MPs sharing our Investment Plan and offering individual meetings to discuss this. All MPs were also invited to an MP engagement group. Local Authorities have also engaged with their local MPs in developing local plans. We will continue to engage with MPs as the programme develops.	
Are there MPs who are not supportive of your investment plan?	
Yes	No
(If Yes) Who are the MPs that are not supportive and outline their reasons why.	

PROJECT SELECTION	
Are you intending to select projects in any way other than by competition for funding?	
Yes	No
(If Yes) Describe your approach to selecting projects, and why you intend to do it this way.	
<p>The WMCA UKSPF Investment Plan has been developed in collaboration with our 7 Local Authority partners, recognising their key strategic and delivery role at a local level, aligned to local need. Through our detailed project planning process, a proportion of WMCA UKSPF funding will be awarded to support projects at a local level delivered by our Local Authorities, with a clear focus on community and place interventions.</p> <p>In developing more detailed project plans aligned to the objectives and interventions set out in our Investment Plan, we have established a process for Local Authorities to profile deliverables, including local interventions, outputs, outcomes and costs. Through regular one to one meetings with our Local Authority partners we will consider proposals in more detail, ensuring they are deliverable, compliant and will achieve maximum benefits to the area and region. We are also exploring opportunities to align regional and local offers through other funding streams, including our devolved AEB and Multiply, whilst also identifying opportunities for local projects or programmes to be expanded to cover a wider WMCA geography.</p> <p>Whilst the investment plan brings our local and regional proposals together into a clear consistent regional offer, we have a clear understanding of specific local interventions, outputs and outcomes that will form this wider plan. We will work with local partners as they progress to implementation, ensuring any onward commissioning of delivery activity is compliant with the requirements set out in the UKSPF MoU/Funding Agreement that is issued to the WMCA.</p> <p>The higher level interventions, outputs and outcomes as set in this plan have been considered by a number of Boards and Groups, both within the WMCA Governance process but also at Local Authority levels. This includes our WMCA UKSPF Local Partnership Group, WMCA/LA Heads of Economic Development, WMCA Economic Growth Board, West Midlands WMCA/LA Finance Directors, through to final approval by our WMCA full Board.</p> <p>Following submission and approval of the WMCA UKSPF Investment Plan, and a requirement of our WMCA assurance processes, we will update our UKSPF Programme Business Case to provide further detail on delivery activity against the themes set out in the UKSPF prospectus, for approval by our SAF Investment Board, aligned to the Green Book 5 stage business case model (as set out in the governance structures above).</p> <p>We have established a process to consider/assess at-risk VCS projects and brought together Local Authority partners and WMCA officers to consider businesses cases and potential to support these going forward. Our Local Authority partners have made commitments to work closely with the VCS sector in their areas, in particular to support delivery of community and place interventions. Our Local Authorities have also reviewed projects that have operated across more than one LA area and are working collaboratively to identify approaches to continue to support these projects or to re-shape offers based on current and evolving economic circumstances, ensuring flexibility can be built into local offers to meet changing needs and demands.</p>	

The processes proposed above are subject to the Grant Funding Agreement issued by government. In addition to this, full account is being given to the Government Functional Standards 015: Grants, and the Cabinet Office Guidance for General Grants. We anticipate a mix of open and closed/restricted competitions throughout the lifecycle of the programme and have dedicated legal, procurement and assurance resources who will ensure processes are compliant and transparent.

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE COMMUNITIES AND PLACE INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
Describe any interventions not included in this list?	
n/a	
Who are the places you intend to collaborate with?	
We do not currently intend to work with other places on any of the interventions under the communities and place investment priority.	

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE SUPPORTING LOCAL BUSINESS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
Describe any interventions not included in this list?	
n/a	
Who are the places you intend to collaborate with?	
We have not identified specific interventions under the supporting local business investment priority where we intend to work with other places. However, we are keen to maintain relevant economic geographies where appropriate and will therefore review this as the programme develops.	

DO YOU INTEND TO WORK WITH OTHER PLACES ON ANY OF THE INTERVENTIONS WHICH FALL UNDER THE PEOPLE AND SKILLS INVESTMENT PRIORITY?

Which interventions do you intend to collaborate on? Select all that apply.

Intervention	Tick if applicable
<i>A full list of nation-specific interventions is available in the relevant annex to the Prospectus.</i>	
Describe any interventions not included in this list?	
n/a	
Who are the places you intend to collaborate with?	
We do not currently intend to work with other places on any of the interventions under the people and skills investment priority.	

PUBLIC SECTOR EQUALITY DUTY

How have you considered your public sector equality duty in the design of your investment plan?

We have considered the public sector duty in the design of our investment plan, particularly with regards to stakeholder engagement and in the selection of our interventions and outcomes.

How will you consider your public sector equality duty when implementing your investment plan, including in the selection of projects?

Our investment plan outlines our high-level approach to UKSPF, and we have not yet identified specific projects. As we select projects, we will consider the public sector equality duty in line with the Equality Act 2010. In developing projects, we will set out information on equalities impact, identification of affected groups based on protected characteristics, and what, if any, measures have been identified in response to these impacts. This will enable us to ensure equality considerations shape the design of projects and appropriate mitigations are put in place. As we move into delivery, through our monitoring and evaluation processes we will seek supporting qualitative and quantitative data against these impacts, in order to review how these are being delivered and managed.

RISKS

Have you identified any key risks that could affect delivery, for example lack of staff or expertise?

Yes | No

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

This is a high-level UKSPF investment plan, with projects not yet fully detailed. As this activity progresses, we will closely work with all delivery partners to capture and monitor any specific project level risks. We will develop a risk register with contingency measures to mitigate risk at both project and programme level.

We have identified a number of programme-level risks that could affect delivery, associated with the inability to carry funds across financial years and the inability to invest in 'people and skills' until 24/25. These parameters and processes impose national restrictions in a way that prevents us from being agile and responsive and are counter to the principles of devolution. We have outlined these risks and our proposals for mitigation to DLUHC ministers and officials.

At a regional level we have identified a risk to spend for year 1 activity. Our rationale for this is based on the short delivery window the WMCA and delivery partners will have to mobilise and move into delivery for year 1 activity, particularly where onward commissioning activity is required. To mitigate this, we are engaged in ongoing dialogue with partners to re-check activity and delivery timescales, as well as working with regional and local finance directors to establish processes now to progress mobilisation of delivery activity as soon as the Plan is approved.

Have you identified any key fraud risks that could affect UKSPF delivery?

Yes | No

(If Yes) Describe these risks or issues, including the contingency measures you have in place to mitigate them.

Controls are in place within WMCA to identify potential fraud risks; these are incorporated into assurance and appraisal processes aligned to project development, award and delivery stages. This includes an internal review to check organisations are eligible to receive funding including cross checks at companies' house where applicable. Where delivery leads are looking to sub-contract or work with delivery partners, we will require a full flow down of funding agreement terms and conditions to be put in place.

Contract monitoring processes will be put in place throughout the lifetime of the UKSPF programme, replicating processes we already have in place for the Adult Education Budget (AEB), Community Renewal Fund and other funding streams, including regular reporting on financials, performance and milestones. Payment schedules will be put in place with delivery leads, this will include a requirement for leads to submit financial claims and supporting evidence. These are checked by WMCA Finance Officers and submitted to a payments and performance board, chaired by our S151 Officer.

Capacity and capability

In this section, we will ask you about:

- The capacity and capability of your team to manage funding
- The resources you have in place for work related to UKSPF

Your answers here will help us know how to support you with delivery. They will not affect the amount of funding you will get.

Answer as honestly as possible.

TEAM RESOURCE
<p>How many people (FTE) will be put in place to work with UKSPF funding?</p> <p>A total of 6.5 employees will be employed by the WMCA to oversee the implementation, marketing and communications, monitoring and reporting, and refresh requirements for SPF. This does not include existing internal WMCA resources who provide guidance and support on assurance, compliance, finance, legal, procurement, and data requirements.</p> <p>Our 7 Local Authority partners will also receive an allocation from the 4% management fee, to support local monitoring, reporting and oversight working closely with the WMCA UKSPF Programme Team.</p> <p>In-kind support is also being provided by the WMCA and Local Authorities in order to develop proposals, engage with local providers, oversee and lead on governance requirements, reporting and briefings and provide full oversight of the programme as it is developed and once in delivery.</p>
<p>Describe what role these people will have, including any seniority and experience.</p> <p>The dedicated resources will support as follows:</p> <ul style="list-style-type: none"> • x1 Senior Delivery Manager, UKSPF – Leading day to day operational and contractual delivery. To have full oversight of UKSPF projects including performance, risks and issues. To work with delivery leads to ensure successful delivery of projects, share lessons learned, best practise and support annual updates to WMCA UKSPF Investment Plan. To provide updates to respective Boards, Meetings, Group on SPF activity. • x1 UKSPF Monitoring and Evaluation Officer – To provide performance management and monitoring of projects/programmes. To include contract, performance and relationship management and programme compliance. • x2 UKSPF Project Officers – To lead and support on development and implementation of projects including assurance support, advice, guidance and support to delivery partners and monitoring and managing risks. To support UKSPF Partnership Group and other forums as required. • X0.5 Modelling and Forecasting Analyst – To provide data support in compiling UKSPF returns and analysis against targets/delivery. • X 1 Delivery Manager: Business Support – to lead on development, implementation and oversight of SPF related Business support interventions. • X 1 Delivery Manager (Cluster Leadership) - responsible for convening and commissioning business-led cluster activities, including driving innovation and connections across the clusters to maximise benefits and opportunities in these areas. • x1 Marketing and Communications Officer – Senior level role providing support to the WMCA and 7 Local Authority Partners in raising awareness, good news stories and other related marketing and communications activities as required. • Resource Support will also be in place across our 7 Local Authorities to work with the WMCA team as outlined above. Providing project management, monitoring and evaluation capability on local delivery activity.

- Strong capability: Has extensive experience and/or a proven track record of delivery in this area.
- Strong capacity: High degree of confidence that there is enough staffing/resource to manage funding in this area.
- Some capability: Has previous experience of delivery in this area.
- Some capacity: Confident that there is enough staffing/resource to manage funding in this area.

- Limited capability: Does not have previous experience and/or no track record of delivery in this area.
- Limited capacity: Limited confidence that there is enough staffing/resource to manage funding in this area. Additional resource may be needed to support delivery.

CAPACITY AND CAPABILITY		
How would you describe your team's current experience of delivering funding and managing growth funds?		
Very experienced	Some experience	No previous experience
How would you describe your team's current capability to manage funding for procurement?		
Strong capability	Some capability	Limited capability
How would you describe your team's current capability to manage funding for procurement?		
Strong capability	Some capability	Limited capability
How would you describe your team's current capacity to manage funding for procurement?		
Strong capacity	Some capacity	Limited capacity
How would you describe your team's current capability to manage funding for subsidies?		
Strong capability	Some capability	Limited capability
How would you describe your team's current capacity to manage funding for subsidies?		
Strong capacity	Some capacity	Limited capacity

COMMUNITIES AND PLACE CAPACITY AND CAPABILITY		
Does your local authority have any previous experience of delivering the Communities and Place interventions you have select?		
Yes	No	
How would you describe your team's current capability to manage funding for Communities and Place interventions?		
Strong capability	Some capability	Limited capability
Describe the key capability challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.		
n/a		
Describe what further support would help address these challenges.		
n/a		
How would you describe your team's current capacity to manage funding for Communities and Place interventions?		
Strong capability	Some capability	Limited capability
Describe the key capacity challenges (if you have any) for delivering Communities and Place interventions. This may include challenges within your local authority and/or your local/regional delivery system.		
n/a		
Describe what further support would help address these challenges.		
n/a		

SUPPORTING LOCAL BUSINESS CAPACITY AND CAPABILITY		
Does your local authority have any previous experience of delivering the Supporting Local Business interventions you have select?		
Yes	No	
How would you describe your team's current capability to manage funding for Supporting Local Business interventions?		
Strong capability	Some capability	Limited capability
Describe the key capability challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.		

As a result of LEP integration and BEIS' decision to reduce funding to Growth Hubs by 50%, partners across the West Midlands are establishing the shape and structure of a future cohesive business support system that is co-designed and commissioned regionally, with local delivery. The West Midlands Business support review sets the vision direction, with the WMCA's Economic Growth Board taking on new decision-making responsibility. The challenges include the system's agility to work alongside private sector provision to meet changing business needs such as energy costs and changing market needs.

Describe what further support would help address these challenges.

Clear positions from Government about the structure and funding of business support activities, including the position on Growth Hubs, national programmes like Help to Grow and the local interface with national agencies like British Business Bank and HMRC.

How would you describe your team's current capacity to manage funding for Supporting Local Business interventions?

Strong capability	Some capability	Limited capability
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Describe the key capacity challenges (if you have any) for delivering Supporting Local Business interventions. This may include challenges within your local authority and/or your local/regional delivery system.

n/a

Describe what further support would help address these challenges.

n/a

PEOPLE AND SKILLS CAPACITY AND CAPABILITY

Does your local authority have any previous experience of delivering the People and Skills interventions you have select?

Yes	No
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How would you describe your team's current capacity to manage funding for People and Skills interventions?

Strong capability	Some capability	Limited capability
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Describe the key capability challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.

n/a

Describe what further support would help address these challenges.

n/a

How would you describe your team's current capacity to manage funding for People and Skills interventions?

Strong capability	Some capability	Limited capability
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Describe the key capacity challenges (if you have any) for delivering People and Skills interventions. This may include challenges within your local authority and/or your local/regional delivery system.

n/a

Describe what further support would help address these challenges.

n/a

SUPPORT TO DELIVERY UKSPF

All lead authorities can use up to 4% of their UKSPF allocation to support the delivery of their chosen interventions but by exception, lead authorities will be able to use more than 4%. Are you planning to use more than 4%?

Yes	No
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(If Yes) Explain why you wish to use more than 4%.

n/a

Approvals

Before submitting your investment plan, you should have approval from your:

- Chief Executive Officer
- Section 151 Officer
- Leader of your lead authority

Do you have approval from your Chief Executive Officer for this investment plan?

- Yes
- ~~No~~

Do you have approval from your Section 151 Officer for this investment plan?

- Yes
- ~~No~~

Do you have approval from the leader of your lead authority for this investment plan?

- Yes
- ~~No~~

If you do not have approval from any of these people, please explain why this is:
--

n/a

Additional documents

You will have received an email giving you access to a folder where you will need to upload supporting evidence to your investment plan. All applicants must complete and upload the following spreadsheet to the folder prior to submitting their investment plan:

- UKSPF Expenditure Profile spreadsheet
- UKSPF Indicative Deliverables spreadsheet

Your investment plan submission will be considered incomplete without the required documents.

Have you completed and uploaded the two spreadsheets to the SharePoint folder as requested?

- Yes
- ~~No~~

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Economic Growth Board

Date	Friday 23 September 2022
Report title	West Midlands Innovation Accelerator
Portfolio Lead	Economy and Innovation – Councillor Ian Brookfield WMCA Portfolio lead for Economy and Innovation
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 (7 September) Directors of Economic Development (24 August)

Recommendation(s) for action or decision:

The Economic Growth Board is recommended to:

1. Note the progress and process for the development of the Innovation Accelerator.
2. Endorse the regional strategic prioritisation criteria developed by the Innovation Board on 7 September (Annex A).

1 Purpose

1.1 The purpose of this report is for the Economic Growth Board to agree:

- How the Innovation Accelerator aligns with the region's broader ambitions to increase investment in public R&D and the exploitation of commercial potential.
- The current status of activity, with 35 projects being invited to submit fully costed proposals.
- The specific regional prioritisation criteria developed by the Innovation Board to be used to determine the high-quality R&D projects to be included in the West Midlands Innovation Accelerator.
- The process that will be used for decision-making.

2 Strategic opportunity of the Innovation Accelerator

2.1 The specific aim of the West Midlands Innovation Accelerator (WMIA) is to accelerate the growth of regional clusters of excellence in Health and Medical Technologies and Clean-Tech, delivered through: development of applied and translational research; the application of regional strengths in engineering, manufacturing, and advanced computing; and supported by a robust regional innovation framework and networks.

2.2 The WMIA also provides a larger strategic opportunity, connecting five factors:

- An explicit commitment from Government in the Levelling-Up White Paper to both **increase public investment in R&D** to £20bn by 2024/5 en route to the aim of 2.7% of GDP by 2030, and for **BEIS to invest at least 55% of public R&D funding outside the Greater Southeast** by 2024/5.
- In this context, the West Midlands' ambition through the **Trailblazing Devolution Deal is to double public R&D funding by 2030 to over £1bn** and ensure that this drives commercial growth in clusters with greatest potential. As well as directly funding £33m of activity, it is expected that **the WMIA will produce a pipeline of quality-assured projects, aligned with the region's growth priorities** and which can be mobilised quickly.
- The White Paper ambitions are also prompting Innovate UK and the wider UKRI family of research funders to work differently, with **the Innovation Accelerator a new way of developing those approaches and relationships**. Indro Mukerjee, Chief Executive of Innovate UK has met with the Mayor and Innovation Board and agreed to create a formal action plan for working together, including regular senior meetings and a dashboard for actions/information-sharing to continue to foster an open, honest and transparent relationship. Already, there has been increased West Midlands input to Innovate UK's 2050 Manufacturing Vision and plans for a workshop on the new Innovate UK 'shop-front' aligned to its Future Economy review (which is relevant to the new coherent business support system).
- Through the [West Midlands Plan for Growth](#), the region has a clear focus of those clusters that can drive above-forecasted levels of growth. This depends on **strong cluster leadership** and the WMCA and partners are working with business to put that business-led leadership in place and connect effectively across the cross-cutting interventions like business finance, skills, FDI and land supply.
- **Sharpening the West Midlands innovation narrative**, emphasising how we build upon our heritage of engineering and manufacturing with a high quality, modern research base and clusters of businesses exploiting commercial opportunity. This work is being spearheaded by the Chair of the Innovation Board and will result in tailored messages to target audiences such as regional businesses, international investors and government agencies.

2.3 The development of the WMIA is overseen by the Innovation Board, which reports into the decision-making Economic Growth Board. The Innovation Board itself has evolved to play this role, strengthening business voices (particularly in respect of the IA's areas of focus), including the region's innovation assets like the Catapult centres, and formalising declarations of interest.

3 Current status

- 3.1 The Economic Growth Board (4 July) agreed the scope of the WMIA based on the recommendation of the Innovation Board. The West Midlands Innovation Accelerator draft business plan was submitted on that basis to Innovate UK which has received positive comment and is incorporated into the single overall strategic business case along with the Innovation Accelerators in Greater Manchester and Glasgow City Region.
- 3.2 Using the West Midlands scope and areas of focus, the WMCA team worked with partners in June and July to identify market needs and opportunities within each cluster, and begin to identify ideas for WMIA proposals. This included 2 ideation workshops, attended by 203 stakeholders. The process is encouraging engagement across the business community - particularly SMEs with 65 businesses attending the workshops to provide market validation of the Innovation Accelerator approach. Representatives from the six leading universities in the region, the catapults and government agencies including IUK, DIT, and BEIS also attended.
- 3.3 Following this, the Innovation Board invited Expressions of Interest (EOIs) targeted at the key areas of focus. 60 EOIs have been received and had a light-touch assessment against the broad strategic aims of the WMIA, resulting in a longlist of 35 projects (inc. collaborations) with an initial overall envelope of £146.7m. Business development proposals for individual businesses were rejected, and 5 potential collaborations between bids have been identified. This means the funding envelope is expected to reduce as proposals develop and collaboration removes duplication. The longlist includes a mix of established partners and potentially new providers and offers a good balance across the areas of focus. We have been encouraged by the cooperation evident between the Universities in the EOI submissions.

Table 1: Expression of Intertest – Summary

Total IA Ask	£173,411,677
Total Eols received	60
Max ask	£20m
Min ask	£19k
Healthtech/MedTech Eols	23
Cleantech Eols	24
Cross Cluster Capacity Building Eols	13
Eols under £1m	22
Eols £1m - £5m	29
Eols £5m+	7
Undisclosed	1

Table 2: WM Innovation Accelerator – Eols Progress to Full Business Case Stage

Eols progressed to Full Business Case Stage

35

Healthtech/MedTech	9
Cleantech	15
Cross Cluster Capacity Building	11
Suggested collaborations	5 collaborations across 9 projects

4 Developing project detail and selection

4.1 There is currently a three-way process with:

- The Innovation Board leading the development of prioritisation criteria and process for the selection of projects. Draft criteria were considered by the Innovation Board on 7 September (including representatives of all six universities) and amendments have been made following suggestions. The final draft West Midlands prioritisation criteria is attached as Annex A for agreement by the Economic Growth Board, including a maximum value for WMIA support of £15m (though the overall size of projects will be larger with other public and private funding).
- Project leads of the 35 EOIs identified by the WMCA will be asked to submit fully costed business plans by 26 October. This uses the Innovate UK portal but will be built around the regional prioritisation criteria set by the WMCA Economic Growth Board and Innovation Board, as above. There will also be assurance about deliverability and value for money, undertaken by Innovate UK to ensure consistency across the three regions as part of the co-design process. At the request of Innovate UK, the WMCA has put forward potential assessors to assist in this process drawn from the WMCA, the universities and LEPs. The WMCA and Innovate teams have been running briefings with project leads, ahead of the portal for full business cases being first review. The WMCA will be supporting the applicants by running a Q&A session on the IUK assessment and regional prioritization criteria on 15 September.
- The WMCA team and partners using this process to forge greater influence over future decision-making. This includes sharpening communications, ensuring the WMIA results in a powerful pipeline of investable R&D projects and using the commitment of Innovate UK, UKRI and university leaders to embed greater local decision-making over R&D funding to drive research excellence and commercial growth.

4.2 The result will be that the West Midlands Innovation Board and Economic Growth Board will recommend, agree and endorse the £33m of projects that form the West Midlands Innovation Accelerator. The Innovation Board has been clear and consistent that this will be a relatively small number of projects (less than 10; potentially a handful) to maximise impact. It is crucial that the Innovation Accelerator projects are supported and reinforced by both the existing innovation ecosystem

4.3 There is a detailed timeline for project selection which comprises:

- **November:** Parallel assessment by the WMCA Assurance team of project against regional prioritisation criteria (Annex A) and by Innovate UK against deliverability and value for money thresholds.
- **1 December (tbc):** A independent Selection Panel will select a balanced portfolio of projects according to their score highly on regional prioritisation. The panel will include the Chair of the Innovation Board, senior officials from WMCA and local government and business leaders with specialist knowledge about the med-tech and clean tech clusters.
- **7 December:** Innovation Board to consider outcome of Selection Panel and decide upon the projects, with further endorsement from Economic Growth Board.
- **January – March 2023:** Due diligence and contracting between successful projects and Innovate UK.
- **1 April 2023:** Successful projects expected to begin delivery.

5 Financial Implications

- 5.1 The WMCA will not be the Accountable Body for the Innovator Accelerator funding. All funding will be contracted between IUK and the project delivery partners. Most of the public funding for the WMIA will be available in financial years 2023/4 and 2024/5, however small amounts of funding may be available in 2022/23 FY to support the identification and development of project proposals.

6 Legal Implications

- 6.1 There are no immediate legal implications arising from this report.

7 Equalities Implications

- 7.1 Innovation Accelerator applicants will be asked to explain how their project will create future proofed, secure, well-paid jobs directly or indirectly, especially for Women, disabled people, people from disadvantaged socio-economic backgrounds and BAME communities in the West Midlands.

8 Inclusive Growth Implications

- 8.1 The WMIA will place inclusive economic growth at the heart of project design. Applicants to the Innovation Accelerator will be asked to describe how their project will support Inclusive Growth activity within the West Midlands, by linking knowledge-intensive activities in areas of higher productivity with initiatives in parts of the region with lower productivity.

9 Geographical Area of Report's Implications

- 9.1 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.

10 Other Implications

- 10.1 None

Annex A: Innovation Accelerator Scope and Prioritisation Criteria

The aim of the West Midlands Innovation Accelerator (WMIA) is to accelerate the growth of regional clusters of excellence in Health-Tech & Med-Tech and Clean-Tech, delivered through the exploitation of applied and translational research; the application of regional strengths in engineering, manufacturing and advanced computing; and supported by a robust regional innovation framework.

By targeting resources and expertise according to the region's strongest cluster growth opportunities, the West Midlands will use the Accelerator to:

- Build greater capacity and capability to perform high-quality applied and translational R&D, driving commercial returns and investment, regional growth and societal needs.
- Strengthen public R&D assets in areas with a credible case for commercial success and cluster growth, diversifying and making the regional economy more resilient.
- Help double public R&D investment to the region by 2030.
- Address significant societal challenges on net-zero and health inequalities.

Proposals must focus on one or more of the following:

HealthTech & MedTech:

Including monitoring of wellbeing, mental health and telehealth, including wearables, software applications and data. Equipment, medical devices, machines, diagnostics, software and tools.

Clean Tech:

Products, processes or services (and associated supply chains) which reduce or eliminate emissions to the environment and waste, and minimise the use of natural resources, including harnessing sources of renewable energy.

Innovation Capability and Capacity

Supporting cross-sector R&D and innovation through supporting the operation of the regions Innovation Ecosystem.

The maximum grant request for a project funded through the Innovation Accelerator will be £15,000,000

West Midlands Prioritisation Criteria

The WMCA wants to fund a variety of projects across different technologies, technological maturities, markets and cluster areas and targeting businesses at different scales and stages of growth.

WMCA is working in parallel with Innovate UK. The West Midlands (through Innovation Board processes and the Economic Growth Board) will determine the projects that will be funded. In doing so, the West Midlands will build upon assurance by Innovate UK about deliverability and value for money, determining regional priorities using the bespoke criteria below shaped by the Innovation Board.

A West Midlands Selection Panel will select a balanced portfolio of projects from those which pass the Innovate UK threshold and score highly on regional prioritisation. The recommended balanced portfolio of projects will be presented to the Innovation Board for endorsement.

The WMCA Assurance Team supported by members of the Economy Team will use the below strategic criteria to score the proposals.

Strategic Fit and Policy Alignment (total 60%)

Regional Economy (40%)

- The project is of sufficient scale to deliver significant economic impact.
- The project aligns with the [West Midlands Plan for Growth](#) and the details and opportunities identified as [strategic priorities in ideation workshops](#).
- The project is clear about its target SME business base and approach – such as business maturity (e.g. start-ups and/or established firms); certain sizes, supply-chains or locations.
- The project will deliver/develop an increase in capacity and capability to perform R&D within the West Midlands with evidence of commercial growth and economic impact.
- The project positively helps level-up economic performance in the West Midlands and supports inclusive growth across the region.
- The project is clear about how it delivers additional local and regional benefits by aligning with existing public sector R&D activity.

National Economy (10%)

- The project credibly contributes to nationally significant innovation activity or enhances/enables delivery from a nationally significant innovation asset in the West Midlands.
- The project demonstrates support for [national innovation priorities](#), and complements and/or levers national Research Development & Innovation activity.
- The project enhances the UK and West Midlands opportunity to secure foreign direct investment or trade opportunities and it is clear how these will be leveraged.

Societal Challenges Across the Region (10%)

- The project helps the region tackle wider societal challenges, such as:
 - The #WM2041 commitment to be [carbon neutral by 2041](#).
 - [Addressing inequalities](#) identified by the Race Equality Taskforce.
 - Addressing established inequalities including those for women, disabled people and people from disadvantaged socio-economic backgrounds in the West Midlands.

Sustainability (20%)

- The project demonstrates a long-term, large-scale commercial/ market opportunity for the West Midlands, with strong business commitment.
- The project describes how it will sustain its activities, impacts and track benefits beyond the timescales of the Innovation Accelerator pilot.
- The project outlines how it will leverage private sector or further public sector funding beyond any match funding.

Collaboration (20%)

- The project will use business and public institutions in the West Midlands to enhance project outcomes and deliverables. As appropriate, this may also apply to partners outside of the West Midlands with justification.
- The project contributes to the strategic plans of more than one partner to increase R&D excellence and lever further public R&D investment in the West Midlands.
- The project has considered how it will align with and complement the region's existing research, development and innovation assets and programmes.

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Economic Growth Board

Date	Friday 23 September 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.

1 Purpose

- 1.1 For the Economic Growth Board to update its work programme. EGB's work and decisions will support 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 any standing items.
- 2.2 The revised work programme is attached at Appendix 1 and will continue to evolve as work is required and matures.

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 September 2022

	2 nd December '22	15 th February '23	Future meetings dates tbc '23
1. Oversight of regional economic strategies, plans, and their implementation, including influencing plans to attract government and commercial investment.	<p>Agree approach to mobilising West Midlands Plan for Growth and cluster leadership activity</p> <p>Endorse emerging direction on economic aspects of Trailblazer Devolution Deal</p> <p>Overview of the Digital Economy workstream of the West Midlands Digital Roadmap</p>	<p>Agree response to Life Chances Commission as it affects economic opportunity and outcomes</p> <p>Report on work of Housing and Land to further economic aims and Update on Brownfield Land and Land Task Groups</p> <p>Update on the next steps of the Circular Economy Routemap and progress</p> <p>Agree scope of the Business Taxation Review</p>	<p>Approach to driving inclusive growth across foundational sectors, beyond the West Midlands Plan for Growth</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>
2. Deliver inclusive economic growth through the West Midlands Jobs Plan, ensuring we link local communities to new jobs and opportunities.	<p>Update of Local Skills Improvement Plan</p> <p>Report of West Midlands skills initiatives</p>	<p>Update on skills and Local Skills Improvement Plan priorities and progress</p>	
3. Oversee a coherent and complementary approach to	<p>Agree LEP Integration Plan to be submitted to Government in January</p>	<p>Detailed update on West Midlands Co-Invest Fund</p>	



	2 nd December '22	15 th February '23	Future meetings dates tbc '23
business support across the region.	Shape and endorse details of business support structures , specifically focused on SPF activity Overview on access to finance and alignment with business support structures	Agree priorities and programme details for business support system	
4. Oversee the work of the Innovation Board and other relevant sub-Boards	Report from the Industrial Energy Taskforce and Repowering the Black Country Agree Create Central Business Plan 2023 - 33 and Financial Plan . Report from Cultural Leadership Board	Endorse West Midlands Innovation Board decisions about the Innovation Accelerator Direction of a joint delivery plan in conjunction with Innovate UK Report on Tourism: work of Tourism and Hospitality Advisory Board	Create Central – annual report Energy Capital – annual report
Standing Item(s)	Economic Conditions Report - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures.	Economic Conditions Report - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures.	Economic Conditions Report - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures.