

Public Document Pack



**West Midlands
Combined Authority**

Economic Growth Board

Date: Wednesday 6 March 2024

Time: 2.00 pm **Public meeting** Yes

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

Membership

Councillor Stephen Simkins (Chair)

Tom Westley (Vice-Chair)

Councillor Adrian Andrew

Councillor Paul Bradley

Councillor John Cotton

Councillor Matthew Dormer

Councillor Ian Courts

Councillor George Duggins

Councillor Bob Piper

Councillor Bob Sleigh

Andy Street

Lee Barron

Anita Bhalla

Sarah Windrum

Corin Crane

Matthew Hammond

Aleks Subic

Mike Wright

Portfolio Lead for Economy & Innovation

Business Representative

Walsall Metropolitan Borough Council

Dudley Metropolitan Borough Council

Birmingham City Council

Non-Constituent Authorities

Solihull Metropolitan Borough Council

Coventry City Council

Sandwell Metropolitan Borough Council

Portfolio Lead for Finance & Investments

Mayor of the West Midlands

Midlands Trades Union Congress

Greater Birmingham & Solihull Local Enterprise Partnership

Business Representative

West Midlands Chambers of Commerce

West Midlands Growth Company

Higher Education Sector

West Midlands Innovation Board

The quorum for this meeting shall be four voting members, comprised from amongst the Mayor, the Portfolio Lead for Economy & Innovation and the representatives from the six other constituent authorities.

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

Contact Tanya Patel, Governance Services Officer

Telephone 07825 356685

Email Tanya.Patel@wmca.org.uk

AGENDA

No.	Item	Presenting	Pages	Time
Items of Public Business				
1.	Apologies for absence	Chair	None	14:00
2.	Declarations of Interest Members are reminded of the need to declare any disclosable prejudicial interests that have in an item being discussed during the course of the meeting. In addition, the receipt of any gift or hospitality should be declared where the value of it was thought to have exceeded £25 (gifts) or £40 (hospitality).	Chair	None	
3.	Minutes - 25 January 2024	Chair	1 - 6	14:05
4.	West Midlands Economic Conditions	Delma Dwight	7 - 12	14:10
5.	West Midlands International Strategy	Katie Trout / Matthew Hammond	13 - 46	14:20
6.	Midlands Engine Presentation and Update	Ed Cox / Roger Mendonca	47 - 72	14:35
7.	Single Settlement - Local Growth & Place Pillar	Jonathan Skinner	73 - 78	14:50
Funding				
8.	UK Shared Prosperity Fund (UKSPF) - Year 2 and Year 3 Programme position	Clare Hatton	79 - 108	15:05
9.	Further Education Innovation Fund	Clare Hatton	109 - 116	15:15
Updates				
10.	West Midlands Plan for Growth: Electric Light Vehicle and Associated Battery Production Cluster Update	Paul Edwards / Daniel Cox	117 - 132	15:25
11.	Night-Time Economy	Christian Sayer	133 - 138	15:40
12.	Business Commission West Midlands	Henrietta Brearley	139 - 142	15:45
13.	Work Programme	Chair	Verbal Report	15:55
Date of Next Meeting				
14.	To Be Confirmed	Chair	None	



**West Midlands
Combined Authority**

Economic Growth Board

Thursday 25 January 2024 at 9.30 am

Minutes

Present

Councillor Bob Sleigh (Chair)
Tom Westley (Vice-Chair)
Councillor Adrian Andrew
Councillor Paul Bradley
Councillor Bob Piper
Councillor Bob Sleigh (Chair)
Corin Crane
Mike Wright

Portfolio Lead for Finance & Investments
Business Representative
Walsall Metropolitan Borough Council
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Portfolio Lead for Finance & Investments
West Midlands Chambers of Commerce
West Midlands Innovation Board

Present Virtually

Councillor Ian Courts
Matthew Hammond
Councillor Craig Warhurst

Solihull Metropolitan Borough Council
West Midlands Growth Company
Non-Constituent Authorities

In Attendance

Dr Fiona Aldridge
Joseph Baconnet
Councillor Cathy Bayton
Ciaran Bolton
Henriette Breuke
Ed Cox
Paul Edwards
Charlotte Johns
Clare Hatton
Samantha Hicks
David Hope
Andrew Mair
Jonathan Skinner
Kieran Stockley
Kate Taylor
Katie Trout
Philippa Venables
Richard Woodland
Mark Wright

West Midlands Combined Authority
West Midlands Combined Authority
Overview & Scrutiny Chair – WMCA
West Midlands Combined Authority
GBLEP
West Midlands Combined Authority
West Midlands Combined Authority
City of Wolverhampton Council
West Midlands Combined Authority
West Midlands Combined Authority
Coventry City Council
Midlands Aerospace Alliance
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Combined Authority
West Midlands Growth Company
Walsall Metropolitan Borough Council
Birmingham City Council
West Midlands Innovation Board

Item Title

No.

43. Inquorate Meeting

The Governance Services Officer reported that the meeting was inquorate, and the decisions taken at this meeting would therefore need to be ratified at the next meeting of the board on 6 March 2023.

44. Appointment of Chair

In the absence of the Chair, the board agreed that Councillor Bob Sleight be appointed to chair this specific meeting.

45. Apologies for Absence

Apologies for absence were received from Councillor John Cotton (Birmingham), Councillor Matthew Dormer (Non-Constituent Authorities), Councillor George Duggins (Coventry) and Councillor Stephen Simpkins (Chair, Portfolio Lead for Economy & Innovation),

46. Minutes - 16 November 2023

The minutes of the meeting held on the 16 November 2023 were agreed as a correct record.

47. West Midlands Economic Conditions

The board considered a report of the Executive Director of Strategy, Economy & Net Zero on 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 West Midlands Business Insight Forum and the West Midlands Regional Business Council.

Recommended:

That the current economic conditions for the West Midlands be noted.

48. Tackling Rising Youth Unemployment in the WMCA Area Together

The board considered a report of the Interim Director of Employment, Skills, Health & Communities following a previous report outlining the findings of a deep dive exercise undertaken into what worked in tackling youth unemployment. The report outlined a costed action plan with recommendations for tackling youth unemployment, exploring what future could be done building on the significant work undertaken by local authorities.

Councillor Ian Courts welcomed the contents of the report and the initial start in tackling youth unemployment. However, he commented that future thought was required around the mechanism in place to measure the results of the activities undertaken to tackle youth employment. He also commented that alongside the work already being undertaken by local authorities, the WMCA needed to add value, whilst also recognising that each local authority area had different context and needs and therefore the response needed to be tailored accordingly. It was also highlighted that previous apprenticeship shows were a success and required little funds to support and encouraged that these be further explored. Councillor Ian Courts also expressed the need

of the WMCA to have continued engagement with other departments, employers and local authorities. A request was also made to provide him with information on apprenticeship bursaries and the evidence that demonstrated the effectiveness of that investment.

Corin Crane commented that recent data showed that apprenticeship numbers had fallen. He welcomed the pre-apprenticeship work and boot camps previously held, but noted that there was a deterrent for young people to explore apprenticeships due to the apprenticeship wage being lower than the national minimum wage.

The Chair suggested that further work be undertaken to explore the obstacles and barriers transport posted to employment.

Recommended:

- (1) The update on youth unemployment in the WMCA area be noted.
- (2) Proposals to tackle rising youth unemployment, and that these would be shaped in context by each local authority for their local areas, be noted.
- (3) The recommended actions in the Action Plan be approved.

49. Business Growth West Midlands - Service Update & Future Funding

The board considered a report of the Executive Director of Strategy, Economy & Net Zero updating it on the progress of the Business Growth West Midlands service in its first nine months of operation and pointing out future priorities for forecast underspend.

Corin Crane sought to further understand what analysis would be undertaken on the diagnostic work, as this would help to understand what businesses were asking for, the support required and any potential commercial gaps. He felt that more could be done on driving better collaboration between the business support and agencies across the West Midlands. He also spoke about the importance of job fairs, tourism and the hospitality sector addressing net zero with limited funds to support programmes.

Councillor Ian Courts commented on the need to ensure that youth unemployment was being embedded into this programme.

Recommended:

- (1) The progress against delivery of the Business Growth West Midlands service be noted.
- (2) The proposed commitment of forecast regional underspend from Core Hub and Strategic Relationship Management activity be supported.
- (3) The future funding models for business growth and productivity support post-March 2025 be noted.

50. West Midlands Innovation Board - Six-Monthly Report

The board considered a six-monthly update report of the Executive Director of Strategy, Economy & Net Zero setting out West Midlands Innovation achievements during 2023 and the recommended priorities for 2024.

The Chair thanked the Chair of the Innovation Board for his leadership. Councillor Ian Courts raised a query in relation to the ambition of the scale of regional investment funds required, and how further the region could demonstrate this ambition. Mike Write reported that not only was there further ambition for the fund but for there for be more ability to address where research funds were deployed.

Corin Crane suggested that the board receive a future item on Investment Zones to enable a greater understanding on the timetable, different zones and the skills and investment issues.

Recommended:

- (1) The 2023 activities and achievements of the West Midlands Innovation Board be endorsed.
- (2) The proposed 2024 priorities of the West Midlands Innovation Board be agreed.

50a West Midlands Plan for Growth: Aerospace (Including Manufacturing Alternative Fuels)

The board considered a report of the Executive Director of Strategy, Economy & Net Zero and presentation providing an overview of the activity surrounding the aerospace cluster identified within the West Midlands Plan for Growth.

Councillor Ian Courts commented that both the report and presentation showed the importance of the aviation sector in the West Midlands, along with the way climate change and decarbonisation agenda was being addressed.

Recommended:

The progress in support of the aerospace cluster for the West Midlands Plan for Growth be noted.

50b West Midlands Growth Company Q3 Performance Report against the 'Global West Midlands' Business Plan

The board considered a report of the Executive Director of Strategy, Economy & Net Zero updating it on the progress against the four strategy objectives and the headline targets set out in the West Midlands Growth Company's 2023-25 Business Plan – Global West Midlands.

Recommended:

The issues in relation to the West Midlands Growth Company's performance against its 'Global West Midlands' business plan for the period 1 October -

30 December 2023 be noted.

50c Single Settlement: Local Growth & Place Functional Strategy

The board considered a report of the Executive Director of Strategy, Economy & Net Zero providing information on the initial development of the Local Growth and Place Functional Strategy of the Single Settlement.

Recommended:

The work being undertaken by WMCA officers and constituent authorities to develop place-based strategies be noted.

51. Economic Growth Board Work Programme

The board received a report on its future work programme.

Recommended:

The updated work agenda for March 2024 be approved.

52. Date of Next Meeting

Wednesday 6 March 2024 at 2.00pm.

The meeting ended at 10.40 am.

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Economic Growth Board

Date	6 March 2024
Report title	West Midlands Economic Conditions
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note current economic conditions for the West Midlands; &
- (2) Note that the State of the Region will form part of the evidence base for the region's economic development work as part of the regular review of the economic conditions in the West Midlands.

1.0 Purpose of Report

- 1.1 This is a quarterly update on the current economic conditions of the West Midlands. This report brings together data from the WMCA's monthly West Midlands Insights on Society and Economy (WISE) Newsletter, as well as qualitative insights from the WM Business Insight Forum and the WM Regional Business Council.

2.0 Background

- 2.1 The West Midlands Insights on Society and Economy (WISE) is a monthly roundup bringing together the key research, intelligence, analysis, and data that

matter to policymakers and decisionmakers in the West Midlands. This includes a narrative summary of the relevant regional and national publications published in the previous month alongside the West Midlands regional metrics dashboard (aka WMCA Economic Dashboard) produced by the Economic Intelligence Unit as well as the West Midlands Economic Impact Monitor from City-REDI. The latest issue, for February 2024, is included in Appendix 1. To subscribe or to view all issues please visit wmca.org.uk/wise.

2.2 The latest West Midlands State of the Region report 2023/24 was approved by WMCA Board on 9 February 2024. This is part of the regional research and intelligence products for understanding regional economic conditions.

3.0 West Midlands Insights on Society and Economy (WISE) – February 2024

3.1 The economy takes centre stage in this month's WISE as we approach the March budget. The outlook is mixed but slightly more optimistic, with expectations of inflation falling faster than anticipated, along with interest rates. However, concerns arise as labour markets cool and suggestions that we may have experienced a technical recession in the final quarter of 2023. The anxiousness that such data yields is reflected in the Monetary Policy Committee's decision to maintain current rates for the time being.

3.2 This month also marks two years since the publication of the Government's Levelling Up White Paper, which outlined its plans to deliver on its flagship agenda. Progress has been made with a slew of new devolution deals (including our Trailblazer Deal), the passing of the Levelling Up and Regeneration Act, and the Government's recent statement on the metrics it will use to gauge progress against the 12 missions outlined in the Paper. However, progress is somewhat tempered with initiatives such as the Levelling Up Fund having been widely criticised and the appointment of "Levelling Up Directors" abandoned entirely. Next month, WISE will delve deeper into the progress of devolution as we approach the one-year anniversary of our Deeper Devolution Deal.

Unemployment and labour market statistics

3.3 Although the number of advertised vacancies falling regionally and nationally, the number of vacancies still remains above pre-pandemic levels and unemployment has moderately increased over the same period (WM: +0.4pp, UK: +0.3pp). In addition, concerns around youth unemployment are an ongoing concern, with the youth claimant rate rising 1.5% since January 2024.

3.4 Recent ONS West Midlands September to November 2023 labour market statistics estimated that:

- The regional employment rate was 75.2%, unchanged since the previous month. The survey-based estimate is up 0.1pp on the quarter and up 0.7pp on the year.

- The regional unemployment rate was 5.1%, unchanged since the previous month. The estimate is down 0.1pp the quarter and up 0.8pp on the year. The regional economic inactivity rate was 20.6%, unchanged since the previous month. The estimate is down 0.1pp on the quarter and down 1.4pp on the year.

The economy: A long road to recovery but at least we're past the worst of it?

- 3.5 The latest Monetary Policy Committee report suggests a cautious optimism regarding the economy, projecting a 0.1% growth in the first quarter of 2024. Inflation is expected to decrease faster than previously anticipated, nearing the Bank of England's target of 2% by summer. Base rates remain at 5.25%, with market expectations leaning towards a potential reduction soon.

Local government funding uplift announced:

- 3.6 The UK Government has announced a £600m package funding for local authorities, primarily to help fund local social care and aiming to mitigate bankruptcy threats. Despite the boost, councils have warned of further need for service cuts and tax increases. While some welcome the extra funds, it falls short of addressing long-term systemic challenges in areas like social care. Calls for financial reform persist amid rising costs and demands.

Cities Outlook 2024

- 3.7 The Centre for Cities' latest report underscores the economic performance and challenges facing UK cities. While job growth is evident, productivity remains stagnant, and housing affordability continues to worsen. The report calls for concerted efforts to bridge the north-south divide - including driving forward continued devolution to meet the needs of local communities, as well as record levels of investment to unlock growth.

Prime Minister appoints Adam Hawksbee as Towns Fund 'Tsar':

- 3.8 Former WMCA Head of Policy, Adam Hawksbee, has been appointed "towns tsar" to oversee the £1.1bn plan for 55 towns' regeneration, addressing issues like high streets, heritage, and anti-social behaviour. Each town will receive £20m over 10 years, with a "light touch" assurance from the Department for Levelling Up.

Regional and national labour market continues to cool:

- 3.9 Both regional and national labour markets continue to show signs of cooling, with a gradual increase in unemployment rates. Notably, the West Midlands Combined Authority area reports a 0.4% rise in unemployment since the previous month, underscoring the persistent concern over youth unemployment.

Industrial Energy Transformation Fund:

- 3.10 Minister Lord Callanan announced the 12 winners of the Local Industrial Decarbonisation Plan competition, which included £6m for “Decarbonising the Midlands Aerospace Cluster” (DMAC), a project designed to identify carbon heavy manufacturing processes in the industry and exploring potential solutions. An additional £185 million will open up for applications soon – find more information and apply here.

4.0 Direct insights from businesses and business groups

Business Insights Forum

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

- **Digital Infrastructure and Connectivity:** Despite the West Midlands' front-runner status in digital innovation and superior 5G and broadband access, challenges persist, particularly in terms of equitable distribution and cost-effectiveness. The importance of targeted investments to not only enhance these services but also to draw further investment was emphasised.
- **Birmingham Airport's Vision for 2024:** The forum received a comprehensive update on Birmingham Airport, revealing its current standing and forward-looking plans. Highlights included strides towards minimizing aviation carbon emissions, alongside a briefing on sector news, culminating in the insight that the airport has effectively rebounded to its pre-pandemic operational level of 2019.
- **Innovations in Housing Manufacturing and Strategy for 2025:** The forum was provided with insights by Leo Pollak (Head of Policy, WMCA Housing, Property, and Regeneration team) on the 2025 WM Future Homes Strategy, charting a course for future housing development in the region. Members also heard from Paul Nicol, (Modpods) who elaborated on the company's dedication to affordable housing, its foundational story, and their blueprint for a modular construction training academy. The conversation also touched on sustainable utilities, expansion ambitions, and procurement strategies. Emphasis was placed on the supply chain support for modular housing, stressing the need for industry adaptation, risk mitigation, and heightening modular housing's appeal.
- **WM5G's Role in Fostering Economic Expansion through Digital Uptake:** Robert Franks (WM5G) spoke about how WM5G, has received £3.8 million funding for a 5G trial, aims to bridge the gap in business adoption of digital technologies. The presentation outlined the program's focus on bolstering both demand and supply, including the establishment of adoption hubs and partnerships with local authorities and Jaguar Land Rover. The session wrapped up by spotlighting major insights and extending an invitation to the forum for organisational and business involvement.

- **Retail and Consumer Dynamics: A Perspective from the British Independent Retail Association:** Henrietta Brierly, (WM Chamber of Commerce), shared observations from the British Independent Retail Association. The dialogue spanned topics from sales trends in football to the evolving dynamics of shopping centres amid rising digital transactions. The discussion highlighted the necessity for supportive dialogue, bolstering the hospitality sector, and motivating consumer engagement, alongside addressing business anxieties regarding staff retention and advocating for tax reductions to encourage expenditure.

Regional Business Council

- 4.2 Since the last Economic Growth Board meeting, the West Midlands Regional Business Council (WMRBC) has considered several items. This has included a discussion on how the change in interest rates has impacted customers in the mortgage market across the UK, how the West Midlands Growth Company will improve engagement with the most strategically relevant businesses in the region to help them grow and finally, an overview of the financial position of Birmingham City Council following on from their section 114 notice and their plans to address budget shortfalls.

5.0 West Midlands State of the Region Report

- 5.1 The West Midlands State of the Region 2023/24 was considered by WMCA Board on 9 February, where the Board noted the issues and recommendations arising from the Overview & Scrutiny Committee and the key messages and recommendations set out within the report was noted. The report forms part of the evidence base for the region’s economic development work as part of the regular review of the economic conditions in the West Midlands and forthcoming West Midlands Futures work programme. The report can be found at <https://wmca.org.uk/sotr>.

6.0 Financial Implications

- 6.1 There are no direct financial implications arising from this report. Should there be any future investment then that would need to follow the WMCA governance routes to ensure alignment with strategic direction and represent value for money.

7.0 Legal Implications

- 7.1 The *Local Democracy, Economic Development and Construction Act 2009 Section 69(1)* states that a “principal local authority in England must prepare an assessment of the economic conditions of its area”. This applies to the WMCA under the *West Midlands Combined Authority Order 2016 Schedule 3(4)* which states that “The duty under section 69 of the 2009 Act (duty to prepare an assessment of economic conditions)” applies as one of the WMCA’s economic development and regeneration functions.

7.2 The West Midlands Combined Authority fulfils this duty through a number of ways: on an annual basis, it produces a *West Midlands State of the Region* report considered by WMCA Board; on a quarterly basis, it produces this *Economic Conditions of the West Midlands* report; and on a monthly basis, through the monthly *West Midlands Insights on Society and Economy* (WISE) newsletter and dashboard (wmca.org.uk/wise).

8.0 Equalities Implications

8.1 There are no direct equalities implications.

9.0 Inclusive Growth Implications

9.1 There are no direct inclusive growth implications.

10.0 Geographical Area of Report's Implications

10.1 The report covers the entirety of the WMCA (7 metropolitan districts) level where data allows, and the three former Local Enterprise Partnership and wider West Midlands regional geography where more granular data is unavailable.



Economic Growth Board

Date	6 March 2024
Report title	West Midlands International Strategy
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	Draft versions of the Strategy have been considered the WMIS Working and Steering Groups which involve the WMCA, Local Authorities, Department for Business & Trade and other partners; and also the West Midlands Growth Company Board on 20th February

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the outcome of the consultation on the West Midlands International Strategy Green Paper;
- (2) Discuss and comment upon the draft West Midlands International Strategy attached at Appendix A;
- (3) Note the work being undertaken to identify targets for the Strategy; and
- (4) Note that the final strategy and delivery plan will be considered by the Economic Growth Board at its next meeting in June 2024.

1 Purpose of Report

- 1.1 To update the Economic Growth Board (EGB) on the consultation process that was undertaken on the West Midlands International Strategy Green Paper and to seek comments on the draft International Strategy.

2 Background

- 2.1 The West Midlands Growth Company (WMGC) was commissioned to lead the development of the West Midlands International Strategy (WMIS) on behalf of the region by the EGB. EGB agreed that the purpose of the WMIS would be to shape the region's collective international effort and resources to elevate the region's presence and impact on the global stage. It also agreed that its focus should be to internationalise the Plan for Growth, which has been a significant input in the process to date.
- 2.2 The Deeper Devolution Deal includes a commitment from the Department for Business & Trade (DBT) to co-develop the WMIS with the region, and to share accountability for its delivery.

Progress to date

- 2.3 WMGC established a governance structure to inform and steer the development of the West Midlands International Strategy. This includes representatives from the WMCA, Local Authorities, the Department for Business & Trade (DBT) and anchor institutions including Birmingham Airport and the Chambers of Commerce.
- 2.4 Initial research, international benchmarking and consultation with a wider group of key partners including universities and business leaders was undertaken through the summer of 2023 supported by OCO and MetroDynamics. This was followed by Deep Dives with Cluster Leads and stakeholders across the region.
- 2.5 In the Autumn 2023, WMGC produced an International Strategy Green Paper which drew on the evidence base developed through the above work. The Green Paper proposed a framework of strategic outcomes, objectives, priorities, propositions, enablers and markets that together set out what the collective international opportunities could be.
- 2.6 Following approval by EGB on the 16th November, a consultation was undertaken on the Green Paper from December 2023 – February 2024 to gather feedback from a selection of regional stakeholder groups on the proposed framework. This consultation was targeted at stakeholders who are critical to the international agenda and who had not been as fully engaged in the process to date as desired. This included sporting, cultural, visitor and tourist organisations, local businesses including priority industrial clusters, SME exporters and professional services, cluster organisations and non-constituent local authorities of the WMCA; and partners where even deeper engagement was sought e.g. universities. This part of the consultation was undertaken

through individual conversations and roundtable discussions with just under 40 organisations was led by MetroDynamics.

- 2.7 An online consultation survey was also shared with a wider audience through WMGC and partners social media and networks. In total, 103 responses were received to the survey, with 240 unique visits to it. Around 50% of responses came from businesses (of which just under half did some form of exporting) and there was a good geographical and sectoral split.
- 2.8 In addition, detailed feedback was directly received from the WMCA, Local Authorities, DBT and Universities.
- 2.9 A headline summary of the findings is attached at Appendix B.

The Draft Strategy

- 2.10 The draft Strategy – which is attached as Appendix A – has been developed from the Green Paper and the consultation programme and has taken account of feedback received through the WMIS governance structure and also from the WMGC Board on 20th February 2024. It sets out how the West Midlands can utilise its many strengths and leverage its competitive advantages to increase the overall volumes of trade, investment, innovation and visitors to the region. Achieving this will require the public, private and academic sectors to come together with Government to align our collective efforts and thereby maximise value and return on investment.
- 2.11 Key elements of the draft Strategy are set out below and EGB's views are sought on these and the wider strategy:
- The following **international ambition** is proposed: *By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as the leading destination in the UK and world-wide with which to trade, invest in and to visit.*
 - There are **three strategic priorities** for the region's international activity, each with a series of strategic objectives:
 - Unlock the region's enablers - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit.
 - Boost trade and investment - Accelerate the development of the region's economy by boosting exports and attracting more FDI.
 - Enable the national growth agenda - Play a prominent role in the UK's international agenda.
 - A set of **outcome measures** have been identified to performance across the four pillars of the strategy: investment, trade, innovation and visitor economy.
 - Work has begun to develop **targets** for these measures. Appendix C sets out initial thinking for targets based on desktop research. These targets need further testing with key partners to ensure that they align with any existing measures, are ambitious but also achievable and are supported

through activity identified through the delivery planning process. Given this, the targets are not included in the draft strategy itself at this stage, rather set out in this report to show the work that is being undertaken.

- The need to **leverage our competitive advantage** and capitalise on our **soft power** is clearly highlighted. This includes developing a strategic approach to narrative which partners and Government alike can utilise in various forms of marketing and engagement. This positions specific opportunities in specific places in the most relevant and powerful wider regional or national context for that audience and that purpose.

A delivery model - the '**Global West Midlands Partnership**' - has been proposed which will bring together and align the efforts of the various stakeholders involved in international activity. The purpose of such a delivery model would be to:

- **Deliver together** – bringing partners and agencies together to maximise the value of international opportunities, such as trade missions, across the region.
- **Co-ordinate** – ensuring that there is a mechanism by which planned activity can be shared to avoid duplication and identify opportunities to deliver together.
- **Enable International** – providing the insights, data and information which can be shared across the region so that all stakeholders undertaking international activity can actively promote the region and its opportunities.

The partnership would deliver this through a rolling programme based on stages around planning (identifying markets, opportunities, and activities), delivery of activities and evaluation.

- **Market prioritisation** has been framed as an initial set of 'prime markets' which reflect current pillars activity, and 'developing markets' which reflect the future identification of markets as part of wider delivery model. A process for agreeing markets which is agile and responsive to changing policy and emerging opportunities has been set out.
- The draft Strategy clearly sets out the **drivers for change and key priorities** against the four pillars. These will be developed further through the Delivery Plan (see 2.14 below).

Next Steps

- 2.12 Following EGB, the draft Strategy will be developed to take account of the feedback received. A Delivery Plan will also be produced in-conjunction with key partners including the WMCA, Local Authorities, the Department of Business & Trade and other key anchor institutions. This will set out in detail what activity will be carried out in 2024-25 to meet the objectives and priorities set out in the Strategy and in headline terms beyond that as funding for many areas of activity is not confirmed post next financial year. To be effective and demonstrate the impact of this enhanced way of working on the international agenda, the Plan needs to show how partner's activity and that of Government is aligned with and supportive of the shared priorities.

3. Strategic Aims and Objectives

3.1 The report aligns with the following strands of the WMCA's Strategic Aims and Objectives

- Promote inclusive economic growth in every corner of the region.
- Ensure everyone has the opportunity to benefit.
- Develop our organisation and our role as a good regional partner.

4 Financial Implications

4.1 There are no direct implications arising from this report, but the adoption of the WMIS and subsequent Delivery Plan may have financial implications beyond WMGC's current business plan (1st April 2025 onwards) and other partners confirmed resources.

4.2 In addition, development of the Delivery Plan will require engagement with partners so that identified priorities can be resourced, with additional funding requests following WMCA governance and demonstrating value for money.

5 Legal Implications

5.1 There are no direct legal implications.

6. Single Assurance Framework Implications

6.1 There are no immediate Single Assurance Framework implications arising from this report.

7 Equalities Implications

7.1 As a result of this strategy, there are no direct equalities implications with respect to groups or individuals with one or more protected characteristics as defined by the Equality Act 2010.

8 Inclusive Growth Implications

8.1 The delivery of the West Midlands International Strategy will have direct implications on Inclusive Growth for the West Midlands. West Midlands Growth Company has worked closely with the West Midlands Combined Authority to ensure that its targets align to the West Midlands Inclusive Growth fundamentals. As the proposed metrics are worked up, the WMIS Working Group will work alongside the Inclusive Growth team to ensure that proposed metrics contribute to the high level strategy for the West Midlands as set out in the Inclusive Growth fundamentals.

9 Geographical Area of Report's Implications

- 9.1 The work undertaken on the strategy's development has focused on the core economic area comprising Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.
- 9.2 Wider engagement to include non-constituent members has been undertaken through the consultation process.
- 9.3 Whilst this strategy focuses on the WMCA area, the nature of economic development and trade means that this will likely have impacts on the wider West Midlands and Midlands areas.

10 Schedule of Background reports

- 10.1 Appendix A - International Strategy
- 10.2 Appendix B - Headline Finding from the Consultation Process
- 10.3 Appendix C - Metric Baselines

Appendix B

Headline Finding from the Consultation Process

- The level of detail for a strategy feels right but it's not clear what will drive activity and **more specific propositions will need detailing in delivery planning**.
- **Trade and investment** should be the primary focus, with innovation and visitor economy as enablers and wider opportunities flowing from them.
- The direction of travel and propositions in the strategy could be **more ambitious and exciting**.
- The strategy needs a **compelling vision** to bring partners together around the opportunity for the region.
- It's not clear **what will be different** because of this strategy, with many proposals to continue existing activity and delivery approaches.
- We should focus our collective efforts **on proactively pursuing a small number of strategic opportunities**, with a mix of strong and emerging markets and sectors.
- In general, respondents identified the same prime and developing markets identified in the Green Paper
- This should be done through **leveraging individual partner relationships, contacts and global assets in a different way**.
- **Collaborative systems leadership** is required from the Growth Company to coordinate and empower partners to pursue opportunities.
- We should focus first on bringing **existing sector strengths** to known successful markets for trade and investment, then moving to **emerging sectors and new markets**
- Each proactive opportunity needs a 2–3-year **delivery model and plan** designed with relevant partners, with each considering what they can contribute and how they would like to benefit. Consideration should be given to building long term strategic relationships with places, rather than transactional interventions.
- In terms of enablers, **ongoing proactive profile-raising** for the region, using partners, and in market representation to sustain effort into the long term.

Appendix C – Metric Baselines

The development of metric baselines for the strategy was undertaken through a desk based review of key numbers and indicators. In general, the development of regional numbers around areas of trade and investment is underdeveloped and there is considerable reliance upon nationally collated numbers which can have a multiple year lag.

Data sources used through the development of the strategy included:

- [Subnational trade timeseries - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)
- [Exporters and importers by regional breakdown \(Annual Business Survey\) - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)
- HESA statistics on HE domestic and international students
- ONS International trade in UK nations, regions and cities: 2021
- WMGC inhouse survey and data
- VisitBritain
- OCO & MD baseline analysis commissioned by WMGC for WMIS
- Midlands Engine Intelligence Hub

Proposed Metrics to be further tested with partners and through the delivery planning process

- **Increase the percentage of SMEs within the West Midlands who are exporting – baseline 6.6% Target 8% by 2026 9% by 2030**

A 2020 [British Business Bank report into SME Exporting](#) suggested that around 9% of UK SME's are exporting. There is a range around this with other studies suggesting figures between 10-19% but this largely reflects methodological differences.

The report also identified around 6.6% of West Midlands SMEs are, or are planning to export.

The target therefore outlines an approach to increase WM exporting to the UK average.

- **Increase West Midlands Service exports from 34% to 40% by 2030**
ONS Insight into regional exports for 2021 produced the following table:

Regional exports 2021, current prices, £ million

Source: ONS International trade in UK nations, regions and cities: 2021

Region name	Goods exports 2021 (£m)	Services exports 2021 (£m)	Total exports 2021 (£m)
United Kingdom	323,285	330,729	654,014
London	37,801	152,247	190,048
South East	42,456	45,164	87,620
North West	32,464	24,480	56,944
Scotland	26,908	23,201	50,109
East of England	28,631	22,426	51,057
West Midlands	26,598	13,921	40,519
South West	21,885	13,015	34,900
Yorkshire and The Humber	17,053	12,214	29,267

East Midlands	22,329	7,918	30,247
Wales	16,951	6,822	23,773
North East	13,369	5,261	18,630
Northern Ireland	9,185	4,060	13,245
Unallocated	18,361	0	18,361
Extra-regio	9,294	0	9,294

Using a standard percentage calculation (services as a percentage of total exports for the region) the West Midlands has a 34% services export rate. Using average calculation for the UK the average of the regions comes to around 41%.

- **Secure 1,000 FDI landings by 2030 – 166 per year**

This figure was developed by taking recent FDI trends to project forward a figure into 2030. Using data from [Inward investment results - GOV.UK \(www.gov.uk\)](https://www.gov.uk/inward-investment-results) a calculation was made of the trends in FDI into the West Midlands.

Between 2017 and 2023, the West Midlands secured 952 FDI investments, an average of 159 per year. The 166 per year figure represents a stretch target on that average performance to account for increased opportunities within the region and the impact of the delivery model.

However, the metric makes no account of the following variables – investor demand, availability of land and suitable sites, general economic conditions and the needs of specific projects such as Investment Zones or the wider region.

- **Expand Capital Attraction to reflect Place-based strategies to secure £20bn of investment**

This is based on the current availability of £25bn of projects within the Capital Attraction space in the West Midlands. This figure has assumed a similar need would be required to support areas linked to Place-Based Strategies.

- **Increasing WM R&D Expenditure from 8.4% of UK to 10%**

- **Increasing R&D Expenditure from £2.3bn (2020) to £3.5bn by 2030**

Both metrics using data from the [Midlands Engine Intelligence Hub](https://www.midlandsengineintelligencehub.com) on innovation to reflect current data baselines. The WM is around 8.4% of R&D Expenditure which is both public and private. The most recent figure for this is £2.3bn in 2020 and the proposed metrics include both an increase in the total amount of expenditure to £3.5bn as well as an increase in the WM shares. This accounts for both an increase in both public and private R&D and also the increase in prices.

- **Increase UK Public Funded R&D from £747m (2021) to £1.2bn by 2030**

This is taken from [UK public-funded gross regional capital and non-capital expenditure on research and development - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/publications/articles/uk-public-funded-gross-regional-capital-and-non-capital-expenditure-on-research-and-development) which includes an estimate of West Midlands' gross capital and non capital Public R&D expenditure. The £1.2bn figures represents an average that would move the West Midlands up to the top half of regions based on this one measure.

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WEST MIDLANDS

INTERNATIONAL STRATEGY

DRAFT

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Foreword

Executive summary

The West Midlands can be proud of its past performance and its heritage: from our SME exporting base, our world-class universities and our globally-**recognised** cultural assets, the region is home to a range of actors across the public, private and academic sectors that already play a prominent role on the international stage.

[infographics on the region's performance]

[Graphics - leading brands - modern and heritage]

We have earned the right to be bold with our international ambition:

By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as a leading destination in the UK and world-wide with which to trade, invest in and to visit.

The role of an international strategy in this context is twofold: to increase the overall volumes of trade, investment, innovation and visitors; to increase the value in areas where we have a competitive advantage.

[infographics on projected performance]

[infographic distinguishing assets as being regionally significant / nationally significant / globally significant P4G clusters]

As we showed during the Birmingham 2022 Commonwealth Games, when we come together as a region and with Government, we can deliver extraordinary things – our challenge is to make that approach part of our “business as usual.” To deliver the ambitions, this strategy proposes a set of three strategic priorities for the region’s international activity, each with a series of strategic objectives:

- Unlock the region’s enablers - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit.
- Boost trade and investment - Accelerate the development of the region’s economy by boosting exports and attracting more FDI and Capital attraction
- Enable the national growth agenda - Play a prominent role in the UK’s international agenda.

Accordingly, this strategy proposes the formation of the *Global West Midlands (Global WM) Partnership* with the following mission:

To co-ordinate the region's approach to international activity by focusing our collective effort on maximising our competitive advantages in key markets, and to collectively identify areas of development and co-operation that will enable various actors' own delivery plans to come together as more than the sum of their parts – maximising value and return on investment.

This approach is more important than ever, given the increasingly volatile, uncertain, complex and ambiguous environment that is the global stage, the region has much to consider in determining how to do so:

- the future prosperity and inclusivity of the UK and its regions depends on our ability to shift towards a more productive and innovative economy
- the UK continues to reorient its relationship with Europe in the context of geopolitical instability

- there is a pressing need to transition to a net-zero carbon economy at global, national and local levels
- all of the above must be delivered in the context of resource constraints at local, regional and national levels

This strategy therefore proposes the primary areas of focus for the Global WM Partnership across key pillars and markets, identified through research and tested through consultation, around which partners can coalesce:

Market	Trade	Investment		Innovation	Visitor Economy
		FDI	FCI		
United States					
Europe					
China					
India					
UAE					

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This Strategy cannot be the sum total of all of the region’s international activity. But further developing the partnerships and approaches that can both increase the volumes of trade, investment, innovation and the visitor economy; and, crucially, increase value by linking together activity the pillars of to ensure that they are more than the sum of their parts is the key, immediate priority for the region.

And of course, no International Strategy can exist independently of the various strategies and approaches in the region. Accordingly, this strategy not only enables the delivery of the *Plan for Growth*, the region’s Investment Zone and other local strategies, it is cognisant of future developments – such as *West Midlands Futures*, which will be a key input for the Global WM Partnership in shaping the region’s narrative.

This is not about control. No single organisation can lead this charge. However, the Global WM Partnership – by helping to articulate priority pillars, markets and approaches – will:

- Deliver key activity – agree and collaborate on campaigns and trade missions
- Coordinate – join up international activity to achieve maximum impact across the West Midlands
- Enable all partners indirectly – providing access to data, insight and narratives to support their own international activity

The Global WM Partnership will be underpinned by robust governance, overseen by the region’s Economic Growth Board.

Ambition: *By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as the leading destination in the UK and world-wide with which to trade, invest in and to visit.*

Three strategic priorities for the region's international activity have been identified, each with a series of strategic objectives:

- 1. Unlock the region's enablers** - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit
- 2. Boost trade and investment** - Accelerate the development of the region's economy by boosting exports and attracting more FDI & Capital
- 3. Enable the national growth agenda** - Play a prominent role in the UK's international agenda

A delivery model - the 'Global West Midlands Partnership' - will bring together and align the efforts of stakeholders around international activity. The purpose of such a delivery model would be to:

- **Deliver together** – bringing partners and agencies together to maximise the value of international opportunities, such as trade missions, across the region.
- **Co-ordinate** – ensuring that there is a mechanism by which planned activity can be shared to avoid duplication and identify opportunities to deliver together
- **Enable International** – providing the insights, data and information which can be shared across the region so that all stakeholders undertaking international activity can actively promote the region and its opportunities.

Trade

Investment

Innovation

Visitor Economy

Introduction

This International Strategy for the West Midlands has been developed for and with stakeholders across the region and with Government. As the first such strategy for the region, its primary purpose is to create the conditions for the West Midlands Combined Authority and local authorities to come together with businesses, investors, Universities and the region's cultural, sporting and reputational assets to identify areas of development and co-operation to enable us to enhance our position on the global stage.

The West Midlands can rightly be proud of its past performance. In recent years, we have:

- Delivered the Birmingham 2022 Commonwealth Games and Business & Tourism Programme
- Attracted more FDI than ever before, including 181 new projects in 2022/23 alone, with major firms – such as Jaguar Land Rover, HSBC, Goldman Sachs and the British Broadcasting Corporation having long-term commitments in the region
- Exported £40.5bn worth of goods & Services, representing 6% [£654bn] of the UK's total in 2021
- More recently, in 2022 the West Midlands Exported £29.9bn of Goods, 8% of UK Goods Exports
- Invested £2.2bn in research & development (2020), with £747m (2021) coming from government funding
- In 2021/22 attracted 242,640 HE Students (10% of England total) with 192,305 from across the UK, and 50,340 international students
- Been awarded top positions in the Meetings, Incentives, Conferences & Events industry's leading international rankings and reports, including ICCA, BMEIS and CVENT – meaning we were the natural home for the SportAccord World Sport & Business Summit 2024
- Secured the West Midlands "trailblazer" development deal – one of two in the country – and the West Midlands Investment Zone, the only one in the country with three sites across the region

What's more, the West Midlands has been propelled into the international spotlight and captured the imagination of millions worldwide through the hit BBC series *Peaky Blinders*, created by the region's own Steven Knight. The region offers an enviable choice of visitor attractions making it a destination for a weekend break or family outing, while our dynamic culture and arts scene is home to some of the world's most renowned performing arts companies and state of the art performance spaces, as showcased through Coventry City of Culture.

Building on the Birmingham 2022 Commonwealth Games, we have an exciting pipeline that is set to further cement our status as a leading international host of major sporting events. Visitors can enjoy Michelin-star food, classical concerts and ballet world premieres, contemporary exhibitions, home grown productions, alternative shopping, drinking and dining experiences, large-scale commercial shopping outlets and major attractions. This quality of life offer, coupled with a cost-of-living ratio that exceeds the national average, means the West Midlands is a compelling destination for talent.

The region's firms are continuing to adapt to the UK's new role in the global market, with a 25% upturn in exports in the year to February 2023. While export levels are yet to return to their pre-pandemic highs, the confidence of West Midlands firms is rising and being driven by client demand, new product development and diversification. Following the establishment of the UK-EU Trade & Cooperation Agreement, the Government has established trade agreements with Australia, New Zealand, Singapore and Japan amongst others, with more – such as India and China – in the pipeline.

Linked to this, a set of new market opportunities are emerging – for example:

- The industrial structure of global trade is very different to GDP – goods sectors dominate trade. But global trade is expected to gradually become more services-oriented over time. Service sectors are expected to account for 28% of global trade by 2035, up from 25% pre-pandemic.
- Sectors such as digital and creative and financial and professional services continue to deliver the highest absolute numbers of projects. While absolute numbers in 2021 were down by 25% since 2019, locations offering high specification, flexible space with good low carbon and EDI credentials are in a strong position to attract investors looking for hybrid working solutions.
- In the wake of supply chain disruptions, manufacturers are increasingly opting for local and near-shore supply chain footprints. This has led to a 11% increase in foreign owned first tier suppliers and others lower down the supply chain establishing operations in the UK's manufacturing heartlands in the Midlands and the North.
- Growth in investment is being led by emerging technologies in net zero and 'clean tech' segments such as electric vehicles, battery technologies and advanced methods of construction.
- Project numbers in markets which have traditionally dominated such as the EU, US and China volumes are significantly down on their pre-pandemic peaks. They are rising strongly, however, in new emerging ones where companies are looking to strengthen their UK presence post-Brexit. These include Turkey and especially India which leap-frogged Germany and France to become the second largest source market for UK inward investment.

The region has a huge opportunity now to maintain its momentum and establish itself as a major player on the global stage – building on its strong economic fundamentals and the game-changing “gearshift” interventions being developed and delivered by our anchor institutions and strategic innovation assets. But this is not a strategy which attempts to pick winners: rather, its purpose is to create a new way of working for the region to leverage its strengths, opportunities and competitive advantages in international markets, increasing both the volume and value of trade, investment, and visitors, to enable the West Midlands to achieve its wider economic development objectives.

Our international ambition

The West Midlands has shown that it has what it takes to compete on the international stage, while our assets and opportunities mean that we have the right to be bold in our ambition:

By 2030, the West Midlands will have grown its profile and reputation by leveraging its key assets and opportunities on the global stage to be seen as the leading destination in the UK and world-wide with which to trade, invest in and to visit.

To achieve our international ambition, we have put in place three headline strategic priorities – each with their own strategic objectives. These strategic objectives are intended to shape the work of regional partners on international activity. Through these objectives, the region will be able to identify areas of development and co-operation and set the conditions for a business/partner-led approach which will maximise the impact of resources we have to align an international approach with our regional objectives:

Strategic priorities	Unlock the region's enablers	Boost trade and investment	Enable the national growth agenda
	Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit	Accelerate the development of the region's economy by boosting exports and attracting more FDI and Capital Attraction.	Play a prominent role in the UK's international agenda
Strategic objectives	<ul style="list-style-type: none"> • Develop ecosystems and partnerships within the region which support trade, investment, innovation and the visitor economy • Support the attraction of global talent into regional higher education institutions and fast-growing firms • Supporting the growth of tourism and the wider visitor economy 	<ul style="list-style-type: none"> • Increase the value of our trade within global value chains and supporting the specialisation of our exporters. • Attract investment through both Foreign Direct Investment and Foreign Capital Investment to the region in support of economic priorities. • Contribute to the delivery of the <i>Plan for Growth</i> by supporting established clusters and developing a forward view to help nascent clusters grow. This will include working with regional cluster lead bodies. • Increase support for local firms to encourage exports, including by increasing a culture of export, especially within the SMEs of our key sectors. 	<ul style="list-style-type: none"> • Influence national trade, investment and tourism agendas, and the negotiation of Free Trade Agreements • Proactive engagement of the regional business community to gauge their needs and opportunities, and inform national policy • Establish clear narratives for the region in international markets that harnesses our competitive advantages.

To achieve this, we have identified a set of outcomes which will be used to focus activity: [targets being developed]

Trade	Investment	Innovation	Visitor Economy
<ul style="list-style-type: none"> • Increase number of exporting firms within the West Midlands • Increase the percentage of SMEs within the West Midlands who are exporting • Increase West Midlands service exports 	<ul style="list-style-type: none"> • Increase the number of high-value FDI projects landing in the West Midlands – classified by high-employing, R&D focused or sustainability driven. • Support regional growth through attracting projects outside of the traditional FDI destinations in the West Midlands. • Increase foreign capital investment (FCI) into the West Midlands start-up and scale-up ecosystem. • Support the identification and development of investable propositions for capital to support Inclusive Growth 	<ul style="list-style-type: none"> • Increase public sector funding through programs such as Horizon to further improve the region’s innovation ecosystem. • Position the region as a national and global leader in research across key clusters. • Attract more international talent and students from key markets to the West Midlands. • Work with inward investment teams to prioritise attracting FDI with an R&D focus. 	<ul style="list-style-type: none"> • improve both the visibility of the region and positive perception. • Increase the number of international overnight stays in the West Midlands. • Work with Birmingham Airport to increase the number of international arrivals into the West Midlands through more flight links with target markets. • Increase the number of Business Conferences, Sporting Events, international trade shows and exhibitions hosted in the West Midlands.

Leveraging our competitive advantage

This is about a regional stock of “**soft power**” - which is accumulated across the West Midlands when its people, businesses and anchor institutions engage with the global community. Accordingly, soft power is **the influence that a place has around the world to drive the desire of people to visit, trade and engage with a region over the long-term**. Those assets and connections are therefore crucial in pursuit of our ambition – but their presence of those assets and connections alone will not be enough if we are to make a step-change.

Maximising the region's soft power to effectively leverage our competitive advantage requires the development of a **clear identity and unique selling point** for the region. To do so relies upon a clear understanding of our assets – and particularly those that confer a genuine competitive advantage on the global stage – to tell compelling stories to the world about who we are and why it should invest in, trade with or visit us.

Rather than a single narrative for the region to be applied in all circumstances, this International Strategy proposes developing **a strategic approach** to narrative which partners and Government alike can utilise in various forms of marketing and engagement. This includes **positioning specific opportunities in specific places in the most relevant and powerful wider regional or national context** for that audience and that purpose.

Through its civic leadership, heritage, global brands and firms, world-class universities and diaspora communities, the West Midlands already has an array of networks with, connections to and influence in international markets. In particular, our research indicates the a number of them have particular resonance on the global stage:

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Economic	Historical and reputational	Cultural, sport, leisure, and hospitality	Innovation & research	Institutional & civic
HS2, and the wider development at Birmingham Curzon and Arden Cross Birmingham Airport West Midlands Investment Zone, including the Green Innovation Corridor, Birmingham Knowledge Quarter and Gigapark Mindforge National Exhibition Centre WM5G	Shakespeare Cadbury’s & Bournville Peaky Blinders The home of heavy metal Joseph Chamberlain Innovation and manufacturing heritage, particularly in automotive and jewellery	Alexandra Stadium Cultural Gateway Black Country Living Museum Aston Villa Football Club and Villa Park Wolverhampton Wanderers Football Club and the Molineux Stadium Warwickshire County Cricket Club and Edbaston Stadium City of Birmingham Symphony Orchestra Birmingham Royal Ballet The Grand Hotel New Art Gallery	UK Battery Industrialisation Centre Warwick Manufacturing Group and Manufacturing Technology Centre The National Brownfield Institute Birmingham Health Innovation Campus Energy & Bioproducts Research Institute STEAMHouse Innovation Accelerators Energy Capital Black Country Innovation Manufacturing Organisation	Elected mayor and “trailblazer” devolution deal Mature partnerships with national government Seven metropolitan authorities Globally competitive universities Global diaspora community Twin city/borough links

		Birmingham Museum & Art Gallery Six Michelin		
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Underpinning the assets listed above and opportunities is the region's *Plan for Growth*, it identifies a competitive advantage (and significant growth potential) in eight established clusters:

- Professions & financial services and supply chain
- Health-tech and med-tech
- Creative content production and gaming
- Manufacturing of electrical light vehicles and associated battery storage devices
- Aerospace (including manufacturing of alternative fuels)
- Modern and low carbon utilities
- Logistics and distribution
- Manufacturing of future housing

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The *Plan for Growth* alongside the regions development of Investment Zone with Government and its Devolution Deal confer an array of mechanisms which in tandem with the assets identified above encapsulate our competitive advantage as a region. The value of each of these is that they should be central the activity undertaken to secure trade, investment, innovation or attracting visitors to the West Midlands.

These assets together, individually, and collectively are our sense of ourselves, our brand and the identity that makes what we have, and what we do unique. However, these advantages that we have are only effective when part of a wider approach which brings the relevant partners together to truly utilise the value that these assets bring in the pursuit of an array of international objectives.

Global West Midlands Partnership

Taken together, from our International Ambitions through to our Competitive Advantages as a region the International opportunity for the West Midlands requires **a holistic response at a local, regional and national level**. This is about more than simply promoting the region and facilitating trade and investment – it must ensure that key partners have coordinated, long-term plans to provide the connectivity, land and wider infrastructure, skills development, business support and place-making required to attract long-term investment in the sectors, clusters and outcomes the region needs. This strategy therefore proposes that:

- We must **focus on leveraging the unique opportunities** in the region that give us a competitive advantage
- **In the face of evolving geopolitics, we must prioritise agility** – balancing new market penetration alongside developing of existing markets
- To enable **the sustainable and inclusive decarbonisation of the region's economy**, we must focus on opportunities that will drive the actions of #WM2041
- We need to **take multifaceted approach** – one that values partnership and collaboration over silos and targets

While the region has earned the right to be ambitious, given the resource pressures on public sector budgets, the need for closer, more deeply embedded partnership working is clear.

How we mobilise the region to deliver against the priorities will be dependent on how effective we are in bringing together key stakeholders around international activity and creating the conditions for the public, private and academic sectors to identify areas of interest, priorities and mutual need and benefit which can be delivered in partnership.

Hence, **we propose the Global West Midlands Partnership** – comprised of the West Midlands Combined Authority (and organisations including the West Midlands Growth Company and Business Growth West Midlands), Government (including the Department for Business & Trade and VisitBritain), the region's local authorities and universities, leading businesses and cultural & sporting organisations.

Its mission to co-ordinate the region's approach to international activity by focusing our collective effort on maximising our competitive advantages in key markets, and to collectively identify areas of development and co-operation that will enable various actors' own delivery plans to come together as more than the sum of their parts – maximising value and return on investment.

In practice, its role will be to act as the **guardian of the region's International Strategy** and its objectives; **establish a rolling programme**, including identifying and securing resource; and **ensure coordination and alignment of activities to deliver trade, investment, innovation and visitor economy** outcomes.

The Partnership will be **supported by an Expert Reference Panel**, made up of experts and academics with an interest in the work of the International Strategy, who will help shape the programme and in doing so will ensure that the the Partnership is appraised of the latest developments around the four pillars. The Partnership – and the rolling programme – will be overseen by the Economic Growth Board, which would approve the programme of activity, including agreement of priority markets, and providing oversight and scrutiny of inbound FDI from regions/countries of concern as defined by national government.

Developing this will be about **aligning what is already being done, identifying gaps which can be filled and improving communication between** areas of work to ensure that opportunities in one area can be utilised in multiple ways to maximise the impact of resources. An immediate priority is to develop and standardise the delivery model in established markets and then utilise these models to support access to new markets. The development of the programme will then depend on the mobilisation of the region, including the allocation of resource.

A Rolling Programme

A proposed structure is as follows. Although it is presented in sequence, in reality these elements will run concurrently:

- Planning: process with businesses and cluster / representative bodies that looks at pillar priorities and identify markets over next 12- 24mths. Supported by research and insight from DBT, WMGC and partners.
- Delivery: execute activities e.g. trade missions, targeting of strategically-important firms, targeted capital attraction in those markets. This could also include either specific country target strategies including sub-regional operations linked to key sectors or indeed specific sector development such as those identified through the innovation accelerators.
- Impact & Evaluation: relationship management and soft-landing activities; assess impact; ensure client feedback/lessons are factored back into planning (e.g. skills, business support, fiscal incentives, digital or energy capabilities).

The rolling programme is itself based on three forms of activity; this allows the Global WM Partnership to be clear about what the expected impacts are for a given activity. The three types of activity are:

Delivering together

Planning and executing joint campaigns to maximise impact through the Global West Midlands Partnership and with the Economic Growth Board. This is primarily through the areas identified in the Primary Areas of Focus, and should be aimed at defining and resourcing activities which can deliver across all four pillars with partners and delivery agencies working together.

Coordinating the region

This is focused on the ensuring that the operations of individual agencies around international are co-ordinated to ensure that individual partners' activity is aligned to agreed markets and opportunities is proactively planned, delivered and evaluated for potential wider links within the region and/or the development of future campaigns. This will include the alignment of agendas such as infrastructure, business support and skills development.

Enabling International

The International Strategy is not about narrowing the region's ambition or ability to undertake international activity. However, partners that are doing international work which is beyond the scope of the International Strategy should still have access to data, insights, as well as narratives and promotional materials to ensure that their own work is complementary to the priorities of the rolling programme.

Markets

A key element of any international strategy is the need to identify markets. In doing so, this Strategy does not define the limits of our partners' activities – rather, it provides a critical mass of opportunities to drive trade, investment, innovation and visitors around which partners can coalesce, in order to maximise our impact and return on investment.

To enable this, the Strategy outlines a set of Prime Markets and a set of Developing Markets that have been identified based on:

1. Established business need or opportunity
2. Established or potential innovation partnerships linked to Plan for Growth clusters
3. Stakeholder presence (e.g. presence of HEI campus), including the region's civic and cultural connections.

Prime Markets

The following Prime Markets have been identified based on their current propensity to trade with, invest in and visit the West Midlands, and with the potential to drive further outcomes with the right package of interventions, and validated through the consultation.

Prime Markets reflect places where the region already has established links in at least three out of four pillars. This means that additional activity is likely to build on long-term links. For example, the United States of America will reflect the UK’s long-term relationship and there is likely to be extensive opportunities across the country at a sub-regional level for different stakeholders. This should act as a point of focus for activities with clearly identified sub-national locations within the USA being developed in support of key stakeholders within the Pillars (for example the Aerospace linkages with Aerospace firms based in Ohio).

The Global WM Partnership is responsible for agreeing the Prime Markets and if activity within a Prime Market declines across the pillars then the Partnership can agree to replace it. It is expected that, over time, developing markets will become prime markets either expanding from the initial list of five or replacing one of the others. The list of initial Prime Markets are highlighted below:

Market	Trade	Investment		Innovation	Visitor Economy
		FDI	FCI		
United States					
Europe					
China					
India					
UAE					

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Developing Markets

Through the development of the strategy numerous countries and regions have been suggested for inclusion across the pillars. Whilst the following table is not exhaustive, it represents markets that were identified through research (such as untapped opportunities based on sector similarities or the in-market presence of regional institutions) and validated through consultation with partners and industry. It is worth noting that references to regions or regional partnerships such as (CPTPP) have been taken to mean all of the countries within those areas.

Trade	Investment		Innovation	Visitor Economy
	FDI	FCI		
Australia/New Zealand	Middle East	Australia/New Zealand	Canada	South East Asia
Canada	Australia	Canada	Israel	Australia/New Zealand
Egypt	China	Japan	Japan	
Indonesia	Singapore	Saudi Arabia	South Korea	
Turkey				
South Africa				
Vietnam				

As the delivery model is put into practice, the identification, research and planning of activity around developing markets will be finalised as part of the rolling-three year programme and be determined by the Global WM Partnership.

Drivers of Change and Key Activities

Part of the development of this strategy has been a review of the background evidence which can be used for determining the main elements of why there is a need for the Global WM Partnership. The overriding strength of the partnership is its ability to complement what is already being done within the West Midlands (including the Plan for Growth, the Inclusive Growth Framework, #WM2041, the region's Investment Zone and forthcoming West Midlands Futures) and at national level (such as the UK Battery Strategy, Advanced Manufacturing Plan, Net Zero Strategy and British Energy Security Strategy) to support the expansion of trade, investment, encourage innovation and draw visitors to the West Midlands.

The following section explains how we will deliver our International Ambition which reflects a set of three strategic objectives:

- Unlock the region's enablers - Harness the power of our assets and institutions to enhance the profile and reputation of the region as a place to trade with, invest in and visit.
- Boost trade and investment - Accelerate the development of the region's economy by boosting exports and attracting more FDI and Capital.
- Enable the national growth agenda - Play a prominent role in the UK's international agenda.

These Strategic Objectives are complimented by a set of outcomes set against four pillars of Trade, Investment, Innovation and Visitor Economy.

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These four pillars are grouped under the first two objectives and the third objective, Enabling the National Growth Agenda, reflects the development of a set of cross pillar approaches which will draw on the advantages which the West Midlands has through its Devolution powers to play a role in the development of national international approaches.

Each pillar has a summary of the key research undertaken on the key challenges and opportunities which the region can address through the International Strategy. This is followed by a summary of activity linked back to the delivery model pillars - this is high-level at this stage and would be reviewed and developed further through the Delivery Model.

Trade

- There is significant uncertainty around the global economy, the development of industrial strategy (such as the Inflation Reduction Act in the USA) and geopolitical tensions all of which create the conditions for further changes in Global Value Chains.
- Global trade is expected to gradually become more services-oriented over time. Service sectors are expected to account for 28% of global trade by 2035, up from 25% pre-pandemic.
- However, trade growth elsewhere means that, if past trends continue and absent policy changes, the UK share of global exports is likely to fall to 2.5% of global exports by 2050, down from 3.1% in 2021.
- The region is strong on goods exports rather than services, however Goods exports are driven by a small number of large exporters. There is a need to develop both the volume of exports from the region's different sectors as well as increasing the value of exports by focusing on new sectors.
- Due to an array of factors (such as the Covid-19 Pandemic) which have impacted on the number of firms exporting there is a need to try and support a culture of exporting & trade to encourage more firms the export.

- Part of such a culture is creating the support which expands both the types of sectors and firms need to start and continue to export with consideration of the needs of specific sectors such as those firms in the creative industries in terms of access to specific markets like Europe.

In 2022, the West Midlands region exported nearly £29.9bn and imported £42.6bn worth of goods, leading to a trade in goods deficit of £12.7bn. The West Midlands region accounted for 8.0% of UK total exports in 2022. The West Midlands Services exports is around 34% of exports for the region, the national average for services exports is around 41%, growing this share is crucial to both increasing the overall volume and value of trade .¹

More widely, the region's trade is reasonably concentrated in goods rather than services, and both are also reliant upon a narrow number of sectors around financial services and advanced manufacturing. The need to both expand the number of exporting sectors within both goods and services is key to ensuring that the region benefits from trade in future. This includes capturing the global growth in services, digital economy as well as the potential for future trade around advanced manufacturing.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase number of exporting firms within the West Midlands	Joint WMGC/DBT trade missions to key markets to include open invitation for non-exporting firms	Linking region export priorities with International Trade Advisers (DBT) and aligning to DBT Global Network	Building import, export, and investment into all aspects of the WM Business Support ecosystem
Increase the percentage of SMEs within the West Midlands who are exporting	Identify a selection of SMEs to engage in trade missions and promote to International Trade Advisers	Develop an overview of SME programmes within the region between BROs, HEIs and others.	WM Partners to promote exporting through the supply chain
Increase West Midlands service exports	Jointly commission pilot projects supporting service exports in new sectors.	Commission research into support needs around service exports.	Aligning Business Support WM with DBT and WMGC activities to promote SME trade.

¹ ONS International trade in UK nations, regions and cities: 2021

Investment

- Investment performance has been good in the region through its ability to utilise events such as the Birmingham 2022 Commonwealth Games to attract opportunities. Yet the region is a relatively middle of the pack performer compared to international competitors.
- Global Investment is working through a major shift in monetary policy with higher interest rates, inflation, and financial conditions likely to impact across the globe.
- There is an opportunity for the region to utilise the networks, links and intelligence which are held by multiple partners across the region to cultivate long-term investment relationships.
- Through developments such as the Investment Zone within WM, there is an opportunity to focus our efforts on a few key strategic opportunities which can be utilised across the region offer.
- However, there is also a need for investment across the wider region especially in areas where traditionally investment has been difficult to secure.
- There is a lot of potential Capital to be attracted on a global basis, but it requires clear set of propositions and sites. This includes the development of an overview of how that capital is brought into the UK in the first place, versus the development of a direct approach to investors.

Page 40 The region's Investment needs are either in terms of Foreign Direct Investment and capital (real estate & infrastructure) attraction. Both serve distinct purposes in terms of the impact and role they will play in the regions economy.

In general, the West Midlands has been successful at generating investment into the region. The West Midlands attracted 181 Foreign Direct Investment projects landed in the West Midlands during the 2022/23 financial year overtaking the South East for the first time and representing 10% of the UK's total FDI wins – much of this was bolstered by the advent of the 2022 Commonwealth Games held in Birmingham. However, compared to international competitors the West Midlands performs at middle of the pack for FDI attraction, and the majority of FDI still lands within London and the South East predominately. It has also been concentrated, with FDI has focused largely on opportunities in and around Birmingham and our cities. This has reflected a market led approach of firms being supported to access sites which meet their needs.

There is also a challenge around the attraction of Capital investment into the region. Whilst the West Midlands has had some success in attracting capital into the region, it still lacks an array of high-quality investible propositions that compete with either wider UK or global opportunities. Any international targeting strategy for investment into real estate & infrastructure must be in the context of a vast majority of investment into UK real estate coming via UK-based Investment Management teams, largely operating from London. Moreover, investment requires a continued general promotion of the West Midlands with audiences within the UK and in Global markets. This can include developing links with Sovereign Wealth Funds, but requires either large scale single projects or a series of parallel medium-to large scale projects.

More broadly, initial priority sectors were identified in the West Midlands Plan for Growth– advanced engineering and future mobility, tech and creative, data driven healthcare and life sciences and modern business services. Utilising both FDI and Capital investment to deliver against these areas, as well increasing investment into SMEs and start-ups, should be seen as a key enabler for the development of trade within the region. Linking regional firms to potential investment, or bringing new firms into the region are key parts of growing the overall value of our trade through links to Global Value Chains.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase the number of high-value FDI projects landing in the West Midlands – classified by high-employing, R&D focused or sustainability driven.	Support the delivery of the regions Investment Zones including the creation of site specific and region wide approaches.	Develop an Investment Framework to prioritise place-based and sector-based activity including way of working between WMGC and DBT on investment.	Support the development of inward investment capacity within universities
Support regional growth through attracting projects outside of the traditional FDI destinations in the West Midlands.	Deliver a comprehensive soft-landing package for new investor including developing links with trade missions and wider trade activity.	Work with Universities, Local Authorities on case development and promotion for FDI into the West Midlands.	Develop shared collateral for promoting wider region for investment.
Increase foreign capital investment (FCI) into the West Midlands start-up and scale-up ecosystem.	Develop a regional M&A framework for supporting the development of capital into the start-up approach.	Identify potential areas for WM support for 'Universities as a driver of Trade & Investment' Midlands Project.	Ensure HEIs, Cluster bodies (e.g. Creative Central) have access to insights, data, and surveys to promote through their own campaigns.
Support the identification and development of investable propositions for capital to support Inclusive Growth	Joint work between WMGC and DBT on support for Place-Based Strategies	Use Global West Midlands Partnership to coordinate Capital investment projects and ensure delivery links to Inclusive Growth Framework.	Establish clear insights briefings and promotional material which can be used with investors – identifying common infrastructure needs over the next 10-20 years.

Innovation

- The West Midlands benefits from an array of world class research linked sites, campuses, industry hubs as well as science and business parks.
- In 2021/22 WM attracted 242,640 HE Students (10% of England total) with 192,305 from across the UK, and 50,340 international students.
- The region has benefited from around £2.2bn in research & development (2020), with £747m (2021) coming from government funding.
- However, the region has a relatively low level of public sector investment into R&D (8th UK region) and a lot of private sector investment is in narrow fields of manufacturing and engineering.
- Being able to utilise key clusters from within the Innovation Accelerators could be a major enabler of both trade and investment within the region. This would involve a focus on Creative-Tech, Med-Tech and Clean-Tech and the sub-cluster technologies such as AI, 5G and Additive Manufacturing.

Innovation in the West Midlands is an enabler of growth, trade and investment. The region's approach to innovation through the Innovation Accelerators, the work of its universities and its focus on supporting critical areas of green technology, clean technology and advanced manufacturing are essential elements for supporting an expansion of trade, securing investment and delivering against the Plan for Growth and a more inclusive economy within the West Midlands.

The main challenge is securing the means to keep the pace around innovation. This is as much about securing talent for the region as it is about increasing the level of public R&D invested within the region. The International Strategy provides a means to support a broadening out of private R&D into new sectors and this should, if done successfully, link with an increase in goods and services which the West Midlands can develop and then use either across the UK or can become the new sectors for export which are needed.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Increase public sector funding through programs such as Horizon to further improve the region's innovation ecosystem		Support HEI's to continue to target opportunities, such as Horizon Europe, to bring in more international public funding into regional R&D projects and programmes.	
Position the region as a national and global leader in research across key clusters	Identifying exemplar projects and concepts to share through trade missions to promote the regions innovation assets.	Utilise Innovation Accelerators linked activity & the Global Growth Programme to test support models for soft-landing support for investment.	
Attract more international talent and students from key markets to the West Midlands	Campaign to promote the region offer to international students, researchers and academics.	Ensure upcoming trade missions and international activity is available to HEI recruitment teams to co-ordinate effort.	All trade missions have access to latest collateral and materials from WM universities.

<p>Work with inward investment teams to prioritise attracting FDI with an R&D focus</p>	<p>Investment & trade link – map the identified clusters and sub-clusters against potential export, import and investment needs and link to DBT International trade advisers and WMGC to develop campaigns.</p>	<p>Develop support programmes – linking in the Global Growth Programme accelerator model – to support Innovative firms to export.</p>	<p>Mapping the innovation subclusters against investment, export and import needs.</p>
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DRAFT

Visitor economy

- The value of international travellers stems from the higher spend than domestic travellers, on average three times more on each trip (IPS, 2017). However, the global travel market is increasingly competitive, with the size of the potential market increasing as more tourists have the means to travel.
- Yet, the UK's share of that market dropping even pre-pandemic from 6th most visited country in the world in 2016 to 10th in 2019. Boosting the competitiveness of the UK as a global visitor destination through marketing and promotion and by ensuring that the country is welcoming to tourists in terms of visa offer and border welcome are key elements to address.
- Linked to this the inbound visitor economy is heavily skewed towards London and the South East, with London accounting for 52% of all international inbound overnight stays and 56% of all international visitor spend in 2019.
- The WM visitor market is highly consumer and domestic-focused. International familiarity with Birmingham (43%) and West Midlands (26%) remains low (WMGC perceptions survey).
- Part of the solution will stem from the work which the region is already doing to develop its Destination Delivery Partnership, deliver against the regions Tourism Strategy. There is a considerable opportunity through the development of global links through travel trade. The travel trade remains highly effective in reaching larger numbers of potential clients in multiple markets via existing channels and opportunities (VisitBritain, 2022).

On the back of the Commonwealth Games and Coventry City of Culture, the West Midlands welcomed 141.2 million visitors in 2022, exceeding the previous record set before the COVID-19 pandemic. Spending by visitors to the West Midlands in 2022 rose to £14.1 billion, up by £4 billion (39%) from 2021 and £1 billion (7%) more than pre-Covid figures in 2019.

Around the Visitor Economy, the region's competitive advantages stem as much from its reputation as home to unique brands, sites and places which are part of the wider story of the UK to global audiences. This is more than attracting visitors, its about growing our reputation for hosting global events, its about travel trade links its about how the region works together.

Outcome	Delivering Together	Co-ordinating the Region	Enabling International
Improve both the visibility of the region and positive perception.	International Campaigns to promote region including visitor offer.	Use the Global WM Partnership to build the renewed Tourism Strategy priorities into the rolling programme.	Ensure a common set of promotional material is available to partners to promote the region and its visitor offer.
Increase the number of international overnight stays in the West Midlands.	Ensure Travel Trade and Tourism offer is built into Trade missions.	Back a UK-leading approach to the development and distribution of the travel trade offer	
Work with Birmingham Airport to increase the number of international arrivals into the	Through the Global WM Partnership identify activity through other pillars to	Work closely with the Airport to understand existing and new routes as well as trends in visitor data to increase the number of	Ensure collateral promoting Birmingham Airport is available to support trade mission's preparations.

West Midlands through more flight links with target markets.	support delivery of Birmingham Airports strategy.	international passengers coming through Birmingham Airport.	
Increase the number of Business Conferences, Sporting Events, international trade shows and exhibitions hosted in the West Midlands.	Mobilise a region-wide programme to attract and host more international business events.		

Measuring success

The development of our measures of success will be primarily linked back to the delivery of the outcomes identified. The Global WM Partnership rolling programme also includes a stage for evaluation for activity which is intended to provide insights to shape future activity. Beyond the specific outcomes above, we will have regard to the following measures which act as indicators of general progress within the region against our overall strategic priorities:

- The profile and reputation of the West Midlands in key markets
- The region's position in global rankings, such as FDIintelligence's European Cities of the Future and the International Congress & Convention Association
- The volume and value of foreign direct investment, and its impact on the clusters identified in the Plan for Growth
- The volume and value of goods and services exports
- The volume and value of visitors, conferences and events
- The international reputation of our universities
- The number of direct, point-to-point connections from Birmingham Airport

Crucially, no single institution will be accountable for performance against any of the above – rather, they are a reflection of the collective effort the region makes to establish itself on the global stage.

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Economic Growth Board

Date	6 March 2024
Report title	Midlands Engine Presentation and Update
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	n/a

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the progress and activity of the Midlands Engine as set out in the attached Appendix and presentation at EGB.

1. Purpose

The purpose of this report is to bring members of EGB up to date with the work of the Midlands Engine and allow a discussion with the Chief Executive.

2. Background

- 2.1 The Midlands Engine partnership was formed in 2017 by Midlands partners and Government to help drive growth of the region. The Midlands Engine is a pan regional partnership (one of six in the UK) and covers the West and East Midlands from Shropshire to Lincolnshire with a population of almost 11 million people.

- 2.2 The organisation brings together public, private sector and academic partners across the wider region. The East and West Midlands have very different organisational structures and the Midlands Engine has enabled joint working across the whole region.

2.3 Appendix 1 details the background of the work of the Midlands Engine, highlights recent activities and also covers the organisation's emerging priorities.

2.4 As noted, the WMCA leads or convenes on a number of these activities, but also the Midlands Engine emerging priorities converge with much of the work the WM region has been working on – eg: Cluster development and prioritisation within the Plan for Growth.

3. Financial Implications

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

4. Legal Implications

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

5. Single Assurance Framework Implications

5.1 There are no direct Single Assurance Framework implications arising from this report.

6. Equalities Implications

6.1 There are no direct equalities implications arising from this report.

7. Inclusive Growth Implications

7.1 There are no direct implications of this update on the Midlands Engine update; however, the work of the Midlands Engine need to be taken into account as the West Midlands works towards a more deliberate and socially purposeful model of economic growth - measured not only by how fast or aggressive it is; but also, by how well it is created and shared across the whole population and place, and by the social and environmental outcomes it realises for our people.

8. Geographical Area of Report's Implications

8.1 The Midlands Engine covers the East and West Midlands and as such the report's implications covers the wider West Midlands geography.

9. Other Implications

9.1 None.

10. Schedule of Background Papers

10.1 n/a

Midlands Engine: The Pan Regional Partnership for the Midlands

The Midlands: The English Midlands (i.e. the West Midlands and the East Midlands) is home to almost 11 million people, is responsible for 22% of England's goods exports – the greatest share of any region; and generates £240bn for the UK economy. This economy is comparable to Denmark in scale and serves a population greater than the combined devolved nations of Scotland, Wales and Northern Ireland. Despite significant strengths, the region needs to capitalise on new opportunities for growth whilst responding to long-standing and complex socio-economic problems associated with industrial restructuring and deprivation.

The Midlands Engine Partnership: Formed in 2017 by Midlands partners, it brings together public, private sector and academic partners to fuel growth and development. The Midlands Engine Observatory followed in 2018 to deliver regionally focused research and analysis to inform decision making and policy creation.

The gap that needs addressing: With a significant productivity gap of £84.6bn compared to the rest of the UK, the Midlands is not punching its weight in terms of investment (particularly from government) on infrastructure, innovation, regeneration, trade and culture. The Midlands needs to align and accelerate innovation and investments to build on existing sector strengths, as well as its centrality in England and its geographical and cultural diversity, to take advantage of global trends such as the net zero transition, technology and AI.

The opportunity: In 2023, the Midlands Engine launched a new three-year business plan, co-created with over 300 partners. This process allowed the Partnership to reaffirm its approach and establish shared priorities across the long-term drivers for economic growth around investment, productivity, innovation and infrastructure, whilst also considering the region's (inter)national role.

It aims to support partners where it makes sense to, in order to attract investment and work with government to create a supportive policy environment. It does this in three ways:

- *Advocating:* working with and between government, public sector and private sector decision makers to create the right policy and investment environment for growth
- *Convening:* bringing together organisations across sectors to work together
- *Evidencing:* through a focused policy and research programme

The presentation to the Board will showcase recent activities and outline the emerging priorities for 2024/25. Key highlights are also summarised below.

Investment: The Midlands Engine seeks to drive investment through partnership into the Midlands by providing a global platform for the region, unlocking the potential of new initiatives to attract and retain investment, and building a reliable evidence base to underpin this through the Observatory.

Partner's investment opportunities are platformed through the [Midlands Investment Portfolio](#) (a directory of priority capital propositions), and through sponsorship of key events such as UKREiIF. A monthly Midlands Trade & Investment Forum has representatives from every IPA and many other key stakeholders from across the region and acts as a community of practice and discussion forum.

Flagship 'unlocking potential' initiatives include the ongoing ['investment potential of clusters'](#) programme, through which business deep dives are being co-convened with the WMCA, and the ['universities as drivers of trade and investment'](#) programme, being delivered by the Midlands Innovation and Midlands Enterprise University groups in partnership with government, with an [outward FDI campaign](#) led by universities being launched this year. From aggregation of regional economic strengths and needs to contemporary insight into spinouts and high growth companies,

Report to the West Midlands Combined Authority Economic Growth Board

the Observatory works to respond to partners' insight evidence needs. Uniquely placed to explore the opportunities that scale can bring, the Engine is currently working with investors and government to explore the opportunity for new debt (Midlands Green Bond) and equity (Asset Backed Vehicle) mechanisms to deliver capital projects.

Regional Policy Shaping & Observatory : The Midlands Engine has recently launched a [Food White Paper](#) – one of two 'flagship' policy pieces being brought forward by the Partnership with the aim of influencing national policy. The report underscores the Midlands role in transforming the UK food system, and where the region can come together to deliver a globally competitive investor offer.

The second of these, the Midlands Engine Energy Security White Paper is being developed through an industry led task-force to inform national policy and identify investment opportunities. This work is expected to be published autumn 2024.

The Midlands Engine Observatory (MEO) gathers data and intelligence, commissions research, shapes policy insights and helps target investment for recovery and growth in our region. Key highlights of activities include the [Megatrends project](#) consisting of identifying which megatrends are most relevant to the Midlands and how they will affect our region; [State of the Region report](#) which provides a review of the region's economic performance; [Clusters](#) including the identification and publishing of relevant information for investors; alongside partner events such as our [Quarterly Economic Briefings \(QEB\)](#) serving as our knowledge exchange platform; and continuous economic monitoring via various [intelligence briefings](#) i.e., reporting, insights, scorecards and factsheets.

The Partnership's 2024/25 policy and research programme is being finalised in collaboration with the Midlands Engine Research, Intelligence & Policy Partnership and Midlands Engine Observatory Board.

Partnership Activity: The Midlands Engine brings organisations together across sectors and industries to work together alongside policy makers and external decision makers. It does this in a number of ways; formal boards, sector focused reference groups, partner events and visits.

Key milestones for 2024/25 include an enhanced partnership presence at UKREiif 2024, the Midlands Economic Summit on 10 June 2024 and a new event for Kings Awards recipient businesses planned for autumn 2024. We are also working with other regions on issues that are of mutual interest such as attracting investment and sharing insights about common challenges.

-The End-

Roger Mendonça
Chief Executive, Midlands Engine



The Pan Regional Partnership for the Midlands

West Midlands Combined Authority Economic Growth Board
March 2024

Contents

- Purpose and Ways of Working
- Recent Activity
- Key Priorities for 2024/25
- Issues and Risks

Purpose and Ways of Working

MIDLANDS ENGINE PARTNERSHIP

Harnessing our collective power to achieve more for our region

Advocating

Convening

Evidencing

Focusing on the strategic drivers for the Midlands Economy:

1

Increasing productivity

2

Innovating across sectors

3

Building infrastructure for growth

4

Increasing Trade & Investment

Creating strong links with our partners across key regional sectors:

Clean Growth

Advanced Manufacturing

Food & Agri-Tech

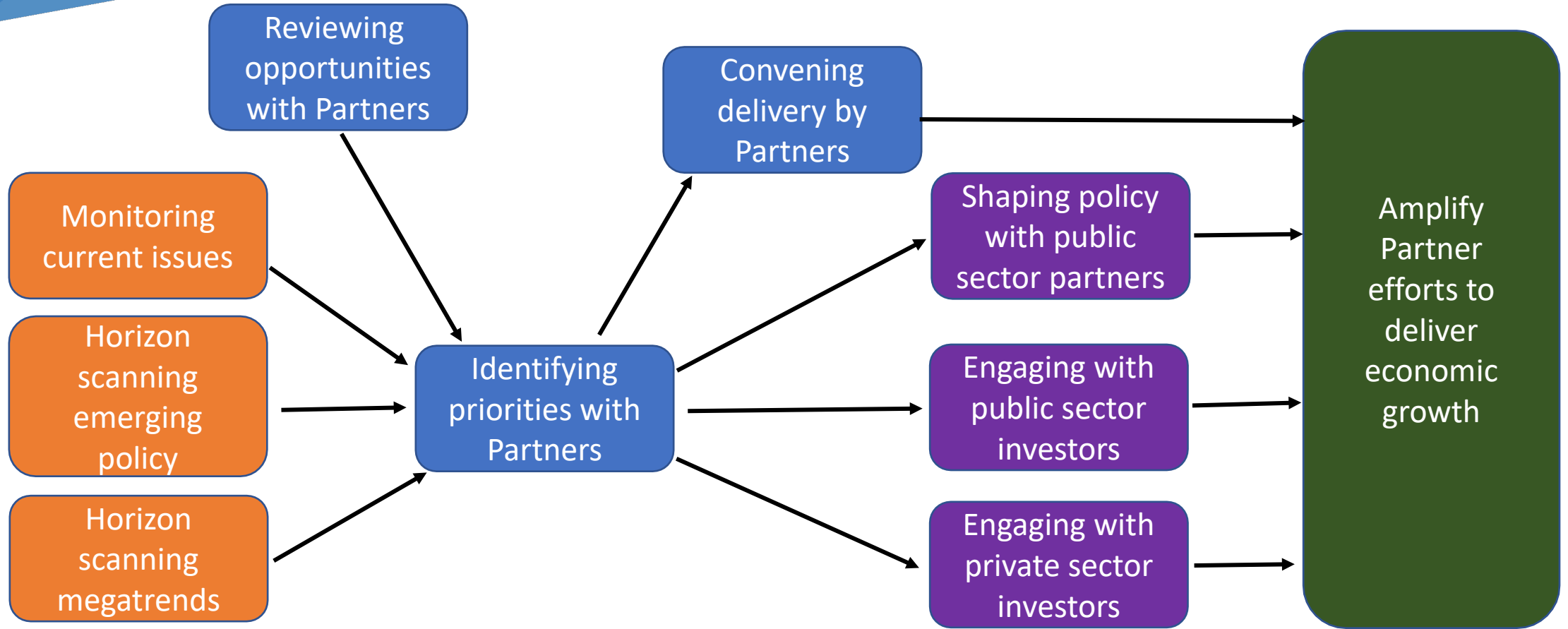
Med-Tech & Life Sciences

New Market Opportunities

MIDLANDS ENGINE

Our Value Add

- **Evidencing** – gathering insights and intelligence, providing policy-led thought leadership on key priorities, and horizon scanning for future opportunities and challenges
- **Convening** – acting as a catalyst to bring together regional organisations across sectors and geographies to collectively drive positive change
- **Advocating** – working with and between government, public sector and private sector decision makers to create the right policy and investment environment for regional growth
- **Shaping** – using our insight to help partners develop their projects and programmes



← Providing insight to help shape emerging partner opportunities

Recent Activity

MIDLANDS ENGINE

OBSERVATORY Insights



Quantum technology 'New Economy' cluster snapshot

INSIGHTS

Quantum technology has the ability to transform the way we live our lives. While still emerging in application, it has the potential to enable smart cities, revolutionise healthcare systems and drive innovation in key industries including cyber security, logistics and manufacturing amongst many others in the Midlands.

Securely government funding and direction, the UK is developing a thriving quantum ecosystem. Published earlier this year, [The National Quantum Strategy](#) sets out a 10-year vision for the UK to be a leading quantum-enabled economy, centred around more R&D investment (£2.5bn in the next decade), training and education, and business, investment and infrastructure support.

The Midlands has already benefited from existing investment through university investment and leadership in the [UK Quantum Technologies Programme \(UKQTP\)](#). There are ample opportunities for the region to grow its academic strength in this space, but also to develop a dynamic quantum industry in the private sector - from technology-driven software and service firms, to the advanced

manufacturing supply chain in electronics and photonics. Crucially this will be the simultaneous development of the right skills and infrastructure to support a flourishing quantum cluster in the Midlands.

There is currently limited data available for accurately quantifying quantum technology activity in the UK and its regions. However, this document attempts to put together available information about quantum technology in the Midlands, produced by Midlands Engine Observatory. Due to the nascent nature of data in this sector and the cluster's relative nascency, the findings should, therefore, be taken with some caution.

1. For the purposes of this document, the 'Midlands' is defined as the 10 Local Authorities that form the Midlands Engine following geography. Slight variations to the traditional four sub-regions are also shown on the map.



Megatrends in the Midlands



MIDLANDS ENGINE

EXPLORING THE INVESTMENT POTENTIAL OF MIDLANDS CLUSTERS

OVERVIEW REPORT

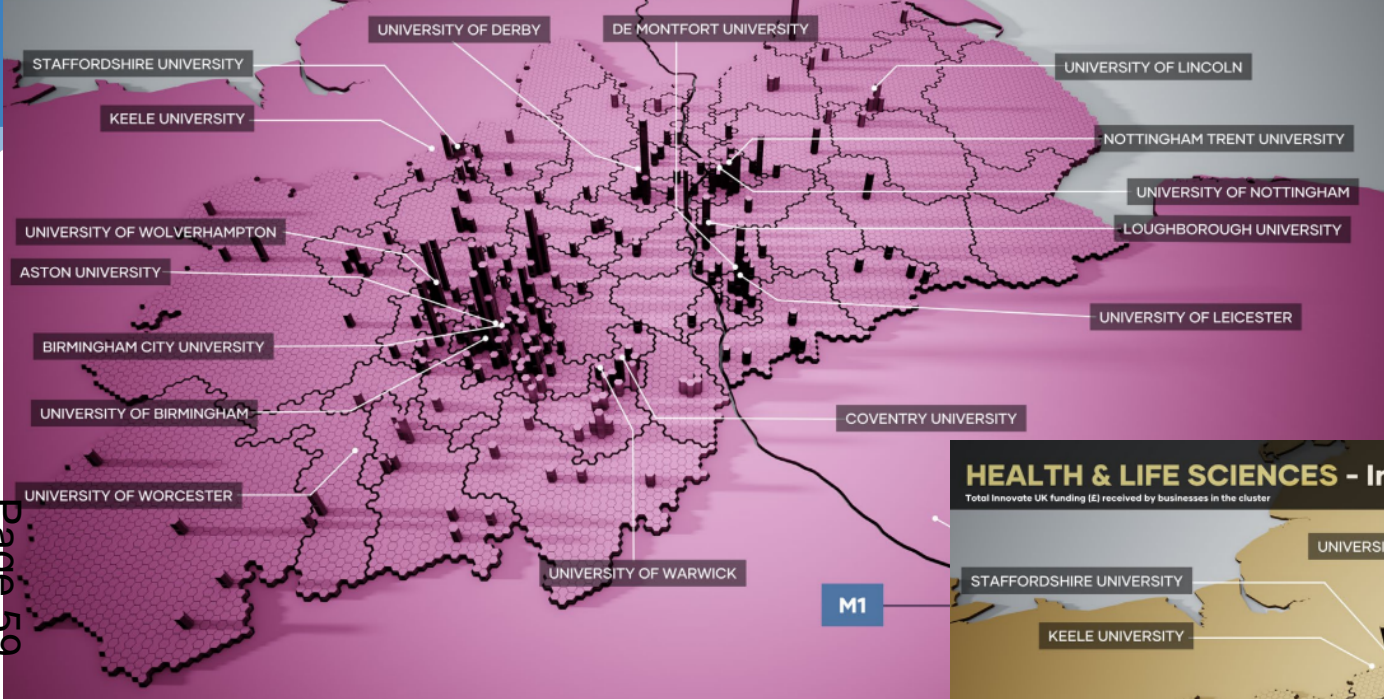
MIDLANDS ENGINE

EXPLORING THE INVESTMENT POTENTIAL OF MIDLANDS CLUSTERS

HEALTH & LIFE SCIENCES - Innovation - Businesses

Count of innovative companies based on The Data City innovation score

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HEALTH & LIFE SCIENCES - Innovation - Funding

Total Innovate UK funding (£) received by businesses in the cluster

MIDLANDS ENGINE



midlandsengineintelligencehub.org

Home - Intelligence Hub

Home ▾ Macro economy Green growth Transport & infrastructure Digital Labour market & skills Global & investment Innovation Health & population Sectors & supply chain

lands Cluster Snapshot | NEW: Quantum Technologies Cluster Snapshot | NEW: Green & Hydrogen Jobs in the Midlands Report | NEW: AI Midlands Cluster Snapshot | NEW: Quantum Technologies Cluste

MIDLANDS ENGINE OBSERVATORY INTELLIGENCE HUB

The latest pan-regional data, research & expert insights from the Midlands Engine Observatory

A regional evidence base providing accessible, up-to-date intelligence for Midlands Engine partners, businesses and Government

About the hub How to use it

Areas of focus

The Midlands Economic Summit 2024

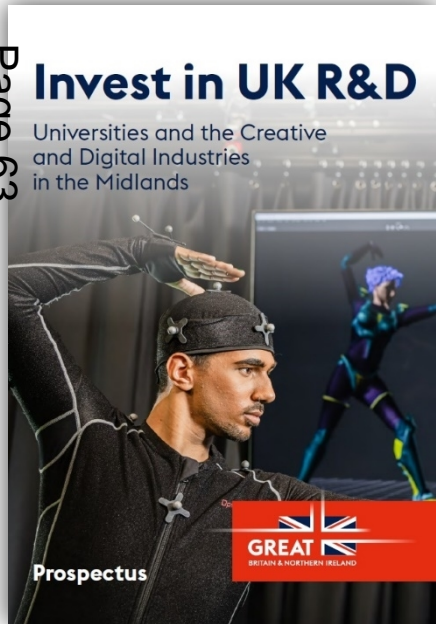




FOOD WHITE PAPER

Leading the transformation
of the UK food system from the Midlands

▶ FEB 2024





Developing the Midlands Forest Network

The Midlands Engine Area

£11.1bn

natural capital value

16%

of England's ancient woodland

462m

visitors annually to open greenspace

7.4%

woodland cover



Midlands Engine Investment Fund II

£400m to support the growth of smaller businesses in the Midlands

Launching in 2024



Key Priorities for 2024/25

Evidencing

- Energy Security White Paper
- Cluster Deep Dives
- Note: Wider research programme being finalised with the RIPP Group

Convening

- Midlands Economic Summit 2024
- UKREIIF 2024
- The King's Awards
- State of the Region 2024

Advocating

- Universities as Drivers of Trade and Investment
- Asset Backed Vehicle for the Midlands
- Midlands Green Bonds
- Ukraine Reconstruction Programme

Issues and Risks

Issues and Risks

- Political uncertainty
- Government finances
- Duplication and overlap with partner work

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[midlandsengine.org](https://www.midlandsengine.org)

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Economic Growth Board

Date	6 March 2024
Report title	Single Settlement – Local Growth & Place Pillar
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	State any previous Panels or Boards who have reviewed this Board Report

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Provide direction on the ambition, outcomes and implications of the ongoing discussions with Government on the Local Growth & Place pillar of the Single Settlement.

1. Purpose

- 1.1 With a Spending Review process expected to take place during summer 2024, the WMCA expects to negotiate its first Single Settlement, committed to in the March 2023 Deeper Devolution Deal. This report seeks views from the Economic Growth Board on the functional pillar of 'Local Growth & Place' – particularly on issues of pillar scope, outcomes and funding implications.

2. Background

- 2.1 In January the Economic Growth Board received a report about the Single Settlement to be agreed between the WMCA and Government at the next Spending Review. The settlement will increase the region's autonomy, ability to prioritise decisions locally, and ability to reprioritise across its own budgets under a streamlined, overarching, single accountability framework coordinated by DLUHC, rather than multiple frameworks administered by different departments.

- 2.2 The benefits of this are that the WMCA and its partners can plan and prioritise activities more efficiently and strategically, addressing the barriers and opportunities that create sustainable, long-term inclusive growth. It overcomes the short-termism, high transaction costs and strategic misalignment that can come from national bidding and allocation processes.
- 2.3 The March 2023 Deeper Devolution Deal set out how the Single Settlement will be structured around five pillars - Local Growth & Place; Housing; Transport; Skills and Net Zero. The previous report focused on the role of locally-led place-based strategies to highlight priorities that will inform the functional strategy for each of the five pillars.
- 2.4 Each pillar will see agreement between the region and Government on:
- a) the outcomes and associated outcome indicators.
 - b) the funding approach, proportionate to the outcomes.
 - c) the decision-making and governance related to the funding and outcomes.
- 2.5 This report informs EGB about discussions with Government on the Local Growth & Place pillar – EGB’s principal area of responsibility. EGB is asked to provide initial steers on the pillars scope/ambition, outcomes, and implications of funding. These are framed within the immediate processes to prepare for the first Single Settlement (which is likely to relate to a one-year Spending Review in 2024). The aspiration is that over future multi-year Spending Reviews, there will be opportunity to build upon what works, as explained throughout the report.

3. Ambition of the Local Growth & Place pillar

- 3.1 The November 2023 Memorandum of Understanding between Government and the trailblazing Combined Authorities sets the broad scope of the Local Growth and Place pillar to cover:
- a. Activity that promotes place-based economic development, improves productivity, and aims to reduce inter-and-intraregional spatial economic disparities.
 - b. Coordination and delivery of local programmes to drive business productivity whilst ensuring integration between local and national business support activity, enabling businesses to access support.
 - c. Regeneration, place-making, and improvements to local infrastructure.
 - d. Activities that promote pride in place, including but not limited to measures to improve social cohesion, the improvement of public facilities and the public realm, for instance on high streets.
- 3.2 These activities relate to the WMCA’s statutory economic development and regeneration functions and cover a broad range of work. Therefore, while the devolutionary potential is significant, meaningful progress depends on this translating into funding. Discussions with Local Authority Directors of Economic Development have emphasised the importance to be ambitious in discussions with officials about how this might extend into aspects of sectoral growth funding, business growth capital, place-based cultural and tourism investment, translational R&D and the attraction of inward investment and capital.
- 3.3 Analysis by the WMCA and discussed with Directors of Economic Development indicates that, had a local growth & place pillar been in place across the current multi-year Spending Review period, potentially up to £1bn of locally/regionally-delivered activities [capital & revenue] would have been covered through the scope set in para 3.1 from

across at least four departments (DLUHC, DBT, DCMS, DESNZ). The pillar could draw together different types of historic funding:

- Funding bid for locally and allocated through national competitions (e.g. LUF).
- Funding allocated nationally for local delivery (e.g. Towns Fund, Innovation Accelerator).
- Funding allocated nationally for regional/local delivery (e.g. UKSPF, Made Smarter, Commonwealth Games Legacy Enhancement Fund).

3.4 In discussions with officials, Government's initial approach is to incorporate a relatively narrow range of funding streams. This would still bring about some benefits (e.g. certainty to plan; flexibility to meet priorities; fewer transaction costs from bidding), but the relatively limited scale risks limiting benefits. For instance, the WMCA and local authorities would be limited in the degree to which they might align with locally-retained revenues and deployed with a level of risk appetite that reflects the greater scale and diversification of activities. These constraints could, in part, be mitigated by the 2024 Spending Review being for a short period (perhaps one year), with opportunity to develop the scope over future multi-year Spending Reviews.

3.5 Therefore, the EGB is asked to give a steer on the issue of pillar ambition / scope, where the current stance is to continue engaging with officials to ensure that at a minimum the pillar ought to incorporate ongoing funds which are in the scope of the pillar.

4. Outcomes Framework

4.1 The approach being taken across the Single Settlement is to identify the key outcomes for each pillar. With the onus of the Levelling-Up White Paper on long-term transformative missions (to 2030), the region has similarly ambitious aims. The outcomes framework will also be the main accountability mechanism for the single settlement.

4.2 The WMCA is clear, therefore that the outcomes framework is directly relevant (i.e. there is a causal link between inputs and the outcome indicators) and proportionate to the contents and funding of the Single Settlement. While the region as a whole may have broader aims (e.g. about boosting economic growth/productivity; attaining net zero by 2041, etc.), the outcomes framework will be more specific.

4.3 For the Local Growth and Place pillar, some long-term outcomes that follow the scope of the pillar definition in para 3.1 include:

- Sustained increase in productivity by firms receiving intensive assistance (rolling 5yrs post intervention).
- % increase in people satisfied with the place they live in – aligned to Mission 9 of the Levelling-Up White Paper.
- % increase in cultural engagement.

4.4 Recognising the outcomes above have significant time-lags between activity and outcome, that means they are not well-suited to solely comprising a framework that holds WMCA and regional partners to account. Therefore, options for more granular 'outcome indicators' include:

- Number of intensive business assists leading to business / investment plans
- Degree of private sector leverage

- % increase in people satisfied in the place they live in
- Cultural floorspace created, refurbished or brought back into use
- % in cultural engagement data
- % increase in high-street footfall

4.5 These can all be further developed through the various engagement channels with Government, including the co-development of the West Midlands International Strategy and Strategic Productivity and Innovation Partnerships between the region and Government.

4.6 The EGB may wish to steer on the proposed nature and use of pillar-related outcome indicators.

5. Next steps and implications

5.1 WMCA officers, in conjunction with local authorities and partners, will continue to negotiate the terms of the Local Growth & Place pillar ahead of decisions by WMCA Board and Government in the summer through the Spending Review.

5.2 In addition to the ongoing discussions with Government, the WMCA and partners can begin to consider implications for within-region work based on the direction of travel on scope / funding. For example:

- For national funding streams ‘in scope’ of the pillar, it is assumed that already-announced funding will continue to flow directly to local authorities but future funding (post April 2025) will be allocated and prioritised through the WMCA. While local authorities remain a major instigator and delivery vehicle for place infrastructure along with private sector developer partners, the type of local preparatory work could evolve from bidding to more strategic place masterplanning. This coincides with the approach to place-based strategies shared in January’s EGB.
- As things currently stand, it appears unlikely that funding in the first round of the Local Growth & Place pillar will relate to large-scale R&D, inward investment/international and tourism activity. Therefore, officers from the WMCA and partners will continue to engage with officials on proposals and spending decisions which formally sit outside of the Single Settlement but still relate to funding and outcomes set in para 3.1.

5.3 The EGB may wish to consider what further work would be helpful ahead of April 2025 to ensure the WMCA, local authorities and partners across the West Midlands are set to make the most of the Local Growth & Place pillar of the Single Settlement.

6. Financial Implications

6.1 There are no direct funding implications from this paper, as it is requesting EGB to provide direction on the ambition, outcomes and implications for the Local Growth & Place pillar of the Single Settlement.

6.2 Through the discussions with EGB and the future negotiations with Government to shape the Single Settlement there will inevitably be financial implications arising, that will need

to be understood and reviewed by the WMCA governance routes and demonstrate value for money.

7. Legal Implications

- 7.1 While there are no direct legal implications arising from this report. The Economic Growth Board will consider the recommendations of this report within the context of the devolution deal with central government and its own statutory functions and responsibilities to its policy commitments as set out this report.

8. Equalities Implications

- 8.1 There are potential socio-economic benefits as a result of the Single Settlement, Local Growth Place Pillar initiative via place-based economic development and improved productivity, therefore reducing economic disparities and increasing improve social inclusion for citizens. Completion of a full health and equity impact assessment is recommended for deeper analysis and understanding of the equalities implications with respect to protected characteristics as defined by the Equality Act 2010.

9. Inclusive Growth Implications

- 9.1 The Deeper Devolution Deal, which includes the Single Settlement, seeks to 'level-up' the inter- and intra-region disparities in the UK and West Midlands. This report focuses on the Local Growth and Place pillar which relates closely to the Inclusive Economy and Connected Communities fundamentals of the Inclusive Growth framework. By seeking an ambitious scope for the pillar, the WMCA will maximise the influence of constituent authorities to improve living standards for everyone, leaving nobody behind.

10. Geographical Area of Report's Implications

- 10.1 This report refers to the Single Settlement which will cover the WMCA area of the seven metropolitan authorities. Funding included in the Single Settlement may be able to be used outside of that area (i.e. in non-constituent authorities) should there be a direct benefit for constituent authorities. All decisions will be taken through WMCA decision-making processes, including with reference to the Single Assurance Framework.

11. Other Implications

- 11.1 There are no other major implications.

12. Schedule of Background Papers

- 12.1 None

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Economic Growth Board

Date	6 March 2024
Report title	UK Shared Prosperity Fund (UKSPF) – Year 2 and Year 3 Programme position
Portfolio Lead	Councillor Stephen Simkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Executive Director, Employment, Skills, Health and Communities, West Midlands Combined Authority Email: Clare.Hatton@wmca.org.uk
Report has been considered by	ESHC Senior Managers meeting (31/1/24) Ed Cox, Executive Director SENZ (1/2/24) Directors of Economic Development (8/2/24)

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- 1) **Note** update on Year 2 UK SPF financial forecasting position.
- 2) **Note** approach and actions agreed for Year 3 UK SPF, including DLUHC's change in approach to carry forward and year 3 payment profile.
- 3) **Note** WMCA's S151 approval in respect of onward contracting/payment of Year 3 allocations and carry forward of underspends to LA's.
- 4) **Receive and note** Update on internal WMCA led Business Support projects position including mitigations to utilise underspend.

1. Purpose

- 1.1. This paper has been written to provide Economic Growth Board members with an update position of the overall UKSPF programme, including forecast financials for Year 2 end and approach to managing and contracting Year 3.

2. Background

- 2.1. WMCA is the lead authority and accountable body for UKSPF across the 7 Met area, including responsibility for developing its investment plan, and for delivery of the Fund thereafter.
- 2.2. The overall UKSPF allocation for the 7 Met area is £88,408,357, awarded incrementally on an annual basis (2022-23 £10,729,170/ 2023-24 £21,458,339/ 2024-25 £56,220,848). This is broken down across the WMCA and 7 Mets as follows:

	UKSPF: total local allocations	Year 1 (22/23)	Year 2 (23/24)	Year 3 (24/25)
Birmingham	£26,769,826.36	£2,173,950.00	£7,600,384.36	£16,995,492.00
Coventry	£8,869,027.08	£715,101.00	£2,565,928.08	£5,587,998.00
Dudley	£7,471,502.82	£600,674.00	£2,173,402.82	£4,697,426.00
Sandwell	£7,656,778.60	£626,877.00	£2,214,778.60	£4,815,123.00
Solihull	£4,973,448.50	£364,346.00	£1,502,489.50	£3,106,613.00
Walsall	£6,691,766.64	£542,827.00	£1,948,599.64	£4,200,340.00
Wolverhampton	£6,528,661.00	£511,226.00	£1,920,420.00	£4,097,015.00
LA Allocation	£68,961,011.00	£5,535,001.00	£19,926,003.00	£43,500,007.00
Business Support	£17,836,011.00	£11,241.00	£6,582,762.00	£11,242,008.00
WMCA/LA retained Management fee	£1,611,335.00	£44,168.00	£88,334.00	£1,478,834.00
Total	£88,408,357.00	£5,590,410.00	£26,597,099.00	£56,220,849.00
Year 1 c/f		£5,138,760.00	-£5,138,760.00	
Govt Allocation	£88,408,357.00	£10,729,170.00	£21,458,339.00	£56,220,848.00

- 2.3. DLUHC issued a letter (see Annex 1) on 9th November 2023 detailing a change in direction of how they will manage Year 1 and 2 total spend, which will determine how Year 3 funds are released to WMCA. The letter also confirms guaranteed retention of Year 2 underspends, and confirmation that Year 3 allocations will be fully available depending on actual spend at the end of the programme in March 2025. Given that the Year 2 return to government isn't due to be submitted until 1st May

2024 for review. It is unlikely any funds/funding agreements will be received until at least June 2024 for Year 3.

- 2.4. DLUHC have now fully developed and launched their reporting platform for all UKSPF returns, which require WMCA S151 sign off to submit.
- 2.5. The WMCA developed data platform is in final stages of testing, imminently to be launched for LA partner reporting, the intent being that this will also be utilised across other non-ILR skills delivery programmes/funding streams such as CWG LEF.
- 2.6. In addition to the internally commissioned Business Support evaluation, WMCA have agreed to take part in a Communities and Place based evaluation programme which is due to commence later in this calendar year.

3. Year 2 Position & Year 3 Local Authority Onward Awarding

- 3.1. Given the revised position from DLUHC and the need to manage the overall UKSPF programme in an agile way to ensure maximum spend by March 2025, and given that there is substantive risk of potential delays and the large volumes of funding allocations to be spent within Year 3. WMCA senior officers have considered the impact of these changes, including a review of current forecast LA underspends, and submitted recommendations to the WMCA s151 officer.
- 3.2. WMCA S151 approval was received on the 8th December 2023 to the following:
 - 3.2.1. Local Authorities will be able to retain and carry forward any underspends identified at the end of Year 2 into Year 3.
 - 3.2.2. Local Authority Year 3 contracts can be issued to Local Authorities based on the assurances provided in the letter of the 9th March (Annex 1) in advance of the 24/25 financial year.
- 3.3. This position has been communicated to our LA SPF Leads and WMCA FDs. Contracting preparation work has now commenced with colleagues in WMCA Legal and Finance. LA's have been asked to provide project level detail for year 3 delivery activity including outputs, outcomes and financial detail, which will form part of this year 3 back-to-back funding agreement.
- 3.4. Continuation of current delivery and early mobilisation of projects in year 3 is critical due to the size of the year 3 allocations. Given that payment of year 3 funds from DLUHC is subject to the WMCA meeting the spend thresholds against combined year 1 and year 2 spend, as detailed in the letter at Annex 1, work has been carried out with Finance colleagues including a review and change of payment conditions to be included in the year 3 funding agreement. Performance, delivery and spend to date has also been reviewed as part of this. Therefore, the following payment profile is being proposed, which will be taken to WM Finance Directors meeting in February to be considered and agreed:

1 st Payment* May 2024	2 nd Payment** Aug 2024	3 rd Payment** Nov 2024	4 th (final) Payment Mar or May 2025 (TBC*)
20%	20%	30%	30%

- 3.5. The above is aligned to the DLUHC payment profile based on threshold 4 which assumes a 'worst case scenario' of 60% - 79% underspend carrying forward from year 2 to year 3 and payment profile of 70% advance and 30% in arrears. Releasing an initial advance payment to support project mobilisation and potentially retaining 30% as final payment in line with potential arrears payment from DLUHC.
- 3.6. In addition to the payment profile, an adjustment to the virement timeline has also been reviewed. Noting that at the end of Q1 2024/25 (July 24), if there is a justification for developing and implementing mitigation actions plans, WMCA will commence these, consulting with EGB accordingly. At Q2 2024/25 reporting point (due Oct 2024) enhanced reporting will be required to include a detailed expenditure forecast to the end of the programme (31st March 2025). Local authorities will then be asked to indicate appetite for additional funds through a short additional project funding request to inform virement planning. Virement at this point in the contract year will ensure full spend is manageable by the contract end date of 31st March 2025. Economic Growth Board will be engaged on decisions around potential virement options and all other conditions relating to virement remain the same.
- 3.7. Project development work is ongoing with Local Authority Partners across all three pillars to finalise project detail. The current proposals are included, by LA partner in Annex 2.
- 3.8. Onward contracting, which is expected towards the end of February 2024, will include an updated back-to-back Grant Agreement, updated Operational Plan and Delivery Schedules. Working with Legal colleagues, we will issue an addendum contract once we receive the Grant Determination letter from DLUHC, anticipated earliest June 2024, which will also capture any updated Deeds of Variation to onward contracts as per DLUHC Determinations.
- 3.9. Local Authorities current forecast position as at beginning of January 2024:

Year 2 predicted carry forward for full spend in Year 3	Communities & Place	Business Support*
Birmingham	£587,900.00	£808,464.00
Sandwell	£0.00	£262,000.00
Solihull	£0.00	£100,000.00
Walsall	£0.00	£40,000.00
TOTALS	£587,900.00	£1,210,464.00

**Based on latest data provided by Economy team. Coventry, Dudley & Wolverhampton forecast full spend.*

- 3.10. At the time of this paper, work is ongoing to support Birmingham City Council's position, with payments for Year 2 dependant on the S151 close-down of Year 1.

4. WMCA Internal Business Support Project Position

- 4.1. WMCA regional Business Support project mobilisation has begun; however, the Economic Delivery team have identified forecast underspend against WMCA regional business programmes for Year 2 and Year 3 set out in the table below, this was also reported to EGB in January 2024:

	Year 2 Allocation	Total Forecast Spend	Underspend Forecast
Decarbonisation Net Zero Grants	£1,561,502	£1,561,502	£0
Investment Readiness Grants	£792,000	£792,000	£0
Plan for Growth **	£648,000	£653,274	£-5,274
FDI/Growth Company	£1,600,000	£1,600,000	£0
Core Hub (CRM/Campaigns & Core Hub)	£1,284,584	£623,324	£661,259
Strategic Relationship Management (SRM)	£696,676	£0	£696,676
Total Year 2	£6,582,762	£5,230,100	£1,352,662
Total Year 3			£1,977,324
Total Business Support Underspend *			£3,329,986

*Based on latest data provided by Economy team ** Forecast overspend on Cluster

- 4.2. ESHC and Economy teams worked through a long list of alternative project proposals to bridge the forecasted underspend at a meeting 19th December 2023, and proposals included in the EGB Business Growth WM report considered by EGB in January. A full list of the alternative projects to be progressed is now set out at Annex 3.
- 4.3. The initial selection of alternative projects leaves £268,986 still to be allocated to Business Support projects and work is currently underway on a cross Directorate model of SME support via a joined up approach with Business Growth West Midlands and ESCH colleagues on a blue print for how people and skills products could be made available through BGWM to support SME productivity and growth through talent acquisition and workforce development to support business engagement in skills offers and thereby enhancing the SME accessibility people and skills and supporting the reduction of youth unemployment. In addition to this a Health-led programme is also being developed around the existing model of Thrive at Work, to be delivered in conjunction with BGWM.

4.4. Work has now commenced on the mobilisation of these alternative projects by ESCH & Economy colleagues, in consultation with Legal, Procurement & Finance colleagues.

5. Strategic Aims and Objectives

5.1. The aim of UKSPF is to reduce inequalities between communities, as part of the Government’s wider “levelling up” agenda. The UK Shared Prosperity Fund (UKSPF) will increase life chances and build pride in place across the UK, by empowering places to invest in local priorities across three priority areas:

- Communities and Place
- Local Business
- People and Skills

5.2. Regional and Local project and programme delivery activity will align and deliver against the WMCA Regional Skills Plan, The WM Plan for Growth and the following strategic aims and objectives:

- Promote inclusive economic growth in every corner of our region.
- Ensure everyone has the opportunity to benefit.
- Develop our partner to be a good regional partner.

6. Financial Implications

6.1. This paper provides a position on the UKSPF year 3 Local Authority payment profile and change the virement timing from Q3 to Q2. The proposed payment profile is as follows, subject to discussions and agreement with WM FDs in February:

1 st Payment*	2 nd Payment**	3 rd Payment**	4 th (final) Payment
May 2024	Aug 2024	Nov 2024	Mar or May 2025
20%	20%	30%	30%

6.2. The paper is also noting the letter from DLUHC (Annex 1) in November that:

- Confirms year 2 underspends can be rolled over into year 3 (so no reconciliations or ‘credible plans’ needing approval).
- Confirms WMCA will be entitled to the full £88.4m over the 3 years.
- Payments to WMCA will be based on performance in years 1 and 2. The current ‘worst case scenario’ is delivery of 60% - 79% which means payment of 70% in advance and 30% in arrears.

6.3. The letter enabled WMCA senior officers to consider the impact of these changes, including a review of current forecast underspends through discussion, and to seek approval from Section 151 Officer. This was approved in December 2023 as follows:

- Local Authority's year 2 underspend can be carried forward into year 3, estimated to be £1,210,464.
- Onward contracting to Local Authority's for year 3 in advance of receiving the grant award letter.
- Internal WMCA led Business Support projects underspend of £3,329,986 and mitigations of £3,061,000 to utilise underspend as outlined in Annex 3.

6.4. All funding has been subject to robust costing, VFM assessment and will follow the WMCA governance route.

7. Legal Implications

7.1. Legal has worked with the client and will continue to provide support in reviewing the updates to the programme in legal terms. The grant determination MoU and its associated funding conditions and obligations will be reviewed as well as subsequent agreements with partners with a view to mitigate risks.

8. Single Assurance Framework Implications

8.1. A programme business case was developed for WMCA UKSPF, this has been appraised and approved as part of the WMCA Single Assurance Framework Processes, including an updated Programme Business Case in January 2024. Project level cases across the 3 SPF themes are also subject to SAF appraisal and are being progressed aligned to individual maturity status.

9. Equalities Implications

9.1. UKSPF funding provides a wide range of provision/offers to residents (both capital and revenue), including those hardest to reach or furthest from the market, and includes a focus on areas of high deprivation, which includes a large proportion of residents from racialised communities. This enables us to support WMCA equality priorities, ensuring that all our residents can thrive and flourish regardless of their protected characteristics or background and support our target to reduce the employment gap. A WMCA Health and Equity Impact Assessment has been completed for the UKSPF programme and is attached at Appendix 1.

10. Inclusive Growth Implications

10.1. UKSPF is part of governments mission to level up the whole of the UK. It is about overcoming deep seated geographical inequalities and levelling up people's pride in place through a stronger social fabric and better life chances. Following engagement with our 7 met LA partners several principles were considered and agreed in how to maximise funding and local delivery activity including:

- Provision for 'communities and place' and 'people and skills' should be directed by Local Authorities – the investment in local provision in these areas will be determined by each local authority, in line with the principles of double

devolution. This should flex to the priorities in each local authority's own adaption of the inclusive growth framework.

- The proposed investment in business support should be co-designed with Local Authorities, taking forward the key recommendations of the WM Business Support Review, with a clear commitment to local delivery and alignment with other business support and services.

10.2. These principles and the overall intent of UKSPF funding clearly aligns with and supports delivery of our Inclusive Growth Framework. This includes people and skills activity which supports residents into employment ("inclusive economies" fundamental and "education and learning" fundamentals), community activity delivered locally through a mix of providers including VCS, and business support activity to grow our regions business to increase opportunities for our residents (in line with the "affordable and safe places" and "connected communities").

10.3. The principle of onward awarding SPF funding to our LA's underpins delivery of activity to support inclusive economy, power, and participation, connected communities, health and wellbeing and equality. LA delivery enables us to implement place-based decisions, enabling them to work with local communities, residents, and businesses. Including activity to identify local facilities to deliver programmes in areas that have limited connectivity or access to a car, implement digital programmes and provide access to good jobs and education.

11. Geographical Area of Report's Implications

11.1. This report covers the entirety of the WMCA (7 metropolitan district)

12. Other Implications

12.1. Procurement: As a result of the award of grant funding to WMCA for the next 3 years, there will be procurement requirements to deliver activity under the programme. The procurement activity that has already been undertaken should be managed properly to ensure compliance with the contract terms and conditions. Any future procurement activity should be raised with the procurement team, finance BP and a CRM raised to request legal assistance as early as possible to discuss the route to market and plan an initial timeline.

13. Schedule of Background Papers

13.1. Annex 1. DLUHC Letter

13.2. Annex 2. WMCA and Local Authority Year 3 Project Summaries

13.3. Annex 3. Alternative Projects

13.4. Appendix 1. Health and Equity Impact Assessment (separate attachment)

Annexes

Annex 1 - DLUHC Letter



Department for Levelling Up,
Housing & Communities

Department for Levelling Up, Housing
and Communities
4th Floor,
Fry Building
2 Marsham Street
London
SW1P 4DF

Dear Colleague,

As you may be aware, we have been engaging with Treasury colleagues to confirm our approach to the management of Year 2 underspends, well in advance of Year 3 of the Fund.

We are pleased to confirm a threshold-based approach, which will enable you to plan with certainty and know how much funding you will receive at the beginning of the next Financial Year (2024/25). We are also pleased to confirm that 100% of underspends from Year 2 can be retained by all lead local authorities for spend on your local priorities.

Under this threshold-based approach, you will be able to access all of your Year 3 allocation. Your initial payment for Year 3 will be determined by previous spend over the first two years of the Fund.

Those authorities who, on account of their spend in 2022/23 and 2023/24, are not paid their full allocations in the initial payment at the start of the next Financial Year will be paid the remaining balance at the end of Financial Year 2024/25, based on actual spend. Where any underspends remain at the end of 2024/25, as set out previously, we will expect these to be repaid to DLUHC.

We have established five bands of spend performance, shown in the table below, which shows the percentage spend required to receive each band of funding for initial payments in 2024.

% Total spend 2022/23 & 2023/24 (combined)	Initial Year 3 payment to local authority	Amount local authority can claim (in arrears)
1. less than 20%	0%	100%
2. 20% -39%	20%	80%
3. 40% - 59%	50%	50%
4. 60% - 79%	70%	30%
5. 80% and higher	100%	0%

Regarding reporting, as underspends will not materialise until year-end, please adhere to existing guidance and record spend and forecasts in line with your annual allocations for the mid-year report. If you would like to inform us of your likely underspends at the mid-year point, please include this in the narrative section of your report only.

We believe that this approach is far simpler and easier to both understand and achieve than the previous credible plans approach, and we hope that this delivers on the requests you have made over the past few months seeking certainty on underspends.

We also hope that the guarantee of retention of 100% of Year 2 underspends and the confirmation that Year 3 allocations will be fully available allows you to plan with confidence for delivery for Year 3 of the Fund.

Annex 2 WMCA & Local Authority Year 3 Project Summaries:

Regional Business projects

Each LA has been given an allocation to deliver elements of Business support as follows:

SME Grants

The WM Grants Programme aims to improve economic prosperity by stimulating business and enterprise activity, improving business confidence, encouraging investment, upskilling, and creating local jobs. To access the SME Grant, applicants must have been through a business diagnostic and be forwarded by an Account Manager. Grant funding of £2,500 to £100k with up to 50:50 match should be offered towards:

- Establishment of new business start-ups (£2,500-£7,500)
- Relocation, expansion and growth of existing businesses
- Develop new markets opportunities
- Promotional activities
- Innovation – Including the development of new products including prototyping, testing and commercialisation
- Low carbon/energy efficiency/waste management – Green grants (link to decarbonisation)
- Improving systems and processes
- Leadership and management development within SMEs
- Upskilling of SME workforce
- Capital investment, e.g., new plant, machinery and equipment
- Increase in productive capacity of new and existing premisses through new property builds/refurbishment/extensions.

NZ Grants

Net Zero Grants aims at removing financial barriers and enable SMEs to make carbon savings through increased energy and resource efficiency. All businesses receiving grants will have to pass through an energy audit and be supported in applying for a grant by the Account Manager. Up to 50:50 matched grant funding of £2.5k - £7.5k for new business start-ups and £5k to £100k for established SMEs. The capital grants will cover energy/resource efficiency improvements to business premises (but not limited to):

- Ventilation (fans, distribution, destratification fans)
- Heating (replacement boilers, burners, heat pumps)
- Renewable technologies
- Lighting (LED, controls, sensors)
- Refrigeration
- Compressors
- Insulation
- Recycling & Waste (compactors, balers & crushers)
- Water management

Business Advisors

A customer facing Business Support Advisory and Account Management capability embedded at each LA, with the main objective to reduce fragmentation and offer a consistent, unified, and standardised business support offer in the region in coordination with the local partners. The main responsibility of the customer facing Business Advisors are (but not limited to):

- Delivery of advisory service (universal, for businesses and entrepreneurs: enquiry handling, triage, assessment*, brokerage, referrals)
- Filter client enquiries through the funnel and provide an action plan while signposting to relevant service providers if not covered within the local delivery provision.
- Extensive knowledge of business support landscape to integrate regional & national programmes. Promote non-financial offer
- Collection of local data and Reporting

The main responsibility (but not limited) of the account management function is to engage with the potential growth opportunities filtered through from the initial advice, consultation or inquiry. With a proactive approach, carry out direct client acquisition through a targeted approach i.e., size turnover and manage (often multiple) interventions with clients with regular follow ups.

Local Authority	SME Grants	NZ Grants	Business Advisor
Birmingham	£2,370,490	£1,158,906	£2,252,800
Coventry	£737,105	£360,362	£921,600
Dudley	£610,451	£298,443	£819,200
Sandwell	£639,765	£249,521	£819,200
Solihull	£346,068	£312,774	£716,800
Walsall	£545,736	£169,189	£819,200
Wolverhampton	£510,385	£266,805	£819,200

Birmingham

Community and Place - £4,000,000

Awaiting finalised Year 3 project plans however we anticipate projects will include;

- Support for high streets and public realm to support vibrant and viable socio-economic infrastructure around the high street leading greater footfall, higher satisfaction and ultimately more sustainable and desirable for residents to live and work.
- Support for existing and emerging local cultural and arts organisations to engage residents and support local communities.
- A number of projects under the "Working Together in Birmingham's Neighbourhoods" Policy support community anchor organisations through infrastructure grants, capacity building, regeneration, and local community engagement

People and Skills - £7,103,296

PURE - The Pure project will provide intensive support to inactive and unemployed participants who have complex multifaceted needs through wrap-around support and work readiness activities to move participants closer to or into employment.

Employment & Skills - Community-based support for young people and vulnerable adults who have additional barriers to employment supporting them to overcome their barriers and start to work towards employment outcomes, volunteering, or training.

Coventry

Community and Place - £691,786

Awaiting finalised Year 3 project plans however we anticipate projects will include support for Voluntary and Community Sector organisations to support regeneration and engagement activities.

People and Skills - £2,767,145

Hub & Spoke Employment Support - Providing employment support to Economically Inactive, Unemployed and Employed (low paid) residents using a Hub and Spoke approach. Target groups to include; 50+, economically inactive and low paid women, ethnic minorities, young NEETs, multiple complex needs and those with disabilities and health conditions. Support will be provided using a person-centred, holistic approach.

Dudley

Community and Place - £1,412,958

Vibrant Town Centres and Places - Improve vibrancy in town centres and high streets including pilot project to develop a town centre partnership for Dudley Town Centre. Identify challenges and deliver targeted support to retail and leisure businesses.

Community Capacity building - Support Community organisations through capacity-building programmes such as forums on bid writing and managing projects.

Destination Marketing - Refreshed promotion and marketing campaign for Dudley's local areas of historic interest, visitor attractions, and experiences to increase visitors and pride in place.

Cultural Heritage - Produce and deliver a cultural strategy for the borough supporting cultural activity and events via the promotion of spaces and piloting a cultural calendar of events to improve the visitor experience.

Community Engagement - Pilot a consistent and community-led participatory structure / structure for engagement and local democracy.

Digital inclusion - Infrastructure programme to support overall project plan for Dudley including equipment and where needed Internet.

Local Business - £130,374 (bespoke local offer)

Pre & Post Business Start-up Support - Start-up and growth support including incubation to improve the life chances of new businesses. The budget will be used to commission start-up support appropriate to Dudley's needs.

People and Skills - £1,316,000

Employment and Skills - An individualised offer with key worker support to understand aspirations, reduce barriers and progress participants into education or employment. Delivery will be both in-house and through procured Voluntary Sector Organisations and supported by providers on the Council's DPS.

Sandwell

Community and Place - £890,000

Green Spaces - Sandwell Valley Park community engagement programme around green spaces and land-based activities.

Green Corridor - The Railer/Cracker green corridor improvements and community engagement programme.

Local Business - £514,077 (bespoke local offer)

Start-up Grants - Start Up grants aimed at fostering business and entrepreneurial endeavours to enhance business confidence, stimulate enterprise activity, and inspire individuals to transform their business concepts into tangible realities.

Business School - A program designed to familiarise aspiring entrepreneurs and emerging businesses with practical insights and training pertinent to the actual experiences, opportunities, and obstacles involved in establishing a small business.

Enterprise Hub - Startup and enterprise hub providing space for meetings, accommodating networking events, business events, training courses, and workshops. in Sandwell with a dedicated space for startup businesses.

People and Skills - £1,592,560

Awaiting finalised Year 3 project plans

Solihull

Community & Place - £715,971

Communities - Investment in community infrastructure to improve and increase community access to physical assets, such as community hubs and youth centres in their

neighbourhoods. Levelling up approach across the borough to promote greater equality of access to community infrastructure.

Family hubs - Provide Community and Family Hubs through investment in new and existing community assets ensuring they are realising a community benefit including refurbishment and renovation of community buildings including asset transfer and community management to make them more accessible and relevant to their local community.

Arts and Culture - Strengthening and embedding creative arts and culture in local neighbourhoods, fostering a sense of local pride, and belonging, building safe and resilient neighbourhoods through involvement, participation and attendance in arts and culture. Supporting local creatives to develop their offer and audiences and supporting people to progress in work in the arts, culture, and creative industries sector.

Greenways - Development and enhancement of Solihull's green corridors through planting of 100 trees, 50,000 bulbs, 30,000 plants and 300m² of wildflowers.

High Streets and Local Centres - Improvements to high Streets and local centres including Digital Advertising Campaign, designed to drive traffic to the Visit Solihull website and promote visits, events and attractions in the Solihull Borough

Kingshurst - Community engagement and community capacity building activity to support the community to develop the skills, capacity, knowledge, and networks to drive and manage the offer that is delivered from the new village centre. We are particularly looking at opportunities that build on our current engagement with the voluntary and community sector and the potential for social enterprises to be involved in the new Community, Health and Wellness Hub.

People and Skills - £905,000

Employed for Success - building build on work delivered through the Chelmsley Wood Recruitment and Training Centre, using an established community facility to deliver training, events, jobs fairs, outreach, and recruitment support. It will also support a tailored and responsive employment support offer for digital and employability skills complimented by the Adult Education Budget and Multiply provision. Interventions will include:

- 1-1 support from a key worker to provide ongoing employment and support
- Employer Engagement team to support local businesses
- A rolling programme of small group employment support workshops

We will work with VCS organisations to provide specialist employer engage, community outreach and the development of integrated health services.

Walsall

Community and Place - £1,484,295

Vibrant Places - A range of regeneration activities across the Borough to attract new investment and to create more local jobs, a stronger economy, greater opportunities for residents, and more positive experiences for visitors.

Heritage and Culture - Delivery of the Walsall Heritage Strategy and specifically development support for Walsall Heritage Forum, holding events, training sessions and networking with partners in the public, voluntary and private sector.

Cohesive Communities - Community interventions to address local need and build safer, cohesive and resilient communities and a thriving voluntary sector.

Sustainable Neighbourhoods - Community Energy programme to provide energy efficiency advice and financial support to residents across the Borough in response to the cost-of-living crisis and the continued high level of energy costs-both gas and electric.

People and Skills - £1,071,919

Walsall Works - Providing personalised intensive employability support targeted at economically inactive residents and disadvantaged groups through wrap-around support and specialist provision including bespoke qualifications, advice and guidance, childcare support and travel.

Steps to Work - A community-based support service support to economically inactive residents aged 16+ to engage with the labour market. Delivery will be focused on those from priority groups with additional barriers to employment and will offer a broad range of support for participants to become work ready.

Wolverhampton

Community & Place - £885,000

Communities - Voluntary and Community Sector Grant programme - place-based activities engaging residents.

Vibrant High Streets - Improvements to High Streets and City Centres.

Green Spaces - Smestow Valley Nature Reserve improvements to accessibility, habitat creation, spaces for residents.

Local Business - £450,000 (bespoke local offer)

Start up Support - Provision of start-up support that targeting new enterprises (sole trader, micro business, small and medium-sized enterprise, or large business and includes social enterprises) to engage and access skills that will provide them with the right foundations to prepare, start and ensure the survival of their business.

IGNITE - Establishment and ongoing running costs of enterprise hub supporting local businesses to start up and grow.

People and Skills - £1,055,800

Wolves at Work Council led - Council led provision via the established Wolves at Work programme, delivering intensive and wrap around one-to-one support for economically inactive residents.

Wolves at Work – VCS led - VCS led (via tendered contracts around 4 themes) intensive and wrap around one-to-one support for economically inactive residents.

ESOL - Providing support for residents not eligible for adult education budgets
Vocational Training – Specific vocational training for priority sectors

Annex 3 – Alternative Projects Confirmed and Agreed

New WMCA Business Projects	TOTAL
Made Smarter	£96,000.00
Night Time Economy Safety Assets	£45,000.00
Increased funding for SME Grants to LA's (onward awarded to LA's with y3 contracts)	£380,000.00
5% Fund Project – 'skills hub' for BGWM	£40,000.00
Export Programme	£1,000,000.00
Supply transition	£750,000.00
Community Business Support	£250,000.00
Transition to Work Bursary Fund (via ESHC)	£500,000.00
Total	£3,061,000.00
Forecast underspend available	£3,329,986.00
Remaining for proposals as set out on Section 4.3 of main report	£268,986.00
Balance	£0

Made Smarter - The Made Smarter programme has asked for additional funding of £96k to 'bridge the gap' between Jan 2024 and April 2024 ensuring a consistent pipeline of activity is available. All Made Smarter funding for this FY has been allocated and this will enable consistency of delivery at scale in Q4.

Night-time Economy - providing consumables to our partner NTE-focused BIDs and a Women's Night Safety charity partner. Allocated via direct grant.

SME Grants to LA's - Utilising £380,000 of Core Hub budget for SME grants delivered by LAs was agreed by EGB in September and will be included within Year 3 contracting.

5% Fund - Test and learn through the 5% club employer audits as part of response to youth unemployment. The primary focus will be to benchmark cohorts of SME behaviours and attitudes in developing the skills and employability of young people (notably those NEET) through transition-to-work and workplace learning. (now part of the joined up ongoing development of joint project with BGWM as detailed at 4.4)

Export Programme – New programme to support regional exporting working with c250 businesses via procured tender.

Supply Transition – A more in depth SCT programme which broadens and, potentially, deepens, that funded through CWGLF supporting c160 businesses via procured tender.

Community Business Support – Model for community business support hub(s) via Grant Awards

Transition to Work Bursary Fund – Pilot Bursary to facilitate attendance, subsistence, and work attire/equipment for 18–22-year-olds, alongside AEB funded intensive work preparation skills, to support transition into apprenticeship.

Health and Equity Impact Assessment Tool

Equity and Diversity are fundamental to our overall vision of improving the quality of life of everyone who lives and works in the West Midlands and is embedded within our values and strategic aims and objectives.

This tool combines the Equality Impact Assessment (EqIA) and Health Equity assessment (HEAT) tools and has been developed to support our vision set out in the Equity and Inclusion scheme. It has been designed to facilitate the promotion of equity, diversity and inclusion throughout our work and encourage a holistic approach, helping us to realise the potential within our commitment to equitable outcomes.

Health equity is considered within the tool as health inequalities are unjust differences in health and wellbeing between different groups of people (communities) which are systematic and avoidable and by considering alongside equality in this evolution of the equality impact assessment, we will ensure that the proposed and existing policy can benefit a wide range of people and will not disbenefit anyone. Ultimately it enables us to take further strides to achieving our vision.

The tool guides the user with a series of questions and prompts to systematically assess implications for improving our work by promoting equity, diversity and inclusion, whilst at the same time supporting us to meet the legislative requirements of the Equality Act 2010.

It is intended for use in the development and/or renewal of policy, strategy and programmes and will help to mitigate against any potential negative impacts. It considers impact upon:

- The protected characteristics outlined in the Equality Act 2010 (Age, sex, race, religion or belief, disability, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership)
- Socio-economic differences by individual socio-economic position
- Area variations by deprivation level
- Vulnerable and inclusion health groups

There are 4 stages within the tool

1. Prepare
2. Assess
3. Refine and Apply
4. Review

The Tool:

Directorate	ESHC
People responsible for conducting and overlooking assessment	UKSPF Programme Team
Name or title of policy, strategy, programme or project being assessed	UK Shared Prosperity Fund
Date completed	20 February 2024
Date review due	31 March 2025
Person responsible for arranging review and monitoring	Lisa Hamilton

Prepare – agree the scope of work and assemble the information you need	
About your work	
Describe the main aims, objectives, activities, and outcomes of your work. Who is expected to benefit? How do you expect your work to reduce health and wider inequalities?	UKSPF is the governments flagship levelling up programme operating over 3 pillars; Community and Place, Local Business, and People and Skills. Investing in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.
Does your work affect the public or employees directly or indirectly? In what ways?	Indirectly through the allocation of grant funding to local authorities
Data and evidence	
What data, indicators and evidence are available on the equity, diversity and health equity issues in the key target groups? (Consider inequalities and discrimination in relation to the target groups. Consider national, regional and local data (e.g., census and local demographic data, national and regional reports, health profiles and local data such as JSNA, contract performance data and qualitative data from local research). Please use this section for a brief outline of the issues and include detailed data and information breakdown as Appendix A	WMCA do not currently collect demographic data from local authorities for UKSPF across the Communities & Place and Local Business Pillars, in year 3 demographic data will be collected for people and skills delivery. Objectives of the UK Shared Prosperity Fund are aligned to the Levelling Up White Paper missions, regional plan for growth and WMCA Skills Strategy as well as local plans and priorities. The UKSPF logic model is provided at Appendix 1.
Have you consulted interested parties? (including employees, community representatives or/and residents from the target groups?) Detail who will be affected by the policy, outcomes of consultation. If you haven't conducted consultation, is there need for consultation and who are you planning to consult?	The UKSPF Local Partnership Group is a diverse range of local and regional stakeholders who provide insight and expertise to support the achievement of fund outcomes, identifying need and opportunity. The WMCA Local partnership group is supported by a variety of stakeholders including Local Authorities, Voluntary Sector Councils, Chambers of commerce, Police, WMCA Race Equalities Taskforce, Further and Higher Education Institutions, WMCA Faith Strategic Partnership Group, Cultural Leadership Board, DWP and National Lottery Community Fund.
Is further research needed? (Consider if there is need for consultations, working groups, surveys, data etc) If yes, how will it be undertaken and by when?	A business evaluation has been commissioned to understand 'what works' across the Local business pillar and the impact of the Business Growth West Midlands Hub and Spoke Regional Business Model.

	<p>The People and Skills pillar is supporting a well-being pilot using the ONS 4 wellbeing questions to measure the impact of wrap-around support on individuals' mental health and wellbeing.</p> <p>Communities and place will be evaluated as part of the funders (DLUHC) evaluation, largely through case studies.</p>
<p>Which measures does, or could the programme or policy include to help promote equality of opportunity for and or foster good relations between people who share a protected characteristic?</p>	<p>As part of UKSFP requirements, government set out a clear framework of interventions, outputs and outcomes that project and programme activity must deliver against for all 3 themes. A full list of these interventions, outputs and outcomes can be found here: Interventions, Objectives, Outcomes and Outputs – England (publishing.service.gov.uk)</p> <p>All activity delivered through UKSPF across our region clearly aligns to and delivers against these interventions, noting that LA's have been given the flexibility to design and manage how they deliver these interventions locally to adapt to local characteristics and need.</p> <p>This flexible approach means our local areas were able to identify and delivery activity that represent the right solutions to improve local pride in place, increase life chances, help spread and create opportunity, and a sense of community and belonging. The balance of projects being delivered reflect local needs and opportunities.</p>

Assess – examine the evidence and intelligence			
Do you think that the policy in the way it is planned and delivered will have a negative, positive or no impact on any of the equality target groups (please detail in the table)			
	Distribution of Inequalities Which populations face the biggest health and wider inequalities for your topic, according to the data and evidence above?	Causes of Inequalities What does the data and evidence tell you are the potential drivers for these inequalities?	Positive/Negative/Neutral Impact
Age	Identified at LA level based on local priorities and need	LAs are identifying specific programmes in their local areas to support certain age groups, for example young unemployed or 50+ who are economically inactive	Potential positive impacts below will apply to specific age groups.
Socio Economic status or geographical deprivation	Identified at LA level based on local priorities and need	<ul style="list-style-type: none"> Although employment has returned to pre-pandemic levels, parts of the region have low levels of employment and high levels of unemployment. Despite a tight labour market, part of the region continue to display stubborn levels of long-term unemployment. The social economy in the WMCA area is diverse, but that diversity does not lead to asset wealth, or the rewards of growth being shared equitably. A literature review led by Locality (2020), indicated that diverse-led organisations are more likely to be micro enterprises (turnover of less than £10k per year), with lower levels of paid staff and barriers to accessing grants, funding and finance. Addressing this will help to address the region’s lower uptake of social investment. 	<ul style="list-style-type: none"> As well as deploying UKSPF funds for the improvement of high streets and town centres, community and neighbourhood infrastructure, and local green spaces, we anticipate using funding within the ‘communities and place’ investment priority to build capacity and support local civil society and community groups. As a result of LEP integration and institutional change, public and private partners across the region are repositioning business support in the West Midlands in accordance with the West Midlands Business Support Review. The Supporting Local Business investment priority will be a central plank of the cohesive, sustainable system advocated by the Review, including an integrated customer journey and core support offer to firms across the West Midlands, but with flexibility to respond to hyper-local needs and opportunities. There will also be a range of commissioned premium products targeting shared priorities.

- West Midlands Police has the highest crime severity score of all forces in England and Wales and a much higher rate of domestic abuse-related incidents per 1,000 population than other forces, leading to harm, disruption and homelessness for those women and children. This undermines the stability of communities and pride in place, and prevents victims from contributing to, or benefiting from social capital.
- [Research by Local Trust](#) has indicated that 20 wards in the WMCA area contain 'left behind places' with a lack of places to meet, lower levels of engagement and activity, and poor connectivity (in all respects) to the wider economy.
- The West Midlands' local context and needs include:
 - Productivity (GVA per hour worked) is 11% lower than the national rate, with slower growth over last five years, particularly in Walsall, Dudley and Wolverhampton.
 - Below average 5-year business survival rate in Coventry, Sandwell, Walsall, and Wolverhampton; lower job density across all areas except Solihull, and decreasing job density in Coventry, Dudley, Sandwell and Walsall.

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

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

Engagement has taken place through:

- A series of one-to-one meetings with officers and leaders from the 7 Local Authorities that comprise the WMCA area.
- Engagement with existing networks and groups – for example LA skills officers' group, LA Employment and Skills Boards, Colleges West Midlands, WMCA/Universities check-in meetings, West Midlands Combined Universities, Regional Business Council, WMCA Economic Impact Group, VCS Chairs Group, WMCA Faith Strategic Partnerships Group, WMCA Cultural Officers Group
- Engagement with WMCA taskforces and commissions – including homelessness task force, race equalities task force, Young Combined Authority

		<ul style="list-style-type: none"> ○ Declining high growth firms: 10% (over 5 years) and lower business demand for innovation. ○ Job density is –1, slightly below the national average, though this varies across the area from +22% in Solihull to –13% in Sandwell. ○ Manufacturing remains important to the economy with the highest GVA of all sectors, though total employees has fallen (-10%). <ul style="list-style-type: none"> ● The region also faces long-standing challenges in relation to ‘people and skills’, including: <ul style="list-style-type: none"> ○ lower GVA per head compared to national figures (£25.5k in the region compared to £30k nationally). ○ Relatively low employment and high unemployment, particularly in some parts of the region. ○ Growing in-work poverty, driven by low wage levels (average full-time wages in the WM 7 Met area are £2k lower than the national average). ○ Low skill levels in the population, with fewer people qualified to Level 4+ (37% vs 43% UK) and more people with no qualifications (9.6% vs 6.6% UK) compared to other areas; 85% of residents are qualified to Level 1(vs 88% UK), 72% to Level 2 (vs 78% UK) and 55% to Level 3 (vs 62% UK). 	<ul style="list-style-type: none"> ● Presentations for and meetings with individual organisations and sub regional groups/networks, on request – for example Office of the Police and Crime Commissioner ● A series of interactive webinars – open to all stakeholders, with recordings made available for those unable to attend ● Dedicated webpage and email address providing a single source of information and contact for queries. <p>The WMCA UKSPF high level Investment Plan was been developed in collaboration with our 7 Local Authority partners, recognising their key strategic and delivery role at a local level, aligned to local need. Through our detailed project planning process, a proportion of WMCA UKSPF funding has been awarded to support projects at a local level delivered by our Local Authorities.</p>
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		<ul style="list-style-type: none"> ○ Persistent skills shortages faced by employers; around 1 in 4 vacancies in the region are classed as 'hard to fill', particularly in roles that require advanced and/or higher skills ○ Lack of digital skills: 56% of people in the West Midlands do not have the essential digital skills needed for work. As a result, the WM has the highest proportion of employers who say they find applicants with digital skills difficult to find (38%). ○ Uneven development and attainment by young people through early years, primary, secondary and tertiary education and training (69% of children achieving a good level of development at the end of Reception, compared to 72% nationally in 2019). 	
Sex	Identified at LA level based on local priorities and need	LAs are identifying specific projects and activities in their local areas to support certain priority groups including women and children.	Likely that the positive impacts above will apply here.
Disability	Identified at LA level based on local priorities and need	LAs are identifying specific projects and activities in their local areas to support certain priority groups including those with disabilities whom are economically inactive.	Likely that the positive impacts above will apply here.
Race	Identified at LA level based on local priorities and need	LAs are identifying specific programmes in their local areas to support certain groups including racialised communities.	Likely that the positive impacts above will apply here.
Religion/belief	Identified at LA level based on local priorities and need	Neutral	Neutral
Sexual Orientation	Identified at LA level based on local priorities and need	Neutral	Neutral

Marriage and civil partnership	Identified at LA level based on local priorities and need	Neutral	Neutral
Gender reassignment	Identified at LA level based on local priorities and need	Neutral	Neutral
Inclusion health and vulnerable groups (for example people experiencing homelessness, prison leavers, young people leaving care)	Identified at LA level based on local priorities and need	LAs are identifying specific programmes in their local areas to support certain groups including those who are vulnerable or with health issues.	Likely that the positive impacts above will apply here.
If adverse/negative impact is noted to any of the listed equality target groups, can it be justified i.e. on the grounds of promoting equality of opportunity for any other group/s?	N/A		

Action plan: What specific action can your programme or policy take to maximise the potential for positive impacts and or to mitigate the negative impacts identified above				
Issues to be addressed	<p>Actions required</p> <ul style="list-style-type: none"> • Could you consider targeting action on populations who face the biggest inequalities? • Could you design the work with communities who face the biggest inequalities to maximise the chance of it working for them? 	Responsible Officer	Timescales	How would you measure impact/outcomes in practice?
Monitoring of performance and delivery	Given the limitations of SPF and the need to align with national frameworks, monitoring of delivery activity is crucial. A central SPF Programme Team has been established who are responsible for maintaining full programme level oversight. Templates have been developed for LAs and other delivery partners to complete that enable us to monitor delivery of	Clare Hatton	Live	This is captured through the M&E performance monitoring data

	outputs and outcomes and progress against our overarching Investment Plan approved by government.			
High level outcomes make it challenging to see the impacts at a local level	As part of operationalising UKSPF we have mandated that case studies be completed. Each of our LA provide monthly case studies across our programmes as part of M&E activity	Clare Hatton	Live	The local case studies provide additional data and insights outside of funder monitoring requirements to enable us to have an improved understanding of the activities progressing at a local level and the impacts these are having on residents.
Evaluation and monitoring: How will you quantitatively or qualitatively monitor and evaluate the effect of your work on different population groups at risk of inequalities? What output or process measures could you consider?	See sections above detailing the Business Programme Commissioned Evaluation, Funder led case study evaluations for communities, Demographic data collection and evaluation for Skills and Mental Health and Wellbeing outcomes pilot			
Review Date: Recommended between 6 and 12 months from initial completion	1 April 2025			

Appendix 1 UKSPF Logic Model

Problems to Address	WMCA Aims	WMCA Objectives	HLD No. If Applicable	Project Theme	Project Objective	Resources / Inputs	Regional Impacts	National Impacts
Low levels of employment and high levels of unemployment across parts of the WM region	Aim 1. To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs	Obj. 1.1. We will develop economic strategy for the region to drive inclusive growth, and deliver interventions with partners to boost innovation, secure investment, and support industrial clusters	HLD 5: SPF Business Programmes	Employment	To reduce inequalities between communities, as part of the Government's wider "levelling up" agenda	£88,408,357	Increased employment opportunities for local residents aligned to business need	By 2030, the gap in Healthy Life expectancy (HLE) between local areas where it is the highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years
New businesses being vulnerable to economic shock, inc high regional insolvency rate, despite a strong business start up rate.	Aim 2. To ensure everyone has the opportunity to benefit as the region recovers from COVID-19, improves resilience and tackles long-standing challenges	Obj. 2.3. We will support social innovation to tackle complex and longstanding challenges facing our communities, where mutually agreed with partners	HLD 22: UKSPF	Business Support	To increase life chances and build pride in place across the UK,		Increased local availability of employment and skills provision	
The impact of Covid on business & tourism across the WM region						Align to other funding stream such as Adult Education Budget, CWG Legacy Capital and other external funded programmes	Improved local areas	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with gap between the top performing and other areas
Regional disposal income remaining less than UK average	Aim 1. To promote inclusive economic growth in every corner of the region and stimulate the creation of good jobs	Obj. 1.1. We will develop economic strategy for the region to drive inclusive growth, and deliver interventions with partners to boost innovation, secure investment, and support industrial clusters	HLD 1: Inclusive Growth Strategy	Employment			Improved community and neighbourhood offers for local people	By 2030, well being will have improved in every area of the UK with the gap between top performing and other areas closing
Nearly 20% of the WM region is in the top 10% most deprived								
Regional Health Life Expectancy for the WM region being below national average								
The significant drop in apprenticeship opportunities for young SMEs		Obj. 1.3. We will invest in training and skills programmes that help our businesses		Skills	People and Skills - To empower places		Increased local volunteering opportunities and take up	

<p>The region has fewer people qualified to L4+ compared to UK average</p>		<p>grow and our citizens secure good jobs</p>			<p>to invest in local priorities -</p>		<p>New job opportunities & higher wages for resident aligned to regional clusters</p>	<p>By 2030, domestic public investment in Research & development outside the Greater South East will increase by atleast 40% and atleast on third over the Spending Review Period with that additional government funding seeking to leverage at least twice as much as private sector investment over the long term to stimulate innovation and productivity growth</p>
<p>Access to green space in WMCA region is not equitable</p>		<p>Obj. 1.1. We will develop economic strategy for the region to drive inclusive growth, and deliver interventions with partners to boost innovation, secure investment, and support industrial clusters</p>		<p>Public Realm</p>	<p>Communities and Place - To empower places to invest in local priorities -</p>		<p>Improved / increase green spaces</p>	
<p>Productivity (GVA per hr worked) is 11% lower than national rate</p>				<p>Employment</p>	<p>Local Business - To empower places to invest in local priorities -</p>	<p>Increased £1m+ turnover firms in the WM region</p>	<p>Increased support to social impact projects</p>	
						<p>Improved regional business survival rates and growth</p>		

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Economic Growth Board

Date	6 March 2024
Report title	Further Education Innovation Fund
Portfolio Lead	Councillor George Duggins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Clare Hatton, Interim Director for Employment, Skills, Health and Communities, West Midlands Combined Authority Email: Clare.Hatton@wmca.org.uk
Report has been considered by	Directors of Economic Development 8th February 2024 LA Officers Group 14th February 2024

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the update on the mobilisation of Innovate UK: Further Education Innovation Fund
- (2) Note the update on Local Skills Improvement Funding specific to employer engagement.
- (3) Note the update on the development of people and skills products within Business Growth West Midlands aligning investments with point 1 and point 2.

1. Purpose

- 1.1 The purpose of this report is to set out how we are aligning investments from Innovate UK: Further Education Innovation Fund, Local Skills Improvement Funding and the work of Business Growth West Midlands to support small medium sized enterprises access the support they need to support improved productivity and growth through people and skills.

2. Background

- 2.1 Innovate UK has £10m of grant funding to award to further education colleges in the UK for new pilot projects to strengthen their role in local innovation ecosystems through further education innovation funding (FEIF). The aim of the funding is to create innovation centres of excellence in further education colleges around the UK, recognising that colleges work with distinct groups of employers when compared to universities, and also recognising that further education colleges often exist in places where universities do not. As part of the Devolution Deal, Innovate UK has ringfenced **£2.5m for WMCA further education colleges**.
- 2.2 At the Economic Growth Board on the 22nd September 2023, we set out that projects are required to align and enhance the growth of the West Midlands through the Plan for Growth clusters. They should create centres of excellence within further education colleges and or groups of further education colleges, in order to:
- Address skills gaps for innovative businesses
 - Transfer knowledge to enable technology adoption.
 - Increase access and utilisation of technical equipment and facilities for businesses.
- 2.3 The Secretary of State signed of the Local Skills Improvement Plan (LSIP) for the WMCA and Warwickshire in August 2023 prepared by the employer representative body (ERB). To support the response to the **LSIP across colleges and providers DFE are making £10.4m** available through Local Skills Improvement Funding (LSIF).
- 2.4 In the LSIP it was reported that employers have a challenge in understanding what they 'need' to address workforce challenges, and **employers had limited understanding in the skills offer currently available and how to access**. At the Economic Growth Board 12th July 2023, we set out that Solihull College & University Centre would submit an expression of interest (EOI) to be lead provider in this LSIP region overseeing six projects, of which one is focused on supporting employer engagement (*supports understanding skills needs and navigation of skills system*)
- 2.5 As part of the development of products within the Business Growth West Midlands (BGWM) offer, we have undertaken a piece of work to identify the role of colleges and independent training providers in offering **people and skills** products within BGWM leveraged through devolved adult skills funding and apprenticeship levy transfer.
- 2.6 The investments set out above provide a significant opportunity for the region to improve the accessibility of people and skills offers for employers through aligning investments, leading to improved productivity and supporting wider economic growth opportunities such as plan for growth.

3. The need to align investments to support employer engagement.

- 3.1 A skilled workforce, across the breadth of our economy, is pivotal if we are to deliver economic growth and improve productivity in our region. As part of new employment and skills strategy, **we are committed to forging stronger links between the skills ecosystem and businesses**, so that our residents acquire relevant, in-demand skills that supports progression into good jobs. At the same time, businesses will have access to a world-class skills system to help develop their existing workforce and provide a vital pipeline to future talent.
- 3.2 As an enabler to forge links between the skills system and small medium sized businesses (SMEs), we have convened activity across three pillars of work covering Innovate UK FEIF, LSIF and the development of blueprint of a **people and skills offer within BGWM**. This will avoid duplication in the investment of funds for employer facing activity and maximise opportunities for those businesses to access the training they need to support their growth ambitions. In addition, to support large employers we are working with the West Midlands Growth Company (WMGC) providing subject matter expertise on people and skills supporting inward investment opportunities, and its new strategic relationship management approach with large employers located in the region.

4. Innovate UK: Further Education Innovation Fund Mobilisation

- 4.1 Following successfully negotiating a £2.5m ring-fenced share of the national £10m fund pot, WMCA worked with Colleges West Midlands and all colleges in the WMCA area to generate consortia-based bids. Non-WMCA area colleges were also invited to be involved in any projects that were led by WMCA area colleges, but they could not lead an application to promote geographical coherence of consortia.
- 4.2 Following Innovate UK assessments of bids these were assured by WMCA officers and the ERB for the LSIP (Corin Crane) so bids **had a 'strategic fit' for the region e.g Plan for Growth and LSIP**. The following three bids will be funded subject to completing due diligence checks with Innovate UK and formally commence delivery from **1st April 2024**:

Area	Focus areas	Partners	Funding	Outputs
Coventry & Warwickshire	Net zero – engineering, construction, transport & logistics, digital	<ul style="list-style-type: none">Coventry College (lead)Warwickshire CollegeNorth Warwickshire & South Leicestershire CollegeSolihull College Stratford campus	£691k	60 SMEs

The Black Country	Advanced manufacturing – robotics, additive manufacturing, CAD, retrofit, materials, cyber security, AI	<ul style="list-style-type: none"> • Walsall College (lead) • Dudley College • City of Wolverhampton College • Halesowen College • South Staffordshire College 	£795k	100 SMEs
Greater Birmingham	Advanced manufacturing and health innovation - Engineering, construction, dental, business services/b2b services	<ul style="list-style-type: none"> • BMET • University College Birmingham • South & City College Birmingham • Fircroft College • Solihull College • Heart of Worcestershire College 	£997k	60 SMEs

- 4.3 Each of the college leads have taken a similar approach in the delivery of the service through an ‘**innovation centre**’ approach with subject matter expertise to support business engagement.
- 4.4 To support mobilisation, the WMCA has convened conversations which each of the lead colleges and encouraged that they work with local authorities on opportunities to align activity e.g. local grant support through their local innovation centres. In addition, and to further develop the projects, the WMCA is convening discussions with regional universities and Business Growth West Midlands, to socialise the innovation centres approach and encourage cross-referral activity to support SME engagement. We have also agreed to play an ongoing light-touch assurance role of projects, sitting in on monitoring meetings and providing periodic updates to Directors of Economic Development and the WMCA Economic Growth Board.
- 4.5 All colleges are aware of the time-limited nature of this funding (12 months). It is hoped that subject to generation of successful evidence, the pilot will be mainstreamed by Innovate UK from 2025 onwards. In parallel WMCA is committed to considering how further education innovation centres can be sustained through Shared Prosperity Funds, devolved skills funding, and/or the local growth pillar of the Single Settlement. Until follow-on funding is confirmed this will remain a risk that will be actively managed by **WMCA officers in consultation with directors of economic development**.
- 4.6 Innovate UK expect to formally announce all successful projects in Mid-February 2024. Projects will be formally launched in the region at an Innovate UK local event on **12 March 2024 at the Black Country Innovative Manufacturing Organisation (BCIMO)**. The event is for businesses in the region to learn more about Innovate UK support. Local authority business support advisors have also been invited to be involved in this event.

5. Local Skills Improvement Funding (LSIF) – Support Employer Engagement

- 5.1 The LSIP report for the region shed a light on the lack of awareness regarding FE colleges' offerings and skills provision. **Firms interviewed were unaware that FE colleges provide in-work training and adult courses to reskill employees as well as sourcing talent.** Moreover, those who were aware often believed these courses to be expensive and insufficient in terms of proficiency level. This feedback has helped the colleges developed a project to address these misconceptions and better serve our local employers leading to improved productivity and growth.
- 5.2 The LSIP project to support employer engagement will attract £806k of DFE LSIF funding and with aims to create a trusted brand for the skills provision providing a shared identity for collaborative engagement, developing a network of signposting local offers that can act regionally but is accessed locally **through a standardised approach** and working collaboratively through an operating model in partnership with the ERB and WMCA.
- 5.3 To support these aims there are five specific workstreams to enhance engagement with employers including deeper dives into employer need and routes to engagement which will then be mapped against existing operating and delivery models to identify areas of improvement, consistent approaches to engagement e.g. **diagnostics and training needs analysis with the ERB and WMCA** and access channels such as brand and website.
- 5.4 To support the mobilisation of this project, both the ERB and WMCA are members of this project group and the colleges are accountable to responding to the LSIP findings as part of the DFE accountability agreement. From a WMCA perspective, we are seeking sustainability in the **ways of working leading to People and Skills product offer within BGWM to support SMEs.**

6. Business Growth West Midlands: People and Skills

- 6.1 Recognising the opportunity that **BGWM can provide as an enabler to forge links between the skills system and SMEs** through its hub and spoke model with local authorities, we have developed a blueprint to leverage the opportunities that colleges, Institutes of Technology (IOTs) and independent training providers can support productivity and growth in SMEs through talent acquisition and workforce development. The blueprint aligns other investments including Innovate UK FEIF and LSIF set out earlier to support business engagement in skills offers and thereby enhancing the SME accessibility people and skills.
- 6.2 In mobilising the blueprint we will make available a People and Skills product range delivered **by our provider base through our devolved skills funding and apprenticeship levy transfer** covering areas such as leadership and management, bootcamps and connecting young people to good

apprenticeships through our Path2 programmes to support SMEs in securing future talent through BGWM.

- 6.3 In connecting the People and Skills products with **SME's, business advisers (LAs) and providers** we will establish a connecting team within the hub of BGWM to provide subject matter expertise and support the employer's journey. To unlock this opportunity, we will re-deploy projected WMCA underspend to support the connecting team approach.
- 6.4 As a business support project, we also plan to pilot a small project in partnership with the 5% Club. The 5% Club have identified that businesses, especially SMEs, find it a challenge to recruit, train and retain young people. The 5% club model convenes SMEs into cohort groups to compare and benchmark their skills development approach with each other and wider employers. This work then progresses to action planning identified areas of improvement and follow up through peer learning and knowledge sharing. The outcome we seek from this work is that SMEs have the confidence to **recruit a young person through a mechanism such as apprenticeship and/or bootcamp**.
- 6.5 To support the mobilisation of the People and Skills product range including the 5% Club project supporting SMEs we anticipate that LA's will want to play an active role in this work given the key role they hold locally, and we would very much welcome the support that **LA's business engagement teams can provide in engaging SME's** on the ground to support the implementation of the People and Skills product range to support businesses.

7. Next steps

- 7.1 As set out above, there is a significant amount of activity taking place to enhance engagement with SMEs specific to people, skills and innovation. To ensure that we maximise this opportunity the WMCA will play a central convening role working with all partners to ensure strategies align to key areas of focus of the region such Plan for Growth, improved productivity for SMEs and supporting inclusive growth opportunities for all our residents. We will achieve this through:
- Using our central convening role to align investments and ensure they have strategic fit with PFG and the regions adults skills ambitions.
 - Share developments with key stakeholders including Directors of Economic Development, LA Skills Officer group and WMGC on the development of SME People and Skills products.
 - LA collaboration (business engagement teams) in the people and skills products
 - Use our devolved skills funding to standardise offers from a regional perspective but delivered locally to support SME engagement.

8. Strategic Aims and Objectives

- 8.1 The aims and objectives set out in this paper align with the strategic intents set out in the WMCA Employment and Skills Strategy 2024-2027, [West Midlands Plan for Growth](#).

9. Financial Implications

- 9.1 There are no direct funding implications from this paper, as WMCA will only be providing support from existing budgets and resource for the FEIF, LSIF and BGWM programmes, where WMCA are the accountable body.
- 9.2 It is not expected to impact on existing adult education provision from WMCA to further education colleges, as this will be distinctly different provision.
- 9.3 Should any future financial implications arise; they will be resolved through the WMCA governance routes and demonstrate value for money.

10. Legal Implications

- 10.1 There are no direct legal implications arising from the recommendations of this report. This report exclusively sets out the parameters of the funding opportunity and does not constitute “Authority to Contract” or approval to expend WMCA funds.
- 10.2 No presumption is made in relation to the success of respective applications under the projects herein proposed. Accordingly, it is anticipated that any correlating commercial relationships formed will be ratified by the appropriate form(s) of contract.
- 10.2 It is strongly recommended that no assurances that commit WMCA’s reputation and financial resources are given to participating colleges/ businesses in advance of fully executed contracts.

11. Equalities Implications

- 11.1 There are no direct equalities implications. However, given the focus of the activities set out it will enable employers to access the skills system through a people and skills offer. This provides the opportunity for employers to widen access to their jobs through programmes such as Path2Apprenticeship and Skills Bootcamps which are targeted at under-represented groups.

12. Inclusive Growth Implications

- 12.1 The ambition outlined in this paper align closely with, and support, our inclusive growth agenda given the focus to better connect employers into the skills system to support recruitment of the future workforce and developing skills and attainment of existing working, 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. Working aged population with Level 4 qualifications and above.
- Inclusive economy: Youth claimant rates as a % proportion of 16-24-year-olds in the WMCA area. Proportion of employee jobs below Living Wage in the region

13. Media

13.1 Not applicable.

14. Geographical Area of Report's Implications

14.1 The proposed priority actions are focused on the 7 Met area, Warwickshire will come into scope specific to the Innovate UK and LSIF.

15. Other Implications

15.1 None.

16. Schedule of Background Papers

16.1 The following documents are relevant to this paper:

- Further Education Innovation Fund 22nd September 2023
- Local Skills Improvement Plan Update 12th July 2023



Economic Growth Board

Date	6 March 2024
Report title	West Midlands Plan for Growth: Electric Light Vehicle and Associated Battery Production Cluster Update
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	n/s

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the activity in support of the Electric Light Vehicle and Associated Battery Storage cluster for the West Midlands Plan for Growth.

1. Purpose of Report

- 1.1 The purpose of this report is to provide a summary of the activity undertaken across the West Midlands Combined Authority (WMCA) and partner organisations to support the “Electric Light Vehicle and Associated Battery Storage” cluster (“the ELV cluster”), identified in the West Midlands Plan for Growth.
- 1.2 The report also serves as a cover note for a presentation that will be shared by Daniel Cox, Senior Technology Officer at WMG. WMG, working closely with several regional partners, are leading and developing a number of initiatives aimed at growing the ELV cluster in the region. The presentation covers topics

such as an overview of the cluster at present, the importance of the cluster to the region and priorities for the future.

2. Background

- 2.1 After forging a position as the fastest-growing region outside London in the decade to 2019, the region's industrial mix and demography meant that the West Midlands was hit particularly hard by the economic impact of the Covid pandemic and new trade frictions with the EU. The West Midlands Plan for Growth sets the path to returning to that trajectory, spreading opportunity and jobs across the region and helping level-up the UK.
- 2.2 The West Midlands Plan for Growth¹ pinpoints eight economic clusters where the region can ignite above-forecast levels of growth. These are clusters where the West Midlands has comparative advantage and businesses are confident to invest.
- 2.3 To that effect, the West Midlands Plan for Growth identified the ELV cluster as one of the eight primary clusters which could beat the average growth profile of the UK and help the West Midlands on its journey to being the leading region outside of London by 2030.
- 2.4 Our regional comparative advantage in the ELV cluster is in the established original equipment manufacturers (OEM) and automotive supply chains, the R&D assets based in the region and expertise in battery processing and recycling.
- 2.5 It is particularly worth noting that the West Midlands has an incredibly rich ecosystem of institutions set-up to support regional industry. In addition to WMG, there is the Manufacturing Technology Centre, Birmingham Centre for Strategic Elements and Critical Materials, Coventry Centre for Connected and Autonomous Automotive Research, MIRA Technology Park, Black Country Innovative Manufacturing Organisation (BCIMO) and the UK Battery Industrialisation Centre to name a few.

3. National Policy Context

Advanced Manufacturing Plan

- 3.1 HM Government's Advanced Manufacturing Plan² (AMP) was published on 26th November 2023. The AMP's ambition is for the UK to be the best place in the world to start and grow a manufacturing business. The AMP intends to support advanced manufacturing by making available £4.5bn of funding to support strategic manufacturing sectors over 5 years from 2025. At least £2bn of this has been earmarked for the automotive sector to support the development of zero emission vehicles, their batteries, and associated supply chains.

¹ <https://www.wmca.org.uk/documents/strategies/plan-for-growth/>

² <https://www.gov.uk/government/publications/advanced-manufacturing-plan>

UK Battery Strategy

- 3.2 The UK Battery Strategy³ sets out HM Government's approach for creating a globally competitive battery supply chain by 2030 to help achieve its net zero ambitions and promote economic growth. The UK Battery Strategy outlines HM Government's current and planned activities to achieve this, as well as a framework and priorities for future work with industry. The document describes the scale of the opportunity that batteries represent, with nearly 200GWh of capacity required to satisfy demand for all types of electric vehicles in the UK by 2040 and a potential 100,000 highly paid productive jobs across the battery ecosystem.

4. Support from the WMCA

- 4.1 In addition to working closely with WMG and regional partners to develop and implement a clear delivery plan to unlock the potential of the ELV and battery cluster across the region, there are several WMCA initiatives underway that support the growth of the industry.

Meeting the skills demand for the future

- 4.2 WMCA is working with WMG to develop an Electrification Skills Strategy with further education colleges. This will be a core theme in our approach to delivering strategic 'green skills' for the region with a focus on fast emerging technology domains eg battery, electronics and electric motors, robotics, software and materials.

Meeting the infrastructure demand for the future

- 4.3 At the time of writing this report, Transport for West Midlands (TfWM) are developing the Regional Zero Emission Vehicle Infrastructure Strategy which will describe the type of activity the public sector will lead on in terms of the infrastructure required to support the use of zero emission vehicles (ZEV). The Strategy will set out:
- Up-to-date technological roadmaps for battery electric and hydrogen vehicles and infrastructure.
 - Articulation of ZEV charging/refuelling archetypes (characterising provision by location, customer/vehicle, and suitable infrastructure)
 - The best commercial arrangements for ZEV infrastructure.
 - Baseline and projections of the current vehicles, infrastructure, grid constraints in the West Midlands.
 - Priority areas where TfWM has a role to play; and
 - Strategic pillars for Electric Vehicle Infrastructure (EVI) delivery through an action plan.

³ <https://www.gov.uk/government/publications/uk-battery-strategy/uk-battery-strategy-html-version>

- 4.4 The strategy is intended to form a component part of the emerging West Midlands Local Transport Plan and will meet anticipated requirements from Government for local government to set out plans for ZEV infrastructure. More information on the LTP can be found online (<https://www.tfwm.org.uk/who-we-are/our-strategy/local-transport-plan/>).

Supporting innovation and R&D for this cluster

- 4.5 The West Midlands Innovation Board has adopted “clean-tech” as a priority cluster for R&D and innovation-led growth support. It prioritised this prominently through the Innovation Accelerator, funding the “Clean Futures” project that is supporting over 40 companies to work with the BCIMO and Coventry University to develop new products and services for sustainable and net zero mobility.
- 4.6 Through its Strategic Innovation Partnership with Government as set out in the Deeper Devolution Trailblazer Deal (March 2023), the WMCA is continuing to make the case for very significant investment in West Midlands “clean-tech” via a regional innovation deal with HM Government. Specifically, the evidence suggests the region has distinct “clean-tech” strengths and capabilities in the future of automotive including electric light vehicles.
- 4.7 As part of the West Midlands Innovation Programme 2.0, funded by the West Midlands Innovation Accelerator, Transport for West Midlands and WMG have received funding for their “Last Mile” project pilot. The challenge is to develop policy and practice to enable sustainable last mile delivery using Low Speed Zero Emission Vehicles (LSZEVs) which will be battery powered. The project intends to explore what needs to change in the regulatory framework for transportation and logistics using LSZEV’s for last mile delivery to become an effective business model.

5. Priority Activities and Next Steps

- 5.1 Working with regional partners, WMG priority activities for cluster leadership include an immediate term focus on unlocking battery manufacturing opportunities linked to the Investment Zone (alongside Coventry City Council); and creating a clear short-term vision which defines success, priority opportunities and interventions in three other areas of potential West Midlands competitive advantage: propulsion systems; micromobility and vehicle innovation in supply chains.
- 5.2 Led by Coventry City Council and Warwick District Council, the WMCA, WMGC, and the wider ecosystem are continuing to collaborate in order to secure the necessary funding for the Coventry-Warwick Gigapark, which includes a proposed Gigafactory. The Gigafactory would be able to deliver up to 60 gigawatt hours of batteries per annum and the wider Gigapark (which would include the associated supply chain companies) would span over a space of 975,000 square meters and bring in an estimated 9,300 jobs. The total Coventry-Warwick Gigapark investment opportunity is £2.4bn. This site, and companies within it, would serve as valuable anchor institutions to leverage in additional funding to unlock potential growth for the cluster across the region.

6. Financial Implications

- 6.1 There are no direct funding implications from this paper, as WMCA will only be providing support from existing budgets and resource for the Plan for Growth Electric Light Vehicle and Associated Battery Storage cluster.
- 6.2 Should any future financial implications arise; they will be resolved through the WMCA governance routes and demonstrate value for money.

7. Legal Implications

- 7.1 There are no direct legal implications.

8. Equalities Implications

- 8.1 There are no direct equalities implications.

9. Inclusive Growth Implications

- 9.1 The proposed regional activities set out in this paper to support the ELV cluster will likely have a positive impact on supporting the WMCA's definition of [Inclusive Growth](#). Likewise, the proposed activity in support of this cluster is aligned to several of the West Midlands Inclusive Framework fundamentals, most notably the Climate Resilience fundamental.
- 9.2 The work on supporting the ELV cluster supports the growth of our education and learning fundamental, by encouraging the sustainable growth of WMG in the advanced manufacturing space. Through the WMG academy, this will create opportunity and improve aspirations for young people aged 14-19. This work can contribute to Improved levels of skills for all to flourish and realise their potential.
- 9.3 Creating ZEV infrastructure contributes to the connected communities fundamental by making it easier for owners of ZEV to commute to their places of work, particularly in industrial sectors where public transport is not viable, for instance, in warehousing and the transportation of goods.
- 9.4 As projects relating to the establishment of the Electric Light Vehicle and Associated Battery Storage cluster develop over time, we will work closely with the Inclusive Growth Team to ensure that the inclusive growth fundamentals are embedded into all of aspects of the project.

10. Geographical Area of Report's Implications

- 10.1 The report refers to the West Midlands core economic area comprising Coventry and Warwickshire, Sandwell, Dudley, Walsall, Wolverhampton, Birmingham and Solihull.

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Electric Light Vehicles and Battery Storage Cluster

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Overview for the Economic Growth Board

Daniel Cox, Senior Technology
Officer

6 March 2024



Context of Cluster

WMG's complementary activities

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Cluster Role and Leadership

Organisation of cluster

First year plan

Asks of the Economic Growth Board

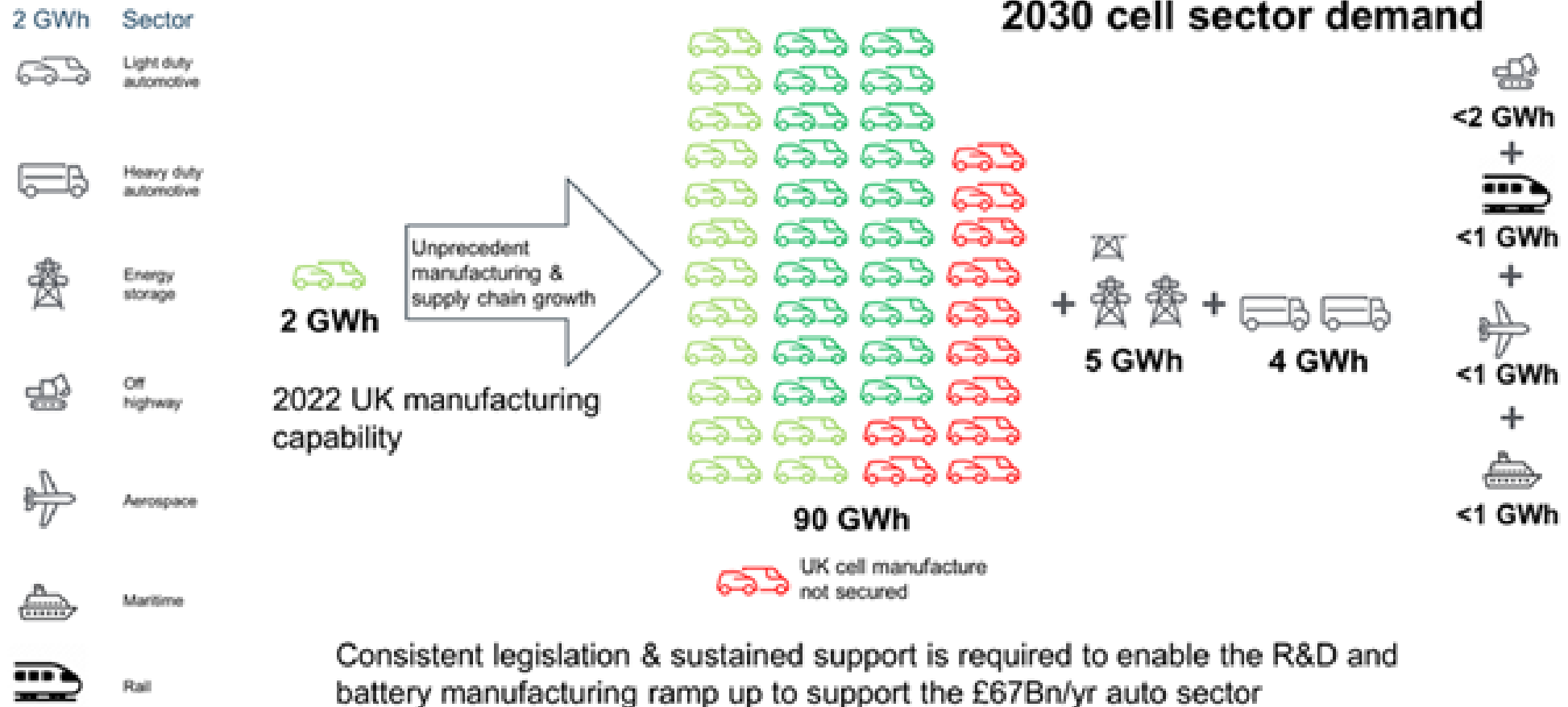
Context: The Electric Light Vehicles and Battery Storage

West Midlands Plan for Growth identified 8 industrial clusters for prioritised growth, based on regional comparative advantage, employment and wage levels, business confidence and further market opportunities: (Productivity improvement is a key theme that should underpin them all)

1. Manufacturing of electric light vehicles and associated battery storage devices
2. Health-tech and med-tech
3. Aerospace (including alternative fuels)
4. Logistics and distribution
5. Professional and financial services and supply chain
6. Creative content production and gaming
7. Manufacturing of future housing
8. Modern and low carbon utilities



However Automotive still dominates UK Battery demand across sectors



Policy Support

Steering group for UK Battery Strategy

House of Lords electric vehicle inquiry

Launch of UKBIC

Faraday Battery Challenge

Influence

On the advisory board of the Faraday Battery Challenge

On the advisory board of the Automotive Council's technology group

On the ATI's advisory board

Knowledge

Forefront of research for the UK's transport de-carbonation and energy integration needs

Centre of excellence for connected and autonomous vehicle research

Strong and direct links to industrial partners

Role:

The Cluster is a leadership group to bring together representatives from across the West Midlands ELV and Battery Storage ecosystem, facilitating a credible and recognised group to leverage its strengths, assets, sector specialisms and organisations to collectively develop the strategies, future direction to drive regional growth.

The Cluster is not to replace national initiatives and organisations.

Leadership:

WMG will take responsibility for coordination and facilitation of the Cluster's four working groups plus its stakeholders in an 'advise and convene' manner.

WMG will bring out the voice of industry and public for priorities relating to the Cluster to input into the

The primary objectives shall be to represent, promote, and advance the interests of the
Cluster

Advisory Board:

- Investment zone / Innovation zones
- Regional innovation interventions
- Marketing the region as a cluster
- Curating the cluster (gap filling)
- Securing private investment
- Digitalisation and “the bottom line”
- Small business support
- Business “pivots”
- Skills provision and uptake

Battery Manufacturing

- Securing gigafactory manufacture and R&D
- Creating supply chains (up- and down-stream)
- Addressing regional headwinds
- Increase productivity and competitiveness

Micromobility:

- Regulation / legislation – sandbox opportunities
- Infrastructure and deployment
- Increase regional industrial R&D
- Create future supply chains

Propulsion Systems

- Secure manufacture of motors and drivelines
- Create upstream and downstream supply chains
- Anchor innovation in the region
- Diversify across sectors (Aero/rail/marine/...)

Vehicle innovation and supply chain

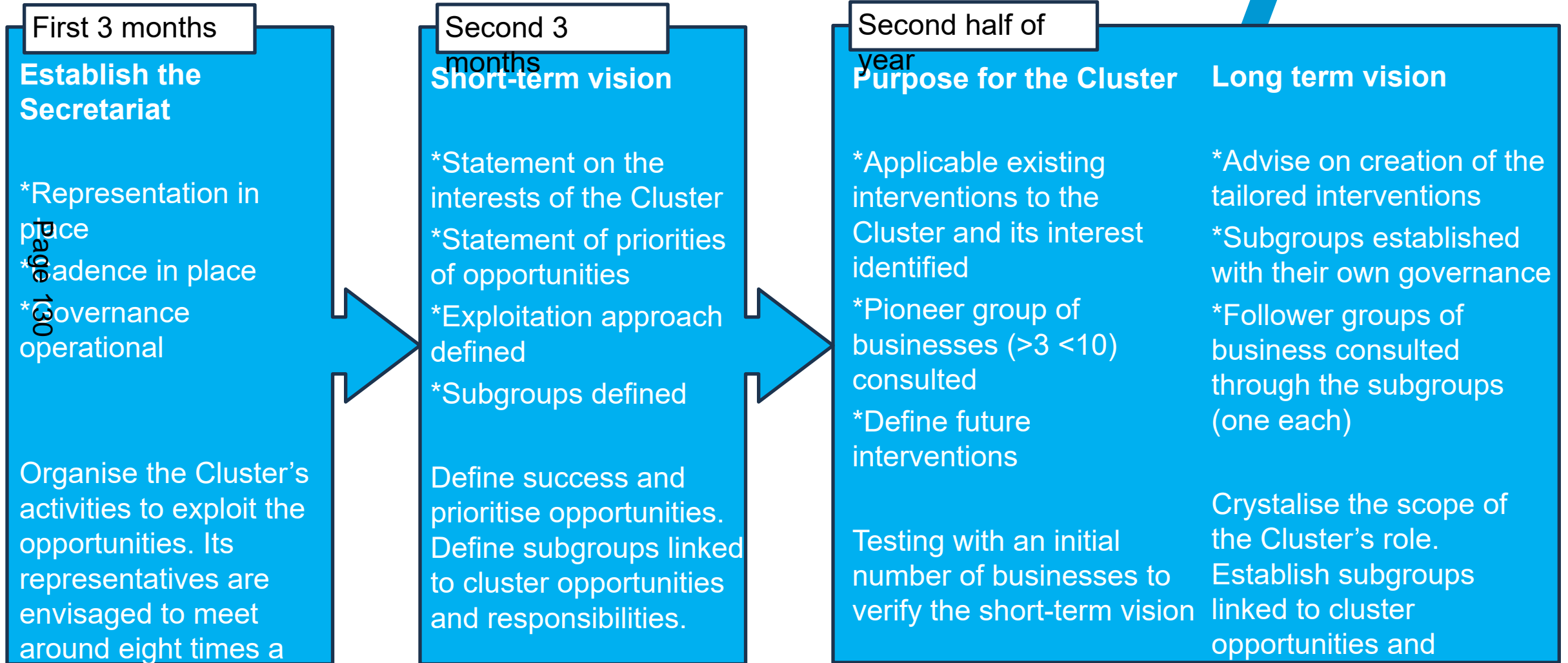
- Increased greenshoring to the region
- Increasing R&D in OEMs and supply chains
- Identify and address R&D infrastructure gaps
- Lightweighting and sustainability

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Advisory Board and Battery Manufacturing in

place

First Year Plan for leadership activities



Asks of EGB: Context and delivery

support

Good communications of their vision for economic growth so to best align the Cluster activities

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Swift access to funding for specific work packages as they are identified to support the leadership activities

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Economic Growth Board

Date	6 March 2024
Report title	Night-Time Economy
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director Strategy for Economy and Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	N/A

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the contents of the report and progress to date of WMCA work around Night-Time Economy
- (2) Ask each Local Authority to consider the West Midlands Women's Night Safety Charter and whether it can be supported through their processes.
- (3) Ask all West Midlands Local Authorities to consider that, where appropriate, Agents of Change principles are included within refreshed Local Plans

1. Purpose

- 1.1 This report is brought to EGB to inform members of progress on issues and progress against Night-Time Economy priorities in the region.

2. Background

Policy Background

- 2.1 Night-Time Economy (NTE), simply defined as economic activity which predominantly occurs between the times of 18:00-06:00, is an under-represented but vital area of economic activity. Nationally, 26.7% of workers consistently work at night (ONS, 2023)

with an estimated national value of £70bn to the UK economy (NTIA 2022) The WM has a higher than national average NTE workforce with 29% of WM workers employed in the NTE and circa 100k residents are employed in night-time cultural and leisure activities (ONS, 2023).

2.2 The Office for National Statistics split the NTE into four clusters:

- (1) night-time cultural and leisure activities
- (2) activities which support night-time cultural and leisure activities
- (3) 24-hour health and personal social services
- (4) activities which support wider social and economic activities

2.3 NTE is a comparatively new area of economic development policy activity, both internationally and nationally. The Greater London Authority appointed a NTE Tsar, Amy Lamé in 2016, Greater Manchester Combined Authority appointed Sacha Lord as their NTE Advisor in 2018 and Bristol City Council appointed Carly Heath in 2019. A number of other regions (including West Yorkshire, Edinburgh and Liverpool) are in the process of appointing NTE functions.

2.4 Activity in the West Midlands, in line with GMCA and Bristol, focuses on night-time cultural and leisure activities and supporting activities. The WMCA appointed a Senior Policy Officer for Night-Time Economy who commenced in role February 2023. In addition, an independent NTE Advisor for the West Midlands, restaurateur Alex Claridge, was appointed to role in May 2023.

Activity to Date

2.5 The focus of the WMCA NTE activity has been on the following four areas:

NTE Governance
Data
Night Safety
NTE Heritage

NTE Governance

2.6 The key priority has been increasing understanding of NTE amongst our constituent LAs and improving NTE governance across the region. Given the inter-disciplinary nature of NTE policy and governance, crossing multiple departments, areas of statutory responsibility and agencies, more efficient working practices and understanding are vital to successful the development of NTE clusters to the benefit of local and regional economies.

2.7 Positive work by constituent members include:

- Two local authorities (Coventry, Wolverhampton) are set to develop their own NTE Strategies
- Three local authorities (Coventry, Solihull, Wolverhampton) have established internal NTE working groups (with expectation of two more in Q1 24/25).
- Two local authorities/Business Improvement Districts (Coventry & Solihull) have established NTE business forums (with two more expected Q1 24/25).

- Three local authorities (Birmingham, Dudley and Coventry) have adopted Agents of Change principles in their (draft) Local Plans. The Agents of Change principle is a core tenet of NTE governance, and all constituent members are encouraged to include Agents of Change principles in their refreshed Local Plans.

2.8 The 'Agent of Change principle' encapsulates the position that a person or business (i.e. the agent) introducing a new land use is responsible for managing the impact of that change. For example, if a developer builds flats next to an existing music venue, it is the developer's responsibility to mitigate any potential noise issues.

NTE Data

2.9 The standard of NTE data both regionally and nationally is poor, which makes meaningful analysis of the economic impact of the NTE challenging. Strengthening this is a key priority to drive funding applications and political lobbying for NTE as well as enabling accurate analysis of regional and local NTE clusters.

2.10 The WMCA led on a successful application to HMT's Economic Data Innovation Fund (EDIF) landing £300,000 for an NTE data pilot. WMCA are the lead in partnership with DLUHC, ONS & GMCA. The pilot aims to develop new SIC codes for NTE activity and develop AI-driven modelling for NTE placemaking and has a scheduled end date of March 2025. A steering group is being established as part of the project which combined with engagement with WISE will enable Local Authority input.

2.11 An audit of regional NTE data has been completed and a regional NTE Economic Impact Study commissioned, which will include breakdowns by each Local Authority area.

NTE Heritage Preservation

2.12 Prompted by the Crooked House incident the WMCA has engaged in work around preservation of heritage pubs in the region. A report on approaches to pub preservation was produced as well as two roundtables held.

2.13 In October, the WMCA launched a List Your Local campaign in conjunction with CAMRA, encouraging members of the public to highlight their local pubs which they felt required more protection, with nine pubs submitted for statutory listings so far. Two local authorities have adopted preservation policies in their draft Local Plans.

2.14 A regional Guide to the Planning System for Grassroots Music Venues in collaboration with Music Venues Trust is due to be published March 2024. This will be done in consultation with local authority planning departments.

NTE Safety

2.15 A safe night-time environment (and perceptions of) is a key factor in any successful NTE cluster. The WMCA launched a West Midlands Women's Night Safety Charter (WNSC) in December. This is a voluntary scheme for businesses where they commit to working towards implementing seven principles to increase the safety of female staff and customers and is supported with a toolkit made available to those who sign up. To date, 84 businesses have signed the charter (for comparison the Greater London Authority WNSC established in 2018 and covering all thirty-two boroughs has just under twelve hundred signatories).

- 2.16 Local Authorities are being encouraged to sign the charter and to share it through their business networks.
- 2.17 A small amount of funding has been obtained for an initial wave of funding to NTE focused BIDs (Colmore, Coventry, Solihull, Southside, West Bromwich, Wolverhampton) to provide safety materials to NTE businesses in their area.
- 2.18 A NTE mental health pilot with funded wellbeing champion training for businesses is taking place in March.

NTE Priorities for the next six months

- 2.19 There will be a continued focus on three of the four main strands: NTE Governance, Data and, Safety. In addition, work with TfWM to improve night-time public transport will be accelerated. Alongside the existing local authority officers group, we will bring together a regional private-sector NTE steering group that will help guide work from a business perspective.

3. Strategic Aims and Objectives

- 3.1 The report aligns with the following strands of the WMCA's Strategic Aims and Objectives
- Promote inclusive economic growth in every corner of the region
 - Ensure everyone has the opportunity to benefit
 - Develop our organisation and our role as a good regional partner.
- 3.2 In addition the NTE is a key aspect of the region's foundational economy and plays an important role in the development of places attractive to both residents and businesses.

4. Financial Implications

- 4.1 There are no direct financial implications arising from this report. Should there be any future investment then that would need to follow the WMCA governance routes to ensure alignment with strategic direction and represent value for money.

5. Legal Implications

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

6. Single Assurance Framework Implications

- 6.1 There are no Single Assurance Framework implications.

7. Equalities Implications

- 7.1 There are potential implications with respect to gender (women), age (young people) and sexual orientation (LGBTQ+) who are significant participants in the night time economy especially with regards to the social, cultural, employment and safety opportunities or issues. To understand the extent of the impact, it is recommended that each local authority carry out a Health and Equity Impact Assessment or similar.

8. Inclusive Growth Implications

- 8.1 The work on the Night-Time Economy (NTE) is part of the work around improving our understanding of the foundational, everyday economy in the West Midlands. This has a direct impact on transforming our knowledge in the inclusive economy fundamental.
- 8.2 Building a vibrant NTE is essential for the wider regeneration of our high streets, in line with the affordable and safe places fundamental.

9. Geographical Area of Report's Implications

- 9.1 This report applies to the WMCA 7 Met geography.

10. Other Implications

- 10.1 N/A

11. Schedule of Background Papers

- 11.1 N/A

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Economic Growth Board

Date	6 March 2024
Report title	Business Commission West Midlands
Portfolio Lead	Councillor Stephen Simpkins
Accountable Chief Executive	Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk
Accountable Employee	Ed Cox, Executive Director for Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk
Report has been considered by	n/a

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the update that will be provided by the Chamber of Commerce representatives and discuss any of the outcomes that EGB would like to interrogate further.

1. Purpose

- 1.1 To update the Economic Growth Board on the outcomes and recommendations of the Business Commission West Midlands (BCWM).

2. Background

- 2.1 The Business Commission West Midlands (BCWM) has been convened by the three West Midlands Chambers of Commerce (comprising The Greater Birmingham, Coventry & Warwickshire and, Black Country Chambers of Commerce) to deliver a roadmap for business growth in the West Midlands.
- 2.2 The aim of the commission is to examine the opportunities for regional business and identify the actions needed to act on them. It has been exploring the region's businesses' priorities and appetite for growth, identifying opportunities, challenges, and providing

strategic recommendations for local, regional and national stakeholders as well as providing a mechanism for a coherent regional business voice.

2.3 The main objectives of the Business Commission West Midlands are as follows:

- To Identify trends in businesses' priorities and appetite for growth.
- To outline key areas of change identified by local businesses as required to enable further business growth.
- To outline key areas perceived as strengths of the regional business environment by local businesses.
- To map the existing initiatives, interventions and actors aimed at enabling business growth in the region.
- To recommend policy changes, initiatives, areas for further research or other interventions required locally, regionally or nationally to better enable business growth.

2.4 The Commission was overseen and steered by an independent panel of Commissioners who are leading representatives of the region's business community and supported by an advisory panel of academic experts. The chair of the Commissioners is Mark Taylor, Midlands managing partner at accountancy and business advisory firm RSM.

The Commissioners include:

- Sandra Wallace, joint managing director, DLA Piper and Birmingham chair of TheCityUK
- Declan Allen, managing director, HORIBA MIRA
- Carmen Watson, chair, Pertemps
- Jason Wouhra OBE, CEO, Lioncroft Wholesale Ltd
- Jeanette McFarland, chief operating officer, Assa Abloy Opening Solutions
- Melissa Snover, founder, Rem3dy Health
- Dan Barlow, CEO, Kagool
- Eleanor Deeley, joint managing director, Deeley Group
- Deb Leary OBE, founder, Forensic Pathways
- Vicki Wilkes, director, Darvick Ltd

2.5 Between November and December 2023, 132 businesses contributed evidence to the Commission alongside 8 public sector organisations and 10 membership organisations or cluster groups.

2.6 Henrietta Brearley, the Chief Executive of the Greater Birmingham Chambers of Commerce will provide EGB with the latest position on the headline recommendations ahead of the Commissions formal launch event on the 19th March.

3. Financial Implications

3.1 There are no immediate financial implications arising from this paper. However, the Business Commission West Midlands outcomes may guide or influence future WMCA strategy or delivery in certain areas and the financial implications of those will follow governance routes and demonstrate value for money.

4. Legal Implications

- 4.1 There are no immediate legal implications arising from this paper. However, the Business Commission West Midlands outcomes may guide or influence future WMCA strategy or delivery in certain areas and the legal implications of those will be dealt in further reports as necessary.

5. Single Assurance Framework Implications

- 5.1 There are no immediate Single Assurance Framework implications arising from this report.

6. Equalities Implications

- 6.1 There are no immediate equalities implications arising from this report. The Business Commission West Midlands final report and recommendations may guide or influence future WMCA strategy or delivery in certain areas and the equalities implications of those will be dealt in further reports as necessary.

7. Inclusive Growth Implications

- 7.1 There are no immediate inclusive growth implications arising from this report. The Business Commission West Midlands final report and recommendations may guide or influence future WMCA strategy or delivery in certain areas and the equalities implications of those will be dealt in further reports as necessary.

8. Geographical Area of Report's Implications

- 8.1 The report covers the primary WMCA economic geographic area covered by Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, Wolverhampton and Warwickshire.

9. Other Implications

- 9.1 NA

10. Schedule of Background Papers

- 10.1 NA

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