Public Document Pack

Economic Growth Board

Date: Thursday 16 November 2023

Time: 1.30 pm **Public meeting** Yes

Venue: Room 116, West Midlands Combined Authority, 16 Summer Lane, Birmingham, B19 3SD

Membership

Councillor Stephen Simkins (Chair)	Portfolio Lead for Economy & Innovation
Tom Westley (Vice-Chair)	Business Representative
Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Paul Bradley	Dudley Metropolitan Borough Council
Councillor John Cotton	Birmingham City Council
Councillor Matthew Dormer	Non-Constituent Authorities
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Bob Piper	Sandwell Metropolitan Borough Council
Councillor Bob Sleigh	Portfolio Lead for Finance & Investments
Andy Street	Mayor of the West Midlands
Lee Barron	Midlands Trades Union Congress
Anita Bhalla	Greater Birmingham & Solihull Local Enterprise Partnership
Sarah Windrum	Business Representative
Corin Crane	West Midlands Chambers of Commerce
Matthew Hammond	West Midlands Growth Company
Professor Aleks Subic	Higher Education Sector
Mike Wright	West Midlands Innovation Board

Quorum for this meeting shall be four voting members (Mayor, nominees of 6 Constituent Authorities and Portfolio Lead for Economy & Innovation]

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

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

AGENDA

No.	Item	Presenting	Pages	Time
Items of Public Business				
1.	Apologies for absence (if any)	Chair	None	13:30
2.	Declarations of Interest (if any) Members are reminded of the need to declare any disclosable prejudicial interests that have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None	
3.	Chair's Remarks (if any)	Chair	None	
4.	Minutes - 22 September 2023	Chair	1 - 8	13:35
Economic Research and Intelligence				
5.	Economic Conditions in the West Midlands & WISE Newsletter	Delma Dwight	9 - 44	13:40
Skills				
6.	Tacking Rising Youth Unemployment in the WMCA Area	Clare Hatton/Fiona Aldridge	45 - 74	13:50
West Midlands Plan for Growth/Innovation Programmes				
7.	Towards a Sustainable Economy - Low Carbon Economy Cluster - Industrial Energy Task Force Outcomes - Business Energy Advice Service & Decarbonisation Programme - Circular Economy - Future Homes Standard - Innovation- CleanTech	Ed Cox/Matthew Rhodes/Cheryl Hiles/Dr Jamie Elliot/Jackie Homan/John Godfrey	75 - 90	14:10
8.	Presentation : Tech WM Feedback on Digital Economy/Birmingham Tech Week	Yiannis Maos	Verbal Report	14:30
Business Support and Productivity				
9.	WM Growth Company Q1 & Q2 Performance Report against the 'Global West Midlands' Business Plan	Katie Trout	91 - 110	14:35
Delivery				
10.	Work Programme	Chair	111 - 114	14:45

Items of Private Business				
11.	Exclusion of the Public and Press [in accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they are likely to involve the disclosure of exempt information as specified in the paragraphs of the Act.]	Chair	None	
12.	West Midlands International Strategy Green Paper & Consultation Approach	Katie Trout	115 - 150	14:50
13.	Major Events Fund Update	Pip Abercromby	151 - 158	15:10
Date of Next Meeting -25 January 2024				

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Economic Growth Board

Friday 22 September 2023 at 9.00 am

Minutes

Present

Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor Stephen Simkins	City of Wolverhampton Council
Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments
Sarah Windrum	Business Representative
Professor Aleks Subic	Higher Education Sector

In Attendance via MS Teams

Councillor Paul Bradley	Dudley Metropolitan Borough Council
Councillor Matthew Dormer	Non-Constituent Authorities
Corin Crane	West Midlands Chamber of Commerce
Matthew Hammond	West Midlands Growth Company

Item No.	Title
19.	**Appointment of Chair** The board agreed to appoint Councillor Bob Sleigh to chair this specific meeting and to note that Councillor Stephen Simkins has been appointed by the Mayor as Portfolio Lead for Economy and Innovation and would assume the chair of the board with effect from the next meeting.
20.	**Apologies for Absence** Apologies for absence were received from Councillor Cotton (Birmingham), Councillor Duggins (Coventry), Councillor Piper (Sandwell), Andy Street, Anita Bhalla and Mike Wright.
21.	**Minutes - 12 July 2023** The minutes of the meeting held on 12 July 2023 were agreed as a true record.
22.	**Economic Conditions in the West Midlands** The board considered a report of the Executive Director for Strategy, Economy and Net Zero that provided a summary of the latest quantitative economic and regional labour market intelligence and qualitative insight from West Midlands businesses via the Regional Business Council and the West Midlands Business Insight Forum to help support the board in making decisions.

Councillor Simkins (Wolverhampton) commented that as an authority, Wolverhampton looks at its claimant count figures and found these to be misleading if badged with zero-hour contracts as people could work one month and not the following month. He considered the need to remove Universal Credit from the figures to provide data on sustainable employment that reflects the true picture across the West Midlands.

It was agreed this issue would be taken forward.

Councillor Courts (Solihull) commented that youth unemployment continues to be a real problem in North Solihull and Birmingham and considered the need for the board to focus on the matter. He enquired whether officers have any potential action streams for dealing with the issue.

Jonathan Skinner, Head of Economic Policy & Partnerships, explained the work being undertaken across the WMCA with local authorities and colleges with regards to skills and youth unemployment and reported that this was a 'hot spot' issue as the challenge was not evenly spread.

Charlie Hopkirk (Economist Intelligence Unit) reported that he would share the online link that was related to the skills activity with the board.

Councillor Courts (Solihull) added that the private sector would resolve youth unemployment and reported of the importance of engaging with employers on skills shortages for them to train young people.

Councillor Andrew (Walsall) considered it would be helpful to set out what is happening with regards to youth unemployment across the West Midlands and referred to schemes introduced in Walsall to help young people. He also felt that it would also be useful to understand how the apprenticeship levy was being spent.

Corin Crane (West Midlands Chambers of Commerce) considered the need for a 'deep dive' into the key issues raised to identify the practical actions that can be taken forward.

Resolved that:

The current economic conditions for the West Midlands including the monthly dashboard (Appendix 1) and insight from the region's businesses via the WM Business Insights Forum and the WM Regional Business Council be noted.

23. Deeper Devolution Deal - Economic Elements, including the Strategic Productivity Partnership

The board considered a report of the Executive Director for Strategy, Economy and Net Zero that provided an overview of the work being undertaken to capitalise on the Deeper Devolution Deal with a specific focus on three economic areas relevant to this board; business productivity, innovation and trade & investment.

The report also sought endorsement to the draft terms of reference for the Strategic Productivity Partnership, the approach to the West Midlands International Strategy and for the West Midlands Growth Company (WMGC) to act as the lead agency for trade and investment of behalf of the West Midlands.

Jonathan Skinner, Head of Economic Policy & Partnerships, introduced the report and Katie Trout (WMGC) outlined the work being undertaken with regards to trade and investment.

Further to a comment from Councillor Courts (Solihull) regarding the need to utilise every asset in the region for its promotion to sell the West Midlands, Sarah Windrum (Business Representative) concurred and reported that the Innovation Board was engaging with businesses including smaller businesses through science parks and was looking to join up youth unemployment with productivity.

Councillor Simkins (Wolverhampton) commented on the need to obtain sustainable funding for the long-term, noting the loss of EU funding and with regards to the draft terms of reference for the West Midlands Strategic Productivity Partnership and its objectives, considered that Business Support *must* form part of the WMCA's simplified funding settlement in the future rather than 'may' as stated in the report.

The Executive Director for Strategy, Economy & Net Zero, Ed Cox, reported that he agreed more long-term, sustainable funding for business support was needed from Government. However, the single settlement was currently being negotiated with Government and whilst the WMCA could push for further funding for business support and include 'must' in the terms of reference, this was not the WMCA's decision.

The board discussed whether the inclusion of the word 'must' in the terms of reference for the West Midlands Strategic Productivity Partnership, could harm/hinder the WMCA's negotiating position with regards to the single settlement and agreed to the Chair's proposal that advice be sought on the matter and it be discussed further at the next meeting.

Resolved that:

1. The economic rationale and approach to the Strategic Productivity Partnership, as set out in paragraphs 2.4- 2.7 of the report be endorsed;
2. The draft terms of reference for the Strategic Productivity Partnership attached as Appendix 1 be agreed in principle, subject to advice being sought on the inclusion of the word 'may' or 'must' for Business Support (to form part the WMCA's simplified funding settlement in the future) and this be discussed at the next meeting and
3. The approach to the Trade and Investment strand, including the West Midlands International Strategy and to agree the West Midlands Growth Company acts as the lead agency for trade and investment on behalf of WMC be endorsed.

24. Presentation- Overview of the Digital Workstream

This item was deferred to a future meeting.

25. Business Growth West Midlands

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that provided updates on Business Growth West Midlands since July; UK Shared Prosperity Fund grant, the commissioning of regional programmes and Department for Business and Trade Growth Hub funding.

The report set out a proposed approach for delivering additional support to West Midlands businesses following the securing of £380,000 of Department for Business and Trade 'Growth Hub' funding.

Paul Edwards, Head of Economic Development & Delivery, summarised key highlights from the report and conveyed his thanks to local authority and Growth Hub colleagues for shared and excellent working towards a common goal for the region.

Sarah Windrum (Business Representative) reported that the launch event held earlier in the month was a fantastic event which had received very positive feedback from those businesses attending and the website was easy for businesses to navigate.

In relation to comments from Councillor Simkins (Wolverhampton) regarding the need to have conversations/communications with businesses to ascertain how they can be supported, especially small businesses to help formulate the strategy for the five-year plan, the Executive Director for Strategy, Economy & Net Zero, Ed Cox, reported that a 'Hub and Spoke' model was in place for business support whereby local authority business advisers would be speaking to SMEs in their respective areas about opportunities and their needs to help shape funding strategy.

Corin Crane (West Midlands Chambers of Commerce) added that there were hundreds of business federations across the West Midlands and the Chambers of Commerce could provide feedback to local authorities upon request.

Councillor Andrew (Walsall) commented that business engagement has been undertaken via the LEPs for a long time and following the demise of the LEPS it might be timely to look at a refresh to ensure knowledge is retained.

Resolved that:

1. The updates be noted and
2. The proposed approach for delivering additional support to West Midlands businesses be agreed.

26. Further Education Innovation Fund

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that set out plans for a new Further Education Innovation Fund for further education colleges in the WMCA area and sought agreement to the proposed governance arrangements.

Steven Heales, Policy Manager (Innovation) reported on the new Innovate UK Further Education Fund that has grant funding of £10m to award to further education colleges in the UK for new pilot projects to strengthen their role in local innovation ecosystems.

It was noted that as part of the Devolution Deal, Innovate UK has ringfenced £2.5m from the Further Education Innovation Fund for the WMCA area further education colleges. The funding pool would open in October 2023 and the WMCA would make the final selection of projects by the end of March 2024. The board was invited to share their advice on how to maximise the impact of the fund.

Councillor Simkins enquired as to how the funding would be distributed across the WMCA and reported that he did not want colleges to compete with each other.

David Gaughan, Head of Employer Services, reported that he was looking at sub-regional bids from a collection of colleges across the Black Country alongside colleges from Birmingham & Solihull and Coventry & Warwickshire to ensure there was no competition between colleges.

Resolved that:

1. That WMCA area further education colleges are invited to submit bids for a share of £2.5m grant funding from Innovate UK to run further education innovation policies be noted;
2. That the WMCA is convening and supporting relevant education colleges to develop bids for the grant that align to the West Midlands Local Skills Improvement Plan and the West Midlands Plan for Growth be noted and
3. Authority be delegated to the interim Director for Employment, Skills, Health & Communities in consultation with the Section 151 Officer and Monitoring Officer, to make the local selection decision for funded projects.

27. Major Events Fund Update

The board considered a report of the Director of Finance & Commercial, West Midlands Growth Company (WMGC) that provided an update on progress of the Major Events Fund since the last meeting. The report also sought approval of various documents listed in the report that were agreed by the Major Events Advisory Group.

The Director of Finance & Commercial, Pip Abercromby, provided an update on key activities since the last meeting including the first meeting of the Major Events Advisory Group held on 4 August where Councillor Andrew was elected Chair.

Councillor Andrew (Walsall) reported of the need to ensure the major events held are successful, and impact the whole region given that the Leader of Walsall considered Walsall did not benefit from the Birmingham

Commonwealth Games.

Resolved that:

1. Approval be given to the following documents which were considered and agreed by the Major Events Advisory Group:
(a) the governance for the Major Events Fund;
(b) the guiding principles for evaluation;
(c) the process timeline and process flow;
(d) the application form which has been issued to all eligible authorities, the scoring mechanism and criteria and
2. That a prioritised list of projects be submitted to the November meeting of the board for consideration and approval be noted.

28. Leadership and Management Skills Training

The board considered a report of the Interim Director for Employment, Skills and Health & Communities that outlined how the WMCA would respond to recent reports setting out that deficits in leadership and management skills are holding back the region's growth and creating a productivity challenge. The report sought approval to increase investment in leadership and management skills through the devolved adult education budget.

The Head of Employer Services, David Gaughan, advised the board that £3m from the devolved Adult Education Budget would be invested in four key areas of skills and management to training (aspiring leaders; strategic leadership, healthy and inclusive workforces supporting good work and adoption of technology) to support businesses and their employees through a range of engagement platforms including Business Growth West Midlands to support SMEs.

Councillor Courts (Solihull) reported that he supported the need for this training which was important but enquired as to how the WMCA knows these are the real areas that businesses think are important and how would the training proposed be adding value to what is already be provided. He added that businesses need to be asked what they think are the right areas of focus.

Sarah Windrum (Business Representative) advised that Midlands Engine Mental Health Productivity Pilot has undertaken a lot of work with line managers in this area and data has revealed managers are required to look after the mental health of staff as well as their own mental health. She indicated that as many line managers would be leaders/aspiring leaders of the future, she would like to see mental health training included as part of the training offer on healthy and inclusive workforces.

Corin Crane (West Midlands Chambers of Commerce) commented that the Local Skills Improvement Plan (LSIP) identified businesses did not know where to obtain good quality project management and leadership training and considered that business engagement would be key to the success of the project.

Resolved that:

1. Approval be given to increase the investment of leadership and management skills training across the WMCA through the devolved adult education budget and
2. The WMCA response to the local skills investment plan report specific to leadership and management training needs to employers be noted.

29. Economic Growth Board Work Programme

The board considered a report of the Executive Director for Strategy, Economy & Net Zero that provided an update on the board's work programme.

Councillor Courts (Solihull) considered that reports for this meeting needed to be reduced in length to a more manageable size as he felt it was not efficient to have lengthy document packs of more than a hundred pages. He reported of the need for reports to focus on the real issues and salient points.

The Executive Director for Strategy, Economy & Net Zero, Ed Cox, acknowledged the size of the board pack was large and advised that it was difficult to strike the right balance on the length of reports as there was a lot going on/ to report on. He informed the board that moving forward, he would look to group together several issues in a single report rather than submitting multiple papers.

He advised that further to the discussion at today's meeting on youth unemployment, he would add a 'deep dive' on the forward plan for a future meeting.

Resolved that:

The updated work programme attached at appendix 1 of the report be noted.

30. Thursday 16 November 2023 at 1.30pm

The meeting ended at 10.15 am.

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Date	16 November 2023
Report Title	West Midlands Economic Conditions
Portfolio lead	Councillor Stephen Simkins - Economy and Innovation
Accountable Chief Executive	Laura Shoaf - Chief Executive, WMCA Email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy and Net Zero Email: ed.cox@wmca.org.uk
Report has been considered by	

Recommendations

Economic Growth Board is recommended to:

A) To note current economic conditions for the West Midlands.

1 Purpose of Report

1.1 To ensure that Economic Growth Board's (EGB) has the latest data relating to the wider performance of the West Midlands Economy as reported in the WMCA's new West Midlands Insights on Society and Economy (WISE) Newsletter as well as qualitative insights from the WM Business Insight Forum.

2 Background

2.1 The Research, Intelligence, and Inclusive Growth team at the WMCA have created the WISE Newsletter, which brings together various forms of quantitative information detailing the region's economy. This includes the WM Economy Dashboard and information from the WM Redi Monitor which previously formed part of the WM Economic Conditions report in earlier Economic Growth Board meetings. This will allow members of the Economic Growth Board to understand the context in which they are making decisions and for partners to have a consistent view of the economy. The WISE Newsletter is being published monthly. The latest edition as appendix 1 and the previous edition is available on request.

3. **West Midlands Insights on Society and Economy (WISE) – November 2023.**

3.1 The WISE newsletter incorporates information previously provided in the West Midlands' Economic Dashboard and West Midlands Regional Economic Development Institute (WM REDI) monthly Monitor. Further to this, it reports other national and regional updates of importance to the region. The key items to note from the November wise are:

3.1.1 National headlines

1. **Wage growth outstrips inflation** for first time in almost two years. Annual growth in regular pay (excl. bonuses) in GB was 7.8% in June-August 2023. Annual growth in employees' average total pay (incl. bonuses) was 8.1%. In real terms (adjusting for inflation), annual growth for total pay rose on the year by 1.3%, and regular pay rose on the year by 1.1%.
2. Chancellor announces **major increase to National Living Wage**. The National Living Wage (NLW) will increase to over £11 an hour from April 2024 and will mean the annual earnings of a full-time worker on the NLW will increase by over £1,000 next year. This announcement follows the recommendations of the Low Pay Commission. People currently aged 23 and over are eligible, with over 2 million workers on low pay set to benefit from the increase. West Midlands workers projected to be impacted number 270,000.
3. Prime Minister announces that **A-levels and T-levels will be replaced with a new Advanced British Standard (ABS)**. The ABS will increase the breadth of subjects studied by 16–18-year-olds, increase taught hours by 15% and ensure every young person studies maths and English to 18. DfE will consult on its plans over the coming months with a White Paper expected next year. Nevertheless, it is anticipated that this will take up to 10 years to implement, so the current rollout of T-levels is likely to continue.

3.1.2 Regional headlines

1. Number of **payrolled employees rises at same time as claimant count** - The number of payrolled employees in the WMCA area was estimated at 1,237,594 in September, up 1.75% on the year. At the same time, the total claimant count rose by 4.0% since this time last year and youth claimant count rose by 13.3%. One explanation for this is that as businesses struggle in the current economic climate, those previously self-employed are transferring into employment or claiming jobseeker's allowance.
2. More than **£14.7m is being invested in skills training** for West Midlands' booming tech sector. Birmingham hosted a series of events to celebrate Birmingham Tech Week 2023, with the Mayor announcing WMCA will invest 14.7m in bespoke training schemes to help meet the skills needs for the region's booming tech sector. The announcement complements Plan for Growth and plans to support tech starts ups, empowering businesses to navigate technological ecosystems such as AI, and boost the region's economy. The investment will underpin the £1m blueprint announced by TechWM, PfG tech leadership cluster.

3. Latest data from ONS highlights **West Midlands' advantage in 4 key industries**. A 2023 snapshot based on the Inter-Departmental Business Register data revealed that, out of 10 defined sectors, the WMCA has 4 sectors above the UK proportion and a further 1 that matches. These are: advanced manufacturing (6.4% vs 4.6%), life sciences & healthcare (5.7% vs 4.4%), logistics & transport technologies (9.0% vs 4.7%), retail (19.7% vs 15.1%) and public sector including education (2.4%). The sector with the highest proportion of enterprises in the WM was business, professional & financial services, which accounted for 25.8% (26,310) of the business base. Though, this is smaller than the total UK proportion of 31.1%.
4. The number of **individuals not in education, employment or training (NEET) has fallen** steadily across the 7-met area over the last 5 years from 6.6% in 2019 to 4.8% in 2023. This is the result of better monitoring by local authorities in the region, reducing the number of 'unknowns', which are included in NEET figures, from 4.1% to 2.4%.

4 Direct insights from businesses and business groups

<u>WM Business Insight Forum</u>

4.1 Since the last Economic Growth Board meeting, some of the topics explored by the WM Business Insight Forum included:

West Midlands Growth Company and an overview of their programmes: The update provided an overview of the West Midlands International Strategy, Strategic Relationship Management, Major Events Fund and the SportsAccord and how these support the primary clusters identified in the West Midlands Plan for Growth, but more broadly as well. The forum discussed how these programmes were progressing and where additional consultation was needed to ensure the programmes were fit for purpose.

Birmingham City Council – Section 141 notice: The Forum received an update on the section 141 notice at Birmingham City Council, and how that the Council was subject to wide ranging interventions from HM Government. Members heard that a team of six commissioners with their own areas of focus would be entering the Council. The commissioners were charged with undertaking specific actions such as preparing an improvement plan within 6 months in order to return the Council to sustainable financial footing.

HS2: Members received an overview of the scrapping of the second leg HS2, the creation of Network North as well as the confirmation that the Midlands Rail Hub proposal by Midlands Connect would receive £2.7bn of funding over the next decade. Members discussed their profound disappointed at the scrapping of the second leg HS2 and the potential economic implications of this but were keen to understand the detail of the new transport announcements.

5 Financial Implications

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

6 Legal Implications

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

7 Equalities Implications

6.1 There are no direct equalities implications.

8 Inclusive Growth Implications

7.1 There are no direct inclusive growth implications.

9 Geographical Area of Report's Implications

8.1 The report refers to the 7 Met area.

wise

West Midlands Combined Authority | Research and Insights

West Midlands Insights on Society and Economy

A monthly newsletter on the trends that matter to the West Midlands.

Issue 2, November 2023

1.0 Headlines

1.1 November Editorial

Welcome to the second edition of the WISE Newsletter – your monthly compendium of data, insights and research about the West Midlands economy and more, each month featuring a different guest editor. With so much news about the regional labour market in the past few weeks, this month it has fallen to me to highlight the latest headlines and trends.

The good news for those in work is that wage growth has outstripped inflation for the first time in two years. Adjusting for inflation, regular pay increased by just over one percentage point in the past year nationally. And while challenges with the Labour Force Survey means that ONS has not been able to publish their usual regional labour market statistics, there has been some encouraging news elsewhere, with the West Midlands seeing greater growth in both the number of payrolled employees (+1.75%) and in median monthly pay (+6%) than the UK average.

However, the total claimant count in the West Midlands rose 4% - more than in any other combined authority area since September 2022 – and our youth unemployment rates hit 8.4% compared with the national average of 4.9%. Youth unemployment is a growing concern in the region and will be the subject of discussion at the forthcoming Economic Growth Board.

One important step in addressing this issue is the announcement that the WMCA is investing £14.7m in bespoke training schemes to support the region's booming tech sector. This announcement came as part of another very successful Birmingham Tech Week which saw the West Midlands ranked second nationally for GVA from the digital sector in the latest TechUK digital index report.

Alongside digital, another big opportunity for regional jobs and skills is in low carbon technologies. Two Midlands Engine reports published this month flagged the growing opportunities in green jobs with over 10% of all current jobs being considered 'green' and another 10% set to transition. This research also made recommendations about the importance of reskilling workers and creating green apprenticeships.

Fiona Aldridge
Head of Insight and Intelligence at WMCA

1.2 Coming Up in the Month Ahead

- Business Finance Week 2023: 6–10 November
- Social Economy Drive: 13–19 November
- National Tree Week: 27 November–5 December

1.3 National Headlines

- Wage growth outstrips inflation for first time in almost two years
- Chancellor announces major increase to National Living Wage
- Prime Minister announces replacement of A-levels and T-levels
- UK Government outlines funding plans for midlands transport
- The Levelling-Up and Regeneration Act is signed into law

Wage growth outstrips inflation for first time in almost two years

Annual growth in regular pay (excl. bonuses) in GB was 7.8% in June-August 2023. Annual growth in employees' average total pay (incl. bonuses) was 8.1%. In real terms (adjusting for inflation), annual growth for total pay rose on the year by 1.3%, and regular pay rose on the year by 1.1%. The growth in regular pay is the highest figure on record; however, adjusted for inflation, the average person is just £7 per week better off than May 2008.

Chancellor announces major increase to National Living Wage

The National Living Wage (NLW) will increase to over £11 an hour from April 2024 and will mean the annual earnings of a full-time worker on the NLW will increase by over £1,000 next year. This announcement follows the recommendations of the Low Pay Commission. People currently aged 23 and over are eligible, with over 2 million workers on low pay set to benefit from the increase. West Midlands workers projected to be impacted number 270,000.

Prime Minister announces replacement of A-levels and T-levels

The Prime Minister has announced long-term plans to replace A-levels and T Levels with a new Advanced British Standard (ABS), removing the separation between technical and academic education and replacing all other non-apprenticeship qualifications at level 3. The ABS will increase the breadth of subjects studied by 16–18-year-olds, increase taught hours by 15% and ensure every young person studies maths and English to 18. DfE will consult on its plans over the coming months with a White Paper expected next year. In preparation, the government also announced an additional £150m per year to support students retaking English and maths, and £600m investment across the next two years to help boost teacher capacity. Teachers in schools and FE Colleges in eligible shortage subjects in levelling up areas (which include Coventry, Dudley, Sandwell and Walsall) will get £30,000 tax-free bonuses over five years.

UK Government outlines investment plans for midlands transport

Following the announcement of the scrapping of the Birmingham to Manchester leg of the HS2 line, other projects in the West Midlands have been promised (though not all of them are new projects). These include, reopening of some closed Beeching lines, roll-out of London-style contactless and smart ticketing, a brand new £2.2 billion fund to transform local transport in every part of the Midlands, and £2.2 billion for the Midlands to combat potholes and fix roads. See further detail in the regional economic roundup.

The Levelling-Up and Regeneration Act is signed into law

This month, the Levelling-Up and Regeneration Act was passed into law. The Act aims to speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes. According to the UK Government, the Act will "ensure new development is built more beautifully, produces more local infrastructure, like GP surgeries, schools and transport links, is shaped by local people's democratic wishes, enhances the environment, and creates neighbourhoods where people want to live and work".

1.4 Regional Headlines

- More than £14.7m being invested in skills training for West Midlands' booming tech sector
- Latest data from ONS highlights West Midlands’ advantage in 4 key industries
- West Midlands sees balance of trade boost
- Four towns in WMCA-met area receive £20m in levelling up funding

Labour force headlines[1]

Latest data (September) reveals that median monthly pay rose by 6.1% on the previous year in the West Midlands. The number of payrolled employees in the WMCA area was also up 1.75% on the year. At the same time, the total claimant count rose by 4.0% and the youth claimant count rose by 13.3% in the West Midlands over the last year. For further detail, see the regional economic roundup.

More than £14.7m being invested in skills training for West Midlands' booming tech sector

Birmingham hosted a series of events to celebrate Birmingham Tech Week 2023, with the Mayor announcing WMCA will invest 14.7m in bespoke training schemes to help meet the skills needs for the region’s booming tech sector. The announcement complements Plan for Growth and plans to support tech starts ups, empowering businesses to navigate technological ecosystems such as AI, and boost the region’s economy. The investment will underpin the £1m blueprint announced by TechWM, PfG tech leadership cluster. Last year, the West Midlands had the fastest growing tech sector in the UK and many businesses touched on the importance of med tech at the events, as well as developing the people skills needed from the workforce for sector growth.

Latest data from ONS highlights West Midlands’ advantage in 4 key industries

A 2023 snapshot based on the Inter-Departmental Business Register data revealed that, out of 10 defined sectors, the WMCA has 4 sectors above the UK proportion and a further 1 that matches. These are: advanced manufacturing (6.4% vs 4.6%), life sciences & healthcare (5.7% vs 4.4%), logistics & transport technologies (9.0% vs 4.7%), retail (19.7% vs 15.1%) and public sector including education (2.4%). The sector with the highest proportion of enterprises in the WM was business, professional & financial services, which accounted for 25.8% (26,310) of the business base. Though, this is smaller than the total UK proportion of 31.1%.

West Midlands sees balance of trade boost

According to new data released by HM Revenue & Customs, In the year ending Q2 2023, the Midlands area exported 33.4bn worth of goods and imported £42.5bn. This represented a trade in goods deficit of £9.1bn in the year to Q2 2023, compared to £12.8bn in 2022 and £6.8bn in 2021 (during pandemic). The West Midlands region’s total value in goods exports increased by 26.1% when compared to the previous year. This contrasts with a 12.2% rise for the UK as a whole. The largest value of goods exported in the West Midlands was machinery & transport at £23.2bn. This sector accounted for 69.4% of the total exports value, of which 62.9% were non-EU exports. Compared to the previous year the total value of machinery & transport exports has increased by 35.2%.

Four towns in WMCA-met area receive £20m in levelling up funding

Bilston (Wolverhampton), Darlaston (Walsall), Smethwick (Sandwell), and Dudley have each been awarded £20m from the UK Government as part of its long-term plan for towns. The money granted to 55 towns across the UK aims to provide long-term investment that will be spent on local people’s priorities, such as regenerating local high streets and town centres or securing public safety.

[1] All data reported in this section is available through Nomis

2.0 In More Depth

2.1 National Round-up

National Infrastructure Commission publishes 2nd National Infrastructure Assessment

The National Infrastructure Commission (NIC) identified three cross cutting strategic opportunities that economic infrastructure is key to seizing:

Energy and Reaching Net Zero

The UK Government must accelerate deployment of electric vehicle public charge points to reach its expectation of 300,000 public charge points by 2030 and keep pace with sales of electric vehicles.
The UK Government should, by 2025, establish a monitoring and review regime for its transport decarbonisation plans that reflects the uncertainty in carbon emissions outcomes from transport.

Growth Across All Regions

Government should commit long term funding of £22 billion for major transport projects in cities from 2028 to 2045. To encourage modal shift government should make long term funding for major projects conditional on cities introducing a demand management scheme.
Government should agree single multiyear financial settlements for existing mayoral CA's with £8 billion a year is available for devolved transport budgets for local authorities outside London.
The Commission calls for the cessation of selling land safeguarded for HS2 north of the West Midlands. He has urged retaining the land to allow time to revisit the sites and to possibly find a more cost-effective solution.
The Commission also calls for "a new comprehensive and long-term strategy that sets out how rail improvements will address the capacity and connectivity challenges facing city regions in the North and Midlands is needed".

Improving Resilience and the Environment

By 2025, government should publish a full set of outcome-based resilience standards for energy, water, digital, and transport services, committing to future reviews every five years.
By 2025, government should introduce legislation to require five yearly reviews of the National Policy Statements for Energy, Water Resources and National Networks.

Impact on the West Midlands

The WMCA welcomes the publication and recommendations within the second NIA. The NIA builds on the positive work by the WMCA and local authorities and we collectively support a more coherent and cohesive national policy framework, with clear strategic objectives, especially for Decarbonisation and Net Zero policy positions.

Research partnership releases "The UK's AI Startup Roadmap"

Onward, the Startup Coalition and the Tony Blair Institute have released a report outlining how the UK Government could help remove obstacles facing fledgling companies. The report states that the overarching lesson of the research is that "as the Government develops its approach to AI, we have to keep the tried-and-tested basics in mind. Across capital, talent, compute, and compliance, we have yet to really nail the fundamentals: accessing capital throughout the lifecycle, hiring and bringing the best and brightest talent possible, competing on compute and data infrastructure internationally, and navigating the regulatory environment. There is much more to do." Read the full report here.

The British Business Bank turns out to be a poor replacement to the European Investment Bank, claims UK in a Changing Europe

According to UK in a Changing Europe, the new British Business Bank (BBB), which was brought in to replace the function of the European Investment Bank (EIB), handed out less than half of the EIB annual average investment from 2009 to 2016 in 2022. UK in a Changing Europe argue that BBB has also neglected to correct the failings of the EIB when it comes to regional disparity in investment, with the WM being adversely affected.

Number of insolvencies on the rise across England and Wales

Latest figures from the ONS suggest the number of company insolvencies in England and Wales is set to reach its highest level since the 2009 financial crisis, with a 10% increase in insolvencies over the last three months. There has also been a significant rise in the number of firms facing "critical financial distress" with a 25% increase in the last three months. Factors contributing to this trend include higher inflation, increased borrowing costs, weaker consumer confidence, and demand. Many businesses are struggling with the withdrawal of government support measures during the COVID-19 pandemic and the impact of rising interest rates and inflation on their bottom lines and consumer spending.

Leading academic raises concerns about over-focussing on specific sectors in growth plans

Professor Mary Ryan at Imperial College London writes that strategic investment in high-tech sectors seems to be widely endorsed by researchers, especially those who are engaged in research about productivity and innovation. However, research into high growth also suggests that growth in turnover and productivity “cannot, and should not, be equated to ‘high tech’ firms” and that growth comes in a variety of sectors and contexts. The Creative Industry before the pandemic (2011-2019), for example, was growing twice as fast as the UK economy as a whole contributing £116bn in GVA in 2019. Thus, the government prioritising biotech, fintech and life science at the expense of other sectors might be limiting growth and development.

Professor Ryan also argues that the Government’s emphasis on large-scale, high-tech industries seems to negatively affect UK SMEs who employed more than 13M people with an annual turnover of £1.4Tr in 2021. Micro-enterprises, SMEs with less than ten employees, the self-employed and freelancers, are an important element of urban economic growth. However, micro-enterprises are largely ignored by government policy and support. This has become highly visible during the pandemic where they have been hit hardest with slower post-pandemic recovery. This might be due to many micro-businesses being invisible, often home-based, and contributing ‘jobless growth’ that is expanding turnover but not taking on employees.

UK developing leadership in digital security states new independent report

The UK is establishing national expertise around cyber and AI security. This includes the government's Frontier AI Taskforce setting up an AI safety research team to assess risks in cutting-edge AI development while an independent report finds UK leads the way with AI Standards Hub. These developments coincide with the announcement at Birmingham Tech Week that the new £80million UK Telecoms Lab – a state-of-the-art facility to test innovation around telecoms and cyber security – is now based and operating from Solihull. The national facility will be operated by the National Physical Laboratory (NPL) and its location in the West Midlands is a reflection of the region’s fast-growing tech leadership.

Resolution Foundation releases briefing note “A wealth of variety: The variation in household wealth across Britain and what it means for policy”

In the briefing note, the authors explore how wealth was distributed across the nations and regions of Britain on the eve of the pandemic, what determined those differences, and how wealth has evolved in different places since the recent rise in interest rates began. They also explore the policy implications, in particular how Council Tax as the primary wealth tax in the UK should be reformed to lean against the stark wealth disparities we see across the nations and regions. Find the report here.

Local Government Association claims councils in England face a funding gap of £4 billion over the next two years

Councils in England face a funding gap of £4 billion over the next two years, according to Local Government Association (LGA) research. This represents an increase of £1 billion since it published initial analysis in July, citing rising cost and demand pressures as factors behind the change. The LGA warns ahead of the Autumn Statement that councils are facing an 'inflationary storm' and require immediate funding to deliver 2023/24 budgets.

City-REDI asks: How do we Reach our Vision for Cities and Places?

The latest piece from City-REDI and the Local Policy Innovation Partnership Hub argue that cities and city leaders need to innovate to grow, and this needs to happen across a range of policy areas. There are both local and national levers which can be implemented to help cities innovate across issues including social innovation and inclusion, resilience planning, creative financing models, data-driven decision making, smart city technologies, digital connectivity and e-governance, renewable and efficient energy, circular economy and waste management, sustainable urban planning, and cultural and wellbeing planning.

Resolution Foundation publishes a series of reports on skills productivity and lifelong learning

As part of the Economy 2030 Inquiry, three new reports have been published. The first is titled "Learning to grow: How to situate a skills strategy in an economic strategy" and identifies three skill areas that should be targeted for growth: financial and business services, the creative and cultural sector, and life and science industries. These sectors require more advanced skills, but there is currently a shortage of people with level 4 and 5 qualifications who would be suitable. The second report titled "Applying the Robbins Principle to Further Education and Apprenticeships" argues whilst the Robbins Principle - all people who qualify for HE and want to go, should be guaranteed a space – is attached to academic routes, there is not an equivalent principle for those choosing vocational pathways. The third report titled "How higher education can boost people-powered growth" argues HE is essential for economic growth and outlines ways to strengthen the points of connection with the wider economy.

Royal Society of Arts publishes report on Unleashing the potential of the UK's cities

The report details a strategy to turn around UK cities outside of London over the next 25 years, utilising private capital to create the levels of investment necessary to turn around the previous 70 years of chronic underinvestment in UK regional cities. According to the report, it will take investment of up to £1.7trillion for UK cities to reach the same GVA as London by 2050 (£221bn in Birmingham). Achieving this level of this productivity is very difficult, but not impossible - Lyon is a similar size to Birmingham but twice as productive. Only private sector investment will be able to provide this level of capital. Obtaining this requires a strong and plausible narrative, informed by robust data.

Institute for Government asks 'Where next for English devolution?'

A recent Institute for Government podcast discussed the progress the UK Government has made in devolving power across England, and includes an interview with Fiona Aldridge, Head of Insight and Intelligence at the West Midlands Combined Authority.

2.2 Regional Economic Round-up

Labour force headlines[2]

Median pay

Nationally, median monthly pay rose by 5.7% compared with the same period in 2022, while average pay rose by 7.8%. In the WMCA area, median pay was estimated at £2,101 – 92.8% of the UK figure. However, growth in pay was 6.1% on the previous year – a larger increase than seen nationally.

Payrolled employees

The number of payrolled employees in the WMCA area was estimated at 1,237,594 in September, up 1.75% on the year and up 5.3% since February 2020. Nationally, employee estimates were up 1.2% and 3.8% respectively – lower than the West Midlands.

Total claimant count

The total claimant count rose by 1.5% in the West Midlands from August to September (UK: 0.9%). There has been a 4.0% increase since September 2022 (UK: 2.2%). Overall, for the WMCA, the number of claimants as a proportion of residents aged 16-64 was 6.8% (UK: 3.7%) in September 2023. Across the Combined Authorities, the WMCA had the highest rates, Greater Manchester was the second highest at 4.9% down to 2.6% for the West of England.

Youth claimant count

The youth claimant count rose by 2.5% in the West Midlands from August to September (UK: 1.3%). There has been a 13.3% increase since September 2022 (UK: 8.9%). Overall, for the WMCA, the number of claimants as a proportion of residents aged 18-24 was 8.4% (UK: 4.9%) in September 2023. Across the Combined Authorities, the WMCA had the highest rates, Tees Valley was the second highest at 8.3% down to 2.4% for the West of England.

New People and Skills Board launched to address the West Midlands' skills gap

In October, Centre for the New Midlands officially launched the 'People and Skills Workstream' which brings together business leaders, regional leaders, policymakers, and prominent academics. Following the launch of the West Midlands Plan for Growth by the West Midlands Combined authority last year, the priority skills needed to support that growth will form the heart of this new workstream's focus. Utilising industry expertise and new research around the skills agenda, the workstream aims to support policy makers across the region to deliver enhanced public policies and, as a consequence, better outcomes for the West Midlands region.

UK Government outlines investment plans for midlands transport

Following the announcement of the scrapping of the Birmingham to Manchester leg of the HS2 line, other projects in the West Midlands have been promised, though not all of them are new projects. Projects include:

- Communities reconnected by reopening closed Beeching lines, including the Stoke to Leek line and the Oswestry to Gobowen line, with a new stop at Park Hall. A new station will be built at Meir, Stoke-on-Trent, on the existing Crewe to Derby line.
- £100 million will be shared across the North and Midlands to support the development and roll-out of London-style contactless and smart ticketing, supporting seamless travel by enabling contactless or smartcard payment.
- A brand new £2.2 billion fund to transform local transport in every part of the Midlands outside the mayoral combined authority areas and the new East Midlands combined authority - rural counties such as Shropshire, cities like Leicester and towns such as Evesham. This could pay for smaller, more demand-driven buses in rural areas and funding into greener bus fleets, as well as funding the refurbishment of Kidsgrove and Longport stations, near Stoke-on-Trent.

[2] All data reported in this section is available through Nomis

- £250 million will fully fund ten smaller road schemes in the Midlands, including the Shrewsbury North Western Relief Road and the A4123 Birchley Island, near Oldbury. A Midlands Road Fund worth nearly £650 million will be launched for new road schemes.
- £230 million for more frequent bus services in the Midlands, which could be spent on new bus stops around Telford and park and ride upgrades elsewhere in Shropshire and new bus lanes in Herefordshire.
- £2.2 billion for the Midlands to combat potholes and fix roads causing misery for drivers.
- £2 bus fare extended until the end of December 2024 instead of rising to £2.50 as planned.
- £1 billion more for local transport funding in West Midlands: This includes £100 million to deal with ongoing metro and Arden Cross cost pressures and £250 million to accelerate local transport projects over the next five years.

In total, the Midlands is expected to receive £9.6bn invested in transport projects in the region. However, HS2 will be a significant loss for the region and the north. Tom Arnold, Research Associate in public policy at the University of Liverpool pointed out that the business case for HS2 highlights that the best return on investment would have been the Birmingham to Manchester leg of HS2, not the Birmingham to London leg. This is because it would have brought the cities closer together, reaping economic benefits as well as improving quality of life.

West Midlands Tech Week a roaring success

During the week, several announcements designed to catapult the West Midlands tech ecosystem were made. These include, (i) TechWM plans to invest £1m to supercharge the region's tech sector, (ii) TechWM announcing a partnership with Birmingham Digital Futures (BDF) to narrow the digital skills gap and drive digital transformation across the West Midlands, (iii) a partnership announced with Boardwave, an exclusive tech networking initiative, to give local startups and scaleups access to expert tech mentors and entrepreneurs, (iv) the Tech Nation 2.0 relaunch, and (v) the launch of the techUK digital index report.

Highlights of the techUK digital index report include regional estimates of gross value added from digital sector. GVA per person in London is £9,083, compared to £2,055 in the West Midlands, £1,979 in Scotland, and £1,348 in Wales. If the six regions with the lowest digital GVA reached the UK median this would add £4.8 billion to the UK economy, and specifically to regional economies, unlocking new economic growth. The West Midlands is 2nd through good 5G connectivity to over 80% of homes and gigabit broadband to over 73% of premises. The report goes on to make several recommendations to businesses and local and central governments for ongoing intervention to support the sector. Find out more here.

Latest reports confirm strength of manufacturing in the West Midlands

According to MakeUK's latest 'Manufacturing – The Facts' report, the UK's manufacturing sector has climbed one place to eight in the world rankings, overtaking France. The Northwest remains the biggest manufacturing area of the UK, worth £28.2bn in output and employing 314,000 people. The West Midlands is the second largest region with 310,000 jobs and £21.0bn output. In the latest Manufacturing Outlook Survey (Q3 2023), both output and orders remained strong in the West Midlands, with an order balance of +55% and an output balance of +36% on last quarter alone (both the highest of all regions in the UK). Looking forward, both of these are set to increase further in the next quarter with orders at +32% and output at +41%.

West Midlands to lag behind most of country in post-Covid economic recovery

The National Institute of Economic and Social Research (NIESR) has predicted that real wages should recover in most UK regions by Q4 2024. However, the WM is one of only three that are expected to remain behind pre-Covid levels, with WM by far the worst region at -5% real wage growth, comparing to +7.2% in London. Although the East Midlands is not as badly affected, underperformance across the Midlands suggests a disproportionate impact of major shocks in recent years.

Midlands Engine releases new cluster snapshots

The Midlands Engine has released five new cluster snapshots, including three region-specific pictures. Regional snapshots include Digital Creative & Video Games, Education Technology, and Textiles. Other cluster snapshots with relevance to the region include the Artificial Intelligence 'New Economy' Cluster Snapshot and the Quantum technology 'New Economy' cluster snapshot.

WMREDI conduct early assessment of the West Midlands Innovation Programme

WMREDI concluded that WMIP has provided good value for money in terms of achieving its objectives. It has been successful in marshalling and leveraging resources within the region to support a change in the coordination of the development of the region's innovation support ecosystem. This has been achieved by creating a strong infrastructure that has allowed the programme to be responsive to changing circumstances and new opportunities. The pooling and funding of expertise in innovation in different sectors it has created is a much-needed centre of expertise to support the development of the region's innovation ecosystem.

Midlands Engine publishes insight reports on green and hydrogen jobs and skills

There are two publications one looking at skills and the other jobs in the green and hydrogen sector in the Midlands (West and East Midlands combined).

- Green-Hydrogen-Skills: This paper provides policy recommendations to boost green and hydrogen jobs, such as encouraging green jobs in non-green sectors, which the Midlands already does well in (with 41% of green jobs in non-green industries) but could be boosted further through up- / re- skilling workers via micro-credentials. It also encourages working towards more inclusive green employment to attract under represented workers (women and young people), and to utilise apprenticeships to provide the on-the-job experience needed, particularly in new and emerging market growth.
- Green-Hydrogen-Jobs: This paper analyses the Labour Force Statistics data on green and hydrogen jobs in the Midlands. Nationally 50% of hydrogen jobs are concentrated in manufacturing (21.7%), construction (15.6%), and professional, scientific, and technical sectors (10.7%). Green hydrogen occupations have increased by 24% nationally, and by 18% in the Midlands. Currently, 10.2% of all jobs in the region can be counted as green hydrogen jobs, and there is room for 10% of current jobs to transition to green jobs. Of the three types of green jobs (New and Emerging Occupation, Enhance Skills and Knowledge Occupations and Increased Demand Occupations), New and Emerging Occupations is the fastest growing, with higher demands for technical skills and training compared to the other two groups, requiring experience in 70% of jobs.

Harvard Kennedy School report asks: "Why hasn't UK regional policy worked?"

UK domestic policy – especially in England - in recent years has focused on regional inequalities in economic outcomes and public service delivery, which are tied to a political 'geography of discontent' that emerged in the 2010s. The researchers found broad political consensus on a range of areas: that widening divides are not inevitable; that previous policy regimes have lacked sufficient ambition; that excessive past centralisation has driven policy instability. They also found that the Mayoral Combined Authority model, coupled with sustainable local government funding, could form the basis for a cross-party consensus on regional growth. Read the full report here.

2.3 Regional Business Roundup

Greater Birmingham Chambers of Commerce release "Birmingham Economic Review"

The report strikes an upbeat view of a region prospering despite national and international economic and political turmoil. While economic turbulence continues to challenge individuals and businesses, a young and diverse city is becoming better connected and taking advantage of new opportunities.

Government awards 7.5m to Immersive and Creative Technologies Launchpad programme in Coventry and Warwickshire

The region will receive £7.5m in investment to boost innovation and business growth in the video game sector. Under the Immersive and Creative Technologies Launchpad program, businesses and researchers can apply for competitive grants to support innovation projects that leverage new technologies in healthcare, education, future mobility, manufacturing, retail, and tourism. The program, funded by Innovate UK, aims to enhance innovation clusters and drive economic growth and job creation, aligning with the UK government's levelling-up agenda.

Rising interest rates and fewer government-backed loans drives reduction in SME financing

The British Business Bank published the third annual Nations and Regions Tracker in October. Key findings were:

1. National figures show that banks and other lenders are increasingly refusing credit to SMEs.
2. Nationally, the proportion of Small and Medium-Sized Enterprises (SMEs) using some form of external finance decreased from 59% to 39%. This mainly reflects the withdrawal of government-backed finance schemes deployed during the pandemic.
3. In the West Midlands, the drop in SMEs using external finance was only 10% compared to the national total of 20%. However, this largely reflected lower initial uptake of support.
4. The use of equity finance outside of London dropped for the first time since 2011.
5. In the West Midlands, the number of equity deals dropped by 10% compared to 2022, and the value of equity deals dropped 22%.
6. Out of Mayoral Combined Authorities, only West of England Combined Authority has fewer deals, and the total value of deals is the lowest in the WMCA.
7. The tracker identified several clusters of IP-intensive businesses around the country, including Birmingham & The Black Country, Coventry & Warwickshire, and Nottingham & Derbyshire. Of these three, Coventry & Warwickshire had the highest concentration of spin outs. Compared with the UK, the Coventry & Warwickshire cluster ranked 7th place.

Local firm secures £500m to scale up work in driverless technology sector

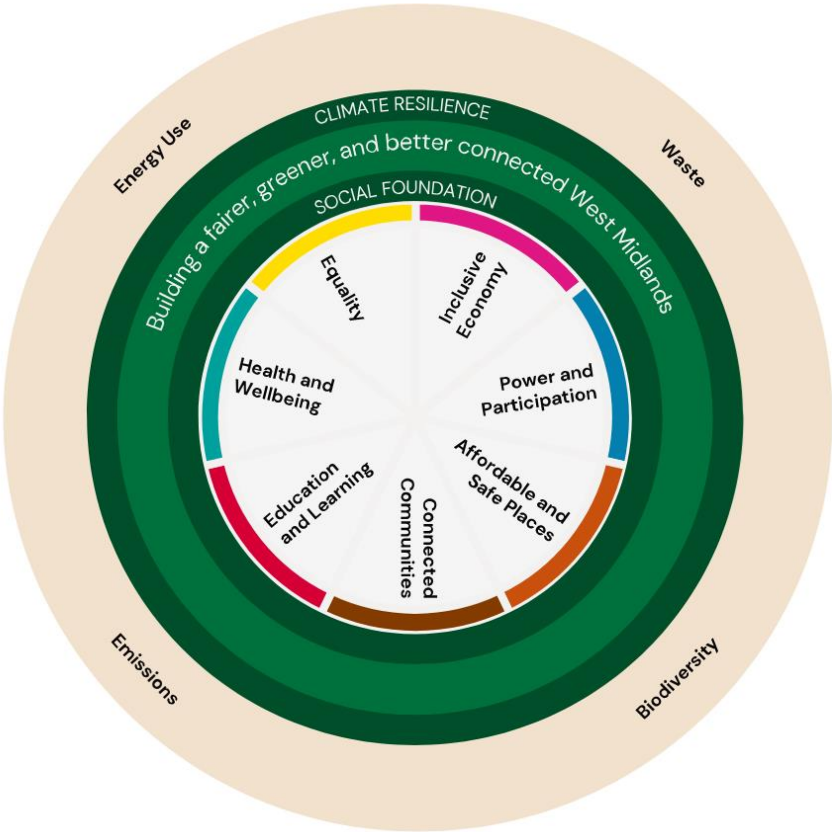
A Birmingham driverless vehicle company has secured £500m in Series A+ funding, as it looks to be at the forefront of the driverless technology sector. Conigital has received a combination of equity and debt investment from a partnership with a global private equity infrastructure firm, which manages £150bn in assets.

Jaguar Land Rover unveils new £250m test facility in the West Midlands

Jaguar Land Rover (JLR) has unveiled a new £250m test facility as part of plans for its "next generation" of pure electric models. The car maker said the Future Energy Lab at its engineering centre in Whitley, Coventry, had key innovations enabling the rapid testing of electric vehicles (EVs). This news comes as JLR reported increased sales volumes worldwide for the second quarter of 2023-2024. Wholesale volumes in the period were 96,817 – up 29 per cent compared to the same quarter a year ago and up four per cent on the quarter to the end of June, despite taking in the annual two-week summer plant shutdown.

2.4 Inclusive Growth Roundup

This section looks at the regional news highlights which relate to our eight fundamentals of Inclusive Growth. This includes one fundamental focused on planetary boundaries, 'climate resilience', and seven human focused fundamentals: 'inclusive economy', 'power and participation', 'affordable and safe places', 'connected communities', 'education and learning', 'health and wellbeing', and 'equality'. Below is our Inclusive Growth Doughnut. To find out more about the WMCA's commitment to Inclusive Growth see here.



Inclusive economy

UK Government launches Refugee Employability Programme

On 19 September, the government launched a new £52 million Refugee Employability Programme to help refugees integrate into local communities. The programme will operate for two years and will provide enhanced support to refugees and Afghans across employment, English Language training and integration. The programme will help to build up their confidence and skills to enter the UK job market and lead independent lives. For people who do not already receive integration support, the programme will help them access public services, including a GP and a job centre, local community groups and mental health support.

Affordable and safe places

Housing costs continue to rise

According to Zoopla, house prices across the West Midlands fell by an average of 0.4% in the year to August 2023. This compared to a national average of -1.1%. House price falls across the UK have been driven by increasing mortgage costs. Regions less adversely affected, such as the West Midlands, have lower average house prices and, hence, continue to be more affordable despite rate rises. On rental prices, the ONS estimated annual inflation rates on all rents in the West Midlands at 5.7% in the year to September 2023. Rental price inflation is higher in the West Midlands than any other English region outside of London. Latest figures from Rightmove (September 2023) reported annual increases on asking rents (new lets only) now at 11.0% in the WM, compared to 10.0% GB-wide, as the mismatch between supply and demand in the private rented sector continues to worsen.

Connected communities

Centre for Social Justice publishes report: "Left Out: How to tackle digital exclusion and reduce the poverty premium"

This report considers the impact of the poverty premium on household access to digital services. Amongst its analysis of the UK Household Longitudinal Survey are findings that suggest 11% of households cannot access the internet at home. The evidence reinforces analysis linking a lack of internet access to household income - almost a quarter of households which are local authority rented (24.1%) and just under 1 in 5 households that are rented from a housing association (19.4%) report having no access to the internet at home. This is compared to 2% of households which are owned with a mortgage. By age, approximately 2% of 18-24 year olds do not have internet, 3.3% 25-34, 3.6% 35-44; 5.7% 45-54; and 14.6% 55-64. The figures are higher for those on low income. By region, 11% of households in the West Midlands said they could not access the internet at home. Whilst the issue impacts access to the best prices for services and goods, it also disproportionately impacts the unemployed struggling with digital skills and seeking work. The report called for government support for the National Device Bank for donations of unused devices and, funding for a long term digital skills programme targeted at unemployed people and those with limited digital skills.

UK Government pledges £150m to sustain local bus services in place of HS2

Every part of the Midlands and North of England is set to benefit from £150 million of funding, the Transport Secretary has announced. This is the first tranche of £1 billion worth of funding that the government is dedicating to bus services across the North and the Midlands as part of the Network North plan. The money will help to alleviate short term pressures given that funds had been being diverted from the Bus Service Improvement Plan to sustain current service levels. However, more funding is required to alleviate wider pressures facing the industry following the pandemic, and more effort must be put into finding a long term sustainable funding solution for public urban transport.

Education and learning

Local Government Association publishes "Make It Local: local government's vital role in addressing economic activity"

This research explores the current issues and interventions being used to reduce economic inactivity, focusing on the important role that local governments play. The paper shares 51 examples of programmes/initiatives, including 7 from the WMCA 7-met area. The study found that different groups of economically inactive people are targeted by programmes at varying levels, e.g. 35% of programmes support beneficiaries with a disability or mental health condition, but only 2% support beneficiaries who are homeless. Groups that need most support tend to be least connected to employment services and are therefore hardest to reach. The study advises programmes should: 1) broaden their programme criteria and outreach channels to reach a wider group of people; 2) connect with and involve whole-person interventions (e.g. health, housing, and financial services); 3) provide place-based support through locally run employment and skills services; and 4) release funding over a longer period as programme results are rarely immediate, especially when working with more isolated groups of people. The research calls for further investment into economic inactivity to reduce the burden on wider public sectors, help employers recruit a broader range of talent, and address current skill shortages.

Health and wellbeing

£2m scheme to tackle domestic abuse launched by Police and Crime Commissioner

The Police and Crime Commissioner has secured funding from the Domestic Abuse Perpetrators Fund for a two-year innovative pilot which will be rolled out in custody in both Coventry and Sandwell as part of his work to promote the rights and welfare of victims and to change behaviours. The work is another step towards preventing, tackling and reducing domestic abuse in the region.

Equality

EngineeringUK publishes "Fit for the future – Inspiring tomorrow's engineers"

This publication follows an inquiry co-chaired Lord Knight and by Lord Willets with written and oral evidence from the WMCA. Fit for the future is a 5-point growth plan that aims to tackle issues associated with the lack of diversity of engineers and technicians, the barriers for young people, and the decline in uptake of apprenticeships, e.g. engineering-related apprenticeship starts in the West Midlands dropped by 27% between 2016/17 to 2021/2022. The report identified three key problems: 1) fewer apprenticeships starts amongst younger people or at Level 2 and 3; 2) an 18% decrease in SMEs engaging with apprenticeships due to high levies; and 3) a reduction in uptake from people from socio-economically deprived areas. Read the full report.

Youth Employment Group calls for Young Person's Guarantee

A Research report commissioned by the Youth Employment Group (YEG) advocates for a Young Person's Guarantee to support young people and reduce the number of those note in education, employment, or training (NEET). YouGov polling results estimated that 57% of the public believe the UK Government must do more to get young people into work, and 81% of UK adults support the idea that young people should receive support from the government to start work, training or education within four months of becoming unemployed or leaving education. The research identifies four evidence-based success factors for reducing NEET numbers: (i) Early intervention raises effectiveness; (ii) One-to-one support is vital; (iii) Public employment services are central; and (iv) Place-based and nationally coordinated interventions are best. The YEG, which is supported by 60 organisations, including the WMCA, calls on government to implement five policy proposals:

1. Proactively support young people in education who are at high risk of NEET.
2. Re-commit to Youth Hubs and extend their services to all economically inactive young people.
3. Establish a new joint ministerial brief between the Department for Work and Pensions and the Department for Education.
4. Pilot a targeted placement scheme for young people who are long-term NEET.
5. Strengthen and broaden the range of Level 2 and Level 3 pathways available to young people.

Latest data released on the employment of disabled people 2023

The Department for Work and Pensions has released its annual official statistics on the employment of disabled people within the UK working age population (16 to 64). The data indicates the employment rate of disabled people in the UK has increased from 43.4% in 2013 to 52.6% 2022. This increase is associated with several factors including a rise in the number of people reporting disability, overall increases in employment rates generally, and a decrease in the disability employment gap. The data also shows that disabled people are more likely than non-disabled people to be self-employed (13.6% disabled people are self-employed compared to 12.1% non-disabled people). Further within the economically inactive, disabled people are more likely to want a job than non-disabled people, however there is a gap of 29.8pp in the employment rates of disabled and non-disabled people. Concerningly, the West Midlands saw the largest increase in the disability employment gap by 3.0pp.

Gender pay gap diminishing

Latest data from the Annual Survey of Hours and Earnings revealed that the gender pay gap for all employee jobs stands at 14.4% this year for the West Midlands. This compares to an average value of 14.3% for the UK. Last year, the gap stood at 15.0% and five years ago (2018) it was 18.1%. According to the data, the West Midlands has seen a declining pay gap over the last five years in line with the rest of the UK.

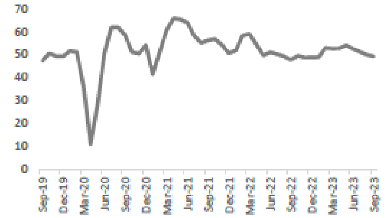
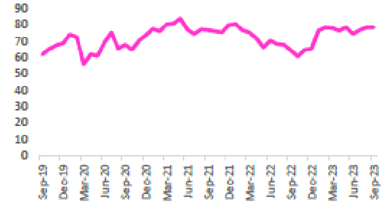
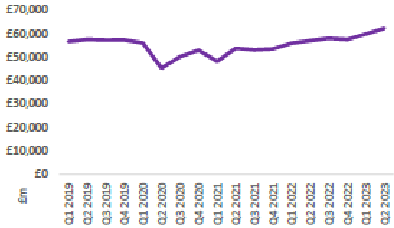
3.0 Annex

3.1 WMCA Economic Intelligence Unit (EIU) Dashboard

The Economic Intelligence Unit

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Monthly/Quarterly Business Dashboard

Themes	Indicator	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Trend	Relative to Peer Group[1]	Commentary
Business	Regional Business Activity Index[2] (monthly update)	47.8	49.6	48.8	48.9	49.0	53.0	52.7	52.8	54.2	52.6	51.3	50.0	49.3		WM: 3rd Highest Region UK: 48.5 London: 52.4 (1st) North East: 43.7 (12th)	The West Midlands Business Activity Index decreased from 50.0 in August 2023 to 49.3 in September 2023. The decline in business activity was linked to reduced customer orders.
	Regional Future Business Activity Index[3] (monthly update)	64.4	60.7	64.7	65.3	76.5	78.4	78.0	76.5	78.5	74.4	76.8	78.5	78.4		WM: Highest Region South East: 75.3 (2nd) North East: 57.6 (12th)	The West Midlands Future Business Activity Index decreased slightly from 78.5 in August 2023 to 78.4 in September 2023, but was still among the highest levels seen since January 2022. Optimism in firms was linked to expectations of new business gains, demand would strengthen, planned investment (people and systems) and efficiency gains.
	National Business Investment[4] (update due 10th Nov 2023, provisional)	£58.0bn (Q3)			£57.5bn (Q4)			£59.8bn (Q1)			£62.2bn (Q2)					N/A	Revised figures show that UK business investment increased on the quarter by 4.1% in Quarter 2 2023 to £62.2bn (provisional growth was 3.4%). UK business investment is now 9.2% above where it was the same quarter a year ago. The main contributor to business investment growth was transport, mainly because of investment in aircraft.

Sep 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023
47.3	58.5	56.3	47.8	49.3

Sep 2019	Sep 2020	Sep 2021	Sep 2022	Sep 2023
61.9	67.8	76.8	64.4	78.4

2019	2020	2021	2022	2023
£56.6bn Q1	£56.0bn Q1	£48.1bn Q1	£55.9bn Q1	£59.8bn Q1
£57.5bn Q2	£45.3bn Q2	£53.7bn Q2	£57.0bn Q2	£62.2bn Q2
£57.2bn Q3	£50.1bn Q3	£53.0bn Q3	£58.0bn Q3	
£57.3bn Q4	£52.9bn Q4	£53.4bn Q4	£57.5bn Q4	

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The Dashboard has been updated to reflect the WMCA 7 Met. geography where available (due to data availability, FDI jobs and projects indicators have remained as WMCA 3 LEP geography). The dashboard has been RAG rated based on; Red indicating a decline in performance, Amber where they have been an improvement in performance and Green indicators an improvement above UK-wide (excluding the UK-wide indicator where they are either green or red depending on change each quarter and business activity and future business activity where amber shows a decline in performance but above the 50-growth mark and green indicators continually increases).

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

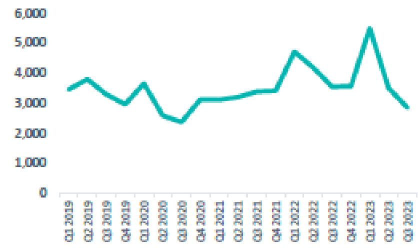
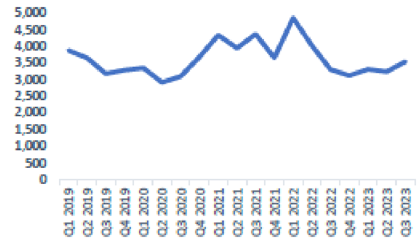
[2] NatWest, UK regional PMI report for September 2023 – released October 2023.

[3] NatWest, UK regional PMI report for September 2023 – released October 2023.

[4] Office for National Statistics (ONS), Business investment in the UK: April to June 2023 revised results – released September 2023.

The Economic Intelligence Unit

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Themes	Indicator	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Trend	Relative to Peer Group[1]	Commentary
Business	WMCA (7 Met.) Enterprise Deaths[5] (quarterly – update due Feb 2023)	3,555 (Q3)			3,570 (Q4)			5,505 (Q1)			3,510 (Q2)			2,855 (Q3)	 Q3 2019: 3,300 · Q3 2020: 2,370 · Q3 2021: 3,390 · Q3 2022: 3,555 · Q3 2023: 2,855	WMCA: 2nd Highest CA GMCA: 2,960 (1st) Tees Valley: 480 (10th)	In Q3 2023, there were 2,855 business deaths in the WMCA area. A decrease of 19.7% when compared to Q3 2022 (UK -13.6%). Quarter on quarter analysis (between Q3 2023 and Q2 2023) shows a 18.7% decrease in business deaths across the WMCA area (UK -17.7%).
	WMCA (7 Met.) Enterprise Births[6] (quarterly – update due Feb 2024)	3,305 (Q3)			3,120 (Q4)			3,310 (Q1)			3,240 (Q2)			3,535 (Q3)	 Q3 2019: 3,180 · Q3 2020: 3,100 · Q3 2021: 4,365 · Q3 2022: 3,305 · Q3 2023: 3,535	WMCA: 2nd Highest CA GMCA: 3,635 (1st) Tees Valley: 615 (10th)	In Q3 2023, there were 3,535 business births in the WMCA area. An increase of 9.1% when compared to Q3 2022 (UK +1.9%). Quarter on quarter analysis (between Q3 2023 and Q2 2023) shows an 7.0% increase in business births across the WMCA area (UK +14.9%).

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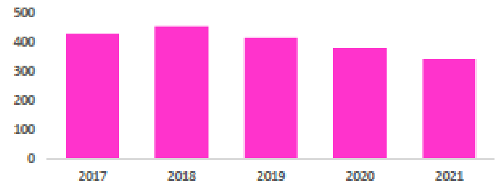
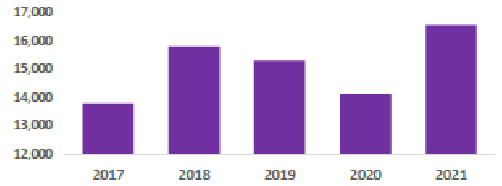
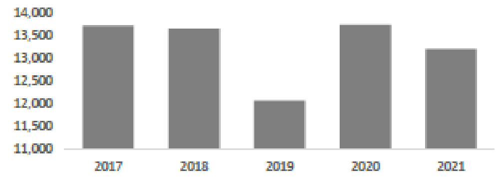
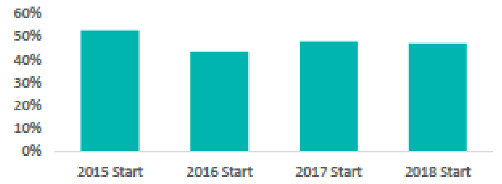
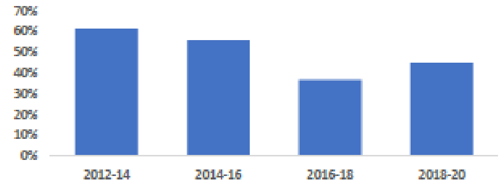
[5] ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2023 (RAG rating based on quarterly change).
[6] ONS, Business demography, quarterly experimental statistics, low-level geographic breakdown, UK – released October 2023 (RAG rating based on quarterly change).

The Economic Intelligence Unit

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Annual Business Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	Trend	Relative to Peer Group	Commentary
Business	WMCA (7 Met.) High Growth Enterprises[7] (annual – update due Nov 2023)	430	455	415	380	340		WMCA: 2nd Highest CA GMCA: 460 (1st) Tees Valley: 80 (10th)	The latest available data for the WMCA area shows that the number of high growth enterprises has decreased further, from 380 in 2020 to 340 in 2021. This equates to a decrease of 10.5% (-60 enterprises), which was 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 (7 Met.) Enterprise Births[8] (annual – update due Nov 2023)	13,795	15,785	15,310	14,125	16,550		WMCA: 2nd Highest CA GMCA: 17,510 (1st) Tees Valley: 2,620 (10th)	In the WMCA area, there were 16,550 enterprise births in 2021. This represents an increase compared to 2020 above the national average (+17.2% compared to +9.3% across the UK) and are above pre-Covid-19 levels (15,310 births in 2019).
	WMCA (7 Met.) Enterprise Deaths[9] (annual – update due Nov 2023)	13,735	13,670	12,080	13,745	13,220		WMCA: 2nd Highest CA GMCA: 14,410 (1st) Tees Valley: 2,250 (10th)	Enterprise deaths in the WMCA area decreased by 3.8% (-525 deaths) since 2020 to 13,220 in 2021. While in contrast, the UK increased by 9.4%.
	WMCA (7 Met.) 3 Year Enterprise Survival Rates[10] (annual – update due Nov 2023)		52.8% (2015 birth)	43.4% (2016 birth)	47.7% (2017 birth)	46.9% (2018 birth)		WMCA: Lowest CA UK: 57.6% West of England: 63.3% (1st) GMCA: 51.9% (9th)	The WMCA area performs better on short-term survival (1 year enterprise survival rates are higher than the UK average), but lags behind when it comes to longer-term survival (2-5 years enterprise survival rates in the UK are higher than in the West Midlands). Of the 15,785 enterprise births in 2018 in the WMCA area, 46.9% (7,405) were still active after 3 years compared to 57.6% for the UK.
	WM 7 Met. Innovation Active Businesses[11] (Biennial – update due May 2024)		36.8% (2016-18)		45.0% (2018-20)			WM 7 Met.: Joint 17th (with Kent and Northumberland & Tyne & Wear) / 40 UK: 44.9% Inner London-East: 58.9% (1st) Highlands and Islands: 38.9% (40th)	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%).

[7] ONS, Business Demography, UK 2021 – released November 2022
[8] ONS, Business Demography, UK 2021 – released November 2022
[9] ONS, Business Demography, UK 2021 – released November 2022
[10] ONS, Business Demography, UK 2021 – released November 2022
[11] Department for Business, Energy & Industrial Strategy, UK Innovation Survey 2021 – released May 2022

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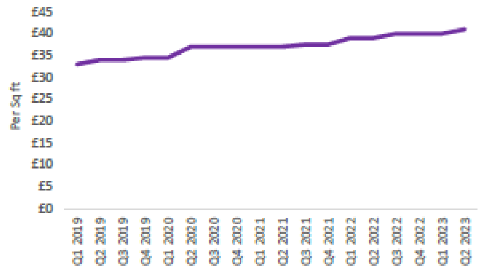
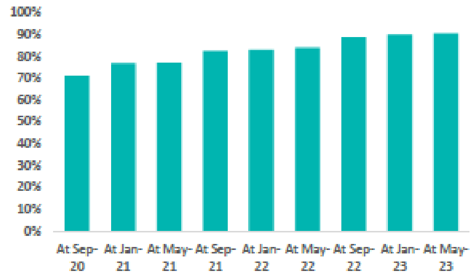
WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Quarterly Place Dashboard

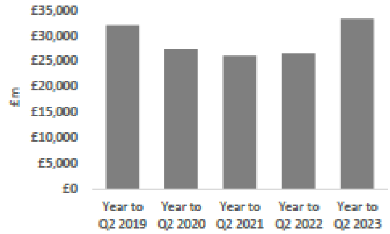
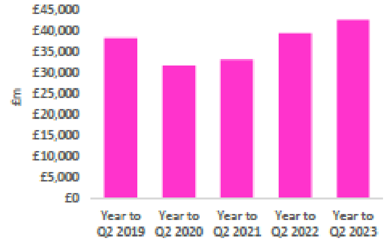
Themes	Indicator	May 2022	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Trend	Relative to Peer Group	Commentary
Place	Birmingham City Centre Rent[12] (Quarterly – update due Nov 2023)		£39.00 Per Sq ft (Q2)			£40.00 Per Sq ft (Q3)			£40.00 Per Sq ft (Q4)			£40.00 Per Sq ft (Q1)			£41.00 Per Sq ft (Q2)		Birmingham: 3rd Highest/ 9 Bristol and Edinburgh: £42.50 (Joint 1st) Cardiff: £25.00 (9th)	The city's prime rent is at £41.00 per Sq. ft, up 5.1% on last year.
Place	WMCA (7 Met.) Gigabit broadband Connectivity[13] (tri-annual – update due Dec 2023)	84.0% (As of May 2022)				88.7% (As of Sep 2022)				90.1% premises (As of Jan 2023)				90.6% premises (As of May 2023)			WMCA: Highest CA UK: 73.6% Tees Valley: 90.5% (2nd) North East: 68.3% (10th)	As of May 2023, 90.6% of premises in the WMCA area had gigabit broadband availability - significantly above the UK-wide figure of 73.6%.

2019	2020	2021	2022	2023
£33.00 Q1	£34.50 Q1	£37.00 Q1	£39.00 Q1	£40.00 Q1
£34.00 Q2	£37.00 Q2	£37.00 Q2	£39.00 Q2	£41.00 Q2
£34.00 Q3	£37.00 Q3	£37.50 Q3	£40.00 Q3	
£34.50 Q4	£37.00 Q4	£37.50 Q4	£40.00 Q4	

[12] Avison Young, The Big Nine – created August 2023.
[13] Ofcom, connected nations – released September 2023 (RAG rating based on quarterly change).

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Quarterly Economy Dashboard

Themes	Indicator	June 2022	July 2022	August 2022	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	Trend	Relative to Peer Group	Commentary
Economy	Regional Exports in Goods[14] (quarterly – update due Dec 2023)	£26.5bn (Year to Q2 2022)			£28.0bn (Year to Q3 2022)			£29.9bn (Full Year 2022)			£31.6bn (Year to Q1 2023)			£33.4bn (Year to Q2 2023)		WM – 5th Highest Region South East: 11.7% (1st) Northern Ireland: 2.7% (12th)	Since the year ending Q2 2022, the West Midlands region's total value in goods exports increased by £6.9bn (+26.1%) to £33.4bn in the year ending Q2 2023 – the highest increase reported across all UK regions. The overall value of UK trade in goods exports increased at a slower rate, by 12.2% (to £379.8bn) in the year ending Q2 2023. The West Midlands had a trade deficit of £9.1bn in the year ending Q2 2023.
	Regional Imports in Goods[15] (quarterly – update due Dec 2023)	£39.3bn (Year to Q2 2022)			£40.9bn (Year to Q3 2022)			£42.6bn (Full Year 2022)			£42.7bn (Year to Q1 2023)			£42.5bn (Year to Q2 2023)		WM – 6th Highest Region South East: 18.1% (1st) Northern Ireland: 1.6% (12th)	Since the year ending Q2 2022, the value of West Midlands region imports increased by £3.2bn (+8.1%) to £42.5bn in the year ending Q2 2023. UK-wide total imports increased by 12.2% to £627.8bn.

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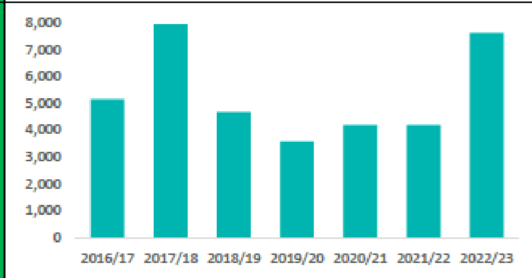
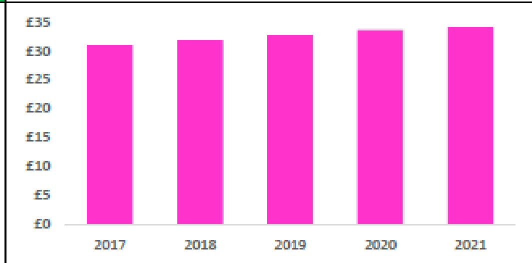
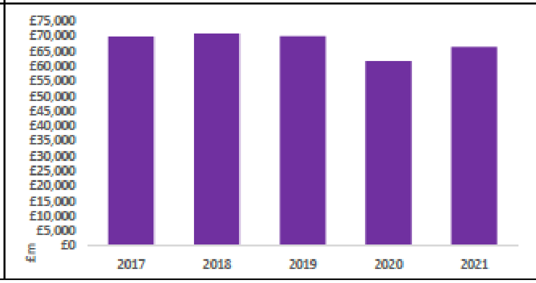
[14] HMRC, UK regional trade in goods statistics – released September 2023. Data is not comparable across the dashboard; the RAG rating is comparing the same period to the previous year.
[15] HMRC, UK regional trade in goods statistics – released September 2023. Data is not comparable across the dashboard; the RAG on this occasion has not been applied.

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Annual Economy Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Economy	WMCA (3 LEP) FDI Projects[16] (annual – update due Jun/Jul 2024)	114 (2016/17)	140 (2017/18)	131 (2018/19)	130 (2019/20)	118 (2020/21)	132 (2021/22)	160 (2022/23)			In total there has been 1,446 FDI projects from 2011/12 to 2022/23 in the WMCA (3 LEP) area. Data shows for 2022/23 there were 160 FDI projects to the WMCA (3 LEP) area, an increase of 21.2% (+28) compared to an increase of 4.1% for the UK since 2021/22. Black Country LEP total FDI projects decreased by 32.0% (-8) since 2021-22 to 17 in 2022-23. Coventry & Warwickshire LEP increased by 24.4% (+11) to 56 and Greater Birmingham & Solihull LEP increased by 40.3% (+25) to 87.
	WMCA (3 LEP) FDI New Jobs[17] (annual – update due Jun/Jul 2024)	5,149 (2016/17)	7,933 (2017/18)	4,666 (2018/19)	3,558 (2019/20)	4,183 (2020/21)	4,176 (2021/22)	7,605 (2022/23)			In total there has been 70,072 new jobs created from FDI projects from 2011/12 to 2022/23 in the WMCA (3 LEP) area. Data shows for 2022/23 there were 7,605 new jobs in the WMCA (3 LEP) area, an increase of 82.1% (+3,429) compared to a decrease of 6.1% for the UK since 2021/22. Black Country LEP new jobs from FDI projects increased by 9.5% (+55) since 2021-22 to 634 in 2022-23. Coventry & Warwickshire LEP increased by 108.3% (+1,661) to 3,195 and Greater Birmingham & Solihull LEP increased by 83.0% (+1,713) to 3,776.
	WMCA (7 Met.) GVA per Hour[18] (Annual – TBC update due Jun 2024)	£30.96	£31.85	£32.69	£33.55	£34.05				WMCA: 5th Highest CA / 11 UK: £38.33 Greater London Authority: £51.08 (1st) South Yorkshire Mayoral CA: £30.04 (11th)	In 2021, GVA per hour in the WMCA area was £34.05. Since 2020, the WMCA area increased by 1.5% (+£0.50), which matched the UK growth rate. When compared to 2019, GVA per hour in the WMCA area increased by 4.2% (+£1.36) while the UK increased by 4.5% (+£1.64). In 2021, UK GVA per hour was £38.33 meaning the WMCA area had a shortfall of £4.28.
	WMCA (7 Met.) Total GVA – Chained Volume Measures in 2019 Money Value[19] (Annual – update due Mar 2024)	£69.9bn	£71.0bn	£70.0bn	£61.8bn	£66.6bn				WMCA: 3rd Highest CA / 11 Greater London Authority: £460.1bn (1st) Tees Valley CA: £13.4bn (11th)	In 2021, total GVA for the WMCA area was £66.6bn. An increase of 7.8% (+£4.8bn), which matched the UK growth rate. The latest annual change follows two years of declines in the WMCA (2018/19: -1.4%, UK +1.7% and 2019/20: -11.7%, UK -10.6%).

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[16] Department for Business and Trade (DBT), inward investment results – released July 2023.
[17] DBT, inward investment results – released July 2023.
[18] ONS, subregional productivity in the UK – released June 2023.
[19] ONS, Regional economic activity by gross domestic product, UK: 1998 to 2021 – released April 2023.

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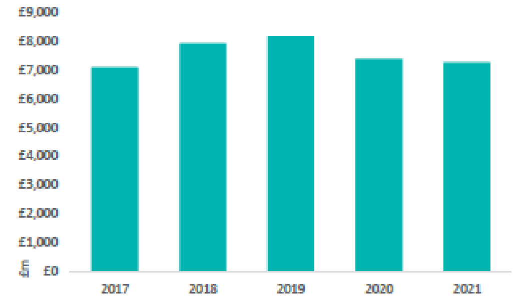
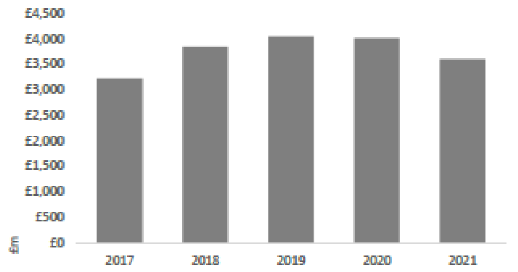
WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Themes	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
Economy	WMCA (7 Met.) Exports in Services[20] (Annual – update due TBC 2024)	£7.1bn	£7.9bn	£8.2bn	£7.4bn	£7.3bn				WM 7 Met.: 11th Highest ITL 2 / 31 Inner London - West: £96.5bn (1st) Cornwall & Isles of Scilly: £562m (36th)	Since the year ending 2020, the WMCA's total value in service exports decreased by £123m (-1.7%) to £7.3bn in 2021. The overall value of UK trade in service exports increased, by 6.8% (to £330.7bn) in 2021. The WMCA had a trade surplus of £3.6bn in 2021.
	WMCA (7 Met.) Imports in Services[21] (Annual – update due TBC 2024)	£3.2bn	£3.8bn	£4.1bn	£4.0bn	£3.6bn				WM 7 Met.: 13th Highest ITL 2 / 41 Inner London - West: £38.1bn (1st) Cornwall & Isles of Scilly: £170m (36th)	Since 2020, the value of WMCA imports decreased by £408m (-10.2%) to £3.6bn in 2021. UK-wide total imports increased by 12.5% to £189.6bn.

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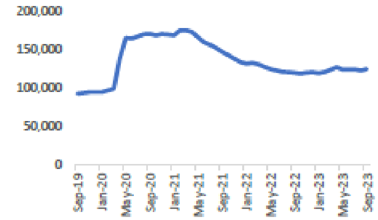
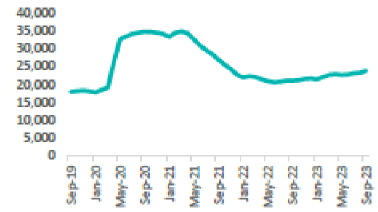
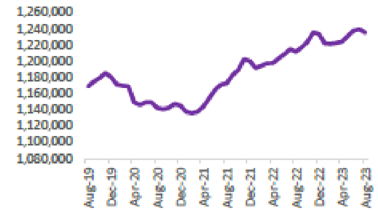
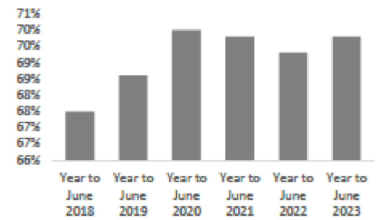
[20] ONS, International trade in UK nations, regions and cities: 2021 – released June 2023.
[21] ONS, International trade in UK nations, regions and cities: 2021 – released June 2023.

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Monthly People Dashboard

Themes	Indicator	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Claimants (16+)[22] (monthly update)	120,045 (6.5% of Pop. aged 16-64)	118,890 (6.5% of Pop. aged 16-64)	120,155 (6.5% of Pop. aged 16-64)	120,795 (6.6% of Pop. aged 16-64)	119,470 (6.5% of Pop. aged 16-64)	120,960 (6.6% of Pop. aged 16-64)	123,900 (6.7% of Pop. aged 16-64)	127,325 (6.9% of Pop. aged 16-64)	124,230 (6.7% of Pop. aged 16-64)	124,225 (6.7% of Pop. aged 16-64)	124,505 (6.8% of Pop. aged 16-64)	123,075 (6.7% of Pop. aged 16-64)	124,880 (6.8% of Pop. aged 16-64)	 Sep 2019: 92,855 Sep 2020: 170,910 Sep 2021: 147,320 Sep 2022: 120,045 Sep 2023: 124,880	WMCA: Highest CA UK: 3.7% GMCA: 4.9% (2nd) West of England: 2.6% (10th)	There were 124,880 claimants in the WMCA area in September 2023. Since August 2023, there has been an increase of 1.5% (+1,805) claimants in the WMCA, the UK increased by 0.9%. When compared to March 2020 (pre-Coronavirus pandemic), claimants have increased by 25.8% (+25,580) in the WMCA area, with the UK increasing by 21.7%.
	WMCA (7 Met.) Youth Claimants (18-24)[23] (monthly update)	21,105 (7.4% of Pop. aged 18-24)	21,270 (7.5% of Pop. aged 18-24)	21,615 (7.6% of Pop. aged 18-24)	21,770 (7.7% of Pop. aged 18-24)	21,490 (7.6% of Pop. aged 18-24)	22,150 (7.8% of Pop. aged 18-24)	22,725 (8.0% of Pop. aged 18-24)	22,945 (8.1% of Pop. aged 18-24)	22,735 (8.0% of Pop. aged 18-24)	22,855 (8.0% of Pop. aged 18-24)	23,150 (8.2% of Pop. aged 18-24)	23,325 (8.2% of Pop. aged 18-24)	23,910 (8.4% of Pop. aged 18-24)	 Sep 2019: 17,980 Sep 2020: 34,870 Sep 2021: 27,000 Sep 2022: 21,105 Sep 2023: 23,910	WMCA: Highest CA UK: 4.9% Tees Valley: 8.3% (3rd) West of England: 2.4% (10th)	In September 2023, there were 23,910 youth claimants in the WMCA area. Since August 2023, there was an increase of 2.5% (+585) youth claimants in the WMCA area, the UK increased by 1.3%. When compared to March 2020 (pre-Coronavirus pandemic), youth claimants have increased by 24.8% (+4,755) in the WMCA area, with the UK increasing by 14.6%.
	WM 7 Met. Payrolled Employees[24] (monthly update)	1,216,641	1,223,922	1,235,751	1,234,311	1,223,156	1,223,019	1,224,588	1,226,695	1,233,488	1,240,493	1,241,376	1,235,030	1,238,132	 Sep 2019: 1,175,021 Sep 2020: 1,140,893 Sep 2021: 1,182,969 Sep 2022: 1,216,641 Sep 2023: 1,238,132	WM 7 Met.: 3rd Highest NUTS 2 / 41 Surrey, East & West Sussex: 1,309,038 (1st) Highlands & Islands: 208,637 (41st)	The latest (provisional) figures show that there was a rise in payrolled employees for the WM 7 Met. area (+0.3% vs -0.1% UK). There were nearly 1.24m payrolled employees in the WM 7 Met. area in September 2023. When compared to March 2020 payrolled employees were 5.9% higher (+69,154 in the WM 7 Met. area – above the UK growth of 4.4%).
	WMCA (7 Met.) Employment Rate[25] (quarterly – update due Jan 2024)	68.9% (Year Ending Sep 2022)			69.2% (Full Year 2022)			68.6% (Year Ending Mar 2023)			69.8% (Year Ending Jun 2023)					WMCA: Lowest CA UK: 75.5% Cambridgeshire & Peterborough: 78.7% (1st) North of Tyne: 70.2% (9th)	In the year ending June 2023, the employment rate in the WMCA area was 69.8%, compared to 75.5% UK-wide. The WMCA area increased by 0.5pp and the UK increased by 0.1pp when compared to the year ending June 2022. For the WMCA area to reach the UK rate of 75.5%, an additional 105,761 people are required to be employed.

[22] ONS/DWP, claimant count – released October 2023.
[23] ONS/DWP, claimant count – released October 2023.
[24] ONS, Labour Market in the Regions of the UK – released October 2023.
[25] ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.

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WMCA ECONOMIC DASHBOARD – OCTOBER 2023

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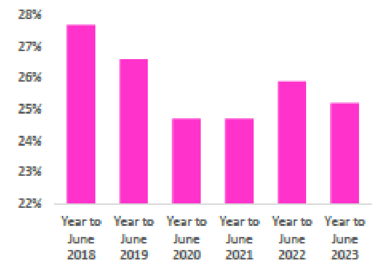
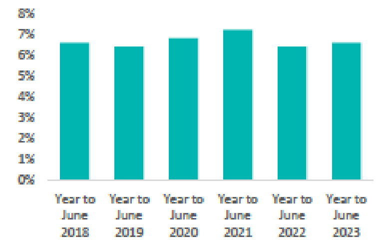
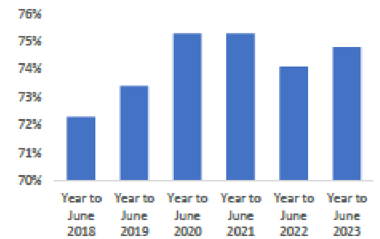
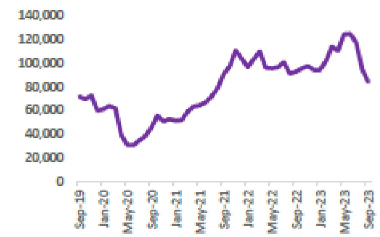
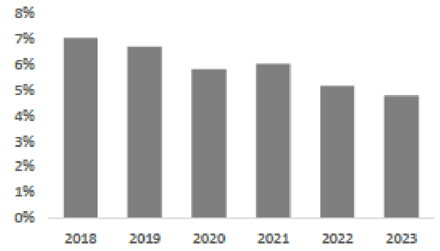
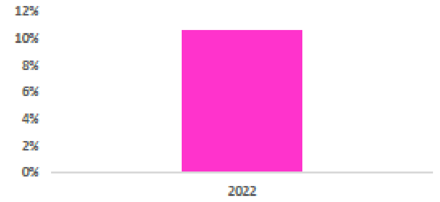
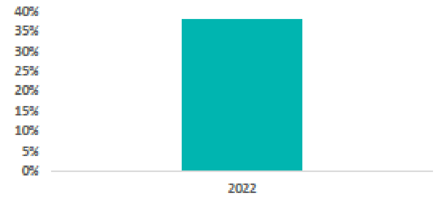
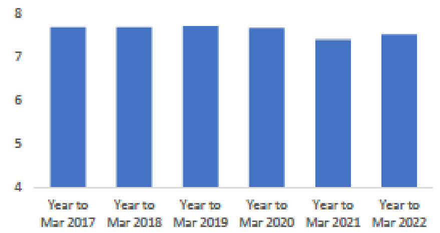
Themes	Indicator	September 2022	October 2022	November 2022	December 2022	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Trend	Relative to Peer Group	Commentary
People	WMCA (7 Met.) Economic Inactivity Rate[26] (quarterly – update due Jan 2024)	26.1% (Year Ending Sep 2022)			26.1% (Full Year 2022)			26.5% (Year Ending Mar 2023)			25.2% (Year Ending Jun 2023)					WMCA: 3rd Highest CA UK: 21.5% North of Tyne: 26.9% (1st) Cambridgeshire & Peterborough and West of England: 18.2% (10th)	In the year ending June 2023, the economic inactivity rate in the WMCA area was 25.2%, a decrease of 0.7pp from the year ending June 2022. Over the same period the UK decreased by 0.1pp to 21.5%. The WMCA area had a higher percentage of people that were inactive when compared to the UK in three categories; students (29.0% vs 26.7%), looking after the family/home (26.1% vs 19.5%) and discouraged (0.6% vs 0.3%) and matched for temporary sick (2.3%).
	WMCA (7 Met.) Modelled Unemployment[27] (quarterly – update due Jan 2024)	6.7% (Year Ending Sep 2022)			6.2% (Full Year 2022)			6.6% (Year Ending Mar 2023)			6.6% (Year Ending Jun 2023)					WMCA: Highest CA England: 3.8% North East: 4.5% (2nd) West of England: 3.6% (10th)	In the year ending June 2023, the modelled unemployment rate in the WMCA area was 6.6%, compared to 3.8% for England-wide. The modelled unemployment rate for the WMCA area increased by 0.2pp when compared to the year ending June 2022. England's modelled unemployment rate decreased by 0.1pp.
	WMCA (7 Met.) Economic Activity Rate[28] (quarterly – update due Jan 2024)	73.9% (Year Ending Sep 2022)			73.9% (Full Year 2022)			73.5% (Year Ending Mar 2023)			74.8% (Year Ending Jun 2023)					WMCA: 3rd Lowest CA UK: 78.5% Cambridgeshire & Peterborough: 81.8% (1st) North of Tyne: 73.1% (10th)	In the year ending June 2023, the economic activity rate in the WMCA area was 74.8%, compared to 78.5% UK-wide. The economic activity rate for the WMCA area increased by 0.7pp and for the UK, increased by 0.1pp when compared to the year ending June 2023. For the WMCA area to reach the UK rate of 78.3%, an additional 67,816 people are required.
	WMCA (7 Met.) Unique Job Postings[29] (monthly update)	92,828	95,762	97,637	94,433	94,418	101,905	114,057	110,591	124,571	125,028	117,603	95,013	84,303	 Sep 2019: 71,762; Sep 2020: 45,691; Sep 2021: 90,768; Sep 2022: 92,828; Sep 2023: 84,303	WMCA: 2nd Highest CA GMCA: 88,864 (1st) Tees Valley: 12,015 (10th)	There were 84,303 unique active jobs postings in September 2023. This has decreased by 10,710 since August 2023. When compared to September 2022, unique job postings decreased by 8,525.

[26] ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.
[27] ONS, modelled based estimates of unemployment – released October 2023. Please note, figures are not comparable across the dashboard.
[28] ONS, Annual Population Survey – released October 2023. Please note, figures are not comparable across the dashboard.
[29] Lightcast – accessed October 2023.

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

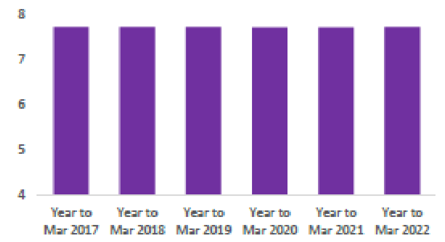
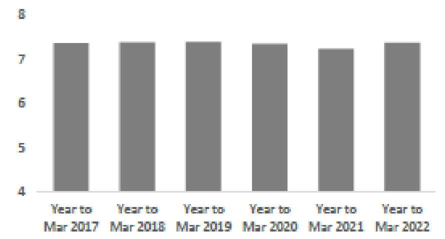
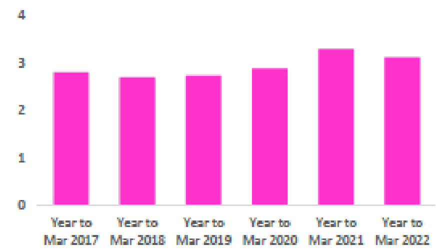
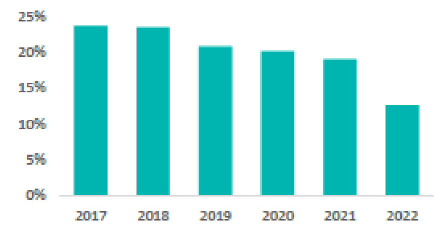
Annual People Dashboard

Themes	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
	WMCA (7 Met.) Not In Education, Employment or Training (NEET)[30] (Annual – update due Jul 2024)		7.1%	6.7%	5.8%	6.0%	5.2%	4.8%		England: 5.2%	In 2023, in the WMCA area, 4.8% of residents aged 16-17 years old were NEET (including not known). This has decreased by 0.4pp in the WMCA area, while for the UK there was an increase of 0.5pp since 2022.
	WMCA (7 Met.) Working Age Population with No Qualifications[31] (Annual – update due Apr 2024)						10.6%			WMCA: Highest CA UK: 7.0% West Yorkshire: 9.5% (2nd) West of England: 5.4% (10th)	In 2022, in the WMCA area, 10.6% (184,000) of the working age population had no qualifications, this was above the UK-wide average of 7.0%. To match the UK proportion, 62,465 residents in the WMCA area would need to gain a qualification.
	WMCA (7 Met.) Working Age Population with RQF4+ Qualifications[32] (Annual – update due Apr 2024)						37.8%			WMCA: 3rd Lowest CA UK: 45.5% West of England: 54.5% (1st) Tees Valley: 33.1% (10th)	In 2022, in the WMCA area, 37.8% (656,400) of the working age population had RQF4+ qualifications. This was below the UK-wide average of 45.5%, meaning there was a shortfall in the WMCA area of 134,215 people.
	WMCA (7 Met.) Average Life Satisfaction Score[33] (Annual – update due Nov 2023)	7.54 (Year Ending Mar 2017)	7.51 (Year Ending Mar 2018)	7.56 (Year Ending Mar 2019)	7.56 (Year Ending Mar 2020)	7.38 (Year Ending Mar 2021)	7.44 (Year Ending Mar 2022)			WMCA: 3rd Lowest CA UK: 7.54 North of Tyne: 7.63 (1st) Liverpool City Region: 7.38 (10th)	For 2022, the average life satisfaction score for the WMCA area was 7.44 (out of 10), below the UK-wide average of 7.54. Since 2021, there was an increase of 0.07 for the WMCA area compared to an increase 0.15 UK-wide.

[30] Department for Education, Participation in education, training and NEET age 16 to 17 by local authority – released July 2023. Participation estimates are based on data collected in March each year. In order to ensure the most robust estimates of NEET and not known rates an average of December/January/February data is used for an estimate around the end of the calendar year.
[31] ONS, Annual Population Survey – released August 2023. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available for the Jan - Dec 2022 survey period, while estimates prior to Jan - Dec 2022 remain on an NVQ basis. Due to this change, trend analysis has been excluded.
[32] ONS, Annual Population Survey – released August 2023. Please note, National Vocational Qualifications (NVQ) estimates have been replaced with estimates on a Regulated Qualifications Framework (RQF) basis. RQF based estimates are available for the Jan - Dec 2022 survey period, while estimates prior to Jan - Dec 2022 remain on an NVQ basis. Due to this change, trend analysis has been excluded.
[33] ONS, Annual personal well-being estimates – released October 2022. Respondents were asked "Overall, how satisfied are you with your life nowadays? Where 0 is 'not at all satisfied' and 10 is 'completely satisfied'"

The Economic Intelligence Unit

WMCA ECONOMIC DASHBOARD – OCTOBER 2023

Themes	Indicator	2017	2018	2019	2020	2021	2022	2023	Trend	Relative to Peer Group	Commentary
	WMCA (7 Met.) Average Worthwhile Score[34] (Annual – update due Nov 2023)	7.71 (Year Ending Mar 2017)	7.71 (Year Ending Mar 2018)	7.71 (Year Ending Mar 2019)	7.70 (Year Ending Mar 2020)	7.70 (Year Ending Mar 2021)	7.71 (Year Ending Mar 2022)			WMCA: 4th Lowest CA UK: 7.77 West Yorkshire: 7.85 (1st) West of England: 7.65 (10th)	For 2022, the average worthwhile score for the WMCA area was 7.71 (out of 10), below the UK-wide average of 7.77. Since 2021, there was an increase of 0.01 for the WMCA area compared to an increase 0.06 UK-wide.
	WMCA (7 Met.) Average Happiness Score[35] (Annual – update due Nov 2023)	7.37 (Year Ending Mar 2017)	7.39 (Year Ending Mar 2018)	7.40 (Year Ending Mar 2019)	7.35 (Year Ending Mar 2020)	7.24 (Year Ending Mar 2021)	7.38 (Year Ending Mar 2022)			WMCA: 5th Lowest CA UK: 7.45 Cambridgeshire & Peterborough: 7.51 (1st) Liverpool City Region: 7.35 (10th)	For 2022, the average happiness score for the WMCA area was 7.38 (out of 10), below the UK-wide average of 7.45. Since 2021, there was an increase of 0.14 for the WMCA area compared to an increase 0.13 UK-wide.
	WMCA (7 Met.) Average Anxiety Score[36] (Annual – update due Nov 2023)	2.81 (Year Ending Mar 2017)	2.71 (Year Ending Mar 2018)	2.74 (Year Ending Mar 2019)	2.89 (Year Ending Mar 2020)	3.30 (Year Ending Mar 2021)	3.12 (Year Ending Mar 2022)			WMCA: 5th Highest CA UK: 3.12 West of England: 3.25 (1st) Cambridgeshire & Peterborough: 3.03 (10th)	For 2022, the average anxiety score for the WMCA area was 3.12 (out of 10), matching the UK average. Since 2021, there was a decrease of 0.18 for the WMCA area compared to a decrease 0.19 UK-wide.
	WMCA (7 Met.) Living Wage Foundation Rates (All)[37] (Annual – update TBC 2023)	23.7%	23.5%	20.8%	20.1%	19.0%	12.6%			WMCA: 4th Lowest CA UK: 12.2% Tees Valley: 17.7% (1st) Cambridgeshire & Peterborough: 6.8% (10th)	In 2022, approximately 12.6% of all jobs were earning below the Living Wage Foundation rates in the WMCA area. Since 2021, the proportion fell at a quicker rate for the WMCA than nationally (-6.4pp compared to -4.9pp) but remains slightly above the UK average (12.2%).

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[34] ONS, Annual personal well-being estimates – released October 2022. Respondents were asked "Overall, to what extent do you feel the things you do in your life are worthwhile? Where 0 is 'not at all worthwhile' and 10 is 'completely worthwhile'".
[35] ONS, Annual personal well-being estimates – released October 2022. Respondents were asked "Overall, how happy did you feel yesterday? Where 0 is 'not at all happy' and 10 is 'completely happy'".
[36] ONS, Annual personal well-being estimates – released October 2022. Respondents were asked "Overall, how anxious did you feel yesterday? Where 0 is 'not at all anxious' and 10 is 'completely anxious'".
[37] ONS, Number and proportion of employee jobs with hourly pay below the living wage – released October 2022.

3.2 EIU review of regional economic shocks, investment, deals, and opportunities

New economic shocks – Economic Intelligence Unit

COMPANY	LOCATION	SECTOR	DETAIL
ArcelorMittal Distribution Solutions	Willenhall	Manufacturing	Members of union Unite at a Willenhall steel factory are staging a series of strikes over low pay. ArcelorMittal Distribution Solutions at Strawberry Lane makes products for the automotive and construction industries. The workers earn an average of £11.24 per hour, with some receiving just the national minimum wage. They have rejected a pay rise of seven per cent.
Kroll	Birmingham	Logistics	All operations at a Birmingham-headquartered logistics firm have ceased and 444 staff have been made redundant with immediate effect after the group fell into administration. Kroll were appointed as administrators of the Lloyd Fraser Group including its five subsidiaries by financial services firm Close Brothers, with operations shutting down on September 22.
Vale Brothers	Walsall	Manufacturing	The world's largest manufacturer of horse grooming brushes, established in 1786, is facing an uncertain future. Vale Brothers, which is based in Walsall and has been in business for almost 240 years, has posted a notice of intention to appoint administrators. The move will protect the company from creditor action for around two weeks as it seeks a way forward.
Velvet Music Rooms	Birmingham	Hospitality	After nearly 20 years of trading on Broad Street, Velvet Music Rooms Street venue has closed its doors.
Colmore Tang Projects	Birmingham	Construction	A Colmore Tang Construction subsidiary is the subject of a winding-up petition from HMRC. Colmore Tang Projects, however, told TheBusinessDesk.com that it was "business as usual".
Wiggle	Bilston	Retail	Online cycling and sports retailer WiggleCRC – which has a 320,000 sq ft warehouse at Bilston – is set to be put up for sale. Wiggle, which has its head office at Portsmouth and employs 450 staff, appointed Anthony Wright and Alastair Massey from FRP Advisory as administrators on October 25. All staff have been retained by the joint administrators at this stage.
Kagool	Coventry	Technology	A Coventry data, analytics and ERP firm that has offices throughout the world, looks set to call in administrators. TheBusinessDesk.com understand that Kagool, which was set-up in 2004 and is based at the 68,000 sq ft Friars House in the city, has filed for administration through London law firm Francis, Wilks & Jones.

New investment, deals and opportunities – Economic Intelligence Unit

COMPANY	LOCATION	SECTOR	DETAIL
Severn Trent	Region-wide	Water	Severn Trent has revealed a major investment plan which could lead to the creation of 7,000 jobs across the Midlands. The company is looking to raise £1 billion to help support a transformation plan which could lead to a major employment boost for the region.
Jaguar Land Rover	Region-wide	Automotive	JLR has reported increased sales volumes worldwide for the second quarter of 2023-2024. Wholesale volumes in the period were 96,817 – up 29 per cent compared to the same quarter a year ago and up four per cent on the quarter to the end of June, despite taking in the annual two-week summer plant shutdown.
KWB	Solihull	Property	A self-contained, refurbished headquarters building at Blythe Valley Park in Solihull has been placed on the market. Nelson House is 14,792 sq ft in total across three floors and has a full height reception with access to the upper floors via a passenger lift or feature steel and glass staircase.
Radshape Sheet Metal	Birmingham	Manufacturing	30 jobs have been secured at a Midlands-based sheet metal manufacturer following its acquisition. Radshape Sheet Metal has been acquired by specialist steel and fabric firm Beakbane Ltd. The company continue to operate from its Aston-based facility under the new brand name 'Beakbane Precision Ltd'.
Aurrigo / International Airlines Group	Coventry	Autonomous Vehicles	Aurrigo International has signed a formal partnership agreement with International Airlines Group for the deployment and demonstration of its autonomous aviation technology within the UK.
Vitality CBD	Birmingham	Biotech	Yooma Wellness has sold a Birmingham-headquartered CBD company in a deal worth $2m, to a Canadian biotech company Psilobrain Therapeutics. Vitality CBD is a premium CBD oil company backed by a team with a history in the pharmaceutical industry.
Aliter Capital / Jumar	Solihull	Tech	Private equity firm Aliter Capital LLP has completed an investment in a West Midlands-headquartered tech talent, digital transformation and technology services business. Founded in 2000, Solihull-based Jumar's team of technology experts work with customers across the public and private sectors, providing digital transformation, technology services, project outcomes, augmenting in-house resources and identifying talent to support their technology and business needs.
Orega	Birmingham	Commercial	Orega has launched its second flexible office space in Birmingham and pre-let approximately 6,000 sq ft. The company has signed a partnership with abrdn to create a flexible workspace at Ingenuity House, Bickenhill Lane, which will open in

COMPANY	LOCATION	SECTOR	DETAIL
			January 2024. The 30,500 sq ft flexible workspace will be newly refurbished to provide about 550 workstations on the ground and first floors of the building.
McDonald's / Guenther Bakeries	Coventry	Bakeries	A £38m investment has been made into the opening of a bakery in Coventry designed to create fresh buns exclusively for burgers sold by McDonald's. The site will create up to 90 jobs. McDonald's and Guenther Bakeries UK's new site will produce 72,000 buns an hour solely for the fast-food giant's restaurants. It includes a £20m investment in new technology to support its bake of up to 1.1 million buns a day.
Colliers	Solihull	Property	The 201-bedroom Voco St John's Solihull has been placed on the market by Colliers with a guide price of £25m. The hotel, which is being sold freehold and available unencumbered from management on behalf of CL Capital Global, has recently undergone a significant refurbishment and branding.
Conigital	Birmingham	Autonomous Vehicles	A Birmingham driverless vehicle company has secured £500m in Series A+ funding, as it looks to be at the forefront of the driverless technology sector. Conigital has received a combination of equity and debt investment from a partnership with a global private equity infrastructure firm, which manages £150bn in assets.
Leftfield / TR Fastenings / Red Diamond Distribution	Walsall	Industrial	Leftfield has completed the letting of two new units at Leftfield Park in Walsall, following the scheme's recent completion earlier this year. TR Fastenings, an international specialist in the design, engineering, manufacture and distribution of high quality fastenings, has acquired unit 3 totalling 75,292 sq ft on a 15-year lease, and will be using the property as its national storage and distribution HQ. Red Diamond Distribution is owned by the Mitsubishi Group and is a specialist distributor for Mitsubishi Forklift Trucks across the UK. It has acquired unit 4 on a 15-year term, which totals 35,319 sq ft. Both units are in the process of being fitted out.
PGS Group	West Bromwich	Logistics	Delivery specialist PGS Group has designed and purpose built a new 80,000 sq ft eco warehouse on its 175,000 sq ft site in West Bromwich following continued growth for the business and its customers in the last 12 months. The expansion, which involves 55 new jobs, will allow the group to better serve businesses across the West Midlands and provide them with improved, more efficient, and more sustainable service options.
National World / Midlands News Association	Region-wide	Publishing	National World, one of the UK's leading media organisations, has completed the purchase of the Midland News Association, publishers of the Express & Star and Shropshire Star.

COMPANY	LOCATION	SECTOR	DETAIL
KENJI / Rituals	Merry Hill (Dudley)	Retail	Design-led homeware retailer KENJI, and luxury beauty and wellness brand Rituals are set to open at the Merry Hill shopping centre later this year.
Rimstock	West Bromwich	Manufacturing	Jobs have been saved at Rimstock, the West Bromwich-based forged wheel manufacturer, which collapsed into administration on July 5. The business has been bought by Birmingham-based private equity firm Sarb Capital. The purchase includes Rimstock's subsidiaries in the United States and Germany.
Technology Minerals / Recyclus	Wolverhampton	Battery Recycling	The first listed UK company focused on battery metals has reached a major milestone for its lithium-ion (Li-ion) battery recycling facility in Wolverhampton. Technology Minerals subsidiary Recyclus has completed its commissioning phase at the UK-first facility, and will now commence commercial operations. It hopes to process 8,300 tonnes in the first year, using a single shift pattern of labour during the standard working week. Annual capacity will then be increased through additional shifts, with the expectation that the plant will be able to process up to 22,000 tonnes of Li-ion batteries per annum.
St. Modwen Logistics	Bilston	Logistics	St. Modwen Logistics has acquired a 267,000 sq ft logistics unit in Bilston, as it continues to be active in the West Midlands market. Titan 10 Distribution Centre, which is let to Pallet-Track one of the UK's fastest-growing palletised freight distribution companies, acts as the company's central UK hub and handles an average of 8,000 pallets per night and services its distribution network depots.
Goldilock	Wolverhampton	Cyber Security	A Wolverhampton cybersecurity company has received $1.7m in investment from two global angel groups. Goldilock secured funding in a seed round from Harvard Business School Alumni Angels of Greater NY (HBSAANY) the largest angel network in New York, with more than 350 members that have invested in 130 early-stage companies and New York Angels (NYA) whose members have fueled 300 companies with $160m.
Colhope (Beldray)	Bilston	Industrial Development	A Bilston industrial park has been acquired in an undisclosed deal by Colhope (Beldray), a joint venture between real estate investor Colmore Capital and wealth manager Stanhope Capital. The multi-let Beldray Industrial Park, originally acquired by the TT Group in 2016, comprises four separate industrial units totalling 81,519 sq ft.
Wienerberger Ltd	Aldridge	Brick-making	Dozens of jobs will be saved after an Aldridge brick-making firm was given the go-ahead to increase the level of clay it imports into the business. Bosses at Wienerberger Ltd said depleting clay reserves at its Sandown Works quarry on Stubbers Green Road, meant they needed to increase the import limits from 95 per cent to 100 per cent. They said continuing to collect five per cent of clay would see the operation close in less than five years.

COMPANY	LOCATION	SECTOR	DETAIL
Firsteel	Walsall	Engineering	Investment at the specialist coil metal coating company Firsteel has reached £250,000 following its recent acquisition. What More UK, manufacturer of housewares brand Wham, bought the Walsall business. Spending is being carried out on the site, people and machinery as part of a planned £1 million investment programme.
Jaguar Land Roger	Coventry	Automotive	Jaguar Land Rover has unveiled a new £250m test facility as part of plans for its "next generation" of pure electric models. The car maker said the Future Energy Lab at its engineering centre in Whitley, Coventry, had key innovations enabling the rapid testing of electric vehicles (EVs). The lab is developing Electric Drive Units for JLR's electric Range Rover, Defender, Discovery and Jaguar models. More than 200 EV engineers were already working at the facility, JLR said, with a further 150 roles being created, providing a "significant employment boost" to the region.
Several	Star City (Birmingham)	Entertainment	A trio of new leases have been signed at Star City, the family leisure entertainment complex in Birmingham. Adventure golf brand Jungle Rumble is among the newest additions at the 410,000 sq ft leisure-led mixed-use complex.
Altera Healthcare	Birmingham	Healthcare / IT	Global healthcare IT firm Altera Healthcare, one of the leading providers of electronic patient records in the UK, has made the move from London to Northspring | Temple St in Birmingham city centre.
KWB / Sterling Pharmaceuticals	Longbridge (Birmingham)	Pharmaceuticals	KWB has helped source land that will see fast growing pharmaceuticals manufacturer Sterling Pharmaceuticals build a new 40,000 sq ft headquarters at St Modwen's Longbridge Business Park.
FireAngel	Coventry	Technology	A £27.68m takeover offer has been received by a Coventry-based technology company, as its new management team looks to turn the business around. The offer for FireAngel, a developer and supplier of home safety products, comes from Intelligent Safety Electronics (ISE), incorporated in Singapore and owned by Siterwell Electronics, following a challenging period.
HBD	Walsall	Development	HBD has submitted reserved matters planning for the first phase of its £188m GVA SPARK scheme – a major step forward for the 44-acre landmark logistics and manufacturing hub in Walsall.
City of Wolverhampton Council	Bilston	Development	Outline planning approval has been granted by City of Wolverhampton Council for the development of a multimillion-pound Bilston health & wellbeing facility.
University of Birmingham	Birmingham	Higher Education	A new university building designed by international MEP consultancy CPW has been handed over to the University of Birmingham. The £80m Molecular Sciences Building will be the base for more than 500 scientists leading the field in world-class research in chemical, environmental and biomolecular sciences.
BOXPARK	Digbeth (Birmingham)	Hospitality	Street food, drinks and entertainment provider BOXPARK has announced it will open a £5m Birmingham venue in 2025, creating 200 jobs. It is set to be located at Floodgate Street Arches in Digbeth.

COMPANY	LOCATION	SECTOR	DETAIL
Complex Development Projects	Coventry	Housing	Developers have won an appeal to build 690 homes on a former gasworks site in Coventry after it was turned down last year.
Recyclus Group	Tipton (Sandwell)	Recycling	The first listed UK company focused on battery metals has received final clearance from the Environmental Agency for its lead acid battery recycling plant in Tipton. Technology Minerals subsidiary Recyclus Group has secured the variation licence to commence fully automated operations, allowing it to enter the commissioning phase.
Civil Service	Birmingham	Public Sector	Deputy Prime Minister Oliver Dowden has reconfirmed the Government's plan to open another major civil service hub in the West Midlands. The Birmingham 3 Hub is due to follow the Arena Central and 23 Stephenson Street sites in central Birmingham in consolidating, creating, and relocating a significant number of civil service jobs to the city. It is hoped that the Birmingham 3 Hub will become a specialist transport office, housing up to 4,000 officials from both the Department for Transport and National Highways – alongside other departments.
IFCO	Coventry	Packaging	Packaging giant IFCO has signed a lease on a 328,305 sq ft unit at Prologis Park in Coventry. The global provider of reusable packaging solutions for fresh foods will take occupation for a term of 15 years following the completion of an on-going refurbishment.
Techsol Group	Coventry	Technology	Digital transformation specialist Techsol Group has expanded with the acquisition of a managed IT services provider. The acquisition of IBIT Solutions in Coventry will enable Techsol Group to expand its presence to the Midlands.
DPD	Wolverhampton	Logistics / Transportation	Practical completion has been reached on a 60,000 sq ft parcel hub for delivery giant DPD at Revolution Park Wolverhampton. Developed by Trebor Developments and the Schroders Capital's real estate team, the facility has been built to BREEAM 'Excellent' standards and an EPC A+ rating.
Holt Commercial / Driving Theory Test Centre	Coventry	Property	Two deals have been completed at a newly refurbished office building in Coventry city centre. Regional commercial property specialist Holt Commercial has let the ground floor and the first floor, totalling 7,868 sq ft, at 9 Little Park Street to office space business Regus. The 4,962 sq ft second floor has been let to the Driving Theory Test Centre.
Aon	Birmingham	Professional Services	Aon, a global professional services firm, has unveiled its new office at Birmingham's 20 Colmore Circus. The company employs approximately 400 people in Birmingham, part of a 50,000-stong worldwide team, and has agreed a ten-year lease for the entire 22,709 sq ft 12th floor of The Colmore Building, which was built on the site of the former Birmingham Post and Mail printworks
West Midlands Gigafactory	Coventry	Battery Manufacture	The West Midlands Gigafactory joint venture has confirmed that it is in advanced discussions with several Asian battery manufacturers about future investment at the Coventry site. The West Midlands Gigafactory's Coventry location is the only available site in the UK with planning permission in place for a large-scale battery production facility with capacity for up to 60GWh per annum – enough to power 600,000 electric vehicles.

COMPANY	LOCATION	SECTOR	DETAIL
Aldi	Walsall	Supermarket Retail	A new Aldi could open in Walsall Wood, creating up to 50 jobs. he Aldi could look The supermarket giant has revealed it will put forward a planning application for a new store on Lichfield Road, on land currently occupied by The Royal Exchange.
Version1	Birmingham	Technology	The creation of a new technology hub in Birmingham could lead to the creation of 500 new jobs. Version 1, a leader in digital transformation, has announced its plans for the hub in Birmingham city centre. The company said the move is in response to increased demand for its services across the public and private sector in digital, data and cloud solutions and next generation managed services, as well as specialist AI collaboration.

The West Midlands Insights on Society and Economy (WISE) Newsletter is part of a series of Summer Lane Insights produced by the West Midlands Combined Authority with content commissioned from the Economic Intelligence Unit (EIU); the City-Region Economic Development Institute (City-REDI) at the University of Birmingham; and other partners in the regional research ecosystem. Find out more at wmca.org.uk.

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West Midlands Combined Authority

Economic Growth Board

Date	16th November 2023
Report title	Tackling rising youth unemployment in the WMCA area
Portfolio Lead	Councillor George Duggins, Portfolio Holder for Skills and Productivity
Accountable Chief Executive	Laura Shoaf, Chief Executive, WMCA
Accountable Employee	Clare Hatton, Interim Director for Employment, Skills, Health and Communities Dr Fiona Aldridge, Head of Insight
Report has been considered by	Local Authority Skills Officers Group (8 Nov) Directors of Economic Development (10 Nov)

Economic Growth Board is asked to:

i. Discuss the content of this paper following a deep dive into what works in tackling youth unemployment.

ii. Agree actions at the next EGB to tackle youth unemployment in the WMCA area.

1 Purpose

1.1 At the last meeting of the Economic Growth Board (EGB), members discussed youth unemployment and its impact on young people and the region's broader economic prosperity. The Board requested a deep dive to inform its considerations of the strategies that could be deployed to tackle this issue across the region.

1.2 This paper outlines the key findings of our 'deep dive' evidence review into what works in tackling youth unemployment. A more detailed slide pack of the deep dive findings is provided as annex B for reference.

1.3 This paper further seeks the Board's views on the evidence and ambition to be developed as priorities for further collaborative action, for which recommendations will be costed and brought back to EGB in January 2024.

2 Context

2.1 In 2000, 13.7% of young people aged 18-24 were not in education, employment or training (NEET) in England. In 2023, that figure still stands at 13.8%. This phenomenon is not without consequences. There is strong evidence that being NEET and unemployed while young has a scarring effect on young people's outcomes – increasing their likelihood of unemployment or low wages later on in life, of developing poor physical or mental health, and of potentially gaining a criminal record. Spending time unemployed under the age of 23 has been linked to lower wages even twenty years on, and those who are NEET between the ages of 18-19 are 20% more likely to be unemployed even ten years later. This indicates that the effects of time spent neither learning nor earning are a prospective restraint on an individual's potential across the span of their working life. Troublingly, young people from disadvantaged backgrounds are significantly more likely than their better-off peers to be NEET. This means the negative effects of time spent neither learning nor earning are disproportionately borne by this group, with clear consequences for social mobility.

2.2 In our region, this is particularly stark. Across the WMCA there are nearly 24,000 18-24-year-olds claiming unemployment-related benefits. Our youth claimant rate (8.4%) is much higher than the UK average (4.9%) and is rising, with particularly high rates in Wolverhampton (10.7%), Birmingham (9.3%) and Walsall (9.1%). In addition, recent increases in economic inactivity have been driven largely by young people, many of whom are inactive because of health-related reasons. Underneath these headline figures, we know that the picture is even more stark for young people in our most deprived wards, and for those with particular characteristics, including care leavers, young people with disabilities and some ethnic minorities.

	Youth Claimant count (Sep23)	Youth claimant rate (Sep23)	% change since pre-pandemic	% change on previous year	% change since Aug23
UK	272,925	4.9%	14.6%	8.9%	1.3%
WM 7 Met	23,910	8.4%	24.8%	13.3%	2.5%
Birmingham	12,055	9.3%	32.4%	15.0%	2.4%
Coventry	2,275	5.3%	48.2%	13.2%	4.6%
Dudley	1,815	7.7%	3.7%	10.0%	3.7%
Sandwell	2,625	9.2%	24.1%	11.5%	2.7%
Solihull	795	5.3%	-3.6%	1.3%	1.3%
Walsall	2,055	9.1%	7.3%	13.2%	-0.2%
Wolverhampton	2,290	10.7%	19.9%	13.9%	2.7%

2.3 Poor health/mental health among young people is becoming of increasing concern, both regionally and nationally. Between 2012 and 2021, the proportion of NEET young people reporting a mental health issue tripled from 7.7% to 21.3% nationally. NEET prevention teams across the region are also increasingly citing mental health as a major barrier to young people's engagement in education and work.

2.4 Taken together, we face a 'wicked' problem; complex, intertwined and with no 'silver bullet'. No 'scheme' or single focus will address this. It will take a co-ordinated, prolonged and intensive effort from all partners to make the systemic change needed to do better for our young people and realise the economic benefit of a youthful region.

2.5 Responsibility for youth unemployment is fragmented, particularly between the Department for Education and the Department for Work and Pensions. This arrangement particularly under-serves economically inactive young people, as they are not the responsibility of the Department for Work and Pensions because they do not receive social security, and not the responsibility of the Department for Education because they are aged over 18. At the same time, while good practice is clear that a place-based approach is effective for supporting young people, there is no authority with an express remit to co-ordinate youth-focused employment interventions across geographical and organisational boundaries. There is a need for hands-off accountability and a politically-centred authority that can also drive the dissemination of guidance and good practice, while centrally co-ordinating the data generated from local interventions to build the evidence base in terms of what works to move young people into work

3. Youth unemployment deep dive – what works?

3.1 The table at Annex A outlines the key findings of our deep dive evidence review around what works in tackling youth unemployment – structured around 5 key themes: education and skills, personal and financial support, work readiness and careers guidance, employers and job opportunities, and wider structural and system issues. The table also identifies what we are already doing to tackle this challenge, sets out who else has levers, and suggests priorities for further collaborative action. A more detailed slide pack of the findings of the deep dive is provided as Annex B for reference.

3.2 There are good examples across the region of where evidence-based policies and programmes are helping us address our youth unemployment challenge that we can build upon – including centering services in localities outside of JCP for example – Walsall Works, Coventry Job Shop – which should provide the foundation for place-based services. Youth hubs established in partnership with DWP have the potential to expand further into this mould based on the blueprint developed in Birmingham. Careers and jobs fairs that connect young people and employers like the Solihull Apprenticeship Fairs again, with increased frequency and systematisation should be built upon. In terms of outreach, increasing the local culturally sensitive outreach delivered by Street Teams can support in bringing young people into the places where the services are offered, connecting them into LA and mainstream services. Too often these services and programmes are time-limited, or project-focussed and are not a permanent fixture and offer in a place.

3.3 Despite these efforts, too many of our young people still struggle to successfully transition into the labour market. The evidence clearly shows that addressing this issue at scale, requires long-term investment and policy coherence, with a focus on partnering and systematic place-based approaches. It also highlights the value of aligning and co-locating the range of services and support available to young people, in one easily accessible place. London's 'No Wrong Door' programme is a good example of how residents can be supported into good work regardless of their starting point or what service they access first. The CA and LAs have started on this journey with the Youth Employment Platform but it remains in its infancy, with too many other digital places being supported and managed by us collectively.

3.4 Research also shows that young people need access to high quality education and training that provides a clear pathway into good jobs, and the personal and financial support to enable them to participate, succeed and progress. Given many of our most vulnerable young people live in poverty, support with the costs associated with looking for work and starting a job can be an effective tool in improving access to sustainable employment. Evidence suggests that a bursary or wage subsidy can not only support transition to work but may be even more effective than training in tackling labour market shortages. Whilst there is a range of education and training on offer many of the routes have 'narrowed' for too many of our young people. Removal of many of the Level 2 apprenticeship frameworks, the removal of level 2 vocational qualifications and the requirement for continued English and math GCSE study has reduced options.

3.5 There is also clear and strong evidence that a lack of good careers advice and meaningful work experience opportunities is one of young people's biggest barriers to work, and yet access to work experience has fallen over recent years and is lower in the West Midlands than any other part of the UK. While many employers are keen, in principle, to support young people, they often struggle with the practicalities. Evidence suggests there could be significant value in using our leadership and convening roles as place-based organisations and anchor institutions, to engage, encourage and support employers to offer more work experience, apprenticeship and employment opportunities for young people. This is one of the key drivers underpinning Greater Manchester's proposal for an MBacc.

4. Working together to tackle youth unemployment

4.1 We recognise that a range of existing work is already underway to help tackle youth unemployment – that will continue to be delivered both within and across Local Authorities. To add value to this, we are proposing recommendations brought to EGB focus on a small number of priority actions that we can all lean in to, in order to effect change on a greater scale. These should be clearly defined and set out who leads and supports, to ensure work is additive not displacing or distracting. We are proposing to bring recommendations to EGB in January that focus on changes that we can systematise and offer across the region rather than projects or initiatives.

4.1.1 DWP currently have a Youth Hub in each of our LA areas hosted in non DWP premises, often LA owned or managed (eg Birmingham Library, The Way-Wolverhampton). Feedback from young people suggests that they like the informal nature of the Hubs and their multi-agency approach but would welcome more employer engagement in them. More work is also needed to raise awareness of the existence of, and services available, through Youth Hubs. This could be served through **Local Authorities taking local ownership of Youth Hubs in their area and committing to flowing all youth-related services through them.** Over time, Local Authorities could develop a hub-and-spoke model for Youth Hubs in their areas to provide more localised support for young people. WMCA and BCC has worked with the Private Equity Foundation, Impetus, to develop a blueprint for a model Youth Hub that could inform this work. This will give a focal place in each locality to connect with young people and provide the support and guidance they are seeking.

4.1.2 WMCA has recently piloted a pre-apprenticeship programme to provide an effective pathway for young people into good apprenticeships. This is particularly important given the steep decline in young apprentices across the region in recent years and the decline of SMEs offering apprenticeships in the region. The programme evaluation highlighted critical success factors as being its industry-aligned training, holistic wrap around support, and the availability of financial support for learners. **WMCA and LAs could jointly invest in a significant expansion of level 2 pre-apprenticeship provision for young people across the region.** This would involve WMCA covering the training and support costs, and Local Authorities using UKSPF funds to offer training bursaries to facilitate young people's participation in the programme and de-risk the process for SMEs, building on the success of Kickstart.

4.1.3 Employer engagement is key to the success of both of these proposals. While it is important to ensure that young people are well trained and supported to transition into the labour market, it is equally vital that we encourage more employers to offer high quality opportunities for our young people. This could be achieved through **the WMCA and LAs working together through Business Growth West Midlands (BGWM) in taking a strategic approach to encouraging employers to offer work experience and employment opportunities to young people.** Alongside there could be a variety of locally driven communications from each leader for example, writing to employers in their Local Authority, to the development of a region-wide programme linking employers to Youth Hubs and training providers – similar to the Step Up Programme that ran in Solihull. The CA and Mayor is likely to have a particular role in engaging with larger regional/national employers.

4.1.4 Finally, to strengthen on the works underway and help young people navigate the range of opportunities **all LAs and CA could work together to develop the current Youth Employment Platform into the single 'front door' digital platform for young people's services across the region**.

4.2 EGB members are invited to consider the evidence review and ambition to tackle youth unemployment, for which recommendations will be costed and brought back to the Board..

5. Financial Implications

5.1 There are no direct financial asks from this report. However, there potentially could be once the final proposal is drawn up, as there are options including provision of financial support to learners and enhancing level 2 funding.

5.2 If the final proposal does include financial asks above existing budgets, this will need to be approved through WMCA governance routes.

6. Legal Implications

6.1 There are no legal implications arising from this report however there will be a need for legal input/agreements once the priority actions have been agreed.

7. Equalities Implications

7.1 Effective transition into the labour market is particularly challenging for young people in our most deprived wards, and for those with particular characteristics, including care leavers, young people with disabilities and some ethnic minorities. Any agreed actions would seek to improve employment opportunities for young people currently disadvantaged in the labour market, including those with poorer levels of educational attainment.

8. Inclusive Growth Implications

8.1 The ambition outlined in this paper align closely with, and support, our inclusive growth agenda, particularly in relation to the following metrics:

- **education and learning:** raising educational attainment of young people and reducing the number of young people not in education, employment or training.

- **Inclusive economy:** Youth claimant rates as a % proportion of 16-24-year-olds in the WMCA area.

9. Geographical Area of Report's Implications

9.1 The proposed priority actions are focused on the 7 Met area.

10. Other implications

10.1 None.

Annex A: Youth employment deep dive - summary

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
Key challenges	• Low prior attainment, leaving school without any (or few) quals, limiting options. • There is not the necessary volume and quality of provision and opportunities for YP post-16. • Our post-16 offer for YP – particularly those who are not work ready, have low levels of experience and qualification, or face barriers – is not broad enough or of a high enough quality. • Post-16 transitions can also be complicated for YP. • No L2 English and/or maths become gatekeepers to apprenticeships/better jobs. • Narrowing of offer to T levels and A levels. Removal of L2/3 vocational quals. Removal of Level 2 apprenticeship standards. • Apprenticeship participation declining for younger age groups. • Fixed point entrance to programmes (Sept/Jan). • Negative educational experiences, often due to undiagnosed learning difficulties, create distrust in system or fuel fear of learning / low self-belief.	• Disaffected and disconnected, deep desire for belonging (Youth Census). • Often difficult personal circumstances and poor support structures leading to rising poor mental health/anxiety and economic inactivity. • Chaotic life circumstances. • Usually from low-income households, limiting financial capacity to train post 18 or digital deficit. • Have caring responsibilities or are young parents requiring flexibility. • Housing benefit 'traps' people on benefits as risk of work is too high.	• We lack targeted, national employment support for YP who are long-term NEET. • YP who are NEET for an extended period accrue scarring that can negatively impact important long-term outcomes, incl salary and chances of progression. • These YP can be affected by numerous factors, such from low confidence to CV gaps, that act to further pull them away from the labour market. They are also more likely to struggle upon entering the workforce and so are at a heightened risk of leaving a job soon after securing it • Not enough, if any, workplace experience to develop knowledge, skills and behaviours employers want. • Poor employability/transferable skills due to teaching/assessing only to qualification. Limited holistic curricular. • Lack of timely or ongoing careers guidance to adequately prepare for labour market. • Lack of social capital/time/funds to undertake volunteering, clubs etc.	• CA/LAs cannot create jobs. • Private sector could be more fully engaged. There are pockets of employers that want to support the agenda but not at the necessary scale to make a difference and all too often are the same ones supporting multiple agendas. • Perception YP lack soft and technical skills employers want to address high vacancy demands. • Poor recruitment experiences or leadership and management to support YP. Mutual needs are getting lost in translation. • Limited/negligible employer investment	• 'Double disadvantage', where you live correlates to level of opportunity. Intersections (low attainment, poverty, socio-economic, disabilities, poor health) compounding effect. • Short term funding or fragmented approach to support and employment services limits policy coherence. • Lack of quality data on 18-24 at local level limits timeliness of intervention. • No-one 'owns' NEETs.

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
What works	• Programmes that offer vocational training, apprenticeships, and skill development opportunities to prepare young people for the job market – that provide practical skills and improve employability. • Lots of second chances to (re)engage with study. • Vocational training with work experience • Apprentice incentives to employers (offset wages)	• outreach efforts aimed at informing young people about available job opportunities, training programms, and resources can help reduce youth unemployment by connecting them to existing services. • Individualised one to one support is vital. • Personalised wraparound and financial support. • Mentoring/coaching champions to help YP feel agency over their lives. • Good quality information - know the person so they feel included. • Targeted support for at risk YP	• Establishing dedicated centres or hubs that offer job placement services, career counselling, and assistance with resume building and interview skills have proven effective in connecting young job seekers with opportunities. • Public employment services that can offer tailored support to different groups of young people and effectively signpost or refer young people to other services or opportunities are key. • Early intervention raises effectiveness and reduces cost long term. • Work experience placements. • Extracurricular and volunteering opportunities for social skills. • Access to career information, advice and guidance & career coaches. • Embedded employability in curriculum.	• wage-subsidy programmes where employers are incentivized to hire young people. These programs can help create job opportunities for youth who might otherwise struggle to find employment • Financial incentives/wage subsidy for an initial period (de-risk) • Employer designed and led programmes – Movement to Work • Job rotation schemes • Anchor networks – inclusive recruitment within public sector	• Shared policy objectives/targets for coherent & consistent implementation & evaluation of impact. • Long term funding to enact sustainable interventions. • Holistic local approaches targeting severely impacted groups, utilising local collaborations as safety net for at risk. • regularly assessment of the effectiveness of interventions through shared data collection and analysis to make informed adjustments to programmes and services.

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
What are we already doing?	• Devolved skills funding for 19+, • Extending study programmes for 19-23-year-olds • Thrive at College to support mental health • Pre-apprenticeships (19+) • SWAP/gateway programmes and skills Bootcamps (19+) • Piloting of a virtual post 16 offer, particularly for individuals who are struggling to leave the house (Smart Futures Programme | Kickstart Your Career (smarttar.co.uk)) • LA Supported internships	• Thrive at College • Discretionary Learner Support Funds • Move to funding programmes rather than just quals, to meet broader needs • Youth Employment Platform	• Developing all age career service • Youth Hubs / jobs shops / jobs fairs Programme funding to provide IAG, coaching, mentoring, work experience and embed employability – only when on programme.	• Better alignment of skills provision to employer need – LSIPs/LSIF, sector taskforces & training plans • Pre-apprenticeships as pathway to a good apprenticeship for YP. • More apprenticeships in SMEs for young people through Apprenticeship Levy Transfer Fund. • Anchor network establishment ICAN with ICB	• Development of post-16 data hub. • Move to single pot and longer-term funding through single skills settlement.
Who else has levers?	LA support for SEND 16-18 offer (with DfE) Youth Offer (with DWP)	Flexible Support Funds (DWP)	DWP Youth Hubs DWP Work Coaches National Careers Service (DfE)	Tax incentives Employers (including public sector)	Schools know who is at risk of NEET

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
What else should we prioritise?	• Scale up pre-apprenticeship offer for 18+ – but need a bursary/wage subsidy. LAs to commit UKSPF and CA pay for training. • WMCA/LAs commit to deep dive on support for labour market transition for SEND learners, including through supported internships to build out best practice model for the region (Wolverhampton to lead) • Extend the virtual offer across the region (Solihull to lead)	• Region wide youth mentoring/ coaching offer. Need to identify funds – £5m autumn statement ask • Youth Employment Platform to become single digital front door for all LAs/CA • Travel costs – Adopt DWP approach on frontloading support for childcare to also include travel to work. • All housing schemes supported by WMCA grant to have more explicit social housing targets. • Each LA to work with housing organisations to increase live and work schemes. • Piot LHA scheme with St Basils.	• LAs to take local ownership of Youth Hubs and commit to flowing all youth-related services through them. Develop hub and spoke model in each area. Widen participation to all non economically active young people. • CA/LAs to continue to develop NEET prevention approaches through careers hub. • CA/LAs to develop an alternative provision model for the region (LA to lead)	• LA in each area to write to local employers packaging together all asks of businesses (i.e. WEX, Careers Hub related, jobs for unemployed/care leavers/Learning Disabilities, etc.) - starting a more strategic conversation with them re. how we can support the development of their workforce through a range of initiatives • BGWM to provide support for youth friendly employers, based on YEUK Good Youth Employment Charter. • BGWM to consider where conditions can be leveraged against the issue of grants. • WMCA/LAs to develop youth employment programme (based on Kickstart model), using LA UKSPF as wage subsidy/bursary. • Leverage employer led initiatives - 5% club activity, Severn Trent, Hatch, Movement to Work • LAs to seek commitments from anchor network employers.	

Youth Unemployment

A deep dive into 'what works'

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Youth unemployment …at a glance

West Midlands Combined Authority

Education & Skills

- **YP leaving school without minimum educational attainment** for work or further study, usually leading to a lifetime of low wages. E.g. basic literacy, numeracy and digital skills are a minimum requirement but in the WM region 30% of NEETs hold qualifications below level 2, and recent GCSE results indicate most YP fail to achieve L2 (grade 4 pass) in Maths (53.9% vs 61% nationally) or English Language (60.1% v 64.2%).
- **Negative experiences of compulsory education** leading to fear of learning. Often challenges stem from undiagnosed learning or behavioural difficulties so that needs are not identified, supported or developed.
- **Vocational courses can be highly effective tools at equipping skills** and confidence but do not dovetail into integrated models of support.

Work Readiness & Careers Guidance

- **Insufficient exposure to work experiences** Employers report concerns about work readiness and employability skills (e.g. team working, problem solving, managing themselves). Yet many employers do not offer placements because of negative past experiences, or insufficient resource to prepare and supervise YP. Stronger relationships between local providers and employers could engage employers who want to offer opportunities but do not know where to begin.
- **Little or inequitable access to high-quality careers** education, information, advice and guidance to help YP understand the labour market expectations, identify potential career opportunities and align engagements to secure progression.

Labour Market and Job Opportunities

- **Perception the 'right' YP is not available for the job**. Encouragingly, employers want to engage with the youth labour market to secure a future talent pipeline but have issues with recruitment. This is compounded by high vacancy demands and skills shortages in the region, often leading to SMEs prioritising experienced older workers due to perceived risk and costs to business in time, errors and lost capacity.
- **Disadvantaged YP are not usually targeted when employers recruit, missing out on untapped talent**. There will be different reasons for this – such as business pressures that do not allow sufficient time, limited relationships with local education providers, and perception that YP are disinterested or too challenging to support. However, the evidence also points to labour market discrimination which affects economic return.

Health, Wellbeing and Wider Inequalities

- **Being out of education or work significantly affects YP confidence**, their resilience and mental health.
- **YP from disadvantaged backgrounds and particular racialised groups are disproportionately likely to be NEET or underemployed** than their advantaged peers. For many, where you live has correlation to access of opportunities and outcomes, imposing a high cost to YP, communities and the economy.

System level

- **Tackling youth unemployment is complex and requires long term sustained investment**. National policy should reflect place-based contexts for strategic coherence and effective interventions but is too fragmented.
- **The employment support system is difficult to navigate** and is off-putting to employers.

West Midlands Combined Authority

What works?

Strategies for addressing youth unemployment

What works in supporting young people (1)

Timely interventions and early action

1. **Strategies must prevent YP from falling into risk.** Actively targeting timely support to ensure YP, particularly those from disadvantaged backgrounds, do not leave education without any (or too few) qualifications can have a significant impact on those at risk of becoming NEET or experiencing low paid or precarious employment. This requires accurate identification of an at-risk young person as early as possible, perhaps through tracking systems, and drawing on evidence to inform approaches.
2. **Proactively help under 18s at risk of becoming NEET to transition to another learning provider or specialist support.** Disadvantaged YP who have had negative experiences of education are more likely than their advantaged peers to leave education early. Enabling a managed transition should safeguard equitable access to skills training and pastoral care. Vocational courses are found to increase YP's chances of securing employment and progression to work, because it provides relevant and meaningful skills development. This will in turn significantly improve YP's confidence and self-esteem. However, evidence suggests vocational training is not consistently delivered and requires strong partnerships between education providers, VCS organisations and local government so that YP do not fall through the net.
3. **Ensure adequately qualified staff undertake specialist assessments of learning difficulties or behavioural conditions,** enabling at-risk YP to access reasonable adjustments, and therefore be better placed to benefit from teaching, learning and assessment methods. This is likely to reduce the potential for YP to leave education without qualifications. Many YP go undiagnosed, particularly those from disadvantaged groups, racialised communities and females. This can affect engagement with employment opportunities since YP will continue to face challenges e.g. when completing administrative tasks at work, but they may not necessarily understand why. The evidence suggests diagnosis has a positive impact on confidence about their learning style and workplace interaction because YP will understand their needs, be able to manage their challenges with their line managers.
4. **Good and timely access to high-quality careers education information, advice, and guidance is essential** in helping YP better prepare for the labour market and manage their expectations about what employers will be looking for, so that they can engage in the right programmes for them. YP are generally ambitious, but need help to understand what careers or sectors they might like to enter, where to find information, and help in translating this information into practical actions. Navigating between systems is confusing and one stop shops or co-location of services helps avoid additional barriers to engagement. Youth Hubs can be highly effective vehicles in this context, as many YP will either already be familiar with their services and know (or trust) staff – or have friends who know its offering – and therefore more likely to ask for help. This is especially important for NEETs where finding careers advice will not be obvious and the locus of responsibility is unclear.

What works in supporting young people (2)

Individualised and tailored approaches

5. **YP experiencing long-term unemployment require tailored holistic support.** Many YP, and especially NEETs, have complex issues which intersect with issues of trust, identity, and belonging. Their different needs are unlikely to be met through a one-size-fits-all approach. Many YP feel marginalised and disconnected, and need personalised guidance and support that put them at the heart of the service so they can rebuild their confidence and regain a sense of agency over their lives. Whole-person packages that address barriers such as better vocational training including skills matching, employability skills, health and wellbeing, independent living and life skills, and housing, are all vital to achieve sustainable outcomes.
6. **YP closer to the labour market, or who are (re)engaging in skills development, require support to face new challenges and anxieties.** Some may struggle with traditional models of education because of past experiences and therefore skills provision should be designed to look different to compulsory education, adopting flexible approaches so that the YP can attend, noting that some are likely to have other commitments including caring responsibilities. Clear alignment to the YP's ambitions and interests will secure better engagement, as will effective diagnostic assessments that tailor teaching and assessment. This may include assessment of learning difficulties and sessions with careers advisors. Managing the transition between unemployment and study can be challenging and working with a specialist coach or employment coach can be highly effective means to help YP strengthen their resilience and preparation skills for example learning how to interpret job adverts and complete job applications, preparing for job interviews, and develop appropriate self-reflection strategies to cope with rejection and/or feedback from recruitment processes.
7. **YP not in education employment or training (NEET) require longer term investment and consistent support.** Having a trusted and consistent advisor or mentor is key as many will have had fragmented relationships and may not have stable personal circumstances or support network. YP need to believe support can make a difference to them achieving their personal goals and overcoming their contextual, personal and situational barriers. A consistent advisor can help sustain engagement, build trust, and develop agency so that the YP can keep momentum towards their goals.
8. **Financial support is central to helping struggling YP stay the course.** Evidence indicates there is a relationship between being from a disadvantaged background and increased difficulty accessing labour market opportunities, described as 'Double Disadvantage' by Youth Futures Foundation (2020). This shows that where you live can impact on outcomes and access to opportunity, affecting YP disproportionately. Many YP affected by unemployment are from disadvantaged backgrounds and will come from low-income households, live in poverty and/or with debt, and lack the financial resilience to be able to access training or means to travel to better paid jobs. Integrating bursaries or subsidies into employment and training programmes should have a demonstrable positive impact, but only when combined with tackling individual skills and employer involvement.

What works in supporting young people (3)

Support with work readiness and preparation for work

9. **Better access to equitable careers education information, advice and guidance and work experience placements is critical**. YP often lack the skills needed for work and/or to find work. Meaningful work experience is shown to have a positive correlation in securing work (and careers) because it builds their confidence and self-esteem (and in turn mental health) and helps them develop and apply demonstrable skills. Such opportunities provide YP insight into workplace culture and practice, and for employers the chance to learn about future talent and growth for their businesses. However, one or two short work placements are unlikely to be effective and YP will need systematically embedded opportunities (ideally at least 4 or 5) so that they can contextualise and strengthen their employability skills.
10. **Multiple pathways to work, through embedded skills development and targeted employment programmes, will help YP get onto, and stay on, the good jobs ladder.** There is strong evidence that apprenticeships are highly effective ways to support disadvantaged YP because programmes are structured and apprentices have added labour market protections, that would otherwise be unavailable to YP. According to the Youth Voice Census, apprenticeships also result in higher confidence and satisfaction levels than other training programmes. Pathways which facilitate skills entry to apprenticeships and improve basic skills in maths, English and digital can help counter barriers that have disproportionately prevented disadvantaged YP from progressing. E.g. non-achievement of GCSE English and maths seems to be a gatekeeper to acceptance onto an apprenticeship.
11. **Preparation for work should opportunities to develop and practise social skills.** Interventions should also enable access to extra-curricular activities and volunteering, enterprising opportunities, and positive networks, alongside work experience and careers guidance, to provide essential personal and social development. Such opportunities help YP practise their informal skills that can help build rapport at job interviews with employers and other workers – which can be a barrier to securing employment or staying in a job.

What works in engaging employers (1)

Increasing engagement, co-developing skills, and addressing myths about young people

1. **Employer-led programmes such as Movement to Work, or co-created skills provision can better address the needs of local employers.** The research is clear that without senior leader buy-in engagement will falter because senior leaders will be concerned about the overall business operation and growth. Such approaches therefore can help senior leaders in SMEs see the value of engagement and how investment can translate into their operating model. E.g. in small businesses capacity and costs will be at the forefront of employer considerations and therefore models that build employer expectations are more likely to result in success. This requires both education providers and employers building stronger relationships to inform curriculum and design programmes so will add value to the employer and YP. Some medium to large employers also work with specialist intermediaries who understand the specific challenges for unemployed YP, particularly those from disadvantaged backgrounds, which could strengthen collaborations and the resilience of the programme offering. This would ensure YP are supported via different channels. Further where several small employers are keen to support YP but worry about capacity, they could pool their offering, perhaps themed around a technical skill or industry, and manage delivery, similar to job rotation models.

2. **Working with partners and intermediaries to promote and raise awareness through simple messaging and signposting can help employers navigate the system and boost engagement.** Many employers want to help YP but do not know how to get started, while the range of employment support programmes can be confusing and off-putting. Schools, colleges and universities should seek to work with and build closer relationships with local employers systematically, potentially co-ordinated at a local or regional level. This can improve the availability of work experience opportunities and provide insight into employment support programmes that employers may not have considered before. Providers are also able to identify employers who can offer high quality apprenticeship opportunities. For YP, the relationship can facilitate awareness of local job opportunities. Stronger relationships can give confidence to employers with poor past experiences to re-engage and offer opportunities with support and guidance.

3. **Peer employer support networks can encourage other employers to engage.** Many large, medium and small employers are already active in this space and have developed effective mechanisms to support the transition to work. Showcasing these positive experiences can help mitigate worries and concerns employers have because experienced employers can serve as champions and pathfinders for inexperienced or unsure employers. Youth Futures Foundation research emphasises the need for employers to have realistic expectations about what YP can do when they first begin work, accepting that they will be new and successfully transition into work.

What works in engaging employers (2)

Supporting employers to understand the benefits of employing young people

4. **Investment into good quality induction, regular check-ins and patience can strengthen transition into the job and increase retention of YP.** Employers, particularly SMEs, worry they will not see a full return on their investment because YP will move onto better paid jobs and therefore want to be sure they are investing in the 'right' candidates who will be loyal to the company. However, evidence suggests employers should invest more into their relationship and development. Being clear about requirements and expectations through the recruitment process can help, as can thorough inductions, enhanced supervision and patience as the YP adjusts, and regular check-ins to ensure they are happy and their needs are being fulfilled. Other inclusive approaches include being prepared to dedicate sufficient resource to make it a success, including job shadowing. Some employers have said it is unrealistic to expect YP to stay because it is natural for many to move between roles as they find their place in the labour market. However, if the concern is about return on investment, some employers suggested the best way to combat this barrier was to provide training and support from an early stage to get the young person 'up to speed' quickly which will reduce the level of supervision needed, and then the organisation can benefit from productivity earlier on.

5. **Intermediary VCS organisations can help employers broaden their recruitment market to attract untapped talent.** Many employers are committed to doing more, but do not know how best to attract and retain YP from disadvantaged backgrounds, consequently missing out on untapped talent. The evidence suggests many employers have not considered this option, likely due to lack of awareness about how to reach these groups, and time or resource but potentially also due to labour market discrimination. VCS organisations could help SMEs navigate the complex landscape of youth employability and access advice and guidance on how to reach the most disadvantaged YP to help employers meet vacancy needs. Businesses have indicated this would be valuable and the evidence suggests helping employers identify and match relevant opportunities to potential talent will be beneficial for scaling up engagement. This could be enabled through closer relationships with providers and careers leads to align delivery to local labour market demand.

6. **Updating recruitment practices to utilise inclusive approaches.** Employers need support to adopt more inclusive hiring practices to ensure they are reaching, attracting and hiring a diverse workforce including future talent pipeline. This includes practical support to adopt interactive communication methods that are better suited to YP, being flexible with job requirements and minimum entry expectations, reviewing job adverts and its language (e.g. encouraging applications from under-represented groups, including information about wellbeing support and staff networks in its talent package), using competency-based questions looking for potential rather than specific experience, and providing feedback to unsuccessful candidates to support their development or signposting them to other opportunities in the supply chain. Upskilling HR staff to ensure processes for recruitment include unconscious bias training to support staff can also work. Other inclusive approaches can include sharing details of the organisational culture and values in job adverts so that YP with learning difficulties for example, are encouraged to apply.

What works in engaging employers (3)

7. **Investing in the leadership and management skills for supervisors can better equip them with the tools to support YP.** Allocating sufficient time for supervisors of YP is important given their frontline responsibility for young people, as is providing peer support for the supervisor to work through potential issues they may identify in their own development. Some employers also give their young people pastoral care through mentoring and line enhanced ongoing management support but stressed that this is to ensure their wellbeing, rather than being aimed at the skills and experience gained on the job. This involves asking YP about any concerns they have and ensuring they feel heard, that they are comfortable in their role/department and that they are not having issues with any other members of staff to manage potential conflict early. In addition to regular check-ins and enhanced supervision, monitoring of progress can be an effective way that line managers support the development and engagement of YP. This can also provide opportunities for YP to build rapport and trust and disclose learning difficulties for reasonable adjustments – an important support for YP who may be undiagnosed and struggling at work. Employers who have had success in working with YP have reported that being proactive with supervision, reduces the burden associated with hiring YP. Such practice also has a positive overall impact for the business in terms of the workforce through inclusion, culture, job satisfaction and turnover, as well as for YP who will be anxious and want to do well in their job.

8. **Employer incentives can encourage hiring of YP.** Access to funding and subsidies (e.g. to cover wages and training) can be an enabler, particularly for small businesses, where without senior leader buy-in, the allocation of resource and staff time is less likely to follow, which has knock-on effects for the YP's experience and the employer's perception of success. The research suggests providing financial support is more likely to help businesses grow and create vacancies for YP to enter the labour market.

What works in creating an ecosystem that better supports youth employment

1. **A strategic approach to policy formation and implementation should align priorities at national, regional, and local levels** is key to driving long term sustainable change. The locus of responsibility – or accountability – should be clear at every point of the policy. Currently no single government department or organisation owns YP who are NEET or post 18 YP who are economically inactive.
2. **Policy and interventions should be evidence-led and utilise coordinated data** to ensure a shared understanding of the local and structural challenges and/or inequalities affecting youth unemployment. Clear identification of need, consistent measures and strategies that work can ensure the whole system is driving in the same direction and that prioritisation of YP are more likely to be evidenced. As part of this policy, frameworks should incorporate opportunities for lessons learned, best practice sharing, and identification of policy evolution, including at a national level. This approach helps all stakeholders maintain priority and insight into the challenges effecting YP in the labour market and allow for the policy to flex and adapt. Flexibility and limited scale pilots can help to continually inform the evidence base about what works and support system-wide improvements.
3. **Local approaches should encompass holistic needs and target the most disadvantaged.** This should utilise local collaborations and partnerships so that those most at risk are not overlooked. This requires tailored understanding of the local contexts and challenges YP experience so that support is effective at closing gaps. Identifying and addressing poor visibility of existing local services and employment support programmes can help YP understand where they can go for support. Evidence shows that Youth Hub models are effective tools as services will be co-located and YP will not have to experience the barrier of extensive travel in order to engage. This can also have the added benefit of pooling specialist expertise to feed back into policy implementation, review and adjustments. Building better connectivity between transport, housing, health and wellbeing, and digital communication can strengthen interventions, recognising early intervention is a central feature of what works.
4. **Government should give practical advice and support to help employers/SMEs to engage.** The youth employment support landscape is fragmented, complex and difficult for employers to navigate. As a result, employers with job or apprenticeship opportunities can be put off from engagement. This can include simple guidance on how employers can access YP or gateway organisations; how to structure placements, induction, training, and pastoral care for a YP; how to adopt inclusive recruitment practices and off the shelf tools to embed good practice, including interviewing for potential. These arrangements are particularly important to help SMEs work with YP from disadvantaged backgrounds. Access to other employers who have successfully supported YP and have similarities to their own operating context (e.g. size, industry) can help. Specialist VCS organisations can also provide useful guidance for employers and serve as intermediaries between them and YP.
5. **Young people's voices should be central to policy and practice** ensuring their direct experiences are heard and incorporated. Co-created interventions are more likely to secure commitment of YP because they will have a demonstrable say in what happens to them. Similarly, co-designing clear, accessible, youth-friendly information on opportunities or support for YP with YP can also help. E.g. information on the practicalities of self-employment and where YP can get further help is shown to help self-employed YP struggling in the labour market.

Young person and employer perspectives

Challenges to tackling youth unemployment

The young person perspective (1)

- **Disadvantaged groups correlate with higher likelihood of unemployment, low skills/qualifications and becoming NEET.** Youth Employment UK research suggests there is an interplay between economic and social deprivation and place. Ethnicity and Disability also. This adds complexity and intersectionality that require place-based interventions to reflect local challenges. YP need support to overcome their disadvantage, including discrimination in the labour market. Arapid survey of YP from ethnic minority backgrounds, found that many are worried their ethnicity is a barrier and 7 in 10 experienced at least one form of discrimination in the workplace, impacting on their attitudes towards future prospects. *[Youth Employment UK (2023); Youth Futures Foundation (2020; 2022); Learning & Work Institute (2022); EDSK (2022); Speckesser (2019)]*
- **YP want to work and fulfil their potential but also worry they do not have the skills or experience needed to progress**. The qualification system is providing insufficient preparation with educational delivery too closely focussed on meeting standards. Embedding skills delivery into courses can strengthen YP transitions. EDSK suggests vocational courses can be highly effective in improving communication skills, teamwork, interpersonal skills and overall employability. The extent to which employability skills and work readiness is a worry for YP is visible in the recent Youth Voice Census (YP report barriers include lack of work experience (50.6%); not having the right skills (24%); no jobs where they live (19.8%)). Youth Ambassadors point out YP understand the value of employability and place high importance on work experience, not just to find out about different sectors and the workplace, but to also build their confidence and self-belief, which is a significant barrier and impacts on their broader health and wellbeing, and likelihood to stay in work. The research indicates access to work placement opportunities is essential alongside embedded skills delivery. But for NEETs this issue is heightened since the locus of finding help to return to skills or employment is not obvious. Learning & Work Institute found NEET young people said the most reported reason for not looking for work after mental health problems or disability, was unsuccessful job applications, a lack of confidence for work and insufficient work experience. *[Youth Employment UK (2023); Youth Futures Foundation (2020); Learning & Work Institute (2022); Impetus (2023); EDSK (2022)]*
- **Timely careers information, advice and guidance is critical but access is inequitable**. YP need help to understand the labour market and navigate the wide range of careers, learning, and job options available to support transition, yet some experience discrimination when trying to access help (28% of minority ethnic YP said they have experienced discrimination with careers advisors). The recent APPG report on youth unemployment finds careers services are not sufficiently tailored to local labour market needs or local employment, education and training opportunities constraining what can be achieved for both YP and employers. Research points to the value of work placements as means to grow confidence and apply transferable skills. EDSK argues access to high quality careers guidance is key to levelling the field between groups, as well as helping to prevent YP from becoming NEET, because disadvantaged YP often face additional challenges when they try to identify and fulfil their career aspirations, including having low ‘career self-efficacy’, struggling to navigate the qualification landscape (especially young men) and having to deal with competing pressures (e.g. financial worries, caring responsibilities) impacting on time and capacity. *[Youth Employment UK (2023); EDSK (2022); Youth Futures Foundation (2020; 2022); IES (2020); Learning & Work Institute (2022)]*

The young person perspective (2)

- **The cost of disadvantage causes life-long scarring impacts and YP need financial support to mitigate this.** Low educational attainment, limited access to opportunities, labour market discrimination, poor mental health, a lack of housing, and living in poverty (and debt) means many YP disproportionately shoulder the effects. Youth Futures Foundation found from an analysis of wage disparities, for those from disadvantaged backgrounds education accounts for 80% of the wage gap with those from more advantaged backgrounds – the 'employment gap' – which has a negative effect on individual life chances that endures, imposing a high cost on them, society and the economy. Such impacts are well understood by YP reflected in the Youth Voice Census in which 4 in 10 do not feel safe where they live, 3 in 10 felt unsafe within their learning environment, 1 in 3 in work are struggling, and just under a half of those surveyed (total 4k) were not confident they would progress into a good job. YP desire better lives for themselves and their families (some are young parents too). Youth Futures Foundation survey of 2296 YP from ethnic minority backgrounds found they have a clear vision about their top priority for future work, earning a high salary (47%), as well as good working conditions, clear career and progression pathways, flexible hours and job security. Other elements included impact of work on mental health. For NEETs a job's fit with their interest was particularly important. *[Youth Employment UK (2023); Youth Futures Foundation (2020; 2021; 2022); Speckesser (2019); Learning & Work Institute (2023)]*
- **YP do not feel they have champions in their corner and worry employers are not supportive either**. According to the Youth Voice Census, 33.1% thought employers were supportive of hiring them but nearly as many thought employers were unsupportive or very unsupportive (26.7%) and additional 40.3% were neutral. Those with additional needs were more likely to think employers were unsupportive. Disadvantaged YP and NEETs are more vulnerable to insecure work and lower hourly wages compared to older workers. PWC analysis suggests increasing wages may increase the incentive to work for some groups it will also increase labour costs which could lead to employers hiring fewer workers. This poses a dichotomy, since YP also need employers to create the opportunities and inclusive working environments in which they can thrive. Some YP are choosing to become self-employed as a solution but then continue to have the same struggles, compounded by the lack of support as self-employed. *[Staneva et al (2015); Youth Futures Foundation (2020; 2022; 2023); Youth Employment UK (2023); EDSK (2022); UK Youth (2021)]*
- **Underlying learning difficulties, behavioural conditions, and/or disabilities go undiagnosed, causing fear of learning, low self-belief and poor mental health**. This means YP do not receive the support they need in school/college, which for many can go on to fuel a fear of learning or distrust in conventional models of educational delivery. When YP progress to employment (or other study), this can resurface difficult or traumatic experiences effecting productivity, mental health, sickness. This can present as frustration that may contribute to the characterisation or labelling of YP as having challenging behaviour, low commitment and poor attendance, including by employers. Diagnosis can have a positive impact as YP feel a sense of validation for their work style and behaviour, better equipping them with tools to support their development.[*Youth Futures Foundation (2020; 2021; 2022; 2023); Learning & Work Institute (2022); EDSK (2022); Youth Employment UK (2023)]*

The employer perspective (1)

- **YP's lack of work readiness skills concerns employers and increases perceptions of risks/costs**. Senior leaders (particularly in small businesses) worry about timely return on investments and the impact of direct costs they will have to shoulder from mistakes and lost productivity when training inexperienced young people. Limited staff capacity and skills coupled with underdeveloped infrastructure to meet wider needs of YP (e.g. pastoral, financial, travel, technical and soft skills) can mean YP are overlooked in preference for older workers who are seen as less risk (or hassle). Employers feel education providers have a role in teaching work readiness skills and that careers' services should better prepare YP for the world of work. Yet many SMEs do not engage with providers (or vice versa) which reduces options to reflect employer needs and design in opportunities for YP. *[Youth Futures Foundation (2021); IES (2023); EDSK (2022).]*
- **SMEs generally have different challenges compared to large employers**. Large employers are more likely to have the resource and infrastructure to support YP's transition into work, including supervision for mental health and wellbeing. But size does not necessarily correlate to engagement. Understanding SME operating contexts effects likelihood of engagement and enabling realistic expectations into the benefits of hiring YP. SME motivations for considering YP fall into two themes: 1) fulfilling a business need (e.g. vacancies, managing costs of wages, or subsidised training); and 2) a moral or social responsibility described as 'doing the right thing' (e.g. helping YP get onto the career ladder, support the future talent pipeline). Under this second theme, SMEs leaders will be less concerned with the young person's immediate value to the company, and more of what YP might be able offer longer term and tend to achieve engagement as part of long-term planning. *[Youth Futures Foundation (2021); Futuregov (2021).]*
- **Subsidies are crucial if SMEs are to engage and balance business impacts**. Money is a key factor that influences whether a senior leader will decide to consider or offer YP employment because resource and commitment will flow from that decision. Whilst SMEs are worried about the cost and time it will take to bring a YP up to the required standard, leaders are also worried about whether the YP will stay once trained. Many employers recognise that a high-quality experience including good work is likely to reduce the risk because YP will be supported, motivated and engaged in rewarding work. Medium to large employers are more likely to acknowledge the risk and see it as an inevitable part of career progression and supporting the future talent pipeline. Irrespective of motivation, wage and training subsidies and government funded programmes such as Kickstart, can be attractive as part of a sustainable strategy, and counter other disincentives such as the apprenticeship levy which is seen as encouraging employers to offer apprenticeships to existing and senior staff instead of young and new recruits. *[IES (2023); Youth Futures Foundation (2021); Staneva et. al (2015); EDSK (2022); ILO (2022).]*

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The employer perspective (2)

- **Navigating the system, even when employers want to hire young people, is a challenge**. The youth employability landscape is considered complex, difficult to navigate, burdensome, and off putting. Large employers will usually use intermediaries such as specialist VCS organisations, but many SMEs do not know who can help them and give up because the range of schemes is time-consuming to process. Unable to access government-funded schemes, employers miss out on potential benefits to their organisation, whilst also helping reduce the labour market challenges for young people. *[Youth Futures Foundation (2021); Youth Employment UK (2023); UK Youth (2021); ILO (2022).]*
- **Opportunities for work experience placements are not systematic because employers are not consistently asked or supported**. Youth Futures Foundation analysis of SME engagement found where placements took place, these were provided to under-18 pupils, from between two days to two weeks; with longer placements for 16-18-year-olds usually in the summer holidays. Longer placements tended to be ad-hoc, tied to a specific subject, and typically arranged through personal contacts. Some employers would offer a consistent annual opportunity via direct approach. Those that did not offer placements reported resource constraints, timing conflicts or concern about the time needed to manage it (21%), health and safety constraints (e.g. in manufacturing), or wariness about bringing young people into the business due to past unsuccessful experiences due to lack of work readiness or challenges with behaviour, retention, and attendance. One in nine (11%) SMEs said they had not offered placements because they had not been approached by anyone and 5% never considered it. SME feedback suggests most employers do not specifically target work placements at disadvantaged young people and those employers that did often used charities to reach potential candidates. Work placement experience has been found to both increase the odds of securing employment as in the case of DWP's 2011 work experience programme, but also YP have said that placements increase their exposure to employers, career options and critically, their confidence. *[Youth Futures Foundation (2021); DWP's Early impacts of Work Experience (2012) as cited in Staneva et. al (2015); Learning & Work Institute (2022)]*
- **Recruiting and supporting YP is time and resource intensive**. Large and medium sized employers who hire YP are more likely to have structures in place to facilitate recruitment, induction and development of YP and to work with intermediaries to guide staff and in turn, manage employer expectations. Investment in leadership and management skills of existing staff is vital to ensuring the whole organisation is better placed to deliver on its engagement and mitigate potentially poor experiences. SME feedback from Youth Futures Foundation research found senior leader sponsorship was more likely to result in resources / commitment to diversify the workforce and to adopt inclusive hiring practices (including being up front about expectations in job adverts, offering a flexible environment, and using the interview process to assess for potential). Such companies also invest in upskilling their supervisors who have frontline responsibility, including enhanced supervision for wellbeing and to resolve potential issues with other staff quickly so YP feel heard, use of mentors, and peer affinity networks. Investment in leadership and management has the added benefit of improving overall productivity for staff through inclusive environment, culture, higher job satisfaction, and reduced turnover. *[Youth Futures Foundation (2020; 2021; 2022)]*

The employer perspective (3)

- **Better engagement and stronger relationships with educational providers/local authorities could help tap into YP from underserved communities to meet high vacancy demands and improve outcomes**. SMEs report a lack of access to the ‘right’ young person to be a barrier to engagement, especially for smaller businesses. But some employers also acknowledged that they had not considered recruiting YP from disadvantaged backgrounds (e.g. those with disabilities and/or racialised communities). There are different reasons offered for this, including the risk of getting it wrong and the impact on finances or staff workload if it did not work out or the perception YP lacked the skills. Time poor SMEs are unlikely to go above and beyond their immediate business needs without support, although employers in Youth Futures Foundation 2023 study said people from underserved groups could offer new ways of thinking (31%) or change the mindset or prejudice of the organisation (28%). Other studies looking at experiences of YP from underserved communities would suggest labour market discrimination is an underlying influence for why disadvantaged YP are not supported or recruited. *[Youth Futures Foundation (2020; 2021; 2022; 2023); IES (2023); Learning & Work Institute (2022).]*
- **YP are not interested in starting a career in some industries because they think jobs are low paid or not glamourous**. Some employers reported a lack of demand or interest from YP as a barrier to their engagement or recruitment. Youth Futures Foundation research found employers from sectors such as manufacturing, health and social care, hospitality, and retail, believed their offering was less appealing to YP because they have struggled to recruit and report YP think jobs are poorly paid with little opportunity for progression. Employers believe YP also have a responsibility for being willing and open to change, even if they do not have the skills and experience to be ‘work ready’, such as to start work in an entry-level position. Research suggests some employers believe YP are willing to quit too easily because they have unrealistic expectations of the workplace due to inexperience, although meta-analysis from other research suggests this is inconclusive. It is possible that negative stereotypes of YP because of bad past experiences may be a reason. Learning & Work Institute’s research on manufacturing excellence suggests young people are interested in roles / careers in manufacturing but lack knowledge or work experience in the sector. Whilst this relates to timely careers guidance it also ties into employers offering YP work experience. *[Youth Futures Foundation (2021; 2022); Learning & Work Institute (2023)]*

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Systemic challenges

- **National policy and commissioned programmes/initiatives are fragmented**. This creates overlapping burden, duplication and undermines more coherent/coordinated action. The level of intersectionality and complexity associated with youth unemployment requires long-term concerted effort. This is particularly notable at national level where sufficient account of local contexts form missed opportunities. Impetus observes that responsibility for youth unemployment is fragmented, particularly between DfE and DWP, which underserves economically inactive YP (inc. NEETs), as they are not the responsibility of the DWP because they do not receive social security, and not the responsibility of DfE because they are aged over 18. *[Youth Futures Foundation (2020; 2022; 2023); Impetus (2023); Learning & Work Institute (2023); UK Youth (2021); ILO (2022); EDSK (2022); Staneva et al (2015)]*
- **Policy design should incorporate evidence-led interventions that connect into the local context**. The literature presses the importance of understanding the drivers affecting youth unemployment to ensure meaningful engagement. Youth Futures Foundation found employers were willing to change their behaviour and practice and utilise evidence-based resources and advice as motivation to address skills gaps (13%) , as well as partnerships with external recruitment services (13%) to increase their recruitment of people from marginalised groups. In this context evidence-led policy would help better focus action and showcase why and how they can make a demonstrable positive change. Failure to adopt place-based approaches has costs to YP, the economy and the community. Evidence suggests spending time unemployed under the age of 23 has been linked to lower wages even twenty years on and those who are NEET between the ages of 18-19 are 20% more likely to be unemployed even ten years later. *[Youth Futures Foundation (2020; 2021; 2022; 2023); Youth Employment UK (2023); UK Youth (2021); Impetus (2023); ILO (2022)]*
- **Absence of coordinated data limits timely impact of employment interventions, investments and changes in youth employment**. This is critical if local needs are to be reflected in national strategy and YP are to get meaningful support aligned to their needs. The International Labour Organisation suggests early policy interventions are the most effective for disadvantaged youths (including from childhood) and the Youth Employment UK propose accurate, accessible and granular data on YP employment, education and training status is vital for local actors to effectively target support and provision for YP and secure their engagement. *[ILO (2022); Youth Employment UK (2023); Youth Futures Foundation (2020; 2021; 2023)]*
- **YP need systems that strengthen social protections and tackle structural inequalities.** Different groups of YP are impacted differently and it is important to recognise this when designing policy interventions. Some YP will be closer to the labour market and require little support, whilst others will be further away and require a lot of support. This inequality is reflected across the spectrum of the literature when calling for collaborative approaches across public, private and voluntary sectors as Youth Futures Foundation do. Single interventions are ineffective because they will not address the wider, holistic needs of the whole YP which is central to sustainable positive outcomes. *[Youth Futures Foundation (2020; 2022; 2023); Youth Employment UK (2023); ILO (2022); Learning & Work Institute (2022); Staneva et al (2015)]*

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West Midlands Combined Authority

Economic Growth Board

Date	16 November 2023
Report Title	Towards a Sustainable Economy
Portfolio lead	Cllr. Stephen Simkins, WMCA portfolio lead for Economy and Innovation
Accountable Chief Executive	Laura Shoaf - Chief Executive, WMCA Email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy and Net Zero Email: ed.cox@wmca.org.uk
Report has been considered by	n/a

Recommendations

Economic Growth Board is asked to:
Note the contents of the report highlighting any specific areas EGB would wish to see on the forward plan for EGB for more detailed consideration.

1. Purpose

1.1 This paper updates Economic Growth Board on regional level activities that achieve the dual ambitions of driving economic productivity and enhancing environmental sustainability in the West Midlands. These activities are complemented by local level activities led by local authorities and other agencies at a local level, including universities and Catapult centres.

2. Background

2.1 The foundational strategies for a sustainable and productive economy are the climate strategy for the region: West Midlands 2041 and the region's medium term high value jobs and growth strategy, Plan for Growth.

2.2 As EGB members will be aware, WM2041 focuses on changing our economy without leaving anyone behind; investing in the resilience of our places; using the region's industrial past to create a new future; creating places and connections that help us to meet the climate challenge and decoupling prosperity from the consumption of energy and resources. The West Midlands

Plan for Growth focuses on enabling activity that helps to create the high value jobs of the future in the West Midlands.

2.3 To encourage this sustainable and productive economy across the West Midlands Region, the WMCA has embedded the Inclusive Growth Framework across its programme activities. This Framework is designed to support all types of programmes and investments to consider 8 different 'inclusive growth fundamentals' in design and delivery. The Climate Resilience fundamental sets the outer limit on growth, advocating for growth which does not exceed the capacity of the planet to regenerate. Areas of importance to achieve this include energy use, waste, emissions and biodiversity.

2.4 Building resilience to a changing climate and decoupling prosperity from the consumption of energy and resources does not come at the expense of productivity and high value jobs. Indeed, it is only through investing in the technologies and skills of the future that the West Midlands will achieve the levels of high value jobs that can drive a resilient, low carbon and productive economy in the West Midlands.

2.5 This paper brings together ongoing activity at a regional level that the West Midlands Combined Authority is helping to drive forward. It is in no way an exhaustive overview of all activities at either a local level or where regional assets are driving change across the wider economy. It does, however, provide EGB with an overview of a number of different activities taking place to make the West Midlands a truly sustainable economy.

3. Plan for Growth - Modern & Low Carbon Utilities cluster

3.1 The West Midlands Plan for Growth identifies clear market opportunities that enable productivity growth for the West Midlands economy at the same time as creating a more sustainable economy. This is most clearly demonstrated in the sub-sectors ('clusters') of potential competitive advantage for the WM economy, in which there is a clearly identified opportunity for the West Midlands to lead nationally, in Europe, or, in some cases, globally.

3.2 Many of the target clusters in Plan for Growth either:

i) explicitly focus on sustainability as part of their growth, for example Electric Light Vehicles and Batteries; Aerospace; and Manufacturing of Future Housing or

ii) see sustainability as a key opportunity and issue in the future growth of their cluster, for example Creative Content Production and Gaming, who explicitly call it out as part of their strategy and vision for future cluster growth.

3.3 The Plan for Growth also, explicitly references modern and low carbon utilities as a key growth opportunity for the region. Under this broad descriptor of the cluster, we have been working with partners, including Energy Capital, led by a specialist agency in economic development, Metro Dynamics, to highlight strengths and opportunities for these cluster of businesses.

3.4 This work has begun to identify that there are clear opportunities for West Midlands businesses through clustering, but that these are different from other parts of the country where the focus has been on hydrogen generation, carbon capture and transportation, powered by offshore wind, tidal and nuclear power.

3.5 Indeed, the primary weakness facing the West Midlands' transition to net zero offers the region's greatest opportunity for commercial growth. The region's geographic position means that it must rely primarily on grid capacity for decarbonised power, rather than locally generated hydrogen or nuclear, meaning smart and efficient energy usage is required to draw sufficient power from a constrained grid. Smart energy management, clean-tech and strategic advisory services are required to achieve this, demand for which is already attracting new business investment and pivoting existing business activity.

3.6 This business activity builds on the region's existing and emerging commercial strengths in technology, data, professional services, underpinned by, in many cases globally leading R&D, innovation, and a rich and active regional policy agenda.

3.7 Specifically, the West Midlands has several mainstream major energy companies such as National Grid, Cadent and Eon headquartered in the region. This has led to a regionally located highly skilled energy workforce, which has, in turn, attracted new investment from innovative energy management and clean-tech companies such as Grid Edge and CarbonTRACK. In addition, the region has an active and high-profile policy landscape that is driving innovation in energy management, led by Energy Capital, with several flagship innovation assets located in the region.

4. Plan for Growth Innovation through Clean Technologies

4.1 As a foundational resource for unlocking the potential of clean-tech, smart energy management and strategic advisory services, the West Midlands has significant innovation assets, working with innovative businesses, to lead the drive towards a more sustainable and more productive economy:

- The Manufacturing Technologies Centre (MTC), Warwick Manufacturing Group, and the UK Battery Industrialisation Centre combined are the UK's primary R&D centres for batteries and related advanced manufacturing and robotics applications.
- Tyseley Energy Park in Birmingham is leading the demonstration of clean energy generation, storage and energy management and, as part of the wider business park, is home to a significant localised energy industry cluster.
- The Black Country Innovative Manufacturing Organisation (BCIMO), wider WMCA area universities and Catapults Centres, and MIRA Technology

Park, have amongst the best demonstration facilities for mobility related R&D in the world.
- The National Brownfield Institute at the University of Wolverhampton is a lead in planning, and sustainable remediation and enabling, of land development.
- All WMCA area universities have key strengths in advanced materials for engineering and advanced manufacturing all driven by industry and wider governmental policy drivers aimed at increasing sustainability and reducing the carbon impact.

4.2 As EGB members will recall, to boost the innovation ecosystem in the West Midlands, the Levelling Up White Paper confirmed the West Midlands Innovation Accelerator pilot. This granted £33m to five projects to accelerate collaborative R&D and in turn boost productivity of West Midlands based businesses. Funding is through to March 2025.

4.3 The focus for this funding was agreed to be on activities relating to advancements in clean-technologies, and health & medical technologies. These technology families have applications across all eight Plan for Growth clusters.

4.4 Specifically, three projects focus on clean-technologies applications:

4.5 The **Biochar** project is led by Aston University and was awarded £1.8m to support SMEs to advance the generation and application of biochar. Biochar is generated from organic waste that would otherwise go to landfill or waste-to energy facilities. Due to its unique properties, it has key applications in fuels, agriculture, and industrial machinery components.

4.5.1 Biochar has a carbon removal potential of 100 megatons by 2050 if it is deployed to its fully capabilities. Production and commercialisation is currently led by Germany, Switzerland, and the Nordic Countries. The UK has some of the best biochar R&D facilities and potential to be a leader in a number of markets and industries that biochar has applications in with the West Midlands in leading position.

4.5.2 The project enables access to specialist university facilities and knowledge leading to validation and demonstration of new biochar commercial applications.

4.6 **Clean Futures** is led by the Black Country Innovative Manufacturing Organisation (BCIMO) and Coventry University. It has been awarded £8.3m to run business accelerator programmes focused on applications for very light rail and automotive. The accelerator programmes focus on five challenges areas of greener electric vehicle components, circular economy of materials and components, greener road freight, greener infrastructure, and future fuels.

4.6.1 The project provides grants, intensive support, and access to specialist demonstration facilities for 40 SMEs, as well as market knowledge awareness training for 800 SMEs.

4.7 **DIATOMIC** is led by the Connected Places Catapult, working with universities in Birmingham and the Birmingham Chamber of Commerce. It has been awarded £6.2m to deliver business accelerator programmes focused on bi-lateral trade and FDI of clean technologies, digital twins for local energy systems, and an inclusive innovation network.

4.7.1 The project provides grants, intensive support, and access to demonstration facilities for 40 SMEs. It is centred on Birmingham and as part of its sustainability will generate blueprints for how wider WMCA area local authorities could replicate this programme of supporting local innovative firms to internationalise.

4.8 As part of the West Midlands Strategic Innovation Partnership with Government, as set out in the West Midlands Deeper Devolution Deal text, WMCA and the West Midlands Innovation Board is making the case for a follow-on funding settlement.

5. Industrial Energy Task Force – addressing current energy demands.

5.1 The West Midlands Industrial Energy Taskforce (WM IETF) was established in response to an emergency summit convened by the Mayor of the West Midlands in August 2022. The summit included Mike Wood MP, the Black Country Local Enterprise Partnership, then Energy Minister Greg Hands MP and around 30 industrialists from across the West Midlands.

5.2 The WM IETF was set up as an independent commission, financed by the West Midlands Combined Authority, and led by Camirus Consulting with support from Make UK. It received significant voluntary support from a variety of business representative groups, public sector bodies and energy industry specialists. The full final report of the WM IETF can be found online[1].

5.3 The UK energy market is complex and multi-layered, however the WM IETF identified five challenges that were faced by all region's businesses that depended on energy during the crisis. These were:

- The **legacy** of an unprecedented crisis, which resulted in inequitable contracts signed under duress and locking firms into unsustainable pricing.
- An **energy market** offering which provides consumers of industrial energy many complex options hiding a simple structural operation of the energy market that favours suppliers.

[1] https://www.wmindustrialenergy.co.uk/reports-and-data

- **Barriers to energy resilience** with significant gaps between theory and practice in industrial energy efficiency.
- **Energy policies** undermining industrial competitiveness in how infrastructure and transition costs are allocated in ways that have a significant negative impact on industrial competitiveness.
- **Institutional and cultural failures** at every level in how local, regional, and national institutions are poorly equipped to deliver and support solutions.

5.4 In response to these five challenges, the WM IETF outlined 15 recommendations which were broken down into the following categories: priority, urgent, medium-term, longer-term, and institutional in order to help support energy intensive businesses in the West Midlands. A full list of these recommendations can be found in Appendix 1.

5.5 In regard to the third challenge on energy resilience; the WM IETF argued that there was a strong public interest in improving the economic resilience of the West Midlands industry base and a clear benefit case for public intervention to eliminate market failures. Therefore, in the summer of 2023, the WM IETF proposed an energy efficiency programme that built on existing West Midlands expertise and networks in business energy efficiency support. This programme was taken up by the Department of Energy Security and Net Zero and HM Government's Energy Efficiency Taskforce. This programme is now known as the Business Energy Advice Service and, from October 2023, has been in delivery across the region.

6. Business Energy Advice Service – building a more sustainable and productive economy.

6.1 As part of the response to the West Midlands Industrial Energy Taskforce, WMCA, working with local authority partners commissioned a £4.6M programme, utilising the regional allocation of UK Shared Prosperity Fund, to drive decarbonisation activity amongst West Midlands businesses. This included provision of a match funding capital grants scheme.

6.2 Separately and driven by the work of Matthew Rhodes as Chair of the Industrial Energy Taskforce, DESNZ and DLUHC awarded the wider ITL1 West Midlands £24.6M to develop energy efficiency measures in 4,000 businesses across the region. This funding was approved by WMCA Board on 15th September 2023 with the initial launch of the programme on 16 October 2023.

6.3 The programme complements and is aligned with other regional programmes, funded through UK Shared Prosperity Fund which are delivering energy efficiency audits and grants. There are four sub-regional delivery partners and a consortium led by Aston University in the WMCA area, building on the regional UK Shared Prosperity Fund programme. Each delivery partner will provide standard energy efficiency audits and, in most cases, deliver energy efficiency grants. Delivery partners which do not have the capacity to deliver energy intensive audits will pass details of businesses to the Manufacturing Technologies Centre (MTC) who are leading the delivery of energy intensive audits across the whole of the ITL region.

6.4 In total, the BEAS Programme is aiming to provide 4000 energy audits and deliver over £15M in grant funding. The programme is forecasting lifetime energy savings for SMEs of between 332 and 631GWh per annum at current commercial rates, this will also result in the reduction of carbon emissions for the west Midlands Region. This activity is also expected to influence regional energy productivity, delivering the same or greater economic output for lower industrial energy demand. (NPSV of between £24.38M and £114.57M).

6.5 This programme brings substantial additional funding into the West Midlands and is aligned to strategic priorities by contributing to reducing energy use, aligned to #WM2041. By focusing on increasing business productivity and more resilient supply chains, alongside energy reduction, it forms a key part of interventions under Plan for Growth.

7. Circular Economy – a future economy opportunity

7.1 The circular economy is an approach to economic productivity that seeks to design out waste and pollution by keeping products and materials in use for as long as possible. Encouraging more circularity in our economy will be essential for the region to achieve its ambition of net zero carbon emissions by 2041. Analysis conducted during the development of the WMCA's Circular Economy Routemap has shown that greenhouse gas emissions can be reduced by up to 45% through the uptake of more circular processes.

7.2 Whilst supporting the region's efforts to decarbonise, the circular economy can also be used to create a more resilient, and productive economy. Reports from the three Chambers of Commerce in the WMCA area and MAKE UK consistently highlight the challenge faced by businesses caused by the price, and availability, of the materials they need in their industries.

7.3 By creating a closed loop system and keeping materials in use within the West Midlands for as long as possible, the circular economy can help to alleviate the pressures being experienced by businesses in the advanced manufacturing and construction sectors. Analysis has also shown that the uptake of circular practises can increase business productivity. Reprocessing materials that are currently disposed of can increase their productivity by six times, and the waste produced annually by the region's construction sector could be worth up to £5 billion pounds.

7.4 The WMCA is taking steps to create an economic environment that enables a transition towards increased circularity. An Industrial Symbiosis Demonstrator, that aims to create a network of businesses exchanging waste and resources for mutual benefit, will launch in early 2024. Alongside this, the WMCA is developing the infrastructure required to support materials recovery in the construction sector, aiming to launch a pilot Zero Waste Construction Hub in mid to late 2024.

8. Homes for the Future – towards sustainable construction for the future

8.1 As part of the rapid changes taking place in the construction sector and linking closely to Plan for Growth focus on 'Manufacture of Future Housing', in April 2022, the WMCA Housing & Land Delivery Board agreed a programme of work to develop a '*Homes for the Future Strategy'*.

8.2 The scope was to produce a coherent strategy to accelerate the development of the Future Homes Cluster following the growth strategy for the cluster as part of the Plan for Growth, secure delivery and investment in Advanced Manufacturing in Construction (AMC); zero carbon homes (ZCH); get the region ready for the roll-out of changes to Building Regulations (Part L) set out in the Government's emerging Future Homes Standard; and consequential reduced occupier costs in the new homes.

8.3 WMCA's Homes for the Future strategy builds on the work already pioneered to date around AMC and ZCH under Housing & Land Delivery Board and is an important part of achieving WMCA's commitment to West Midlands 2041 target. This new integrated strategy is a cross-cutting document that directly links and delivers on a range of regional policies and programmes:

- unlocking the potential of the '*Manufacture of Future Housing*' economic cluster in the West Midlands Plan for Growth.
- the West Midlands brownfield housing and regeneration programme (launched in the 2018 Housing Deal)
- WM2041
- Investment and Levelling Up Zones (March 2023 Devolution Deal)
- The Affordable Housing Programme (March 2023 Devolution Deal)
- The Public Land Programme (March 2023 Devolution Deal)
- the investment opportunity in future homes set out in the West Midlands Investment Prospectus (launched May 2023); and
- the high-level deliverables of the Housing & Land Portfolio agreed by WMCA Board in February 2023.

8.4 In addition, there are significant benefits for the occupiers of these homes. Homes for the Future means that the region will be able to deliver more sustainable, warmer, more energy efficient, climate resilient homes that will be healthier, happier properties for residents to occupy from the outset, reducing the need for later improvements.

8.5 From a commercial productivity perspective, Homes for the Future supports the move towards more sustainable construction materials, generating skills and talent within the region, and encouraging a shift to more locally and sustainably sourced construction materials with a consequent reduction in the waste of construction materials as part of the move towards a circular economy.

8.6 Furthermore, by supporting the market in encouraging a shift to alternative means of construction, Homes for the Future will help to confront the growing problems within the traditional construction sector, including an ageing workforce, earlier retirement age, and decreasing productivity, among other factors. It is also preparing the market for being able to deliver scalability of zero-carbon homes in the long-term.

9. Financial Implications

9.1 There are no direct financial funding requests from this paper. As the paper discusses several current WMCA programmes, there will be financial implications through their delivery, which will follow WMCA governance routes.

10. Legal Implications

10.1 This paper provides a strategic overview of the current activities being undertaken by the West Midlands Combined Authority to promote a sustainable economy in the West Midlands. There are no legal implications arising from this summary overview paper.

11. Equalities Implications

11.1 The regional level activities set out in this paper aimed at moving the West Midlands economy towards one that is more productive, growing and sustainable, are likely to have a neutral impact on people or communities with respect their protected characteristics. There are likely to be positive socio-economic impacts as a result of these activities and it is recommended that a full Health and Equity Impact Assessment is carried to examine this and other potential impacts as described.

12. Inclusive Growth Implications

12.1 The regional level activities set out in this paper aimed at moving the West Midlands economy towards one that is more productive, growing and sustainable aligns will likely have a positive impact on supporting the West Midlands Combined Authority definition of Inclusive Growth.

Working towards a more sustainable economy directly supports the Climate Resilience fundamental, particularly in regard to the “energy use”, “waste” and “emissions” considerations as outlined in the Business Energy Advice Service, Circular Economy, and Innovation Accelerator programme workstreams. The activities around the Homes for the Future will have a positive impact on the Affordable and Safe Places fundamental which will help tackle welfare related poverty and designing out homelessness through design by supporting the transition to new methods of construction and therefore, good employment.

13. Geographical Area of Report’s Implications

13.1 The report relates to the 7 Met area.

Key recommendations

Recommendation		Responsibility	Pathway to delivery for the West Midlands
PRIORITY			
2.1	In addition to the windfall taxes already imposed on oil and gas companies, the government should ask energy brokers, suppliers and generators to release West Midlands industrial and commercial customers from contracts signed during the crisis at rates greater than 50 p/kWh for electricity or 11p/kWh for gas and allow them to renegotiate at current rates. Any costs of doing this should be borne by the energy value chain as a whole (i.e., where a supplier releases a customer from a contract, the generator should also be required to release the supplier from any back-to-back contract).	HM Treasury	A joint approach from the West Midlands, industry bodies and energy companies to the Treasury requesting that the £5.5bn allocated to EBDS is instead allocated to covering the costs of releasing companies from contracts signed during the worst period of the crisis*. The onus should lie on energy supply companies to evidence any loss. (* The proposed 50p threshold figure could also be varied based on available budget).
2.2	Allow companies with outstanding Covid Business Interruption Loan Scheme obligations to write these off provided they invest the funds in onsite energy efficiency projects during 2023.	HM Treasury	This could be funded by re-allocating some of the spare funds available from the amounts budged by Treasury for EBDS and EBRS support, given the falls in wholesale gas prices in 2023.
URGENT			
3.1	Ofgem's remit should be extended to cover all but the largest businesses (i.e., those with balance sheets enabling effective energy market participation) and resourced with powers to regulate the third-party intermediary (commercial energy broker) market. This should include responsibility for an accreditation scheme for brokers and creation and enforcement of standard industrial energy contract forms.	DESNZ	The West Midlands could pilot this form of regulation in partnership with Ofgem (through Energy Capital). Funding could be provided by a levy on broker fees, which should also be regulated and capped.

Recommendation		Responsibility	Pathway to delivery for the West Midlands
3.2	The WMCA should commission a feasibility study into the potential for a regional industrial energy services company, to be delivered in partnership with one or more energy suppliers and regional industry bodies.	WMCA	Such a study could be commissioned from suitably qualified consultants and managed through the Centre for Manufacturing Transition (see 6.1)
3.3	Regional business support and skills programmes should be enhanced by the inclusion of energy management skills.	WMCA	Energy skills should be included in local skills improvement plans and provision made within the proposed regional business energy efficiency pilot.
MEDIUM-TERM			
4.1	Accelerate the proposed £25M West Midlands Business Energy Efficiency Pilot (BEAS) emphasising the role of sub-metering and the importance of regional delivery structures.	DESNZ	This programme is not currently scheduled for approval until at least September 2023. This timeline can and should be brought forward.
4.2	Work with the national Energy Efficiency Task Force to ensure lessons from the West Midlands are shared nationally and to supplement this pilot with private finance and energy services offers from global corporates.	MAKE UK and CMT (see 6.1)	There are opportunities to work with global energy services companies to enhance the offering by securing sponsorship, although this needs to be carefully managed to provide a suitable variety of solutions to the diversity of West Midlands businesses.
4.3	Work with electricity network operators to streamline the connections process for industrial customers, including establishing a joint energy infrastructure panel with powers to prioritise reinforcement investment to support strategic industry across the region.	WMCA	Energy Capital, supported by the CMT, should ensure the proposed Net Zero Infrastructure Delivery Panel prioritises this issue.

Recommendation		Responsibility	Pathway to delivery for the West Midlands
4.4	Enhance existing manufacturing skills and education programmes by ensuring these include modules on industrial energy efficiency.	WMCA/Education providers	Where public funding is supporting manufacturing skills programmes, there should be a requirement to include education in energy efficiency and energy management. Established providers such as MAKE UK can also pre-empt this by offering such programmes immediately.
4.5	Support and promote national industrial energy efficiency awareness schemes focusing particularly on ensuring these reflect the realities of industrial energy challenges (rather than purely on the challenges of optimising building energy use). One effective way to promote awareness of energy efficiency would be to require appropriate messaging (e.g., of the value of sub-metering) on bills.	WMCA/ West Midlands Industry via the CMT (see 6.1)	Inclusion of messaging on bills should be part of the pilot described under 3.1. West Midlands industry should engage more actively with DESNZ to provide feedback on proposed awareness and advice schemes. This could be co-ordinated through a regional industry body such as the Centre for Manufacturing Transition (see 6.1)
4.6	Give industrial customers a right to require landlords, planning and regulatory authorities to support energy efficiency investments where commercial returns can be demonstrated	DESNZ/WMCA	The West Midlands could pilot such a requirement working in partnership with DESNZ.
4.7	The WMCA should work with Ofgem to develop and pilot standard contracts and mechanisms for power and connection sharing and trading between neighbouring companies (i.e., so company A can sell its solar output to neighbours) similar to schemes such as standard forms of local Power Purchase Agreement contract (PPA) available in central Europe.	WMCA	Energy Capital should lead a project to define and pilot such contracts in partnership with Ofgem. Some resourcing for legal advice is likely to be required.
LONGER-TERM			
5.1	WM industry and energy companies should work together to establish a dedicated West Midlands industrial power market offering WM firms competitive energy costs. This might be achieved by forward buying the output of fixed and low cost	West Midlands Industry via the CMT (see 6.1)	A West Midlands industrial collaboration could engage with supportive energy suppliers, Ofgem, and academic proponents of this concept to design and pilot a ring-fenced industrial energy marketplace for the region. This

Recommendation		Responsibility	Pathway to delivery for the West Midlands
	generators (wind, solar nuclear) to match a sensible portion of aggregated regional industrial demand. The region, through the Mayor and WMCA, should underwrite some of the risk of making this market.		is a good example of the kind of project that requires an effective representative institution such as the proposed CMT (see 6.1).
INSTITUTIONAL			
6.1	West Midlands industry, supported by trade associations, regional government, the other industrial clusters and the energy sector (DESNZ and Ofgem) should establish and host a National Centre for Manufacturing Transition (CMT) recognised by the Mayor and Combined Authority, and supported by regional and global partners to carry forward the recommendations of this taskforce at regional and national level.	WM Mayor and WMCA	The Black Country Industrial Cluster has created the foundations for a national place-based industrial institution to represent the interests of dispersed manufacturing sites through the energy transition. There are more of these sites in the West Midlands than any other region. Private finance should be the primary funding source for such an institution, but a minority contribution from the public sector will ensure effective linkages to public sector-directed infrastructure investments and demonstrate regional commitment to a just transition and to a meaningful and balanced industrial strategy.
6.2	The key regional interfaces between industrial competitiveness and the energy sector are in energy infrastructure planning and delivery. The WMCA should ensure that the industrial voice is well-represented in infrastructure planning through meaningful industrial representation via the CMT on economic and energy boards and the infrastructure delivery panel recommended under Challenge 3.	WMCA	Formal recognition of the role and activities of the CMT within WMCA governance structures will enable efficient delivery of the taskforce's recommendations and create a legacy institution that ensures change is permanent and sustained.

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Date	16 November 2023
Report Title	West Midlands Growth Company Q1 and Q2 Performance Report against the 'Global West Midlands' Business Plan
Portfolio lead	Cllr Stephen Simkins - Economy and Innovation
Accountable Chief Executive	Laura Shoaf, Chief Executive, WMCA Email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director, Strategy, Economy and Net Zero Email: Ed.Cox@wmca.org.uk
Report has been considered by	WMCA Executive Board

Recommendations

Economic Growth Board is recommended to:

Note and comment on the contents in the attached performance report (Appendix 1) from the West Midlands Growth Company (WMGC) against its adopted Business Plan.

1 Purpose of Report

1.1 Economic Growth Board is responsible for the oversight of the performance of the WMGC against its adopted 2023-25 Business Plan – *Global West Midlands"*.

1.2 The attached appendix provides a narrative and commentary on key issues, challenges and opportunities for quarters 1 & 2 of the 2023/24 financial year (noting that the business plan itself was not signed off until June/July).

Background

2.1 WMGC's Business Plan – *Global West Midlands* – was approved by the WMGC Board at its meeting in June 2023 and then formally agreed by the Economic Growth Board in July 2023.

2.2 EGB will receive regular updates relating to the performance of the WMGC against the agreed business plan – alongside any context relevant to its performance.

3 Financial Implications

3.1 Following the Investment Board's decision on 16 October 2023, full approval has now been given for funding to deliver WMGC's Business Plan 2023-25. This is comprised of:

- £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to Local Authorities from WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
- £3.2m from the UK Shared Prosperity Fund
- £1.4m from the WMCA core budget

3.2 When combined with £3.8m generated by WMGC from commercial and other funding, this results in a budget of £22.5m over two years.

3.3 The varied funding streams utilised by the WMGC to fund the 2023-25 business plan means that there are also different output reporting requirements.

3.4 During this business plan period, the WMCA will be working with WMGC colleagues to develop a sustainable long-term funding plan.

4. Legal Implications

4.1 WMGC benefits from the "Teckal exemption" and its services can be procured directly by its company members.

4.2 There are no legal implications for WMCA resulting from this report. WMCA has a general power of competence in relation to economic development and has the necessary legal powers to invest in WMGC.

5 Equalities Implications

5.1 There are no direct equalities implications.

6 Inclusive Growth Implications

6.1 The focus of WMGC's activity will support the delivery of the region's inclusive growth ambitions. Inward investment activity and visitor economy promotion should support local businesses, drive investment, increase civic pride, drive economic uplift through new investment, promote social and cultural wellbeing and champion a more sustainable future landscape for the region, whilst raising living standards for residents.

7 Geographical Area of Report's Implications

7.1 WMGC has historically served the three-Local Enterprise Partnership (LEP) geography, albeit with a focus on the seven Mets. Following the integration of specific LEP functions into the WMCA, and as agreed as part of the Review of WMGC, the future geographical focus of activity will be subject to further discussions with the WMCA and Local Authorities. International promotional activity to date has promoted the region's key assets across a wider geography to increase the global competitiveness of the West Midlands; whilst investment, landings and events have been proactively sought across the seven Metropolitan Local Authority areas.

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Appendix 1

Report Title	**West Midlands Growth Company Q1 and Q2 Performance Report against the 'Global West Midlands' Business Plan**
Accountable Chief Executive	Neil Rami, Chief Executive, West Midlands Growth Company
Accountable Employee	Katie Trout, Director of Policy & Partnerships, West Midlands Growth Company

Recommendations

Economic Growth Board is recommended to:

- Note and comment on the issues outlined in this report in relation to West Midlands Growth Company's (WMGC) performance against its Business Plan - *Global West Midlands* - over the period 1st April – 30th September 2023; noting that the Business Plan itself was not approved until July 2023.

1 Purpose of Report

1.1. To update the Economic Growth Board on progress against the four strategic objectives and the headline targets set out in WMGC's 2023-25 Business Plan – *Global West Midlands*.

1.2. To provide narrative and commentary on key issues, challenges and opportunities.

2 Background

2.1 WMGC's Business Plan – *Global West Midlands* – was approved by the WMGC Board at its meeting in June 2023 and then formally agreed by the Economic Growth Board in July 2023. It sets out the following four strategic objectives:

- **Enhance the profile & reputation of the region**
  Improving perceptions of the region as a place to invest, visit and host events.
- **Create & sustain good jobs for local people**
  Growing and increasing the productivity of the regional economy by attracting inward investment to the West Midlands.
- **Facilitate the regeneration of the built environment**
  Securing transformational capital from global and domestic investors in brownfield real estate and regeneration projects.
- **Create & sustain vibrant destinations**
  Harness sustainable domestic tourism and growing demand for inbound international tourism to enhance the region's quality of life by growing and strengthening the visitor economy.

2.2 The Business Plan sets out how each of these objectives will be delivered by a series of:

- **campaigns** – a strategic series of steps and activities, with specific messages designed to promote the WM's offer to specific target audience groups.
- **core services (Key functions)** – functions agreed as part of the WMGC Review and are defined as 'ongoing' services that broadly benefit the whole region; and
- **projects & programmes** – initiatives that WMGC plans to deliver outside of our "core services" – they may be place-specific and/or time-bound.

2.3 These activities will enable the delivery of identified local and regional priorities.

2.4 A series of outputs, leading and lagging indicators for each strategic objectives have been identified with minimum and stretch targets set against them.

2.5 This report provides an update on WMGC's performance against the Business Plan to the end of Quarter 2. It is important to note that whilst Quarter 1 activity included 'core service' delivery, it was also focused on the close-down of the Business and Tourism Programme. Much of the 'new' activity as set out in the Business Plan only began to be initiated in Quarter 2 after the Plan's agreement. Some of the activity will not begin in earnest until Quarter 3 when necessary recruitment has taken place.

2.6 It should also be noted that the total funding to deliver the Plan was agreed by the Investment Board when it met on 16th October 2023.

2.7 As this is the first WMGC performance report to the Economic Growth Board, feedback from Members on the format and contents would be welcomed so that the right level any type of information is provided going forward.

3. Key Results

3.1 Appendix A which shows performance against the key targets in the Business Plan to Quarter 2. Performance against the targets is referred to in the sections below on each of the Strategic Objectives.

3.2 Overall, performance against the targets is strong particularly for this stage of the programme. There are likely to be a number of contributing factors to this, including the fact the region is still enjoying the 'halo effect' of the Commonwealth Games, the strength of the pipeline that was built up through the Business and Tourism Programme and the fact that economy is performing better than expected. This positive trajectory may not be able to be sustained for the duration if these factors change. At the end of this financial year, there will be a stage gate to review performance in the round. If at that point progress against the targets continues to be very strong, the Leadership Team will review if an enhanced stretch target is needed across any of the metrics.

4. Enhancing the Global Profile and Reputation of the Region

4.1 *Global West Midlands* includes 12 strategic and proactive campaigns that directly respond to the priorities of the WMCA and Local Authorities through digital, media and event-led content. These will all articulate the West Midlands' most competitive and compelling offer through messaging, proposition and collateral creation, rooted in a strong evidence base.

4.2 The majority of the campaigns are due to commence in Quarter 3 with different activation points dependent on the campaign. Ahead of that, WMGC has continued to seek to enhance the profile and the reputation of the region through its marketing and communications activity.

- Media relations coverage is on track to exceed targets set due to the national traction of Birmingham Tech Week stories ahead of the week itself. Since 1st April 2023 the team has successfully placed 224 articles in print and online media, compared to a figure of 332 for the same period of 2022 (see appendix B) and against the stretch target set in our business plan to place 800 by 31st March 2025. This has generated an audience reach of more than 140 million compared to a figure of just over 101 million for the same period of 2022and against an end of programme stretch target of 700 million. Examples include:
  - BBC News – Visit Britain national tourism agency to open Birmingham HQ
  - India Today – New tech roles reinforce West Midlands' world-class innovation strengths ahead of global Birmingham Tech Week event
  - Yahoo News! – Birmingham beats Miami and Dubai to be named 'Event Destination of the Year'
  - Business Live – Commonwealth Games economic programme delivers 2,600 jobs
  - Meetings & Incentive Travel – Destination of the Month: Wolverhampton
- More than 670,000 new unique users have visited WMGC's investment, leisure and business tourism website, compared with a figure of just under 520,000 for the same period of last year in the context of an end of programme stretch target of 1.18 million.

4.3 Key examples include:

- Strategic communications activity has included proactive national media relations to shape a more balanced narrative surrounding Birmingham, in light of **Section 114** related negative headlines. The Financial Times was subsequently hosted in Birmingham, with the publication and local spokespeople briefed on positive economic indicators. Coverage in the Financial Times represented the first media article on the Council's financial situation to include positive proof points surrounding the region's economic performance.
- Strategic communications campaigns extended to public affairs surrounding **HS2 Phase 2**, in conjunction with the WMCA. WMGC compiled a briefing paper and pooled its private sector network to orchestrate a large-scale lobbying campaign to highlight the detrimental impact of cancelling the northern leg of the network. A number of tactics were deployed to support lobbying objectives, including the commissioning of a UK-wide public poll to show Number 10 and CCHQ the impact of abandoning the Manchester-Birmingham section amongst key voters, which achieved coverage in The Mirror. As a consequence, HS2 became the UK's leading story in the press, although ultimately it did not stop the cancellation of the line north of Birmingham.

4.4 Further activity to support this priority includes:

- Building on a successful London Tech Week in June, planning for the Global West Midlands programme which forms part of **Birmingham Tech Week** was a key focus of Quarter 2 activity. The week has now taken place and formed an important part of the WMGC's innovation-centred campaign, **"The Tech That**

West Midlands Growth Company

Makes Tomorrow Work". It included a full day's programme on 18th October and various satellite events across the week (including one on the Visitor Economy) designed to demonstrate the scale of convergence and innovation within the region and how its tech community is at the forefront of cutting-edge advanced technologies, opening new market opportunities across industries. Familiarisation visits and events to R&D facilities across the region were arranged so that delegates could hear directly from the people and organisations benefitting from the West Midlands location.

- Paid social has begun to target **investor audiences in key markets**; providing a drumbeat of regional awareness outside of key in-market activations, and supporting audience acquisition and lead generation. From October this will expand to also specifically target intermediaries (see 5.5 below) via the "Mobilising Multipliers" campaign
- Planning is underway for attendance at the **Medica exhibition** in Germany in November. Working in conjunction with Medilink, the WMGC team will have space on their pavilion and a speaker slot within the main conference itinerary. This will act to surface the region's life sciences proposition, including key innovation assets and the 6D innovation accelerator.
- A **regional innovation narrative** has been developed with substantial stakeholder engagement and with the support of WMCA. As well as shaping messaging and regional differentiators for the innovation campaign and namechecking key innovation assets, it also references strategic capital investment opportunities and the innovation accelerator programmes.
- The '**Where the World Meets'** campaign is also in progress with WMGC securing Wolverhampton as exclusive Destination of the Month in specialist trade publication M&IT (Meetings & Incentive Travel), following locations such as Sardinia and Strasbourg. The dedicated event guide outlines Wolverhampton's event and exhibition proposition in detail, including strong profile and commentary surrounding The Halls. Dedicated activity for other parts of the West Midlands is being planned throughout the campaign's duration.

4.5 In addition, the Birmingham and West Midlands Convention Bureau has recently been awarded '**Event Destination of the Year'** by Exhibition News. This is a huge achievement, not least because it was part of a very strong international shortlist including Miami, Spain, Greece, Japan and Dubai. The team was also shortlisted for Best Convention Bureau through M&IT. Both of these accolades are helping to further raise the profile of the region as a fantastic place to host business conferences and events.

4.6 The ultimate objective of all of this activity is to improve the profile and reputation of the West Midlands among key audiences. Latest **Perceptions Research**, completed in September 2023, indicates that, even though there have been no substantial regional marketing campaigns yet this year given the timing for final approval of Global West Midlands programme funding, the visibility of the region's offer among WMGC's key target audiences (i.e. potential tourists , investment intermediaries, business conference organisers, sporting event organisers and travel trade professionals) has edged up over the last 12 months. This reflects the impact of the substantive campaigns ran as part of the Business and Tourism Programme in 2022 – there can often be a time-lag between initial interaction with campaigns and subsequent conversion.

4.7 Furthermore, of those that were exposed to those campaigns:

- 94% of potential tourists say that they are more aware of the region's offer compared to 62% a year ago and 74% of intermediaries are more aware compared to 66% a year ago.
- 93% of potential tourists are more positive about it compared to 61% previously and 71% of intermediaries are more positive compared to 64% previously.
- 90% of potential tourists are actively considering it compared to 83% previously and 66% of intermediaries are actively considering it compared to 56% previously.

4.8 Overseas tourists, who highlight the region's range of attractions, people and culture, landscape and buildings, are more positive than domestic tourists who are more likely to have a more negative, outdated image of the region. Intermediaries are particularly positive, highlighting the region's good connectivity, strong talent pool, competitive real estate offer, high quality venues and facilities, track record of hosting events and its mix of landscapes, culture and attractions. And the proportion with a positive sentiment has risen year-on-year in relation to all parts of the region – Birmingham, Coventry, Dudley, Sandwell, Solihull, Wolverhampton and Walsall alike.

4.9 All that said, however, much work remains to be done to achieve our ambitions to raise the region's profile:

- The visibility of the region as a whole continues to lag behind key competitors (24% of tourists say that they know a lot or little about it compared to 80% for London and 50% for Manchester and 53% of intermediaries are familiar with the West Midlands offer compared with 93% with London and 65% for with Manchester.
- The visibility of Birmingham's offer compares better but awareness of the offer of other parts of the region is lower.

5. Creating and Sustaining Good Jobs for Local People

5.1 WMGC aims to grow the region's economy, increase its productivity and enable the development of its clusters by attracting firms who are looking to relocate or expand. This in turn will create good quality, high value jobs for those that live here.

5.2 Since 1st April 2023, the conversion of the substantial pipeline of inward investment leads generated by the BATP has continued:

  - 37 projects have been landed across the region to the end of Q2 which compares with a figure of 25 for the same period of 2022 (see appendix one)
  - and against an end of programme stretch target of 117, creating or safeguarding 2,891 jobs so far, compared with 1,296 for the same period of last year and against an end of programme target of 5,148.
  - Of these successes, 12 are in the business, professional and financial services sector, 12 are in tech and creative, seven are in advanced manufacturing and two projects have been landed in the low carbon and life sciences sectors respectively.
  - Amongst these successes, projects notable for the number of jobs created and/or safeguarded include: the expansion of **Lloyds Bank's Birmingham** presence (400 new jobs), the expansion of **Sigma Connected** in Birmingham (500 new

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jobs), **Mott MacDonald** growth into a new premises (creating 275 jobs in Birmingham), the expansion of **Talbots Law** (200 jobs, mostly in Dudley, but with additional sites across the region), Japanese owned **Sanko Gosie** (150 jobs in Birmingham), the expansion of **RBW Cars** (150 jobs in Lichfield) and Indian **owned Norton Motorcycles** (120 jobs in Solihull).

5.3 Year to date, the WMGC's inward investment activity has generated 363 new leads, against an annual target of 1,000. It is hoped that this number will grow further as a result of activity delivered during Birmingham Tech Week. 68 new qualified projects have been identified from amongst WMGC's pipeline of leads, taking the number of active projects to 187, with the potential to deliver a combined 12,000 jobs. Of these 187, 15 are at active final stage, indicating they have a high probability of translating to successfully landed projects within the next 90 days.

5.4 WMGC's active inward investment project pipeline includes a number of projects with the potential to deliver significant impact and job creation across the region. Selected high profile projects include:

- **Schumacher Packaging** – seeking to develop a new, state of the art net zero packaging facility with potential to deliver 600 new jobs on top of their existing headcount in Birmingham. WMGC has worked with them to expand their geographical scope beyond Birmingham (unable to meet their site requirements), with promising conversations now underway with **Wolverhampton** and Stoford in relation to i54.
- **Project Dawn** – a major international retail brand seeking to enter the UK bricks and mortar market in the West Midlands. They have now signed a lease for a flagship store at Merry Hill, **Dudley** (set to create up to 250 jobs including corporate back office) and in dialogue with a number of other locations across the region, including in **Birmingham** and **Solihull**, with appetite to consider sites in **Wolverhampton**, **Coventry** and **Sandwell.** WMGC engaged with C-suite and hosting Global CEO in September, to facilitate engagement with target locations, the Mayor's office and WMCA skills infrastructure.
- **Hexaware –** Indian IT consultancy set to establish its UK HQ in **Birmingham**, with the expectation of 250 jobs. Lease now signed at Brindleyplace and WMGC working with DBT to maximise impact of announcement.
- **Aubay** – French-owned IT firm will establish its UK HQ in **Solihull** and will recruit 50 staff to service the needs of a core customer located in the West Midlands. Potential to scale significantly subject to securing additional contracts.
- **Tata Elxsi** – part of the Tata Group and delivering engineering services to both group companies and external private clients. Currently employing 200 engineers in the **Coventry** and **Warwickshire** area but have now outgrown their existing physical hub at Coventry University Technology Park. WMGC supporting with identification of premises to accommodate growth to 800 employees over three years (150-200 desks) and development of partnerships with regional universities.

5.5 Other key activity and developments related to this objective to the end of Q2 includes:

- **Visit Britain/VisitEngland decision that Birmingham should become the location for its new headquarters**, following a competitive national process. WMGC had worked very closely with VB/VE prior to this decision in July, emphasising alignment with their priorities and requirements (particularly on skills), and providing insights and data as required to strengthen their business case for the city.

- The development of the region-wide **Strategic Relationship Management** (SRM) programme is continuing at pace, in partnership with Local Authorities, the WMCA and Department for Business and Trade. The headline purpose and value proposition of the programme has been developed and consulted upon and existing provision reviewed. A Head of SRM started in early September and external consultancy support has been procured to provide additional capacity.
- WMGC is exploring the expansion of the successful **Global Growth Programme** to other sites in the region. WMGC has engaged consultants and a number of prospective delivery partners across the WMCA geography to scope the minimum viable product for the GGP to operate effectively in individual locations throughout the geography.
- WMGC undertook a series of events and activities during **London Tech Week** in June 2023 showcasing the strengths and opportunities of the region.
- WMGC has commenced its delivery as part of the consortium working on the **West Midlands Healthtech Innovation Accelerator** and has begun planning to promote the opportunity to FDI Healthtech companies via both direct business development and key international industry events.
- WMGC was successful in its bid to become a major subcontractor on the **DIATOMIC Innovation Accelerator** programme. WMGC will now play a key role in integrating the research work undertaken by the project with the development of the West Midlands International Strategy and will develop a bi-lateral 'global accelerator' programme, to grow SME FDI Cleantech trade and investment links between the West Midlands and key global partner locations, by harnessing the existing Global Growth Programme model.

6. Facilitating the Regeneration of the Built Environment

6.1 The process of landing capital investment projects is often very complex, involving a wide range of public and private sector partners, with lengthy lead times. While considerable efforts were made to promote the region as an investment location and to generate a pipeline of leads over the course of the BATP, by 31st March only five investment opportunities had been generated and none of these had been converted into landed projects.

6.2 Since then, however, the team's work has started to bear more fruit. While there are no new landings to report this year, the team has generated, and is actively working on, six new opportunities. Activity is focused across the region and includes the following:

- Aston BIQ
- West Bromwich Heat Network
- Smithfield Birmingham
- University of Warwick Innovation Campus at Wellesbourne
- Old Ikea Building (Cultural Gateway), Coventry
- Planet Ice, Dudley

6.3 Other key developments related to this strategic objective include:

- WMGC has led on compiling and submitting representations to Government on behalf of the West Midlands to include various internationally significant capital investment and FDI opportunities for promotion within HMG's **Global Investment Summit** (GIS) in November. WMGC has worked with partners to produce detailed submissions which included University of Warwick's Wellesbourne Campus, Smithfield Birmingham, Birmingham Innovation Quarter, West Brom Heat Network and Green Innovation Corridor. All projects are being appraised for 'invest ability' by HMG prior to confirmation re GIS promotion.
- WMGC has continued to make **key investor introductions** directly to Local Authorities for some of their priority projects, including taking recent Wolverhampton investor Catella to Walsall to discuss the Sadler Centre and wider town centre regeneration, and a number of affordable housing developers to Sandwell. In relation to the latter, Octopus' affordable housing fund are now under an MOU with Sandwell in relation to two sites.
- WMGC has consulted with LAs and the WMCA on a programme for regional engagement across key real estate events. As a result, there will be a WM pavilion at **UKREiiF** next year. Planning for this is underway with initial themes being crafted around the transformative power of the West Midlands. Partner packages have been developed and are being discussed with an initial target list to secure support from the commercial organisations in the region. A region-wide Steering Group has been established so that Local Authorities and the WMCA can shape plans.
- WMGC led on regional engagement at **Expo Real**, Europe's largest real estate and investment trade fair on 4-6 October 2023 in Munich. WMGC was part of the first UK pavilion alongside other city regions. Six strategic development opportunities were promoted at the event and were featured within an inventive digital prospectus and regional innovation map. These are Arden Cross, - Birmingham Innovation Quarter, Smithfield, University of Warwick Innovation Campus (Wellesbourne), Gigapark and Green Innovation Corridor.
- WMGC is also supporting the development of other market facing opportunities that support regional and local priorities, this includes engaging with the market for the procurement of a **hotel feasibility study**.

7. Creating and Sustaining Vibrant Places

7.1 WMGC's activity to promote and support the region's visitor economy includes attracting business conferences and events and major sporting events alongside work to support the growth of the region's travel trade and leisure tourism. As above, this financial year has seen the continued conversion of the substantial pipeline of leads generated over the life of the BATP.

7.2 Since the 1st April 2023, three major, high-profile business conferences have been landed, which compares with a figure of four over the same period of 2022 (see appendix one) and against an end of programme target of 11:

- The **International Forum for Integrated Care Conference**, which is a 3-day conference with circa 1,000 delegates which will be hosted at either the ICC or the University of Birmingham.
- The **British International Studies Conference**, which is a 3-day conference with 500-900 delegates which will be hosted at the Hilton Metropole Hotel in Solihull.

- The **Association of Lifestyle Medicine Conference**, which is a 3-day conference with 700-800 delegates which will be hosted at the University of Warwick.

7.3 Over this period, 17 new business conference bidding opportunities have also been generated including:

- The **European Congress of Clinical Microbiology and Infectious Diseases** which will host around 9,000 delegates over 3 days.
- The **International Association for the Study of Pain Conference** which will host circa 4,000 delegates over 3 days.
- The **International Society for Behavioural Nutrition and Physical Activity Conference** which will host around 1,300 delegates over 2 days.

7.4 In relation to Major Sporting Events, **the SportAccord World Business and Sport Summit**, has been secured for the region, utilising £3m from the Major Events Fund (see below) and will take place in April 2024. The 6-day event brings together over 1,500 delegates from more than 145 International Sporting Federations and is attended by global leaders of sport at the highest levels. It therefore provides the West Midlands with a fantastic opportunity to showcase its credentials for hosting sporting events and to generate its pipeline of major events for the next decade. Campaign activity to optimise the event for the region will be starting from November 2023 when the International Federations meet in Lausanne.

7.5 12 bidding opportunities for Major Sporting Events have also been generated over the period, including:

- The **British Rowing Indoor Championships**, which is the world's biggest indoor rowing event and the UK's biggest mass-participation indoor sports event with over 3,000 participants.
- The **World Football Summit**, which is the largest and most influential gathering of industry leaders in the world with delegates drawn from a platform of 80,000 stakeholders.
- The **FISU World University Games**, a 12-day event which is among the world's largest and most prestigious multi-sport events, attracting several thousand students.
- The **ISF Gymaside/Multi-Sport Games**, which is the largest school sport event in the world and includes high level sport competitions, cultural exchanges and educational programmes.

7.6 Wider activity to support this objective includes:

- The Programme Business Case for the **£6m Major Events Fund** was approved by the WMCA's Investment Board in July 2023. The Fund will support major sporting, business and cultural events across the region. A Major Events Advisory Group was established to oversee the utilisation of the Fund, reporting to EGB; with WMGC providing the secretariat. A framework for evaluating the proposals and the application process was developed and agreed with the Advisory Group and EGB. WMGC supported Local Authority colleagues with the application process and in identifying suitable opportunities. A total of 23 events applied for funding support, totalling almost £8m. Formal evaluation and due diligence reviews of the data have been undertaken against the agreed Framework. The Major Events Advisory Group has considered the evaluated bids and a prioritised list is on the Economic Growth Board's agenda for consideration.

- WMGC worked closely with Local Authority and sector partners to secure **Local Visitor Economy Partnership** (LVEP) accreditation for the Birmingham, Black Country & Solihull LVEP, and supported the successful application for the Coventry & Warwickshire LVEP confirmed in July 2023.
- Work is continuing to secure designation as a second national **Destination Development Partnership** (DDP) pilot from VisitBritain and DCMS. This will see the Birmingham, Black Country & Solihull LVEP and the Coventry & Warwickshire LVEP come together to form a DDP to support the growth of the visitor economy.
- The **WM Tourism Awards 2024** was launched to celebrate and promote excellence in the industry supported by extensive regional coverage. Tourism and Hospitality Advisory Board members, and other senior stakeholders are volunteering as lead judges across two rounds of judging. The West Midlands Tourism Awards evening will take place in February 2024.

7.7 WMGC has worked closely with **Birmingham Airport** to support the recovery of direct routes to countries that form the Gulf Cooperation Council (GCC) i.e. Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and the United Arab Emirates. On 1st July 2023 Emirates brought back its iconic 615-seater A380 'superjumbo,' adding capacity on its twice-daily Dubai service. July 2nd saw Saudia, the national flag carrier of Saudia Arabia, begin to fly thrice weekly to and from Jeddah, its vibrant second city and commercial centre; and on July 6th Qatar Airways returned to BHX, following a three-year absence, with daily services to Doha.

8. Strategic Matters

8.1 Aside from work to deliver the strategic objectives of the Global West Midlands programme, WMGC is currently working on a number of strategic matters:

8.2 WMGC has led on the development of the **West Midlands Internationalisation Strategy** (WMIS) Green Paper which also on the agenda for this Economic Growth Board meeting; working closely with the WMCA, Local Authorities, Department for Business & Trade, universities, Chambers of Commerce, Birmingham Airport and other partners.

8.3 WMGC is actively engaged in work to develop the region's **Investment Zone**. As set out above, work is already underway to attract investors, occupiers and capital including through the Global West Midlands Programme by promoting the sites, including at Expo Real and the GIS. Further ways to utilise the current programme are also being explored as well as starting to develop a potential programme of activity post-March 2025.

8.4 Work is continuing with regard to identifying **sustainable funding** for WMGC from April 2025. The Board's Task and Finish Group is meeting monthly to consider "live" opportunities, i.e. the Investment Zone programme and the Single Settlement and other sources of potential additional income that should be progressed.

9. Quarter 3 Progress

9.1 Whilst this report highlights *Global West Midlands* activity to date in 2023/24, it also refers to some significant milestones for the Programme that have taken place, or are due to, in Quarter 3. These include the *Global West Midlands* day at Birmingham

Tech Week, with linked fringe events and familiarisation visits across the region; promoting key innovation projects at Expo Real in Munich; completion of the first phase of SRM; securing DDP status; facilitating the allocation of resources from the Major Events Fund; and producing the International Strategy Green Paper. More detail on these, and further activity undertaken in Q3 will be provided in the next performance report.

10. Conclusions

10.1 This report provides a high-level summary of performance and key activity to date across the four strategic objectives contained within WMGC's Business Plan – Global West Midlands. Overall performance against the targets in the Plan is positive for this stage in the programme. There will be a strong focus over the coming quarters on initiating the remaining elements of the Plan and on continuing to work closely with partners, including the Local Authorities, the WMCA and the universities to ensure good progress on delivering against local and regional priorities is made.

11 Financial Implications

11.1 Following the Investment Board's decision on 16 October 2023, full approval has now been given for funding to deliver WMGC's Business Plan 2023-25. This is comprised of:

- £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to Local Authorities from WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
- £3.2m from the UK Shared Prosperity Fund
- £1.4m from the WMCA core budget

11.2 When combined with £3.8m generated by WMGC from commercial and other funding, this results in a budget of £22.5m over two years.

11.3 The table at Appendix C shows that forecast to year end is on track overall with key variances explained as follows:

- The Business and Tourism Programme has a £79k transfer between 3rd party costs and payroll costs compared to Budget due to a change in the make-up of costs as the programme closes out.
- Third party costs for the year to date are significantly lower than budget due to the time taken to receive final approval on entire funding settlement and therefore the ability to start activity in full. Significant work is currently being carried out to support workstreams to go through procurement as quickly and efficiently as possible to ensure forecast spend for full year is achieved and therefore outcomes delivered.
- Overheads are slightly over budget for the year to date due to timing differences and a historical rates issue from Baskerville House (WMGC's previous office space). However, the forecast for the full year is still on track.

12. Legal Implications

12.1 WMGC is required by law to submit statutory accounts and financial statements no later than 31 December every calendar year. As part of the preparation of statutory accounts and financial statements, WMCA secures the services of third-party auditors (currently Dains LLP) who consider whether the control and functional tests have been met.

12.2 There are no legal implications for WMCA resulting from this report. WMCA has a general power of competence in relation to economic development and has the necessary legal powers to invest in WMGC.

13 Equalities Implications

13.1 There are no direct equalities implications.

14 Inclusive Growth Implications

14.1 The focus of WMGC's activity supports the delivery of the region's inclusive growth ambitions. For example, WMGC's inward investment activity is creating new employment opportunities for local people across the region – both directly and indirectly through supply chains; capital investment activity is focusing on new, brownfield development and the refurbishment and repurposing of existing assets in line with local priorities. Ultimately, this work will improve the living conditions of local residents, drive economic uplift through new investment and champion a more sustainable future landscape for the region.

14.2 Activity to promote the West Midlands visitor economy domestically and globally, drive visitor footfall across local authority areas, will support local businesses, materially improve perceptions of these destinations, promote cultural and social wellbeing and foster the civic pride of citizens. WMGC is also targeting major events, conferences and sporting federations which will deliver social and economic benefits to businesses and residents and support the region's sporting, cultural, events and hospitality supply chain.

15 Geographical Area of Report's Implications

15.1 WMGC has historically served the three-Local Enterprise Partnership (LEP) geography, albeit with a focus on the seven Mets. Following the integration of specific LEP functions into the WMCA, and as agreed as part of the Review of WMGC, the future geographical focus of activity will be subject to further discussions with the WMCA and Local Authorities. International promotional activity to date has promoted the region's key assets across a wider geography to increase the global competitiveness of the West Midlands; whilst investment, landings and events have been proactively sought across the seven Metropolitan Local Authority areas.

16 Schedule of Background reports

West Midlands Growth Company

Appendix A

	Strategic objective	Metric	Actual	% of minimum target	Minimum target	% of stretch target	Stretch target
Output measures	Enhance the profile and reputation of the region	Media articles placed	224	34%	650	28%	800
		Media audience reach	140,323,375	26%	550,000,000	20%	700,000,000
		Web uniques	670,170	81%	826,000	57%	1,180,000
Outcome measures	Create and sustain vibrant places	Business conference bidding opportunities generated	17	81%	21	57%	30
		Sporting event bidding opportunities generated	12	55%	22	38%	
	Facilitate the regeneration of the built environment	Capital investment opportunities generated	6	86%	7	60%	10
	Create and sustain good jobs for local people	Inward investment leads created	363	35%	1,050	24%	1,500
		Inward investment opportunities developed	76	54%	140	38%	200
Impact measures	Create and sustain vibrant places	Business conferences landed	3	38%	8	27%	11
		Sporting events landed	1	13%	8	8%	12
	Create and sustain good jobs for local people	Inward investment projects landed	37	45%	82	32%	117
		Jobs created or safeguarded by inward investment	2,891	80%	3,604	56%	5,148

West Midlands Growth Company

Appendix B – Year on Year Trends

	1st April - 30th Sept 2022	1st April -30th Sept 2023
Outcome measures		
Business conference bidding opportunities	8	17
Sporting event bidding opportunities	10	12
Capital investment opportunities	4	6
Inward investment leads	183	363
Inward investment opportunities	15	76
Media articles placed	332	224
Audience reach	101,535,596	140,323,575
Web traffic	519,661	670,170
Impact measures		
Business conferences landed	4	3
Sporting events landed	4	1
Inward investment projects landed	25	37
Jobs created by inward investment	1,296	2,891

West Midlands Growth Company

Appendix C – Year to date Budget

Results to 30th September 2023						
	YTD			Forecast to 31st March 2024		
	Budget	Actual	Variance	Budget	Actual	Variance
Regional Contribution						
WMCA CORE FUNDING						
UKSPF						
CWGLEGACY						
West Midlands Combined Authority	**2,945,402**	**2,284,836**	**- 660,567**	**8,750,000**	**8,752,861**	**2,861**
Other						
University Contributions	70,000	70,000	0	140,000	140,000	0
DBT Key Account Management	85,500	85,500	-	171,000	171,000	-
GBSLEP Proftech	9,296	9,296	-	9,296	9,296	-
BATP	1,357,522	1,317,854	- 39,668	1,357,522	1,357,297	- 225
	1,522,317	**1,482,650**	**- 39,668**	**1,677,817**	**1,677,592**	**- 225**
Commercial						
Corporate Partners	179,206	173,975	- 5,231	375,000	358,324	- 16,676
Tourism Partners	45,851	53,014	7,163	90,000	103,491	13,491
Convention Bureau	29,298	12,581	- 16,717	80,000	80,000	0
BATP Sponsorship	19,777	19,777	-	262,510	262,510	-
Other - Research, WMT, BCC Grant		4,250	4,250		4,250	4,250
	274,132	**263,597**	**- 10,535**	**807,510**	**808,575**	**1,065**
Total Revenue	**4,741,851**	**4,031,082**	**(710,770)**	**11,235,327**	**11,239,028**	**3,701**
Staff Costs						
Direct Staff	1,755,175	1,706,611	- 48,564	4,867,324	4,866,586	- 738
Direct Staff BATP	560,048	640,526	80,478	560,048	640,526	80,478
Indirect Staff	294,273	294,522	248	602,498	603,236	738
Overheads	525,790	563,701	37,911	1,254,636	1,254,636	0
Third Party Costs						
Regional Contribution						
Supplier costs for WMCA SLA	852,147	208,675	- 643,472	3,148,904	3,148,903	- 1
Supplier costs for BATP	729,002	599,285	- 129,718	729,002	648,298	- 80,704
Other						
DBT Key Account Management	15	15	-	15	15	-
GBSLEP Proftech	1,750	1,750	-	2,100	1,750	- 350
	1,765	**1,765**	**-**	**2,115**	**1,765**	**- 350**
Commercial						
Corporate Partners	8,521	3,146	- 5,375	24,900	24,900	- 0
Tourism Partners	6,305	115	- 6,190	24,900	24,900	- 0
Convention Bureau	8,795	8,457	- 338	21,000	21,000	0
BATP Sponsorship	29	29	-	0	29	29
Other	-	4,250	4,250	-	4,250	4,250
	23,650	**15,997**	**- 7,654**	**70,800**	**75,079**	**4,278**
Total Expenditure	**4,741,851**	**4,031,082**	**(710,770)**	**11,235,327**	**11,239,029**	**3,701**
Surplus/(Deficit)	**(0)**	**(0)**	**0**	**(0)**	**(0)**	**0**

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Economic Growth Board

Date	16 November 2023
Report Title	Economic Growth Board Work Programme
Portfolio lead	Councillor Stephen Simkins - Economy and Innovation
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority email: laura.shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy & Net Zero. Email: ed.cox@wmca.org.uk
Report has been considered by	Directors of Economic Development

Recommendations for action or decision:

The Economic Growth Board is asked to:

a) **Approve 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 The Board's work programme is now divided into topic areas based on:-

- Economic Research and Intelligence
- Plan for Growth / Innovation
- Business Support / Business Productivity
- Other Policy and Partnership Work
- Skills
- Place based work.

2.2 In order to streamline the work being brought to EGB, there will be composite reports that tie together a number of topics to ensure work that has an economic impact is strategically and operationally aligned.

2.3 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 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 WMCA 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

West Midlands Combined Authority

Appendix 1 Updated Work Programme

	25th January '24	6th March '24
Economic Research & Intelligence	Economic Conditions in the WM (WISE)	Economic Conditions in the WM (WISE)
Plan for Growth / Innovation	Aerospace Alliance Cluster update (Presentation)	Creative Cluster & Healthtech Cluster (presentations)
	Innovation Board	
Business Support / Productivity	BGWM Service Update WMGC report Access to Finance & WM Co-invest fund	Reporting on Regional Programmes – Business Energy Advice Service (BEAS), UKSPF
Other Policy & Partnerships	Nighttime Economy Action Plan and Update	Midlands Engine presentation
Skills	Youth Unemployment follow-up	Tbc
Place	WM Futures and Single Settlement	Tbc

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