



# AGENDA

No.	Item	Presenting	Pages
<b>Items of Public Business</b>			
1.	Apologies for absence	Chair	None
2.	Notification of Substitutes (if any)	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 - 23 September 2022	Chair	1 - 6
6.	Economic Conditions in the West Midlands	Delma Dwight	7 - 24
7.	West Midlands Growth Company Review	Chair	25 - 34
8.	UK Shared Prosperity Fund - Business Support in the West Midlands	Paul Edwards	35 - 40
9.	West Midlands Plan for Growth Update - including a focus on creative content and production growth cluster	Paul Edwards/ Matt Hammond/Suzie Norton	41 - 48
10.	Trailblazer Devolution Deal Update & West Midlands International Strategy	Jonathan Skinner	49 - 56
11.	West Midlands Innovation Accelerator	Mike Wright	57 - 62
12.	Economic Growth Board Work Programme	Jonathan Skinner	63 - 66
13.	Exclusion of the Press and Public To pass the following resolution: That in accordance with Section 100A (4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information)	Chair	None

14.	LEP Integration Update	Dr Julie Nugent	67 - 76
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**Date of Next Meeting - 27 January 2023**

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## West Midlands Combined Authority

### Economic Growth Board

Friday 23 September 2022 at 11.00 am

#### Minutes

#### Present

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

Councillor Peter Hughes  
Councillor Simon Phipps  
Andy Street  
Anita Bhalla

Corin Crane  
Matthew Hammond  
Mike Wright  
Councillor Mike Bird  
Councillor Karen Grinsell  
Rob Johnston

Portfolio Lead for Economy & Innovation  
Black Country Local Enterprise  
Partnership  
Sandwell Metropolitan Borough Council  
Dudley Metropolitan Borough Council  
Mayor of the West Midlands  
Greater Birmingham & Solihull Local  
Enterprise Partnership  
Black Country Chamber of Commerce  
West Midlands Growth Company  
West Midlands Innovation Board  
Walsall Metropolitan Borough Council  
Solihull Metropolitan Borough Council  
Midlands Trade Union Congress

#### Item Title No.

#### 9. Virtual Meeting

The Chair reported that because this meeting was being held virtually on MS Teams, under the terms of the WMCA's Constitution the meeting was inquorate. The decisions subsequently taken would formally be recommended to the Chief Executive, who would then approve those recommendations using her delegated authority to do so under the provisions of the Constitution.

#### 10. Apologies for absence

Apologies for absence were received from Councillor Courts (Solihull), Councillor Dormer (Non-Constituent Authorities) Councillor Duggins (Coventry) Councillor Sleigh (Portfolio Lead for Finance and Investments) Councillor Ward (Birmingham) and Lee Barron (Midlands Trade Unions Congress), Stuart Croft (Higher Education) and Sarah Windrum (Coventry & Warwickshire LEP).

#### 11. Notification of Substitutes

Councillor Karen Grinsell (Solihull) was nominated as the substitute for Councillor Courts and Rob Johnston (Midlands Trade Union Congress for Lee Barron).

**12. Chair's Remarks**

The Chair referred to the recent fiscal event with the announcement of Investment Zones in 3 potential areas in the West Midlands. Further details were awaited from Government and details would be reported to this board in due course.

**13. Minutes - 4 July 2022**

The minutes of the meeting held on 7 July 2022 were agreed as a correct record.

**14. Economic Conditions in the West Midlands**

The board considered a report of the Executive Director of Economic Delivery, Skills & Communities summarising the 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.

Delma Dwight (Black Country Consortium) highlighted key insights from the report.

Resolved: That the current economic conditions, including insight from the region's businesses and long-term economic forecasts be noted.

**15. Update on B ATP and Games-time impact**

The board considered a report of the Chief Executive of West Midlands Growth Company (WMGC) that provided an update on the impact of the Business & Tourism Programme (B ATP) activity to date, particularly during the Commonwealth Games and plans for the next 6 months.

Matt Hammond (WMGC) introduced the report.

The board also received a presentation from the Chief Executive of WMGC, Neil Rami, who highlighted performance to date, regional and local impacts of the Business & Tourism Programme and outlined the events that WMGC were involved in or leading during the next six months. He also conveyed his thanks to local authorities and partner organisations for their support and involvement in the programme.

Corin Crane (Black Country Chamber of Commerce) congratulated WMGC on their achievements and enquired as to how the profile of employment opportunities in the hospitality sector could be raised noting that these had not been well received.

Neil Rami advised that the West Midlands Tourism Board would support people in the leisure and tourism sectors including hospitality.

The Executive Director Economic Delivery, Skills and Communities, Dr Julie Nugent, reported that a Hospitality Taskforce has been set up to promote the sector through job fairs and other activities to encourage recruitment.

The Chair conveyed his thanks to Neil Rami and Matt Hammond on behalf of the board for the excellent work undertaken by WMGC.

Resolved: That progress to date be noted.

**16. West Midlands Growth Company - Future Funding and Priorities**

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that sought a comprehensive review of the future funding, focus and reporting framework for the West Midlands Growth Company.

The Chief Executive City of Wolverhampton Council, Tim Johnson, introduced the report and advised that the review would look to put in place a funding strategy for the sustainability of WMGC going forward and outlined the approach to the review as set out in paragraph 6.2 of the report.

The Chair reported that the Growth Company was vitally important for the West Midlands and if it didn't exist, it would need to be invented as it is the vehicle to bring investment into the region and he hoped everyone would be able to support the report's recommendations.

Matthew Hammond (WMGC) highlighted the importance of all partners working together and the scale of what can be achieved for the region.

Resolved:

1. The accompany paper (Annex A) that sets out the West Midlands Growth Company's summary of current activity, alongside proposed objectives for 2023- 24 be noted;
2. 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 (£6m finding from the WMCA/region plus £6m additional funding from government pursued through discussions about the Trailblazer Devolution and Commonwealth Games residual contingency) and to deliver any new activities that the region may require( £3m additional funding from UKSPF) be noted;
3. A detailed options review be initiated for the West Midlands Growth Company (WMGC) to identify and secure funding to deliver agreed priorities be agreed (in doing so, to take forward the recommendations of the West Midlands Business Support Review to ensure WMGC is fully embedded into the business support ecosystem, removing any duplication and ensuring activities are streamlined with appropriate governance and accountability)
4. The terms of reference for the review be delegated to the Portfolio Lead for the Economy, the Mayor and the Chair of WMGC;
5. That the review be led by the WMCA Chief Executive, Chief Executive of the City of Wolverhampton Council and the Chief Executive of the Growth Company (the leadership group will work closely with local authority chief executives and finance directors) be noted and

6. The key recommendations be submitted to the WMCA Board in November be noted.

## **17. LEP Integration Update - Progress Report**

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that provided an update on progress towards LEP integration.

Dr Julie Nugent, Executive Director Economic Delivery, Skills and Communities outlined the proposals for the 3 LEPs and reported that the WMCA was working through the details of the functions which each LEP.

Anita Bhalla (Greater Birmingham & Solihull LEP) provided an update on issues from the GBSLEP following their board meeting held the previous day. Anita reported on the importance of ensuring the business community's needs are heard moving forward in particular SMEs, and the need to consider equality implications. Concern was also expressed regarding staffing/TUPE matters and for these be dealt with as a matter of urgency.

Tom Westley (Black Country LEP) echoed Anita's concern regarding SMEs and the need for proper representation of business owners. He added that innovation was crucial for small businesses and would want to see this work well in the future.

Paula Deas (Coventry and Warwickshire LEP) reported on the timeline for the Coventry and Warwickshire LEP that is to close in March 2023 and the remodelling of the Coventry & Warwickshire Growth Hub.

In relation to comments regarding the representation of small businesses, the Executive Director Economic Delivery, Skills and Communities, Dr Julie Nugent referred to the section in the report entitled, 'Business Voice in Decision Making' and in particular 3.10 where it is recommended that LEP nominated private sector members of existing WMCA groups, excluding the WMCA Board have terms of service extended by a further year to support transition. Additionally, it is also recommended that this board will open up a place for an SME representative and will formalise the link between the Economic Growth Board and the Regional Business Council as outlined and, will review private sector representation post LEP integration in Autumn 2023.

The Chair confirmed he was comfortable with these proposals.

In relation to an enquiry from Councillor Peter Hughes as to how a SME nomination for the board would be sought, Dr Julie Nugent advised that the WMCA would look at the process that the LEPs use, utilising their network, ensuring this process is open/ transparent and would circulate this to board members in due course.

Resolved:

1. That progress to date be noted;



2. The status of the LEP integration plan be noted and
3. The next steps including key recommendations as set out to inform the final report submitted to WMCA Board be agreed.

**18. UK Shared Prosperity Investment Fund (UKSPF) Investment Plan**

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that provided an update on progress towards developing the WMCA's more detailed UKSPF Investment Plan for approval by the WMCA Board on 28 October 2022. The report set out the WMCA's approach, funding methodology, the focus on business support and next steps.

The Head of Insight & Intelligence, Dr Fiona Aldridge outlined the report and advised that following the submission of the outline Investment Plan to Government on 1 August, the WMCA was working with local authorities and strategic partners on developing a detailed Plan that would be submitted to the next meeting of the WMCA Board. The proposals would be focused on needs and local allocations to rebalance investment.

Paul Kitson (Birmingham City Council) reported of the need to ensure the proposals support SMEs and considered the need to do more from a Birmingham perspective around business support. He added that he would like the opportunity to shape the proposals for business as he was not in agreement with the allocation of funds as currently set out.

Dr Fiona Aldridge reported that she would work on the suggestions proposed to ensure the model was right but added that the full details were not included in the plan.

Dr Julie Nugent advised that funding was embedded in local areas but would ensure the language was more explicit in future to show delivery through local channels and undertook to speak to Paul Kitson with regards to his concerns.

Stephen Weir (Coventry City Council) considered that more work was needed in the SME area and that he would also like to see how the local support structure was maintained for Coventry.

Councillor Peter Hughes (Sandwell) echoed the support required for SMEs and that he would like to continue the conversation with Directors and Officers outside of the meeting.

Corin Crane (Black Country Chamber of Commerce) commented that he wanted to be able to see the balance between regional and local business support.

The Chair asked that Julie Nugent and Fiona Aldridge address any issues of concern with colleagues within the next week to enable an agreed report to be submitted to the WMCA Board on 28 October.

Resolved;

1. The contents of the report be noted and
2. The report be updated accordingly following discussions with local authority officers and partners for submission to the WMCA Board.

#### **19. West Midlands Innovation Accelerator**

The board considered a report of the Executive Director Economic Delivery, Skills and Communities that outlined progress and the process for the development of the Innovation Accelerator and sought endorsement for the regional strategic prioritisation criteria developed by the Innovation Board on 7 September.

The Chair of West Midlands Innovation Board, Mike Wright highlighted key areas in the report that included the scope and prioritisation of the Innovation Accelerator referred to in Annex A of the report.

The Head of Economic Partnerships & Policy, Jonathan Skinner advised the board that an update on the decision-making process for developing and selecting the project would be reported to the next meeting.

Resolved:

1. That progress and the process for the development of the Innovation Accelerator be noted and
2. The regional strategic prioritisation criteria developed by the Innovation Board on 7 September be endorsed.

#### **20. Economic Growth Board Work Programme**

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

The Head of Economic Policy and Partnerships, Jonathan Skinner advised that the work programme would be updated to include Investment Zones following the recent Government announcement.

Rob Johnston (Midlands Trades Union Congress) reported of the need for a strategy on what good jobs/work looks like in the light of Investment Zones which could take account of the work of a regional expert in this field such as Mike Lewis.

The Chair agreed with Rob Johnston's proposal noting that the topic has been raised at previous WMCA meetings.

Resolved: That the updated work programme attached to the report as Appendix 1 be noted.

The meeting ended at 12.30 pm.

## Economic Growth Board

<b>Date</b>	<b>Friday 2<sup>nd</sup> December 2022</b>
<b>Report Title</b>	<b>Economic conditions in the West Midlands</b>
<b>Portfolio lead</b>	Economy and Innovation – Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: <a href="mailto:julie.nugent@wmca.org.uk">julie.nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	

### Recommendations for action or decision:

- a) To note current economic conditions for the West Midlands, including insight from the region's businesses.

#### 1 Purpose

- 1.1 To support the Economic Growth Board's decision-making by providing a summary of:
- National economic policy developments
  - Long-term economic forecasts for the West Midlands;
  - Latest quantitative economic and regional labour market intelligence;
  - Summary of energy costs
  - Recent feedback from West Midlands businesses via the Regional Business Council and the Economic Impact Group.

#### 2 Background

##### ***National Economic Policy Update: Autumn Statement 2022***

- 2.1 On the 17<sup>th</sup> November 2022, HM Government published its Autumn Statement 2022<sup>1</sup>. The Statement covered a number of key elements of public life, however in regard to business, the economy and innovation some of the key announcements were:

##### Tax

- The threshold at which higher earners start to pay the 45p rate will be reduced from £150,000 to £125,140

<sup>1</sup> [Autumn Statement 2022: documents - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/104222/autumn-statement-2022.pdf)

- Personal allowance, National Insurance threshold, Inheritance tax thresholds will be held until April 2028
- The Dividend Allowance will be reduced from £2,000 to £1,000 in 2023, and £500 from April 2024
- The Annual Exempt Amount in capital gains tax will be reduced from £12,300 to £6,000 in 2023 and then to £3,000 from April 2024
- Vehicle Excise Duty will be applied to electric cars, vans and motorcycles from April 2025
- Fuel Duty to increase by 23%, worth around 12p a litre for a petrol car.
- Legally enforceable minimum wage for people aged over 23 will be increased from £9.50 to £10.42 an hour from April 2024.

### Business Tax

- Corporation Tax will increase to 25% for companies with over £250,000 in profits from 1 April 2023
- Diverted Profits Tax will increase from 25% to 31% from 1 April 2023
- The banking surcharge rate will be reduced to 3% from 1 April 2023
- The rate of the Energy Profits Levy, which applies to the profits of oil and gas companies operating in the UK and the UK Continental Shelf, will be increased from 25% to 35% from 1 January 2023 and the levy will remain in place until the end of March 2028
- A new temporary 45% Electricity Generator Levy on 'exceptional generation receipts' will be introduced from 1 January 2023 and also be legislated to end by 31 March 2028. The levy will be applied to groups generating electricity from nuclear, renewable and biomass sources, that undertake electricity generation in the UK and are either connected to a national grid or connected to local distribution networks.

### Business Support

- £13.6 billion package to support business rate payers, including:
  - Freezing the business rates multiplier for another year to protect businesses from rising inflation
  - An extended and increased relief for retail, hospitality and leisure businesses worth almost £2.1 billion
  - Reforming Transitional Relief - abolishing downwards transitional reliefs caps. The government also announced a £1.6 billion scheme to cap bill increases for businesses who will see higher bills as a result of the revaluation
  - Protection for small businesses who lose eligibility for either Small Business or Rural Rate Relief due to new property valuations through a 'Supporting Small Business' scheme worth over £500 million
  - Setting the Annual Investment Allowance to £1 million from April 2023. This will help many companies write off the cost of qualifying plant machinery investment in one go.
- The threshold for employer National Insurance contributions will be fixed until April 2028, but the Employment Allowance will continue to protect 40% of businesses from paying any NICS at all
- Plans for a possible online sales tax have been scrapped
- Investment Zones will now be centred around universities in "left behind areas" to help build clusters for new growth industries.

## Innovation

- Recommitment to public spending on R&D will increase to £20 billion a year by 2024-2025.

## ***Current regional economic conditions***

2.2 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 headlines in regard to businesses in the region:

**Regional Business Activity Index:** The West Midlands Business Activity Index rose from a 20-month low of 47.8 in September 2022 to 49.6 in October 2022 – although, remained below the 50-growth mark as West Midlands firms struggled to secure new business. West Midlands firms reported clients reducing spending linked to recession fears and financial difficulties.

**Regional Future Business Activity Index:** The West Midlands Future Business Activity Index decreased from 64.4 in September 2022 to 60.7 in October 2022, falling to the lowest point since the first Covid-19 lockdown. West Midlands firms remain confident of a rise in output over the next 12 months. However, optimism was restricted by concerns over the economic outlook and customer spending.

**WMCA (3 LEP) Enterprise Births:** Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise births in the WMCA (3 LEP) area by 1,395 (-23.7%, UK -16.8%) to a total of 4,490. When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise births by 1,275 (-22.1%, UK -24.9%). When compared to Q1 2020, enterprise births decreased in the WMCA (3 LEP) area by 1,825 (-28.9%, UK -39.6%).

**WMCA (3 LEP) Enterprise Deaths:** Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise deaths in the WMCA (3 LEP) area by 1,380 (-19.4%, UK -16.2%) to a total of 5,735. When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise deaths by 610 (-9.6%, UK -5.5%). When compared to Q1 2020, enterprise deaths increased in the WMCA (3 LEP) area by 85 (+1.5%, UK -6.8%).

2.3 The West Midlands Regional Economic Development Institute (WM REDI) produces a bi-weekly Monitor<sup>2</sup> which pulls together information across regional partners and beyond – including relevant regional, national, and global activity. At the time of writing, the latest edition was published on the 11<sup>th</sup> of November 2022.

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<sup>2</sup> [West Midlands Impact Monitor – 11th November 2022 – City REDI Blog \(bham.ac.uk\)](https://www.bham.ac.uk/cityredi/blog)



**Bank of England – Interest Rates:** The Bank of England recently increased its benchmark rate from 2.25% to 3%, this is the eighth consecutive increase since December 2021, pushing the rate to its highest level for 14 years. This also marks the biggest single increase since 1989. With interest rates rising, about 1.6 million people on tracker and variable rate mortgages will see an immediate increase in their monthly payments. The increase from 2.25% to 3% means those on tracker mortgages will pay about £73.50 more a month whereas, those on variable rate mortgages face a £46 increase. This comes on top previous interest rate rises. Compared with pre-December 2021 average tracker mortgage holders will be paying £284 more a month and variable mortgage holders about £179 more.

**Grocery Inflation:** Take home grocery sales rose by 5.2% in the 12 weeks to 30th October 2022 and four-week grocery price inflation has also hit another peak since Kantar began tracking these prices back in 2008, now sitting at 14.7%. Now Kantar is forecasting an annual £682 jump to consumers shopping bill if they continue to buy the same items as now. Additionally, over a quarter (27%) of households now saying they are struggling financially, almost double the proportion that were recorded last November. Kantar also reported that 9 in 10 of this group say higher food and drink prices are now a major concern, second only to energy bills.

**Regional 2021 Census data: Median Age:** Across the WMCA the 2021 Census has revealed that the LA which has the lowest Median average was Birmingham at 34, followed by Coventry at 35, and Sandwell at 37. It is unsurprising that Birmingham and Coventry had the youngest median, as these cities have higher numbers of university students in their geographies, which the ONS pointed out generally led to lower average median ages. Whereas LAs with the highest average Median age were Stratford-upon-Avon (48), followed by Wyre Forest (47) and Lichfield (46).

**Regional 2021 Census data: Household Deprivation:** LAs which had the highest proportion of household not deprived in any dimension were Warwick at 57.4%, Stratford-upon-Avon 56.5% and Rugby at 53.4%. This is unsurprising given these areas are more affluent areas. Comparative to less affluent areas which saw lower levels of deprivation. LAs with the lowest proportion of households not deprived in any dimension being Sandwell 37.9%, Walsall 40.2% and Wolverhampton 40.3%. Areas with the highest proportion of households deprived in four dimensions were Birmingham 0.39%, Coventry 0.37%, and Sandwell 0.30%. Areas with the lowest proportion of households deprived in four dimensions were Stratford-upon-Avon 0.05%, Rugby 0.09%, and Tamworth 0.12%.

**International Immigration:** Coventry now has the highest proportion of residents born outside of the UK, knocking Birmingham of the top spot since the 2011 census. However, every local authority has seen an increase in the number of residents born outside of the UK. Coventry, Birmingham, Sandwell, and Wolverhampton all have over a fifth of residents born outside of the UK. Whereas, Cannock Chase, North Warwickshire, and Lichfield all have below 5% of its population born outside of the UK.

### ***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. Likewise, it is an effective vehicle for sharing information across the region from the WMCA and its partners. Recent items have included:

**Cost of doing Business:** The Greater Birmingham Chamber of Commerce, in collaboration with the Black Country Chamber of Commerce and Coventry and Warwickshire Chamber of Commerce, produced a report detailing the particular difficulties businesses in the West Midlands were facing, in light of increased energy costs and sustained inflation on materials and labour costs and a summary of potential policy solutions to help businesses mitigate the economic turbulence. This provided a foundation for the group to discuss other potential short-, medium- and long-term policy solutions to support businesses in the West Midlands.

**Her Majesty Trade Commissioner for Europe:** The HMTCE for Europe, Chris Barton, attended a meeting of the EIG to provide information on the role of a Trade Commissioner and the responsibility of his team and the opportunities that were available in regard to trade with Europe. Members highlighted a number of sectors that could do with additional support in regards to exporting to Europe, including tech, green energy and manufacturing. There was a commitment for Trade Commissioner, the Department for International Trade and the WMCA to work closer together to support businesses in their overseas trade in Europe.

**Levelling Up Prospectus:** The Economic Impact Group received a timely update on the process surrounding the Trailblazing Devolution Deal with HM Government, as set out in the Levelling Up Whitepaper. Along with this, members received an overview of the Levelling Up Prospectus which sets out the West Midlands Combined Authority blueprint for levelling up in the region. The Prospectus also includes the tools that are needed in the region to tackle the challenges for today, while forging a region fit for the future. A copy of the Levelling Up Prospectus is available on the West Midlands Combined Authority [website](#).

**West Midlands Business Support:** Members requested further information on the future of business support in the region. Therefore, the EIG heard about the WMCA's plans on aligning the business support system, which was split into three elements. The first section provided an update on the integration of three Local Enterprise Partnerships (LEPs) in the region and their functions as predicated in the Levelling Up Whitepaper and what this would mean in practice, a review of the roles and functions of the West Midlands Growth Company as requested by the Economic Growth Board on 23<sup>rd</sup> September 2022 and finally, the UK Shared Prosperity Fund and the £42.2m allocated for supporting businesses to March 2025.

## ***Regional Business Council***

- 2.5** At the Regional Business Council on the 4<sup>th</sup> November 2022, members discussed the change in Prime Minister and Cabinet in HM Government, and what opportunities and risks this had presented for the region. Likewise, members considered the railway



services in the West Midlands given its importance for economic growth, particularly in regard to Great British Railways and the business case for the Midlands Rail Hub. Members received an update on how the £42.4m share of the UK Shared Prosperity Fund dedicated for business support could be utilised to support local SME businesses in the region and ways to improve awareness and uptake of support. Finally, the Council discussed business issues such as energy security, the impact of current economic conditions and pay strategies to help combat the Cost-of-Living issues for employees.

## Skills and Employment insights

2.6 Another key indicator 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 September 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 74.1%. Since the three months ending June 2022, the employment rate decreased by 0.8 percentage points (pp) and a 0.2 decrease when compared to the same period in the previous year.<sup>3</sup>
- **Regional Unemployment:** For the three months ending September 2022, the West Midlands Region employment rate (aged 16 – 64 years) was 74.1%. Since the three months ending June 2022, the employment rate decreased by 0.8 percentage points (pp) and a 0.2 decrease when compared to the same period in the previous year.<sup>4</sup>
- **Regional Inactivity:** For the three months ending September 2022, the West Midlands Region economic inactivity rate (aged 16 – 64 years) was 22.1%, an increase of 0.8pp from previous quarter and an increase of 0.4pp when compared to the previous year.<sup>5</sup>
- **Claimant Count:** There were 143,050 claimants in the WMCA (3 LEP) area in October 2022. Since September 2022, there has been an increase of 0.4% (+595) claimants in the WMCA (3 LEP) area, while the UK decreased by 0.1%. When compared to October 2021, the number of claimants has decreased by 16.6% (-28,395) in the WMCA (3 LEP) area, with the UK decreasing by 23.0% over the same period. When compared to March 2020 (pre-pandemic figures), the number of claimants has increased by 21.7% (+25,460) in the WMCA (3 LEP) area, with the UK increasing by 18.9% over the same period.<sup>6</sup>
- **Vacancies:** The number of job postings across the WMCA 3 LEP area increased by 3,124 month-on-month or 2.4% in October 2022. However, posting activity was mixed within each of the 19 local authority areas; with eight LA's recording an increase, two with no change and nine logging fewer postings than the previous month. Bromsgrove, Redditch, and Stratford-upon-Avon were hardest hit, all recording -3% fewer job postings; whilst Wyre Forest (9%), Warwick (6%), Birmingham (5%) and Wolverhampton (4%)

<sup>3</sup> Source: ONS, Labour Market in the Regions of the UK: November 2022

<sup>4</sup> Source: ONS, Labour Market in the Regions of the UK: November 2022

<sup>5</sup> Source: ONS, Labour Market in the Regions of the UK: November 2022

<sup>6</sup> ONS/DWP, Claimant Count, November 2022. Please note, when new data is released, the previous month is also revised.



performed relatively strongly. Posting intensity, i.e., the effort towards hiring for particular positions was strongest across the 7 Met. areas.<sup>7</sup>

### **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.

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<sup>7</sup> Source: Lightcast, November 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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WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Monthly Business Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	Trend	Relative to Peer Group <sup>1</sup>	Commentary																									
Business	Regional Business Activity Index <sup>2</sup> (monthly update)	51.9	58.4	59.1	54.5	49.7	51.1	50.3	49.3	47.8	49.6	<table border="1"> <thead> <tr> <th>Oct 2018</th> <th>Oct 2019</th> <th>Oct 2020</th> <th>Oct 2021</th> <th>Oct 2022</th> </tr> </thead> <tbody> <tr> <td>52.5</td> <td>50.6</td> <td>51.2</td> <td>56.9</td> <td>49.6</td> </tr> </tbody> </table>	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	52.5	50.6	51.2	56.9	49.6	WM: 2 <sup>nd</sup> Highest Region UK: 48.2 London: 49.7 (1 <sup>st</sup> ) South West: 42.3 (12 <sup>th</sup> )	The West Midlands Business Activity Index rose from a 20-month low of 47.8 in September 2022 to 49.6 in October 2022 – although, remained below the 50-growth mark as West Midlands firms struggled to secure new business. West Midlands firms reported clients reducing spending linked to recession fears and financial difficulties.															
	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022																																		
	52.5	50.6	51.2	56.9	49.6																																		
Regional Future Business Activity Index <sup>3</sup> (monthly update)	80.3	76.7	75.2	71.8	66.1	70.3	68.3	67.8	64.4	60.7	<table border="1"> <thead> <tr> <th>Oct 2018</th> <th>Oct 2019</th> <th>Oct 2020</th> <th>Oct 2021</th> <th>Oct 2022</th> </tr> </thead> <tbody> <tr> <td>59.3</td> <td>65.2</td> <td>64.8</td> <td>76.1</td> <td>60.7</td> </tr> </tbody> </table>	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	59.3	65.2	64.8	76.1	60.7	WM: 3 <sup>rd</sup> Highest Region Yorkshire & The Humber: 63.4 (1 <sup>st</sup> ) Northern Ireland: 43.2 (12 <sup>th</sup> )	The West Midlands Future Business Activity Index decreased from 64.4 in September 2022 to 60.7 in October 2022, falling to the lowest point since the first Covid-19 lockdown. West Midlands firms remain confident of a rise in output over the next 12 months. However, optimism was restricted by concerns over the economic outlook and customer spending.																
Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022																																			
59.3	65.2	64.8	76.1	60.7																																			
National Business Investment <sup>4</sup> (monthly – update due Dec 2022 revised)			£50.6bn Q1 2022				£52.4bn Q2 2022			£52.2bn Q3 2022		<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>£46.9bn Q1</td> <td>£50.6bn Q1</td> </tr> <tr> <td>£56.1bn Q2</td> <td>£56.2bn Q2</td> <td>£44.8bn Q2</td> <td>£49.9bn Q2</td> <td>£52.4bn Q2</td> </tr> <tr> <td>£55.5bn Q3</td> <td>£56.9bn Q3</td> <td>£48.8bn Q3</td> <td>£50.4bn Q3</td> <td>£52.2bn Q3</td> </tr> <tr> <td>£55.2bn Q4</td> <td>£56.7bn Q4</td> <td>£50.2bn Q4</td> <td>£51.0bn Q4</td> <td></td> </tr> </tbody> </table>	2018	2019	2020	2021	2022	£57bn Q1	£56.1bn Q1	£55.1bn Q1	£46.9bn Q1	£50.6bn Q1	£56.1bn Q2	£56.2bn Q2	£44.8bn Q2	£49.9bn Q2	£52.4bn Q2	£55.5bn Q3	£56.9bn Q3	£48.8bn Q3	£50.4bn Q3	£52.2bn Q3	£55.2bn Q4	£56.7bn Q4	£50.2bn Q4	£51.0bn Q4		N/A	Provisional figures show that UK business investment decreased on the quarter by 0.5% in Quarter 3 (Jul to Sep) 2022.  Business investment was 8.4% below the pre-coronavirus (Oct to Dec 2019) level in the latest quarter.
2018	2019	2020	2021	2022																																			
£57bn Q1	£56.1bn Q1	£55.1bn Q1	£46.9bn Q1	£50.6bn Q1																																			
£56.1bn Q2	£56.2bn Q2	£44.8bn Q2	£49.9bn Q2	£52.4bn Q2																																			
£55.5bn Q3	£56.9bn Q3	£48.8bn Q3	£50.4bn Q3	£52.2bn Q3																																			
£55.2bn Q4	£56.7bn Q4	£50.2bn Q4	£51.0bn 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).

<sup>1</sup> 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.

<sup>2</sup> NatWest, UK regional PMI – released November 2022

<sup>3</sup> NatWest, UK regional PMI – released November 2022

<sup>4</sup> Office for National Statistics (ONS), Business investment in the UK: July to September 2022 provisional results – released November 2022

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	Trend	Relative to Peer Group <sup>1</sup>	Commentary										
Business	<b>WMCA (3 LEP) Enterprise Deaths<sup>5</sup></b> (experimental ONS analysis by quarter) (quarterly – update due Jan 2023)			8,675 (Q1)			7,115 (Q2)			5,735 (Q3)		<table border="1"> <thead> <tr> <th>Q3 2018</th> <th>Q3 2019</th> <th>Q3 2020</th> <th>Q3 2021</th> <th>Q3 2022</th> </tr> </thead> <tbody> <tr> <td>4,135</td> <td>4,945</td> <td>4,140</td> <td>6,345</td> <td>5,735</td> </tr> </tbody> </table>	Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022	4,135	4,945	4,140	6,345	5,735	WMCA (3 LEP): Highest CA GMCA: 4,435 (2 <sup>nd</sup> ) Tees Valley: 730 (10 <sup>th</sup> )	Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise deaths in the WMCA (3 LEP) area by 1,380 (-19.4%, UK -16.2%) to a total of 5,735.  When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise deaths by 610 (-9.6%, UK -5.5%).  When compared to Q1 2020, enterprise deaths increased in the WMCA (3 LEP) area by 85 (+1.5%, UK -6.8%).
	Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022																			
4,135	4,945	4,140	6,345	5,735																				
<b>WMCA (3 LEP) Enterprise Births<sup>6</sup></b> (experimental ONS analysis by quarter) (quarterly – update due Jan 2023)			8,230 (Q1)			5,765 (Q2)			4,490 (Q3)		<table border="1"> <thead> <tr> <th>Q3 2018</th> <th>Q3 2019</th> <th>Q3 2020</th> <th>Q3 2021</th> <th>Q3 2022</th> </tr> </thead> <tbody> <tr> <td>4,945</td> <td>4,780</td> <td>4,805</td> <td>5,885</td> <td>4,490</td> </tr> </tbody> </table>	Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022	4,945	4,780	4,805	5,885	4,490	WMCA (3 LEP): Highest CA GMCA: 3,275 (2 <sup>nd</sup> ) Tees Valley: 530 (10 <sup>th</sup> )	Quarterly data shows that when comparing Q3 2022 to Q2 2022, there was a decrease of enterprise births in the WMCA (3 LEP) area by 1,395 (-23.7%, UK -16.8%) to a total of 4,490.  When comparing Q3 2022 to Q3 2021, there was a decrease in enterprise births by 1,275 (-22.1%, UK -24.9%).  When compared to Q1 2020, enterprise births decreased in the WMCA (3 LEP) area by 1,825 (-28.9%, UK -39.6%).	
Q3 2018	Q3 2019	Q3 2020	Q3 2021	Q3 2022																				
4,945	4,780	4,805	5,885	4,490																				

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

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

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Annual Business Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary
Business	WMCA (3 LEP) High Growth Enterprises <sup>7</sup> (annual – update due Nov 2023)	710	720	685	610	550		WMCA (3 LEP): Highest CA GMCA: 460 (2 <sup>nd</sup> ) Tees Valley: 80 (10 <sup>th</sup> )	The latest available data for the WMCA (3 LEP) area shows that the number of high growth enterprises has decreased further, from 610 in 2020 to 550 in 2021. This equates to a decrease of 9.8% (-60 enterprises), which is slightly below the UK decrease of 11.2%. The number of high growth enterprises has now decreased in each of the last 3 years, perhaps somewhat unexpected given major economic shocks.
	WMCA (3 LEP) Enterprise Births <sup>8</sup> (annual – update Nov 2023)	23,150	23,215	26,975	21,255	25,360		WMCA (3 LEP): Highest CA GMCA: 17,510 (2 <sup>nd</sup> ) Tees Valley: 2,620 (10 <sup>th</sup> )	In the WMCA (3 LEP) area, there were 25,360 enterprise births in 2021. This represents an increase compared to 2020 above the national average (+19.3% compared to +9.3% across the UK), but remains below pre-Covid levels (almost 27,000 births in 2019).
	WMCA (3 LEP) Enterprise Deaths <sup>9</sup> (annual – update due Nov 2023)	19,525	23,965	19,195	22,435	24,065		WMCA (3 LEP): Highest CA GMCA: 14,410 (2 <sup>nd</sup> ) Tees Valley: 2,250 (10 <sup>th</sup> )	Enterprise deaths in the WMCA (3 LEP) area increased by 7.3% (+1,630 deaths) since 2020 to 24,065 in 2021, slightly below the UK overall increase of 9.4%.
	WMCA (3 LEP) 3 Year Enterprise Survival Rates <sup>10</sup> (annual – update due Nov 2023)		54.7% (2015 birth)	44.5% (2016 birth)	43.1% (2017 birth)	47.5% (2018 birth)		WMCA (3 LEP): Lowest CA UK: 57.6% West of England: 63.3% (1 <sup>st</sup> ) GMCA: 51.9% (9 <sup>th</sup> )	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 the UK are higher than in the West Midlands). Of the 23,215 enterprise births in 2018 in the WMCA (3 LEP) area, 47.5% (11,035) were still active after 3 years compared to 57.6% for the UK.
	WM 7 Met. Innovation Active Businesses <sup>11</sup> (Biennial – update due May 2024)		36.8% (2016-18)		45.0% (2018-20)			WM 7 Met.: Joint 17 <sup>th</sup> (with Kent and Northumberland & Tyne & Wear) / 40 UK: 44.9% Inner London-East: 58.9% (1 <sup>st</sup> ) Highlands and Islands: 38.9% (40 <sup>th</sup> )	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%).

<sup>7</sup> ONS, Business Demography, UK 2021 – released November 2022

<sup>8</sup> ONS, Business Demography, UK 2021 – released November 2022

<sup>9</sup> ONS, Business Demography, UK 2021 – released November 2022

<sup>10</sup> ONS, Business Demography, UK 2021 – released November 2022

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

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Monthly Place Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	Trend	Relative to Peer Group	Commentary																									
Place	Birmingham City Centre Rent <sup>12</sup> (Quarterly – potential update due 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 <sup>nd</sup> /9 Average: £34.08 Bristol: £42.50 (1 <sup>st</sup> ) Liverpool & Cardiff: £23.00 (Joint 9 <sup>th</sup> )	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																																		
£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 Out of Town Rent <sup>13</sup> (Quarterly – potential update due Nov 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 <sup>nd</sup> Highest/ 9 Average: £21.41 Edinburgh: £29.00 (1 <sup>st</sup> ) Cardiff £15.50 (9 <sup>th</sup> )	There has been no change in Birmingham's out of town rent since 2020 – remaining at £26.00. This has only increased by £1 since 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																																		
£25.00 Q3	£25.00 Q3	£26.00 Q3	£26.00 Q3																																			
£25.00 Q4	£25.00 Q4	£26.00 Q4	£26.00 Q4																																			
Birmingham – City Core Industrial Market Rent <sup>14</sup> (update tbc)			£7.05 Per Sq ft (Q1)			£7.22 Per Sq ft (Q2)				£7.32 Per Sq ft (Q3)	<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>£7.22 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>£7.32 Q3</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	£7.22 Q2	£5.50 Q3	£5.87 Q3	£6.28 Q3	£6.73 Q3	£7.32 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 (£7.32) 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	£7.22 Q2																																		
£5.50 Q3	£5.87 Q3	£6.28 Q3	£6.73 Q3	£7.32 Q3																																		
£5.59 Q4	£5.98 Q4	£6.40 Q4	£6.90 Q4																																			

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

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

<sup>14</sup> CoStar – accessed October 2022

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	Trend	Relative to Peer Group	Commentary				
Place	Regional Retail and Recreation Footfall <sup>15</sup> (Index: 100= 3 <sup>rd</sup> Jan to 6 <sup>th</sup> 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)	94.8% (average daily index)	-	<table border="1"> <thead> <tr> <th>Aug 2021</th> <th>Aug 2022</th> </tr> </thead> <tbody> <tr> <td>95.4% (avg.)</td> <td>94.8% (avg.)</td> </tr> </tbody> </table>	Aug 2021	Aug 2022	95.4% (avg.)	94.8% (avg.)	<p>WM Region: 3<sup>rd</sup> Lowest UK: 90.7% Wales: 110.8% London: 76.7% (12<sup>th</sup>) (Avg. full month of August 2022)</p>	<p>Visits to retail and recreation locations have yet to be above pre-pandemic levels in the West Midlands region. In August 2022, it was at 94.8% which was above the UK average of 90.7%.</p>
	Aug 2021	Aug 2022															
95.4% (avg.)	94.8% (avg.)																
(WMCA 3 LEP) Gigabit broadband Connectivity <sup>16</sup> (tri-annual – update due December 2023)	78.8% (1,462,063 premises) As of Jan 2022					80.7% (1,500,681 premises) As of May 2022						<p>WMCA (3 LEP): 2<sup>nd</sup> Highest CA UK: 64.0% Tees Valley: 89.2% (1<sup>st</sup>) North of Tyne: 58.3% (10<sup>th</sup>)</p>	<p>In May 2021, the WMCA (3 LEP) was significantly above the UK-wide figure for gigabit connectivity (70.4% vs 38.7%). Meaning that the increase has since been steady for the WMCA (3 LEP) area to 80.7%, as the UK-wide area has had to significantly increase (to 66.6% in May 2022).</p>				

<sup>15</sup> Google Mobility – released October 2022 (excluding September 2022 as full month is not yet available)

<sup>16</sup> Ofcom, connected nations – released October 2022

Monthly Economy Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	Trend	Relative to Peer Group	Commentary
Economy	Regional GDP <sup>17</sup> (Quarterly – TBC potentially update due Nov 2022)			96.9 (Q1) (2019=100)					<p>Base 2019 = 100</p> <p>Q1 2020: 96.9, Q2 2020: 74, Q3 2020: 88, Q4 2020: 90, Q1 2021: 89, Q2 2021: 95, Q3 2021: 96, Q4 2021: 96, Q1 2022: 96.9</p>	<p>WM – 2<sup>nd</sup> Lowest Region England: 99.8 North West: 104.9 (1<sup>st</sup>) South East: 94.1 (10<sup>th</sup>) (Indexed to 2019 = 100)</p>	<p>When the base year is 2019 (= 100), in Q1 2022, the quarterly GDP indices for the West Midlands was 96.9, an increase from 96.7 in the previous quarter.</p> <p>Quarter on Quarter analysis shows for the West Midlands region, GDP growth increased by 0.2% in Quarter 1 2022, below the UK-wide growth of 0.7%.</p>
	Regional Exports in Goods <sup>18</sup> (Q – update due Jan 2023)			£25.8bn Year to Q1 2022			£26.5bn Year to Q2 2022		<p>£m</p> <p>Year to Q2 2016: £31.0bn, Year to Q2 2017: £33.0bn, Year to Q2 2018: £32.5bn, Year to Q2 2019: £28.5bn, Year to Q2 2020: £27.0bn, Year to Q2 2021: £25.8bn, Year to Q2 2022: £26.5bn</p>	<p>WM – 6<sup>th</sup> Highest Region South East: 12.3% (1<sup>st</sup>) Northern Ireland: 2.5% (12<sup>th</sup>)</p>	<p>In the year ending Q2 2022, the West Midlands region's export in goods value was worth £26.5bn, an increase of £321m (+1.2%) since the year ending Q2 2021. The UK increased by 12.3% to £338.4bn worth of exports in the year ending Q2 2022. The West Midlands had a trade deficit of £12.8bn in the year ending Q2 2022.</p>

<sup>17</sup> ONS, quarterly country and regional GDP – released November 2022

<sup>18</sup> HMRC, UK regional trade in goods statistics – released October 2022



WMCA ECONOMIC DASHBOARD – NOVEMBER 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 <sup>19</sup> (annual - update due end of Nov 2022)	£3bn	£3.3bn	£2.9bn				WM Region: 7.6% of UK total - 5 <sup>th</sup> Highest South East: 19.5% (1 <sup>st</sup> ) North East: 1.9% (12 <sup>th</sup> )	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 <sup>20</sup> (annual - update due end of Nov 2022)	£2.5bn	£2.7bn	£2.4bn	£2.3bn			WM Region: 8.4% of UK total - 4 <sup>th</sup> Highest East of England: 21.7% (1 <sup>st</sup> ) North East: 1.6% (12 <sup>th</sup> )	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 <sup>21</sup> (annual – update due Jun/Jul 2023)	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 <sup>22</sup> (annual – update due Jun/Jul 2023)	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.

<sup>19</sup> ONS, Business enterprise research and development – released November 2021  
<sup>20</sup> ONS, Gross domestic expenditure on research and development – released August 2021  
<sup>21</sup> Department for International Trade, inward investment - released July 2022  
<sup>22</sup> Department for International Trade, inward investment – released July 2022

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary														
Economy	WM 7 Met. GVA per Hour <sup>23</sup> (Annual – TBC update due late summer 2023)	£31.28	£32.31	£33.11	£33.70		<table border="1"> <caption>Trend Data</caption> <thead> <tr> <th>Year</th> <th>Value (£)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>28.84</td> </tr> <tr> <td>2016</td> <td>29.73</td> </tr> <tr> <td>2017</td> <td>30.62</td> </tr> <tr> <td>2018</td> <td>31.51</td> </tr> <tr> <td>2019</td> <td>32.40</td> </tr> <tr> <td>2020</td> <td>33.29</td> </tr> </tbody> </table>	Year	Value (£)	2015	28.84	2016	29.73	2017	30.62	2018	31.51	2019	32.40	2020	33.29	<p>WM 7 Met.: 5<sup>th</sup> Highest CA / 11 Greater London Authority: £50.70 (1<sup>st</sup>) Sheffield City Region: £28.84 (11<sup>th</sup>)</p>	<p>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.</p>
Year	Value (£)																						
2015	28.84																						
2016	29.73																						
2017	30.62																						
2018	31.51																						
2019	32.40																						
2020	33.29																						

<sup>23</sup> ONS, subregional productivity in the UK – released July 2022

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Monthly People Dashboard

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	Trend	Relative to Peer Group	Commentary										
People	WMCA (3 LEP) Claimants (16+) <sup>24</sup> (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)	143,870 (5.5% of Pop. aged 16-64)	143,420 (5.5% of Pop. aged 16-64)	142,455 (5.4% of Pop. aged 16-64)	143,050 (5.4% of Pop. aged 16-64)	<table border="1"> <tr><th>Oct 2018</th><th>Oct 2019</th><th>Oct 2020</th><th>Oct 2021</th><th>Oct 2022</th></tr> <tr><td>87,630</td><td>110,750</td><td>207,775</td><td>171,445</td><td>143,050</td></tr> </table>	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	87,630	110,750	207,775	171,445	143,050	WMCA (3 LEP): Highest CA UK: 3.6% GMCA: 4.9% (2 <sup>nd</sup> ) West of England: 2.5% (10 <sup>th</sup> )	There were 143,050 claimants in the WMCA (3 LEP) area in October 2022. Since September 2022, there has been an increase of 0.4% (+595) claimants, while the UK decreased by 0.1%. When compared to March 2020 (pre-pandemic figures), claimants have increased by 21.7% (+25,460) in the WMCA (3 LEP) area, with the UK increasing by 18.9% over the same period.
	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022																			
	87,630	110,750	207,775	171,445	143,050																			
	WMCA (3 LEP) Youth Claimants (18-24) <sup>25</sup> (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)	24,520 (6.2% of Pop. aged 18-24)	24,920 (6.3% of Pop. aged 18-24)	24,910 (6.3% of Pop. aged 18-24)	25,470 (6.4% of Pop. aged 18-24)	<table border="1"> <tr><th>Oct 2018</th><th>Oct 2019</th><th>Oct 2020</th><th>Oct 2021</th><th>Oct 2022</th></tr> <tr><td>17,045</td><td>21,420</td><td>42,460</td><td>30,470</td><td>25,470</td></tr> </table>	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	17,045	21,420	42,460	30,470	25,470	WMCA (3 LEP): 2 <sup>nd</sup> Highest CA UK: 4.6% Tees Valley: 7.7% (1 <sup>st</sup> ) West of England: 2.2% (10 <sup>th</sup> )	There were 25,470 youth claimants in the WMCA (3 LEP) area in October 2022. Since September 2022, there was an increase of 2.2% (+560) youth claimants, matching the UK growth rate. When compared to March 2020 (pre pandemic figures), youth claimants have increased by 12.8% (+2,890) in the WMCA (3 LEP) area, with the UK increasing by 7.6% over the same period.
Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022																				
17,045	21,420	42,460	30,470	25,470																				
WM 7 Met. Payrolled Employees <sup>26</sup> (monthly update)	1,188,160	1,190,661	1,192,651	1,195,731	1,201,028	1,206,396	1,210,217	1,207,006	1,213,325	1,220,940	<table border="1"> <tr><th>Oct 2018</th><th>Oct 2019</th><th>Oct 2020</th><th>Oct 2021</th><th>Oct 2022</th></tr> <tr><td>1,171,701</td><td>1,180,488</td><td>1,140,395</td><td>1,187,634</td><td>1,220,940</td></tr> </table>	Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022	1,171,701	1,180,488	1,140,395	1,187,634	1,220,940	WM 7 Met.: 3 <sup>rd</sup> Highest NUTS 2 / 41 Surrey, East and West Sussex: 1,291,532 (1 <sup>st</sup> ) Highlands and Islands: 206,231 (41 <sup>st</sup> )	Reflecting national trends in the last month, the number of payrolled employees has increased (+0.6% vs +0.2% UK), meaning there were over 1.22m payrolled employees in the WM 7 Met. area in October 2022.  When compared to March 2020 payrolled employees were 4.5% higher (+52,527) in the WM 7 Met. area – above the UK growth of 3.5%.	
Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022																				
1,171,701	1,180,488	1,140,395	1,187,634	1,220,940																				
WMCA (3 LEP) Employment Rate <sup>27</sup> (Q– update due Jan 2023)			72.2% Year Ending Mar 2022				71.7% Year Ending Jun 2022					WMCA (3 LEP): 4 <sup>th</sup> Lowest CA UK: 75.4% West of England: 81.4% (1 <sup>st</sup> ) Tees Valley: 68.8% (10 <sup>th</sup> )	In the year ending June 2022, the employment rate in the WMCA (3 LEP) area was 71.7%, compared to 75.4% for UK-wide. This was a 0.9pp decrease in the employment rate for the WMCA (3 LEP) area when compared to the year ending June 2021. The UK employment rate increased by 1.1pp over the same time period. For the WMCA (3 LEP) area to reach the UK rate of 75.1%, an additional 97,403 people are required.											

<sup>24</sup> ONS/DWP, claimant count – released November 2022  
<sup>25</sup> ONS/DWP, claimant count – released November 2022  
<sup>26</sup> ONS, labour market in the regions of the UK – released November 2022  
<sup>27</sup> ONS, Annual Population Survey – released October 2022

WMCA ECONOMIC DASHBOARD – NOVEMBER 2022

Themes	Indicator	January 2022	February 2022	March 2022	April 2022	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	Trend	Relative to Peer Group	Commentary	
People Page 24	WMCA (3 LEP) Economic Inactivity Rate <sup>28</sup> (Q – update due Jan 2023)			23.5% Year Ending Mar 2022			24.0% Year Ending Jun 2022						WMCA (3 LEP): 5 <sup>th</sup> Highest CA UK: 21.6% Tees Valley: 26.5% (1 <sup>st</sup> ) West of England: 16.9% (10 <sup>th</sup> )	The economic inactivity rate for the WMCA (3 LEP) area was 24.0% compared to 21.6% UK-wide for the year ending June 2022. This has increased by 1.4pp for the WMCA (3 LEP) while the UK increased by 0.1pp since the year ending June 2021.  In the year ending June 2022, the WMCA (3 LEP) had a higher percentage of people that were inactive when compared to the UK in two categories; students (31.4% vs 27.2%), and looking after the family/home (24.4% vs 19.6%).	
	WMCA (3 LEP) Modelled Unemployment <sup>29</sup> (Q – update due Jan 2023)			5.5% Year Ending Mar 2022			5.6% Year Ending Jun 2022						WMCA (3 LEP): 2 <sup>nd</sup> Highest CA England: 3.9% Tees Valley: 6.2% (1 <sup>st</sup> ) West of England: 2.1% (10 <sup>th</sup> )	The modelled figures show for the WMCA (3 LEP) area that unemployment rate was 5.6% compared to 3.9% for England for year ending June 2022. This equated to a decrease of 0.6pp for the WMCA (3 LEP), England-wide there was a decrease of 1.2pp when compared to the year ending June 2021.	
	WMCA (3 LEP) Economic Activity Rate <sup>30</sup> (Q – update due Jan 2023)			76.5% Year Ending Mar 2022			76.0% Year Ending Jun 2022							WMCA (3 LEP): 5 <sup>th</sup> Lowest CA UK: 78.4% West of England: 83.1% (1 <sup>st</sup> ) Tees Valley: 73.5% (10 <sup>th</sup> )	In the year ending June 2022, the economic activity rate in the WMCA (3 LEP) area was 76.0%, compared to 78.4% for UK-wide. This was a 1.4pp decrease in the economic activity rate for the WMCA (3 LEP) area when compared to year ending June 2021, UK-wide increased by 0.1pp. For the WMCA (3 LEP) area to reach the UK rate of 78.4%, an additional 61,127 economically active people are required.
	Unique Job Postings <sup>31</sup> (monthly update)	126,741	136,333	147,763	131,235	131,234	132,362	159,936	132,377	129,569	132,693		WMCA (3 LEP): Highest CA GMCA: 117,227 (2 <sup>nd</sup> ) Tees Valley: 8,913 (10 <sup>th</sup> )	There were 132,693 unique active jobs postings in October 2022. This has increased by 3,124 since September 2022. When compared to October 2021, unique job postings decreased by 475.	

Oct 2018	Oct 2019	Oct 2020	Oct 2021	Oct 2022
144,844	96,442	78,274	133,168	132,693

<sup>28</sup> ONS, Annual Population Survey – released October 2022

<sup>29</sup> ONS, modelled based estimates of unemployment – released October 2022

<sup>30</sup> ONS, Annual Population Survey – released October 2022

<sup>31</sup> Lightcast - November 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



<b>Date</b>	<b>Friday 2<sup>nd</sup> December 2022</b>
<b>Report Title</b>	<b>West Midlands Growth Company Review</b>
<b>Portfolio lead</b>	Councillor Ian Brookfield, Leader of City of Wolverhampton Council  WMCA portfolio lead for Economy and Innovation
<b>Accountable Chief Executive</b>	Laura Shoaf - Chief Executive, WMCA  Email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities  Email: <a href="mailto:julie.nugent@wmca.org.uk">julie.nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	

## Recommendations

Economic Growth Board is recommended to endorse the approach to the Review of the West Midlands Growth Company (WMGC), approving its Terms of Reference and noting the status of activity and key milestones in early 2023.

### 1 Purpose of Report

- 1.1 To seek the Economic Growth Board's (EGB) endorsement of the Terms of Reference for the WMGC Review (**Appendix A**) and inform about the status and phasing of its work.

### 2 Background

- 2.1 The EGB commissioned a Review of the WMGC at its last meeting (23 September). In commissioning the Review, the EGB felt that whilst there was a clear need for the West Midlands Growth Company to exist, there was, simultaneously, a need to review its scope and scale, and to develop a sustainable and affordable future funding model for these activities. The Review's Terms of Reference are attached as **Appendix A**. These have been developed by the Executive Steering Group in conjunction with the Review Sponsors<sup>1</sup>.
- 2.2 The Review will reflect wider work on economic functions, linked to the integration plan for LEPs. In doing so, it will determine what key functions the Growth Company should deliver, and how best to do that in a way that aligns with, and complements, the Combined Authority and local authorities. The review will also seek to demonstrate how best the Growth Company can support the delivery of the West Midlands Plan for Growth and WMCA Board priorities. It will present the Economic Growth Board, and the WMCA Board with a range of options to secure sustainable funding and establish

<sup>1</sup> Executive Steering Group is the Chief Executives of the WMCA, City of Wolverhampton Council and WMGC. The Review Sponsors are the Chair of the Economic Growth Board, Mayor and Chair of the WMGC.



appropriate governance for these activities, in a way that secures maximum efficiency and effectiveness. The process will include extensive engagement with local partners and stakeholders, to understand:

- the detail of activities needed to be undertaken by the Growth Company
- the extent to which these can be better aligned with other local and regional functions – for example, more alignment on location support and skills
- levels of funding needed – and impact on key deliverables
- expectations of potential funders
- outcomes of decisions on potential funding streams – including UKSPF, Trailblazer Devolution Deal, residual underspend on Commonwealth Games.
- clarity on establishing appropriate KPIs for future activity, to promote a fuller understanding of the impact secured.

The Review will report to the Economic Growth Board, WMCA Board and WMGC Board, with decisions made by the EGB and CA Board.

2.2 Further to the decision to establish a review, it has also become apparent that the Growth Company needs to secure £4m funds to remain as a going concern for 2023/24. The review will therefore also deal with responding to this short-term pressure – please see below.

2.3 The sequencing of decision points means that some short-term decisions need to be taken in parallel. However, the key milestones are:

- **Economic Growth Board** (23<sup>rd</sup> September) - Review commissioned
- **Mayor and Met Leaders discussion** (18<sup>th</sup> November) – discussion on progress and funding options for 2023/24
- **Investment Panel** (21<sup>st</sup> November) - to discuss WMGC business case for securing £4m funding for 2023/24
- **WMGC Audit Committee** (22<sup>nd</sup> November)
- **WMGC Board (AGM)** (1<sup>st</sup> December)
- **Economic Growth Board** (2<sup>nd</sup> December) - to receive update of review
- **Investment Board** (12<sup>th</sup> December) - to agree business case
- **WMCA Board** (16<sup>th</sup> December) – to take decision about £4m of support for 2023/24 subject to confirmation of funding sources and conclusion of the review
- **Economic Growth Board** (27<sup>th</sup> January) – to take a view on the future functions needed in the region and longer-term sustainable funding
- **WMCA Board** (10<sup>th</sup> February) – WMCA sign-off of funding for 2023/24 and decisions about longer-term functions, governance and funding
- **WMGC Board** – w/c 22<sup>nd</sup> March

2.4 **Functions** – to support the review, the WMCA is convening a series of workshops between the WMGC and local authorities to better understand the range of activities undertaken by the WMGC, their interface and impact across the region, and the potential for links with other partners and agencies. The broad activities considered include:





- *Inward investment*
- *Capital attraction*
- *Awareness raising, marketing and comms*
- *Tourism*
- *Business events*
- *Sporting events*
- *Cluster leadership*
- *Trade & export*
- *Strategic relationship management*
- *Facilitating mergers and acquisitions*
- *Securing private sponsorship of public assets*

The next stage is to develop a range of relative priorities and key deliverables, across activities, linked to potential funding scenarios, which will be worked up with WMGC and local authorities.

Alongside this, Met Leaders have asked us to consider the range of options for further efficiencies in delivery models – from maintaining current approach through to identifying opportunities for shared resources etc. This work is being undertaken in parallel and is being developed through the FDs network. It will build upon the work required to understand the minimum funding required to protect the GC as a going concern in 2023/24 which is currently going through the WMCA’s assurance framework.

***Discussions will engage local authorities individually and collectively, with recommendations to come through the Directors of Economic Development Group and Economic Growth Board (27<sup>th</sup> January 2023) before going to WMCA Board.***

2.5 **Funding** – discussions have considered the following activities and scenarios:

<p><b>Provide WMGC with comfort about a minimum viable level of income for 2023/24</b></p>	<ul style="list-style-type: none"> <li>• Report to WMCA Board on 16 December seeking agreement to a contribution from the region of <b>£4m for 2023/24</b> subject to Government decisions about UKSPF (£1.6m) and local contributions (£1.7m), either funded by residual contingency funding from the Commonwealth Games or local authorities.</li> <li>• This builds upon a Business Justification Case which has been assessed by the WMCA Investment Panel and is being considered by the Investment Board on 15 December.</li> </ul>
<p><b>Review of efficiencies</b></p>	<ul style="list-style-type: none"> <li>• The WMCA finance team have worked in conjunction with the WMGC on an efficiency review around the themes of:             <ul style="list-style-type: none"> <li>○ <b>Staffing</b>, reflecting the position on which functions are best undertaken by whom, and to what extent.</li> <li>○ <b>Non pay expenditure</b> such as rent and facilities to secure value for money.</li> <li>○ <b>Procured services</b> to remove duplication and secure efficiencies of scale.</li> <li>○ <b>Income generation</b>, including from universities and commercial sources, noting the WMGC’s legal status as a ‘teckal company’ limits commercial</li> </ul> </li> </ul>



	<p>income to a maximum of 20% but WMCA and local authorities can procure its services without going through public procurement processes.</p>
<b>Residual contingency funding shaping funding options for 2023/24</b>	<ul style="list-style-type: none"><li>• On 3 October, Government confirmed that around £60 million of underspend from the Birmingham 2022 Commonwealth Games budget will be invested in the West Midlands to enhance the Commonwealth Games Legacy. The fund aims to increase access to sport and culture, boost the West Midlands's reputation as a world-class host for major events and drive inward investment and tourism.</li><li>• A significant proportion of the fund is expected to be allocated to support economic growth, including trade and investment, economy and jobs. The overall proportion of fund available will be agreed at the December WMCA Board.</li><li>• Following that, it is expected that the Economic Growth Board will review and make recommendations for the spend of funds, linked to economic growth objectives, and including funding for the Growth Company over the next 2 years. At this stage we are anticipating a paper to the January Economic Growth Board.</li></ul>
<b>Longer-term affordable and sustainable funding, particularly from 2025/26 onwards</b>	<ul style="list-style-type: none"><li>• In addition to the work and resources of the WMGC, there is an opportunity to link the activity and resources of other partners (e.g. Government departments and agencies). This is currently part of Trailblazer Devolution discussions.</li></ul>

2.6 **Governance** – options to be developed in the next stage of work.

2.7 Next steps will happen in parallel. Along with reports to the WMCA Board (16 December) on WMGC funding for 2023/4 and use of Commonwealth Games residual contingency funding, the WMCA and local authorities will examine priority functions and governance ahead of options being reported to the Economic Growth Board on 27 January 2023.

### 3 **Financial Implications**

3.1 This report does not require any financial decisions so there are no direct financial implications. Those decisions will be taken by the WMCA Board on 16 December. Further information with long-term financial implications will be reported to the Economic Growth Board on 27 January 2023.

### 4 **Legal Implications**

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

### 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, where the 7 Metropolitan authorities are shareholders, along with the WMCA.

**8 Schedule of Background reports**

8.1 Economic Growth Board (23 September) - WMGC Review

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# Review of the West Midlands Growth Company – draft terms of reference

## Purpose

To review and make recommendations to the Economic Growth Board, and the WMCA Board, on the future scope, scale and sustainable funding of activity of the West Midlands Growth Company (WMGC).

## Scope

The review has assumed that there is a need for the West Midlands Growth Company to exist, however there is a need to review its scope and scale and to develop a sustainable and affordable model for these activities.

The review will consider what WMGC is best placed to deliver in the context of good practice, the role of the Combined Authority (post-LEP integration), the West Midlands Plan for Growth, and WMCA Board priorities, and how best it should be funded sustainably from resources within the region and from external sources.

The review will take place in the context of wider planning on the region's economic development ecosystem and will take account of that work to ensure there is no duplication, and latterly to optimise arrangements to ensure maximum efficiency and effectiveness.

## Objectives

There are 3 key elements to this work, each with specific objectives:

### Functions:

**What do we require the WMGC to do, that adds value to LA and WMCA activities?**

This will reflect good practice domestically and internationally with regards to investment promotion, investment facilitation, destination management and the attraction of conferences and events.

It will also reflect the role of WMGC in internationalising the West Midlands Plan for Growth and in supporting a more strategic relationship with key employers in the region.

The review will establish the proposed core functions, objectives and key results for WMGC, including leading the region's "business as usual" relationship with the Department for International Trade post-LEP integration.

This will also include a costed proposal for future core and additional activity.

## Governance:

### What is the right governance model for the WMGC?

To consider the role of the Economic Growth Board (EGB) and WMCA Board, the relationship with the WMCA, including all constituent members and their role as individual shareholders of the WMGC, and the need for more robust arrangements around future funding and accountabilities.

This will include a recommended framework for the WMCA, via the Economic Growth Board, to set out clear and transparent reporting arrangements to better evaluate the impact and benefits of WMGC, so that they are understood by all key stakeholders.

To consider the governance of the WMGC, including Board make up.

## Funding:

- (i) **Phase 1: how does the region provide assurance for the WMGC as a going concern for 2023/24; and**
- (ii) **Phase 2: what is the right sustainable funding model for the WMGC.**

This will set out options for a sustainable funding model, aligned with the inward investment lifecycle. It will include establishing the core funding required from within the region to discharge those functions, including from the West Midlands Combined Authority (WMCA), local authorities and universities.

It will also identify and reflect the use of external sources of funding, including from the region's UK Shared Prosperity Fund allocation, the Commonwealth Games' residual contingency, the region's trailblazing devolution deal and private sector income.

The Executive support team will maintain a detailed project plan covering all aspects of the review.

## Direction and leadership

- *Project Sponsors*: The Review will be overseen by the Economic Growth Board Chair (Cllr Brookfield), Mayor (Andy Street) and Chair of the WMGC (Matt Hammond). Meetings for direction will be set as required.
- *Executive Steering Group* - **Laura Shoaf (LS), Tim Johnson (TJ), Neil Rami (NR)** will lead the review and report key recommendations (and on-going weekly updates) to the Sponsors. A fortnightly meeting tempo has been set.
- *Officer 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. A weekly meeting tempo has been set.

In the course of the Review, partners will provide substantive input. Updates and soundings will proactively be sought from collectively local authority groups such as West Midlands Chief Executives, Finance Directors and Directors of Economic Development. This includes discussion with Chief Executives over funding commitments, a workshop with Directors of Economic Development about functions (November) and future governance/ways of working (tbc).

## Key milestones, reporting arrangements and engagement

The project plan at Appendix one shows the flightpath to agreement by all parties. However, the key milestones are:

- **Economic Growth Board** (23<sup>rd</sup> September) - Review commissioned
- **Mayor and Met Leaders discussion** (18<sup>th</sup> November) - to discuss progress
- **Investment Panel** (21<sup>st</sup> November) - to discuss business case for £4m funding for 2023/24
- **WMGC Audit Committee** (22<sup>nd</sup> November)
- **WMGC Board (AGM)** (1<sup>st</sup> December)
- **Economic Growth Board** (2<sup>nd</sup> December) - to receive update of review
- **Investment Board** (12<sup>th</sup> December) - to agree business case
- **WMCA Board** (16<sup>th</sup> December) – recommendation of support of £4m for 23/24 FY subject to funding and conclusions of the review
- **Economic Growth Board** (27<sup>th</sup> January) – to take a view on the future functions needed in the region and longer-term sustainable funding
- **WMCA Board** (10<sup>th</sup> February) – WMCA sign-off of review and funding

Supported and guided by:

- Sponsors' meetings;
- Executive Steering Meetings;
- Officer Group;
- CXs and Finance Directors meetings;
- Directors of Economic Development (DoED) (21<sup>st</sup> October 21<sup>st</sup> November)
- Mayor and Met Leaders (MML) 14/10, 16/12, 20/1, 3/3 and 19/5

The leadership team will ensure that all key stakeholders, including local authorities, the wider WMCA, universities and WMGC Board are engaged appropriately as the review progresses.

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<b>Date</b>	<b>2 December 2022</b>
<b>Report Title</b>	<b>UK Shared Prosperity Fund – Business Support in the West Midlands</b>
<b>Portfolio lead</b>	Councillor Ian Brookfield, Leader of City of Wolverhampton Council  WMCA portfolio lead for Economy and Innovation
<b>Accountable Chief Executive</b>	Laura Shoaf - Chief Executive, WMCA  Email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities  Email: <a href="mailto:julie.nugent@wmca.org.uk">julie.nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	Directors of Economic Development

## Recommendations

Economic Growth Board is recommended to:

- Note progress of task and finish working group, since approval of UKSPF business support funding by WMCA Board on 28 October, in beginning the process of mobilising UKSPF funded business support activity from April 2023.
- Approve proposed headline approach of local authorities in delivering local approaches to business support and agree to the further development of WM-wide programmes, as highlighted in this report, with a view to commencing commissioning of these activities in Q4 2022 and Q1 2023.
- Note that commissioning responsibility was delegated by CA Board to Executive Director – Economic Delivery, Skills and Communities, in consultation with the WMCA Section 151 Monitoring Officer, and in discussion with the Portfolio Lead.

## 1 Purpose of Report

- 1.1 To seek the Economic Growth Board’s (EGB) endorsement of proposed approaches to delivery of business support locally utilising UK Shared Prosperity Fund and WM-wide commissioned approaches.

## 2 Background

- 2.1 Following approval of WMCA Board of the UKSPF allocation, officers from the seven Local Authorities and WMCA have been working to develop a coherent West Midlands approach to business support with an initial focus on UKSPF and designing it in such a way that it enables engagement across a wide range of business support services in both the public and private sector including Innovation Accelerator, publicly funded national programmes and private sector offerings.



- 2.2 This work has been led by a task and finish working group comprising WMCA officers and officers from all seven Local Authorities.
- 2.4 The Director of the Greater Birmingham and Solihull Growth Hub, on secondment to the WMCA for two days a week, is working closely with all officers to offer his advice and expertise as to what works currently, best practice and how services can best be maintained through this change process.
- 2.5 Seven separate workstreams have been developed, each led by a Local Authority officer, focused on:
- Review and present options with recommendations for locally-embedded advisers and account managers within wider ecosystem
  - Review and carry out options appraisal for future CRM & digital systems
  - Review and carry out options appraisal and recommendations for central co-ordination team
  - Review and recommend delivery options for specialist programmes – decarbonisation
  - Review and recommend delivery options for specialist programmes – investor readiness
  - Review and recommend delivery options for specialist programmes – SME competitiveness and productivity grants
  - Gap analysis and preparedness for non-UKSPF activity
- 2.6 Each of these workstreams and the overall collective piece of work are aimed at developing a coherent business support ecosystem across the West Midlands, building on what already works well across the region, for delivery from 1 April 2023.

### **3 Principles of UKSPF – business support**

- 3.1 The working group is following the principles, as recommended by the previously endorsed business support review of:
- A high-quality, consistent core offer across the region
  - Fully integrated business support ecosystem
  - Premium products targeted at regional priorities
  - Campaign to drive take-up
- 3.2 In addition, the working group have focused on the principles of:
- Building on what works but not being beholden to it
  - Focusing on the needs of West Midlands businesses and not driven by the needs of providers, which includes:
    - providing access to advice and specialist services
    - targeting firms with potential to improve growth and productivity
    - integrating support with recruitment and skills
  - Focusing on delivering real-world outcomes rather than meeting bureaucratically-imposed targets
  - Providing a consistency of service to West Midlands businesses no matter where they are based in the region





**4. Double-devolved Business Support**

- 4.1 WMCA Board approved that £20.2 million of UKSPF business support be allocated to Local Authorities directly to deliver priorities for locally-based businesses. Individual Local Authorities are working on those priorities with a focus on providing a combination of locally-based advisors and account managers; commissioned services and grants to businesses.
- 4.2 As part of that activity, the seven Local Authorities are committed to delivering that activity as part of a wider ecosystem, which includes a core hub service at a regional level, providing, by way of example, co-ordination services, data and management information, marketing and web services.

**5. Commissioned Programmes**

- 5.1 As part of this activity, at a regional level, there is a need to commission some activity that the Task and Finish Working Group recommend commencing in April 2023 (or sooner). In order for this to happen the commissioning needs to start mobilisation in December 2022 and January 2023 (i.e. before the next Economic Growth Board).
- 5.2 The funding agreement and funding is not yet received, therefore this commissioning is mobilisation only. With contractual sign-off after funding is confirmed and the correct WMCA approvals in place.
- 5.3 Specifically, and at a high level, the Task and Finish Working Group recommend that the following activities begin the commissioning process:

<b>Commissioned Activity</b>	<b>Description</b>	<b>Est. Value</b>	<b>Start Date</b>	<b>End date</b>
WM regional web site linked to CRM System	New regional website to be front door for business enquiries across WMCA area, offering self-service digital advice and guidance as well as channel through to advisers. Needs to link to a regional CRM system (already in existence).	£200,000 - £400,000	1/2/23	31/3/25
Branding for regional WM hub service	Branding exercise for regional business support hub	£100,000	1/1/23	31/3/23



Investor Readiness Training programme(s)	Commissioned programme(s) focused on ensuring that regional small and medium-sized businesses are well placed to take advantage of growth episodes by attracting future investment	£2.2M	1/4/23	31/3/25
Decarbonisation programme – energy audits	Commissioned programme(s) focused on delivering energy audits into regional small and medium-sized businesses with recommended changes and linked into related small grants programme	£2.5M	1/4/23	31/3/25
Decarbonisation programme – specialist advice	Commissioned programme(s) focused on specialist decarbonisation advice for regional small and medium-sized businesses	£1.6M	1/4/23	31/3/25
Decarbonisation programme – knowledge transfer	Commissioned programme(s) focused on transferring knowledge from region's knowledge base (universities and Catapults) on actionable next generation approaches to decarbonisation for regional small and medium-sized businesses	£500,000	1/4/23	31/3/25
Cluster growth programme support	Commissioned programmes focused on driving cluster growth across the West Midlands	£1.5M	1/4/23	31/3/25
Total		£8.6m - £8.8m		



- 5.3 Economic Growth Board is asked to approve WMCA officers, working closely with individual workstream leads in Local Authorities to commence these commissioning activities to enable delivery from April 2023.
- 5.4 Economic Growth Board is reminded that whilst the year one allocation of UKSPF is confirmed, years 2 and 3 are 'indicative' allocations only, which subsequently introduces some risk into the business support programme. The risk is twofold in that moving funds from 24/25 into 23/24 to produce a 'smoothed' profile as previously agreed by Economic Growth Board may not be approved by government and the final allocation could be lower than previously indicated, as future year allocations will be subject to performance in year.
- 5.5 WMCA will continue to seek flexibilities through engagement with the new ministerial team. In the meantime, the task and finish working group will work to mitigate the risk, this includes assembling programmes that match (as closely as possible) the funding profile. This work has started with the task and finish working group and EGB will receive a full report on this on January as the implications for spend in 23/24 and 24/25 become clearer.

## **6 Financial Implications**

- 6.1 The task and finish working group is recommending that up to £8.8m of procurement is mobilised in advance of the funding agreement from DLUHC.
- 6.2 WMCA will continue to seek flexibilities through engagement with the new ministerial team. In the meantime, programmes the task and finish working group will work to mitigate the risk, by ensuring any procurement is in principle only without entering contracts until the funding and approvals are in place.

## **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 wider UKSPF investment plan and any agreements entered into as a result of any funding being awarded.

## **8 Equalities Implications**

- 8.1 There are no direct equalities implications.

## **9 Inclusive Growth Implications**

- 9.1 We have sought to utilise UKSPF to ensure a minimum level of investment in business support services in all areas and maximising the use of other funds and ensuring these are targeted on areas of most need.

## **10 Geographical Area of Report's Implications**

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

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<b>Date</b>	<b>Friday 2 December 2022</b>
<b>Report Title</b>	<b>West Midlands Plan for Growth Update – including a focus on Creative Content and Production growth cluster</b>
<b>Portfolio lead</b>	Councillor Ian Brookfield, Leader of City of Wolverhampton Council  WMCA portfolio lead for Economy and Innovation
<b>Accountable Chief Executive</b>	Laura Shoaf - Chief Executive, WMCA  Email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities  Email: <a href="mailto:julie.nugent@wmca.org.uk">julie.nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	Directors of Economic Development

## Recommendations

Economic Growth Board is recommended to:

- note progress on monitoring of Plan for Growth, with Creative Content and Production (led by Create Central) as a proposed model for future reporting into Economic Growth Board.
- note the opportunity for the West Midlands provided by the Government’s changes to the Investment Zone programme.

## 1 Purpose of Report

- 1.1 The purpose of this report is to provide an update to Economic Growth Board on progress around Plan for Growth with a particular focus on cluster leadership, success measures and reporting and how Plan for Growth cluster-based activity will dock with the wider business support activity.
- 1.2 The report also seeks EGB’s endorsement of proposed high-level success measures as they relate to cluster growth.

## 2 Background

- 2.1 To remind EGB members, the West Midlands Plan for Growth takes a twin-track approach to securing new economic growth in the West Midlands economy by:
  - Capitalising on **existing clusters of scale and strength** where the West Midlands has UK and global competitive advantage, clear market confidence, and credible opportunity for additional growth in high-value employment over the next 2-5 years. This is forecast to generate approximately £2.9 - £3.2bn additional output by 2030 and up to 44,800 additional jobs.



- **Supporting nascent clusters and emerging technologies** that might spur additional growth of around £900m over the next 5-10 years and up to 15,000 additional jobs.

2.2 As EGB members are aware, the Plan will be used to:

- Inform and challenge where we prioritise resources already devolved to the region and, when necessary, seek further resources. This does not just relate to WMCA programmes, but those in local authorities, the West Midlands Growth Company (WMGC), and universities.
- Inform the region's economic narrative about the next decade focused on a proactive medium-term plan to support market-led growth.

### 3. Progress to Date

3.1 As part of the work on LEP integration, the recently appointed Head of Economic Development and Delivery is currently determining how interventions that drive cluster development are best taken forward.

3.2 This builds on and develops work undertaken by partners including the Local Enterprise Partnerships, West Midlands Growth Company, the private sector and membership-led organisations.

3.3 There is not a 'one-size fits all' approach to cluster growth and associated leadership. In some areas, there are existing mechanisms and/or leads which we are keen to build on. By way of example, the Midland Aerospace Alliance has provided strong cluster leadership for nearly 20 years.

3.4 In other clusters, there is a challenge in addressing which the appropriate mechanisms are for driving forward cluster growth be that through competing visions; there being no clear industry voice; or clusters where there has been little history of working in partnership with the public sector. Work on this is underway with a full update to be brought to a future EGB.

### 4. Delivering Growth

4.1 In working with clusters and, where appropriate, organisations that represent those clusters locally, the Head of Economic Development and Delivery is focusing on clear short-term success measures aimed at boosting the growth of the West Midlands economy. As part of this, he is developing a regular reporting structure focused on opportunities for cluster growth; risk analysis and quarterly action reporting.

4.2 It is suggested that cluster success measures, as aligned to Plan for Growth and wider measures for business support focus on:

- Additional public and private sector investment leveraged into the West Midlands
- New high value jobs created in the cluster
- New R&D activities between industry and the knowledge base, including public and private R&D funds leveraged
- Higher level (3 and above) technical, and associated, training that supports cluster growth



- 4.3 An example of those success measures, as they relate to the cluster Creative Content and Production, where there has been a clear, well-supported cluster organisation, for the last three years is appended to this report. There will be a presentation from Create Central, the cluster organisation, to illustrate their economic successes and future plans as part of this item.

## **Cross-Cutting Activity**

### **5. Investment Zones**

- 5.1 In September, the Government announced the creation of Investment Zones. These were to be drivers of growth through a regime of Lower Taxation (time limited tax benefits – 100% business rates relief, enhanced capital allowances, employer NIC contributions relief, Stamp Duty Land Tax relief), accelerated development and local growth reforms.
- 5.2 The WMCA, as co-ordinating body through Housing and Land Board, along with its partners submitted a number of Expressions of Interest to Government on 14 October 2022. This work was built on the joint working around the investment prospectus, which was developed during 2022.
- 5.3 In the Chancellor’s Autumn Statement on 17 November 2022, the Investment Zone programme was paused and Government announced that it will “refocus the Investment Zones programme” and that the existing expressions of interest will not be taken forward.
- 5.4 In its place, the government announced that a new programme will be launched “to catalyse a limited number of the highest potential knowledge-intensive growth clusters, including through leveraging local research strengths.” And that the “Department for Levelling Up, Housing and Communities will work closely with mayors, devolved administrations, local authorities, businesses and other local partners to consider how best to identify and support these clusters, driving growth while maintaining high environmental standards, with the first clusters to be announced in the coming months.” Autumn Statement (para 3.25)
- 5.5 This announcement has clear implications for the West Midlands. Refocussing the programme around research and innovation, high growth, high potential clusters will allow the West Midlands to utilise and promote the work of the West Midlands Plan for Growth as the basis for future discussion with Government.
- 5.6 EGB is asked to note this likely opportunity and that the WMCA economy team will work closely with the Housing, Property and Regeneration team, Local Authorities and other local partners to ensure this activity aligns closely with the Plan for Growth in order to maximise the opportunities across the region.

### **6. Access to Finance (A2F)**

- 6.1 The West Midlands Plan for Growth has access to finance and investment – particularly Early Growth Fundings – as a key cross-cutting intervention. Access to finance has been a concern across the wider economy in the West Midlands for some time. To address this the WMCA is, with partners, seeking to create a forum to address issues within the market. This Advisory Panel will coordinate activity



between fund managers, public sector-related intervention and encourage innovation in delivery. The public activity includes work underway by the WMCA, Midlands universities, the West Midlands Growth Company, government agencies like the British Business Bank, and commissioned programmes to improve the investment readiness of firms. The financial ecosystem is complex with multiple stakeholders and a forum will harness power more effectively. Without it messages are sometimes not aligned, can be viewed as conflicting, and timing of activities is not coordinated. A report will be brought to a future EGB outlining suggested activity, terms of references for the proposed Advisory Panel and the region's overall ambition to accelerate growth through deeper access to finance.

- 6.2 As part of delivering Plan for Growth, it is anticipated that access to finance should become a part of normal delivery (rather than a specialist activity) with the aim to:
- Enable growing firms in the West Midlands to be more investment-ready
  - Enhance the growth capital market in the West Midlands to be bigger and regarded as a driver of growth
  - Ensure our communities benefit from faster-growing firms who are more deep-rooted in the region because their capital flows come from the West Midlands.
- 6.3 This is required because the finance market in the West Midlands has demonstrable gaps in certain areas:
- Businesses in the West Midlands receive relatively smaller amounts of private sector finance.
  - Different clusters face different challenges when accessing finance
  - Disparities in finance received by minority-owned businesses, and women-led businesses compared to averages
  - Additionally, the challenges of cluster development for the 8 primary and 12 nascent clusters identified in the plan for growth require co-ordinated investment from public and private sector

## **7 Financial Implications**

- 7.1 Whilst the Plan for Growth has the potential to deliver interventions that may require financial commitments in the future, there are no direct financial implications as a result of the recommendations within this report. The work to date has been enabled from existing WMCA resources.

## **8 Legal Implications**

- 8.1 Although there are no immediate legal implications arising from this report, it is acknowledged in the report that the mobilisation of the Plan for Growth may mean securing new powers and investments for the interventions specified. Legal advice will, therefore, be sought at the appropriate stages in the development and implementation of the Plan for Growth

## **9 Equalities Implications**

- 9.1 There are no direct equalities implications.





**10 Inclusive Growth Implications**

- 10.1 There are no immediate inclusive growth implications arising from this report but individual strategies and delivery schemes are expected to respond to local area, and local stakeholder, needs to ensure that projects arising benefit local residents, including harder to reach groups

**11 Geographical Area of Report's Implications**

- 11.1 The report relates to the WMCA seven Met area.

## **Appendix – Creative Content and Production Cluster – Create Central**

Create Central was formed in late 2019 as a response to the comparative lack of a functioning creative content cluster as identified in a WMCA commissioned report following the region's failed bid to host Channel 4's national HQ.

The first three years of Create Central focused on creating a functioning cluster from a low base compared to other regions of the same size and scale. Work included running a series of pilots to deliver tangible results from low levels of funding, build the trust of, and networks within, the industry with a view to scale the cluster in years 4-6.

As a cluster organisation model, Create Central has been hugely successful in delivering on that initial promise. Core funding from WMCA is currently circa £100,000 pa to support the cluster, and in the last three years, that initial investment has leveraged the following outcomes in the West Midlands economy:

### **Success Measures**

- Public sector investment secured = c £3m
- BBC Partnership deal = Tens of millions over 5 years and securing a new £50m BBC HQ for Digbeth (with additional cumulative impacts)
- Creative Content Hub = £18m funding (public/private)
- Creative Cities Convention 2022 = £200,000
- Innovation pilots & partnerships with major brands such as Uber, Bruntwood and the NHS
- 160 Bootcamp attendees with almost 90% now working within the screen industry.

Additionally, the financial leverage of the development fund pilot programme averages a 1:3 ratio of investment (ie: for every £1 of develop funds CC invests £3m of matched funding is secured) from the likes of BBC and Channel 4.

From a cluster development perspective, as Create Central is an industry body designed to create a functioning and effective cluster and not a funding body or public sector business support service, there are no KPI targets around jobs created or businesses supported. This has enabled Create Central to focus on what is needed – investment to support the growth of the industry cluster in the West Midlands - rather than 'counting outputs' of the numbers of businesses supported/touched.

As outlined above, the impact of the Create Central interventions has been high and been independently verified by BOP Consulting and WM-Redi. The industry-led Bootcamps, in particular, are striking in their conversion rate of "training to work in cluster" – of the 160 Bootcamp attendees almost 90% are now working within the screen industry.

### **Next Steps**

Over the next 12 months, Create Central, working across industry and public partners intend to deliver the following:

#### **1. Cluster Leadership**

- Create Central was given mandate by EGB in June 2022 to lead a long-term route map for the Creative Content and Gaming cluster which will support the broader WM Plan for Growth.



- Create Central's Board has agreed to develop the action plan to 2030 and Beyond to align with the region's Net Zero targets.
- To support this work, Create Central is leading an industry consultation called Shape The Future
- Shape the Future is a series of events to engage with stakeholders, experienced and new, in order to gather their thoughts to help us shape the future of the creative content industries in the West Midlands with a plan for 2030 and beyond.

As part of this, Create Central have hosted, or will shortly be hosting, five Shape the Future roundtables, across the region on various topics:

- **Innovation, Creativity & Opportunity for the West Midlands** in Leamington
- **Telling the West Midlands Story**, (planned to be in Wolverhampton but held online due to train strikes)
- **Production and Infrastructure**, in Birmingham attended by representatives from Netflix, the BBC, UKTV, Channel 4 and Sky
- **Future Content Creators**, in Coventry in partnership with Positive Youth Foundation
- **Place-making and culture**, in Birmingham in partnership with New Philanthropy for Arts and Culture.

We're also hosting three grassroots community 'meet-ups' to encourage smaller community organisations to engage with Create Central and begin a dialogue for future collaboration.

We will propose to return to EGB in March 2023 with the finalised 2030 and Beyond plan for input and approval, ahead of launch in Q1 23/24.

## 2. Delivery activity - 2023 and beyond

Create Central is leading a range of funding bids on behalf of the region's creative content cluster. Including:

### British Film Institute

- DCMS has just signed off BFI's next 10-year funding strategy called Screen Culture 2033
- 5 funding pots that Create Central is eligible to bid for to start in March 2023
- First launched is the BFI Skills Cluster Fund - 7 national/regional clusters will be selected for up to 6 years of support. The idea is that these clusters work together to address the skills crisis in the industry
- We have just submitted a £2m bid for Create Central to lead one of the clusters, we will find out in February if we have been successful.

### Innovation Accelerator

- Create Central is the named partner on 4 x Innovation Accelerator bids, for example
- BCU led bid for an AR studio West Midlands (£5 million) Innovation Accelerator –
  - Midlands Aerospace Alliance – PIVOT programme

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<b>Date</b>	<b>2<sup>nd</sup> December 2022</b>
<b>Report Title</b>	<b>Trailblazer Devolution Deal update and West Midlands International Strategy</b>
<b>Portfolio lead</b>	Councillor Ian Brookfield, Leader of City of Wolverhampton Council  WMCA portfolio lead for Economy and Innovation
<b>Accountable Chief Executive</b>	Laura Shoaf - Chief Executive, WMCA  Email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Ed Cox, Executive Director - Strategy, Integration and Net Zero  Email: <a href="mailto:ed.cox@wmca.org.uk">ed.cox@wmca.org.uk</a>
<b>Report has been considered by</b>	Mayor and Met Leaders (18 November) – TDD elements

## Recommendations

Economic Growth Board is recommended to:

- Note the progress made to date and the revised commitment and timeline arising from the Government’s Autumn Budget Statement.
- Agree to the development of a West Midlands International Strategy, with the West Midlands Growth Company to develop the strategy in partnership with local and national stakeholders.

### 1 Purpose of Report

- 1.1 To update Economic Growth Board’s (EGB) on progress of the Trailblazer Devolution Deal (TDD), the latest timeline following the Government’s Autumn Statement and the status of negotiations. This includes an associated opportunity to capitalise on potential for a West Midlands International Strategy.

### 2 Update on Trailblazer Devolution Deal

#### *Timeline and process*

- 2.1 Working in conjunction with partners and the political oversight arrangements put in place across the region, the WMCA continues to drive negotiations forward at pace, and the Department of Levelling Up Housing and Communities (DLUHC) has recently confirmed their preferred timeline and process to conclude the deal. Their timeline is ambitious and currently builds in very little contingency time for any challenges in the negotiations.



- 2.2 However, we understand the Secretary of State for Levelling Up is keen to press ahead quickly. DLUHC’s intention is to announce the West Midlands and Greater Manchester deals close together, if not at the same time. DLUHC’s revised, and challenging, timeline will drive Departmental engagement across government to finalise text.
- 2.3 The (draft) revised timetable that the WMCA and DLUHC are following is<sup>1</sup>:

<b>Late November / early December</b>	Continuing officer-level negotiations, with DLUHC supporting WMCA Core TDD Team and Workstream Leads to agree deal text
<b>28 November</b>	Draft V2 deal text shared with local authority CEX for discussion on 2/12
<b>Early December</b>	High-level negotiating team meetings with Ministers to press for agreement on outstanding issues
<b>16 December</b>	Near final deal text to Mayor & Portfolio Leaders for discussion
<b>w/c 19 December</b>	DLUHC to engage in cross-government sign offs of substance of deal and deal text
<b>Early January</b>	Confirmation from DLUHC of clearance on deal text wording
<b>13 January</b>	WMCA Board sign-off of final deal text
<b>Mid- / late January</b>	Signing and announcement of deal

- 2.4 The Autumn Statement on November 17<sup>th</sup> confirmed this timeline:  
*“5.73 **Trailblazer devolution deals** - The government will deliver the Levelling Up White Paper commitment to sign new ‘trailblazer’ devolution deals with Greater Manchester and the West Midlands Combined Authorities **by early 2023**. The government is in discussion with the Mayors of these areas to devolve powers to deliver levelling up in areas such as skills, transport and housing, including through consolidating funding. These ‘trailblazer’ deals will act as a blueprint for other areas to follow.”*

**Status of negotiations**

- 2.5 The DLUHC Secretary of State is prioritising a growth-focused set of policy areas for the Trailblazer Devolution Deals: i) housing; ii) transport; iii) skills; iv) fiscal devolution and funding simplification; v) net zero and retrofit; and vi) international trade.
- 2.6 Officers continue to stress to DLUHC that the region wishes to conclude a more broadly scoped deal, and they concede that this is not off the table. However, DLUHC’s priority is concluding the deal swiftly, so it is expected that there will be a cut-off point in early December, whereby negotiations on areas

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<sup>1</sup> EGB Members are asked to note that this timetable is subject to revision at short notice.

outside of that priority list that have not been successfully progressed by that point will be taken off the table for this deal and pursued in a slower timeline.

2.7 WMCA workstream leads are progressing negotiations with Departments with an expected intensification of activity over the next three to four weeks.

2.8 The region's overall devolution proposition drives inclusive economic growth consistent with the West Midlands #2041 net zero ambition. Devolution asks of particular relevance to the work of the Economic Growth Board are:

- **Business support** – for the West Midlands Combined Authority, via the Economic Growth Board, to take on formal responsibility for the integration, promotion and oversight of publicly-funded business support programmes in the West Midlands. This relates to Item 8 on UKSPF and business support
- **Trade, tourism and investment** – Development of a West Midlands International Strategy, jointly developed with Government to deliver regional and national priorities by aligning tourism, and trade and investment, narratives with local sector & cluster strengths. More detail on this activity is included in para 2.10 below.
- **R&D and Innovation** – building on the Innovation Accelerator to develop a formal, co-designed investment plan between WMCA and Innovate UK, with the WM maintaining a pipeline of R&D projects for UKRI which influences a doubling of public R&D spending in the region by 2030. This relates to Item 11 on the Innovation Accelerator.

2.9 **Funding Simplification:** The Autumn Statement also sets out the potential for revised and simplified funding for the West Midlands Combined Authority in future:

*“5.74 **Single settlements for mayoral combined authorities** - As part of negotiations on trailblazer deals, the government will explore with Greater Manchester Combined Authority and West Midlands Combined Authority the potential to provide single departmental-style settlements at the next Spending Review. This could give local partners more flexibility and accountability over key economic growth funds, moving away from competitive bidding processes. Subject to progress of these discussions, the government will consider the eligibility of other mayoral combined authorities for these settlements, noting the need to ensure appropriate accountability structures are in place.”*

***Forging ahead with a West Midlands International Strategy***

2.10 With international trade a priority of ministers and partners within the region, there is an opportunity to capitalise on the direction of discussion on the region's trade, tourism and investment ambitions to rewire the existing relationship between Whitehall and the West Midlands across these key



functions in order to secure more foreign direct investment, exports and major international conferences and events.

- 2.11 At the heart of the proposal is the development of an International Strategy for the region; a strategy which is co-developed with the Government and will deliver local, regional and national priorities by aligning tourism, trade and investment narratives with local sector strengths. The Strategy will lead to a shared delivery plan which will align resources from across the public, private and academic sectors of the West Midlands with those of Government. The creation of the Strategy which will internationalise the region's Plan for Growth has the support of the Department for International Trade (DIT). It is therefore proposed that the work on it does not need to wait until a TDD has been signed.
- 2.12 The region has recently demonstrated the impact it can make internationally through its recent trade mission to India. Given current economic challenges, the time is now right for the region to coalesce behind a cohesive international strategy which will help address:
- the highly competitive market for inward investment and tourism
  - the region's relatively weak performance in international trade
  - the need for the region to compete for international students and promote itself as an attractive location for capital investment, talent and R&D
- 2.13 It is proposed that the Economic Growth Board commissions the WMGC to lead the strategy development process on behalf of the region. As this will be the region's strategy - and not the WMGC's strategy - its development can therefore progress alongside (and independently of) the WMGC Review (see Item 7). Consultation and engagement will sit at the heart of the strategy development process. This will include key stakeholders in government, business and business representative bodies, education and our cultural assets, with the WMCA and local authorities at the fulcrum of this process.
- 2.14 Subject to the Economic Growth Board's approval, Directors of Economic Development will be tasked to work with WMGC to establish and agree an appropriate terms of reference and governance model for the development of the International Strategy and delivery plans, capitalising on the commitment from the region and partners like DIT.

### **3 Financial Implications**

- 3.1 There are no direct financial implications as a result of this report, but the TDD settlement will ultimately shape the level of funding available for economic development activities across the region. The Autumn Statement commitment for potentially a single settlement for key economic growth funds will transform





the approach to the next Spending Review process (potentially in Autumn 2024).

- 3.2 The resource requirements for the development of the International Strategy will be managed within existing resources to March 2023.

#### **4 Legal Implications**

- 4.1 There are no direct legal implications from this report. The TDD process seeks greater powers alongside investment. This also comes with additional accountability requirements, and the details of those

#### **5 Equalities Implications**

- 5.1 There are no direct equalities implications as a result of this report.

#### **6 Inclusive Growth Implications**

- 6.1 The TDD seeks to foster inclusive growth right across the region. The economic aspects of the TDD covered in this report complement other ambitions across the breadth of the TDD agenda.

#### **7 Geographical Area of Report's Implications**

- 7.1 The report relates to the TDD process and powers which relates to the whole of the WMCA area.

#### **8 Schedule of Background reports**

Autumn Statement: [AUTUMN STATEMENT 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)



## India Trade Mission

The West Midlands BATP India Trade Mission took place in November. This brief provides an overview of the visit content and objectives and summarises initial visit outcomes.

### 1.0 Objectives

#### 1.1 INVESTMENT

- **Future Mobility:** Engage existing and potential investors. Promote the region as the UK's leading Future Mobility Cluster.
- **Creative, Digital & Tech:** Engaging existing and potential investors. Promote the UK's fastest growing Tech Cluster and position the region as the ideal place for UK market entry for high-growth, India Tech businesses. To include Data Driven Health Care.

#### 1.2 EDUCATION/R&D

- **Future Mobility:** Promote world leading R&D infrastructure. Engage existing and potential investors.
- **Data Driven Health Care:** Position University of Birmingham health data/clinical trial capabilities to pursue related R&D/trials opportunities
- **Learn:** Promote the region to potential India students. Engage ex University Alumni.

#### 1.3 CULTURE, PLACE AND CONNECTIVITY

- **Direct Air Route:** Promotion of regional direct air route opportunity.
- **Region to Region Partnerships:** Government to Government and/or past practice, innovation etc.
- **Political Engagement:** Regional and National government
- **Sports:** Promoting and pursuing opportunities in Cricket & Kabaddi

\* **TRADE:** The original intent was to run an integrated DIT led Future Mobility Trade Delegation, ultimately DIT were unable to make this happen.

### 2.0 Content

**Delegation:** Led by Mayor Andy Street and Councillor Ian Brookfield, Portfolio Lead for Economy, the delegation consisted of senior representatives from West Midlands businesses, universities, local authorities and arts organisations, including University of Birmingham; Wolverhampton University; Warwick University (WMG); MTC; Kagool; Bruntwood Scitech; Infinity Labs and Coventry City Council.

**Geographic Scope:** Five cities were engaged during the visit: Chennai; Hosun (Bangalore); Hyderabad; Mumbai; and Dehli.

**Delegations:** Five interconnected delegations covering: Future Mobility; Creative, Digital and Tech; Data Driven Health Care/Life Sciences; and Cross-Programme (Strategic political, business and cultural engagement)

**Content:** The visit consisted of a variety of engagements, ranging from direct company engagement; sector specific round tables, cultural engagements and larger, key-stone receptions.



Feed-back from the Foreign Commonwealth and Development Office was that this was one of the most ambitious and impactful city-region led India Trade delegations ever undertaken.

### 3.0 Outcomes

#### 3.1 Increased Profile:

Over the week, hundreds of organisations and businesses were engaged. Significant media coverage was also secured:

- **1.8m views** within the Indian market over the duration of the paid campaign so far, delivering **34,620 engagements**.
- **230,000 views** delivered during mission week, resulting in **4,798 engagements**.

#### 3.2 Cultural/Business Linkages:

During the mission, a number of business-focused Memorandums of Understanding (MoUs), were created to advance key economic corridors. In Hyderabad, these included agreements between start-up incubator, T-Hub and Birmingham City University's STEAMhouse innovation centre, as well as between the University of Wolverhampton's Cyber Quarter and the Cybersecurity Centre of Excellence, Data Security Council of India (CCoE, DSCI). Both had the aim of building a strong technology corridor between Hyderabad and the region.

In Mumbai, the West Midlands Growth Company (WMGC) signed an MoU with the Confederation of Indian Industry (CII), designed to promote close working relations between India and the West Midlands, creating trade and business opportunities for Indian companies in the region. CII will also help drive awareness among Indian scale-ups and start-ups of the WMGC Global Growth Programme; a comprehensive, fully funded soft-landing support package for companies wanting to establish and accelerate their growth in the UK market.

The Birmingham Repertory Theatre entered into an agreement with India's National Centre for Performing Arts (NCPA), with the objective of facilitating cooperation around originating and sharing the costs of new theatre productions in both Birmingham and Mumbai, as well as promoting broader cross-cultural exchange between the two organisations. A cultural partnership was also formed between Birmingham Repertory Theatre and the Indian Council for Cultural Relations (ICCR) during a visit to their Delhi headquarters.

#### 3.3 Region to Region Linkages:

**Hyderabad:** Meeting undertaken with Deputy Chief Minister building on relationship developed over the past 18 months. Agreement to conclude multi-sector Trade and Investment Plan for the next 24 months.

**Maharashtra:** Meeting undertaken with Chief Minister. Agreement to conclude MOU to outline further collaboration activity in relation to Future Mobility.

#### 3.4 Strategic Investor Engagement:

C-Level engagement of key strategic investors and investment projects currently in-play.

Mayoral-led meetings took place with: Mahindra Group; TVS; Tata Group; Tata Tech; Tata Motors; Switch Mobilty/Ashok Leyland; Amalgamations; KP Energy. Apollo Healthcare.

Linked investment announcements expected in this financial year from Mahindra Group and TVS. A number of opportunities discussed and progressed with Tata companies ranging from energy storage; R&D and investment



**West Midlands  
Combined Authority**

**3.5 Investment Lead Generation:**

As a result of activity undertaken WMGC expects 30-40 new small/medium size investment projects to enter the West Midlands investment pipeline.

**3.6 Direct Air Connectivity**

Meeting undertaken with COO of Air India re increased frequency and new BHX routes involving Birmingham Airport representatives and the Mayor. Strong potential for expansion. Follow-up work in hand.



## Economic Growth Board

<b>Date</b>	<b>Friday 2<sup>nd</sup> December 2022</b>
<b>Report title</b>	<b>West Midlands Innovation Accelerator</b>
<b>Portfolio Lead</b>	Economy and Innovation – Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director of Economic Delivery, Skills and Communities Email: <a href="mailto:Julie.Nugent@wmca.org.uk">Julie.Nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	

### Recommendation(s) for action or decision:

#### The Economic Growth Board is recommended to:

- a) Note the status of the West Midlands Innovation Accelerator project selection following the deadline for final project proposals, and ahead of the project selection process.
- b) Endorse the final details on the project selection decision-making, consistent with the criteria agreed by the Economic Growth Board on 23 September.
- c) Agree steps to exploit the wider strategic power of the Innovation Accelerator, including connections with business support, skills, inward investment and land development.

### 1 Purpose

- 1.1 To secure Economic Growth Board endorsement of progress on the £33m West Midlands Innovation Accelerator, announced in the Levelling-Up White Paper and being co-designed with Innovate UK.

### 2 Information

- a) *Focus of the Innovation Accelerator*

- 2.1 The aim of the West Midlands Innovation Accelerator (WMIA) is to accelerate growth of clusters of excellence in Health/Medical Technologies and CleanTech and increase commercial benefits of cross-sectoral innovation capacity and capability. These areas of focus are consistent with six of the eight primary cluster growth opportunities highlighted in the West Midlands Plan for Growth and the analysis of assets and gaps in applied and translational R&D in the region undertaken by the Innovation Board in April 2022.
- 2.2 The WMIA programme is overseen by the Innovation Board which reports into the Economic Growth Board. The WMIA also provides a larger strategic prize, 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. The spending commitment was reinforced in the Chancellor's Autumn Statement.
  - In this context, the West Midlands' ambition through the Trailblazing Devolution Deal could **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.
  - 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. The Innovation Board and Economic Growth Board wider regional innovation framework to enhance and exploit applied and translational research.

***b) Criteria for project selection***

- 2.3 At its last meeting (23 September), the Economic Growth Board set the regional prioritisation criteria which will be used to select the high-quality projects that will receive Accelerator investment. The balance of criteria is set out below, with details based on longstanding positions about the importance of levelling-up across the region and the portfolio of projects needing to create short-term impact through a small number of transformational projects.

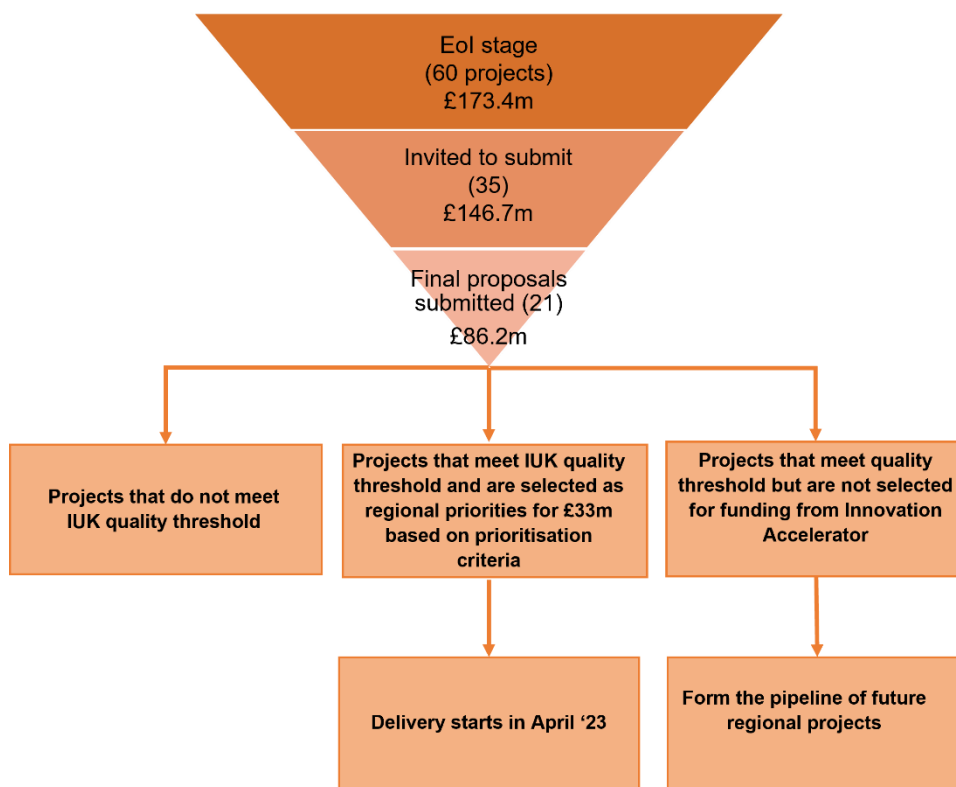
West Midlands Prioritisation Criteria set by Innovation Board and EGB:

- Strategic Fit and Policy Alignment (total 60%)
  - Regional Economy (40%)
  - National Economy (10%)
  - Societal Challenges Across the Region (10%)
- Sustainability (20%)
- Collaboration (20%)

**c) Project development and submission**

2.4 Project leads of the 35 Expressions of Interest received by the WMCA and which passed the first stage gateway were asked to submit fully costed business plans by 2nd November through the Innovate UK portal.

2.5 A schematic of the overall project selection process is shown below, along with the three potential outcomes of those 21 projects that submitted fully costed business plans.



2.6 In all 21 proposals were received with a total ask of £86.2m, Table 1 shows the breakdown of proposals by area of focus. It is worth noting that the number of proposals and overall ask is commensurate with the Glasgow and Greater Manchester City region programmes.

*Table 1: Proposal Submission – Summary*

<b>Total IA Ask</b>	<b>£86,249,801</b>
<b>Total Proposals received</b>	21
<b>Max ask</b>	£14.5m
<b>Min ask</b>	£440k
<b>Healthtech/MedTech Proposals</b>	8
<b>Cleantech EoIs</b>	11
<b>Cross Cluster Capacity Building EoIs</b>	3

- All of the region's Universities are involved as a partner in at least one proposal.
- Across the 21 proposals, 30 businesses are listed as partners with more as subcontractors.
- Four Catapults are involved in bids including the HVMC, Satellite Applications Catapult; Energy Systems Catapult and the Connected Places Catapult.
- Partnerships also include public sector and membership organisations such as MediLink Midlands Limited and the Midlands Aerospace Alliance; WM5G, Birmingham City Council and the WMCA.
- Highlighting the importance of the NHS involvement in the development of the HealthTech and MedTech Clusters we have four NHS trusts listed as partners.

**d) Project selection**

2.7 Project selection covers a two-part process, running in parallel and with a clear role for the Innovation Board and WMCA Board on final project selection.

- Innovate UK will assess each proposal for deliverability and value for money as part of the co-design process. This provides assurance for HM Treasury and regional partners of high-quality projects.
- In parallel, the WMCA Assurance team will assess against the regional prioritisation criteria summarised in para 2.3 and set in September.

2.8 Based on those assessments, decisions will be made by:

- a. Advice from an expert **Selection Panel** (15<sup>th</sup> December): The assessment data will be presented to a regional panel, chaired by the Mike Wright, Chair of the Innovation Board. the other members are:
- Mike Wright: Chair of the Innovation Board
  - Matthew Rhodes: Innovation Board Cleantech Champion
  - Martin Levermore: Innovation Board Healthtech Champion
  - Dr Julie Nugent: Executive Director - Economic Delivery, Skills and Communities, WMCA
  - Laura Collings: Head of Policy and Strategy at City of Wolverhampton Council

The Selection Panel, supported by Innovate UK will recommend a balanced portfolio of projects to the Innovation Board that makes up £33m of available funding. In order to reach an even £33m portfolio and that enables a cohesive set of projects to come together, flexibility in the amount of grant offered to projects will need to be considered throughout the portfolio selection process and be able to be considered and agreed through this.



- b. **Innovation Board** (20<sup>th</sup> December) to provide a recommendation to the WMCA Board. The Innovation Board will meet to discuss the recommend portfolio of projects and will provide a recommendation to the **WMCA Board** for ratification on the 13<sup>th</sup> January. Decision-making is sought from the WMCA Board rather than the EGB because this relates to funding decisions and successful applicants will be needed to be informed before the end of January to allow enough time for IUK due diligence to take place prior to the 1<sup>st</sup> April start.
- c. January – March 2023: Due diligence and contracting between successful projects and Innovate UK.
- d. 1 April 2023: Successful projects expected to begin delivery.

**e) Oversight of impact and maximising investment**

- 2.9 Projects selected by the WMCA Board on 13 January will be contracted directly by Innovate UK. There is a commitment from Innovate UK that regional partners, particularly the Innovation Board, will be involved in the ongoing view about how projects are strengthening the capacity for applied and translational research across the region. This is also an important connection as it helps the region to connect projects to complementary interventions around skills, inward investment, land supply and business support which are important elements of the region's innovation framework.

**3. Financial Implications**

- 3.1 The WMCA will not be the Accountable Body for the Innovator Accelerator funding. All funding will be contracted between Innovate UK and the project delivery partners. Most of the public funding for the WMIA will be available in financial years 2023/4 and 2024/5, however the WMCA has received £329k in 2022/23 to support the identification and development of project proposals and support capability and capacity across the region.

**4. Legal Implications**

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

**5. Equalities Implications**

- 5.1 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.

**6. Inclusive Growth Implications**

- 6.1 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.

**7. Geographical Area of Report's Implications**

7.1 The report refers to the 3 LEP area.

**8. Other Implications**

8.1 None



## Economic Growth Board

<b>Date</b>	<b>Friday 2<sup>nd</sup> December 2022</b>
<b>Report Title</b>	<b>Economic Growth Board Work Programme</b>
<b>Portfolio lead</b>	Economy and Innovation – Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Laura Shoaf, West Midlands Combined Authority email: <a href="mailto:laura.shoaf@wmca.org.uk">laura.shoaf@wmca.org.uk</a>
<b>Accountable Employee</b>	Dr Julie Nugent, Executive Director - Economic Delivery, Skills and Communities Email: <a href="mailto:julie.nugent@wmca.org.uk">julie.nugent@wmca.org.uk</a>
<b>Report has been considered by</b>	

### 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.

#### 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

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	27 <sup>th</sup> January '23	15 <sup>th</sup> 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>Endorse emerging direction on economic aspects of <b>Trailblazer Devolution Deal</b></p> <p>Take position on the <b>use of residual contingency funding</b> from the Commonwealth Games on the economy, trade and tourism pillar.</p>	<p>Agree response to <b>Life Chances Commission</b> as it affects economic opportunity and outcomes</p> <p>Report on work of Housing and Land to further economic aims and <b>Update on Brownfield Land and Land Task Groups</b></p> <p>Update on the next steps of the <b>Circular Economy Routemap</b> and progress</p> <p>Agree scope of the <b>Business Taxation Review</b></p> <p>Overview of the Digital Economy workstream of the <b>West Midlands Digital Roadmap</b></p>	<p>Approach to driving inclusive growth across <b>foundational sectors</b>, beyond the West Midlands Plan for Growth</p> <p>Review <b>Commercial Land Strategy</b>, in line with West Midlands Plan for Growth priorities</p> <p><b>Agree response to the Race Equalities Taskforce</b> as it affects economic opportunity and outcomes</p> <p><b>Annual Report of the Midlands Engine</b> 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 on <b>skills and Local Skills Improvement Plan</b> priorities and progress</p> <p>Report on <b>Good Work</b></p>	



	27 <sup>th</sup> January '23	15 <sup>th</sup> February '23	Future meetings dates tbc '23
3. <b>Oversee a coherent and complementary approach to business support across the region.</b>	<p><b>West Midlands Growth Company Review</b> outcomes &amp; recommendations</p> <p>Endorse details of <b>business support structures</b>, specifically focused on SPF activity</p>	<p>Detailed update on <b>West Midlands Co-Invest Fund</b></p> <p>Agree priorities and programme details for <b>business support system</b></p> <p>Overview on <b>access to finance</b> and alignment with business support structures</p>	
4. <b>Oversee the work of the Innovation Board and other relevant sub-Boards</b>	<p>Report from <b>Cultural Leadership Board</b></p> <p>Report from the <b>Industrial Energy Taskforce and Repowering the Black Country</b></p>	<p>Endorse West Midlands Innovation Board decisions about the <b>Innovation Accelerator</b></p> <p>Direction of a <b>joint delivery plan in conjunction with Innovate UK</b></p> <p><b>Report on Tourism:</b> work of Tourism and Hospitality Advisory Board</p> <p>Agree <b>Create Central Business and Financial Plan</b></p>	<p><b>Create Central</b> – annual report</p> <p><b>Energy Capital</b> – annual report</p>
<b>Standing Item(s)</b>	<p><b>Economic Conditions Report</b> - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures</p>	<p><b>Economic Conditions Report</b> - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures.</p>	<p><b>Economic Conditions Report</b> - Latest economic evidence (including qualitative issues from EIG and Regional Business Council), forecasts and key impact measures.</p>

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