



Economic Growth Board

Date: Thursday 25 January 2024

Time: 10.00 am **Public meeting** Yes

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

Membership

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

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

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

Contact 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	10:00
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 - 16 November 2023	Chair	1 - 6	10:05
4.	West Midlands Economic Conditions	Dr Delma Dwight	7 - 16	10:10
5.	Tackling Rising Youth Unemployment in the WMCA area together	Clare Hatton / Fiona Aldridge	17 - 32	10:20
6.	Business Growth West Midlands - Service Update & Future Funding	Paul Edwards	33 - 44	10:50
7.	West Midlands Innovation Board - Six-Monthly Report	Mike Wright	45 - 52	11:10
8.	Updates		None	11:30
8.1	West Midlands Plan for Growth: Aerospace (including manufacturing alternative fuels	Andrew Mair	53 - 58	
8.2	West Midlands Growth Company Q3 Performance Report against the 'Global West Midlands' Business Plan	Katie Trout	59 - 78	
8.3	Single Settlement: Local Growth & Place Functional Strategy	Ed Cox	79 - 82	
9.	Economic Growth Board Work Programme	Chair	83 - 84	11:55
Date of Next Meeting				
10.	Wednesday 6 March 2024 at 2.00pm	Chair	None	12:00



West Midlands Combined Authority

Economic Growth Board

Thursday 16 November 2023 at 1.30 pm

Minutes

Present

Councillor Stephen Simkins (Chair)	Portfolio Lead for Economy & Innovation
Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Paul Bradley	Dudley Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor Matthew Dormer	Non-Constituent Authorities
Councillor Bob Piper	Sandwell Metropolitan Borough Council
Councillor Bob Sleigh	Portfolio Lead for Finance & Investments
Sarah Windrum	Business Representative

In Attendance via MS Teams

Matthew Hammond	West Midlands Growth Company
Andy Street	Mayor of the West Midlands
Tom Westley	Business Representative

Item Title

No.

31. Apologies for Absence

Apologies for absence were received from Councillor John Cotton (Birmingham), Councillor George Duggins (Coventry) and Corin Crane (West Midlands Chambers of Commerce).

32. Minutes - 22 September 2023

Agreed as a correct record, subject to an amended to minute no. 22 to better reflect the comments made by Councillor Ian Courts.

33. Economic Conditions in the West Midlands & WISE Newsletter

The committee considered a report outlining 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.

The Chair commented that from the information provided, good progress was being made in respect of economic growth. He did however highlight the issues impacting youth unemployment, but noted the positive news detailed within the report relating to NEATs. Councillor Stephen Simpkins highlighted that the WMCA needed to add value to the economic conditions in the West Midlands to fulfil the skills deficit.

Resolved:

The current economic conditions for the West Midlands be noted.

34. Tacking Rising Youth Unemployment in the WMCA Area

The committee considered a report from the Interim Director for Employment following a request at the last meeting to undertake a deep dive on how to tackle youth unemployment in the region.

Members of the committee thanked officers for responding quickly to their request to undertake a deep dive on this concerning issue for the region. The Chair highlighted that report indicated a lack of funding to support tackling this issue and considered it necessary to identify where further funding could be sought from. He considered that any strategy or programme implemented needed to be achievable and that engagement with employers would be beneficial. He also commented that in the past apprenticeship work shops had been positive. Councillor Bob Sleight welcomed the report and felt that it identified the key obstacles to youth employment and wanted to further understand how the WMCA would tackle these. Sarah Windrum highlighted the need to engage with businesses to help amplify tackling youth unemployment within the region. Katie Trout commented that the West Midlands Growth Company was developing a Strategic Relationship Management Programme working closely with local authorities to engage with strategic employers across the region, providing an opportunity to address skills needs feeding into tackling youth unemployment.

Resolved:

- (1) The contents of the report, following a deep dive into what worked in tackling youth unemployment, be noted.
- (2) The comments made by members of the board be noted
- (3) A future report on tackling youth unemployment in the WMCA area be submitted to a future meeting of the board.

35. Towards a Sustainable Economy

The committee considered a report on the regional level activities that achieved the dual ambitions of driving economic productivity and enhancing environmental sustainability in the West Midlands. A presentation was also provided on the Plan for Growth modern and low carbon utilities cluster, the industrial energy taskforce looking to address the current energy demand and, the different ways the WMCA supported and worked with partners across the region to drive productivity and address net zero targets.

The Chair noted that hydrogen opportunities needed to be further explored, ensuring that the region was not left behind, and suggested that a presentation be shared with the board in the future. He also commented on the local issues in relation to transport materials and the need to promote and encourage local businesses first.

Resolved:

- (1) The presentation delivered to board be noted.
- (2) The contents of the report be noted.
- (3) An item on hydrogen opportunities be submitted to a future meeting of the board.

36. Presentation : Tech WM Feedback on Digital Economy/Birmingham Tech Week

The committee received a presentation providing an update on the tech sector, Tech West Midlands, data relating to the strengths related to the start-up of the organisation and highlights from the 2023 Tech Sector Strategy.

Resolved:

The presentation be noted.

37. WM Growth Company Q1 & Q2 Performance Report against the 'Global West Midlands' Business Plan

The board considered a report providing oversight of the performance of the West Midlands Growth Company's 2023-25 business plan. The report also outlined narrative and commentary on key issues, challenges and opportunities for quarters 1 and 2 of the 2023/24 financial year.

Resolved:

The contents of the performance report from the West Midlands Growth Company against its adopted Business Plan be noted.

38. Work Programme

The board received a report updating it on its work programme.

Resolved:

The updated work programme be approved.

39. Exclusion of the Public and Press

Resolved:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business as they were likely to involve the disclosure of exempt information as specified in paragraphs of the Act.

40. West Midlands International Strategy Green Paper & Consultation Approach

The board considered a report of the Executive Director of Strategy, Economy & Net Zero and the Director of Policy & Partnerships, West Midlands Growth Company on the West Midlands International Strategy

Green Paper and consultation approach, as well the geographic frame of reference for the final strategy which would be implemented via the delegation to the Executive Director for Strategy, Economy & Net Zero.

The West Midlands Growth Company had been commissioned to lead the development of the West Midlands International Strategy on behalf of the region by this board. It had been agreed that the purpose of the strategy 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 had been a significant input in the process to date. The Deeper Devolution Deal includes a commitment from the Department for Business & Trade to co-develop the West Midlands International Strategy with the region, and to share accountability for its delivery.

Resolved:

- (1) The West Midlands International Strategy Green Paper and consultation approach be noted.
- (2) The Executive Director for Strategy, Economy & Net Zero be given delegated authority to finalise the Green Paper.
- (3) The geographical focus of work to date on the seven metropolitan authorities be noted.
- (4) The consultation period be for a period of no fewer than 10 weeks.
- (5) The final strategy, through consultation, reflecting the wider West Midlands geography be submitted to a future meeting of the board for approval in March 2024.

41. Major Events Fund Update

The board considered a report of the Executive Director for Strategy, Economy & Net Zero providing an update on the Major Events Fund and a proposal from the Major Events Advisory Group of how to award the remaining £3m based on the ranking of the results. The report also noted the Major Events Advisory Group's desire for partners to consider the possibility of seeking funds through other channels to fund events that passed selection thresholds but were not prioritised.

Resolved:

- (1) The £6m Commonwealth Games Legacy Enhancement Fund approved for the Major Events Fund by the Investment Board in July 2023, and the £3m that had been allocated to Sport Accord, be noted.
- (2) It be noted that, at its meeting on 24 July 2023, Investment Board had agreed to delegate authority to the Interim Director of Employment, Skills, Health & Communities, in consultation with the Executive Director for Strategy, Economy & Net Zero, the Section 151 Officer and the Monitoring Officer, to award onward funding in line with the

Economic Growth Board's approach on the shortlisted major events opportunities.

- (3) The allocation of the remaining £3m in the Major Events Fund to the events recommended by the Major Events Advisory Group be approved, noting that the list of events was based on the highest scoring applications evaluated through the framework agreed by the Economic Growth Board at its meeting in September 2023.
- (4) It be agreed that the proposal for alternative opportunities to fund unsuccessful applications should be explored by all partners, including local authorities, the WMCA, West Midlands Growth Company and Government agencies to realise the economic and regional impact of the event.
- (5) The proposal for the Major Events Advisory Group to meet quarterly to monitor and evaluate progress on successful events funded to ensure the outcomes and economic impact for the region was achieved, and that monitoring reports be provided to the Economic Growth Board on quarterly bases, be agreed.
- (6) The planned approach for communication to all parties and next steps be noted.
- (7) Further clarification be sought to confirm that, where potential funding within the programme that could be reallocated was identified, the Economic Growth Board would determine its reallocation, based on the recommendations made to it by the Major Events Advisory Group.

42. Date of Next Meeting

Thursday 25 January 2024 at 10.00am.

The meeting ended at 3.10 pm.

This page is intentionally left blank



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Economic Conditions</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>n/a</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

(1) To note current economic conditions for the West Midlands.

1 Purpose of Report

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

2 Background

2.1 The Research, Intelligence, and Inclusive Growth team at the WMCA have created the WISE Newsletter, which brings together various forms of quantitative information detailing the region's economy. This includes the WM Economy Dashboard and information from the WM Redi Monitor which

previously formed part of the WM Economic Conditions report in earlier Economic Growth Board meetings. This will allow members of the Economic Growth Board to understand the context in which they are making decisions and for partners to have a consistent view of the economy. The WISE Newsletter is being published monthly. The latest headlines of the January edition is at appendix 1. The previous editions are available via: www.wmca.org.uk/wise.

3. West Midlands Insights on Society and Economy (WISE) – January 2024

3.1 The WISE newsletter brings together information previously provided in the West Midlands' Economic Dashboard and West Midlands Regional Economic Development Institute (WM REDI) monthly Monitor and combined it with additional sources of insight and intelligence across the WMCA and the wider research system. Current and back issues of the headline & in-depth reports and dashboard are available at www.wmca.org.uk/wise. Further to this, it reports other national and regional updates of importance to the region. Each edition has a guest editor, with January 2024 being Robert Franks, Managing Director of WM5G. The key items to note from the January 2024 WISE are:

3.2 National headlines

- **Inflation in the UK** fell to 3.9% in November 2023, which was lower than anticipated by many pundits. With this new information, forecasters are now anticipating Bank base rates to start to fall by May 2024, ending next year closer to 3.75%. Base rates coming down faster will help to boost the stagnant economy. As a large exporter of goods, falling interest rates should help the West Midlands by putting downward pressure on the value of the pound, making our prices more competitive.
- **UK Economy:** The [ONS announced](#) UK economy shrank by 0.3% in October 2023. This followed 0.2% growth in September, and in line with a Bank of England prediction of a flat growth rate for the end of 2023 and into 2024.

Provisional Local Government Finance Settlement 2024-2025: The UK government has unveiled a £64 billion funding package for English councils in 2024-25, marking a 6.5% rise from the previous year. This includes an additional £1bn for social care. Councils can increase council tax by up to 3%, with an extra 2% for adult social care. But there will be an extension to the Funding Guarantee to ensure every council sees at least a 3% increase in Core Spending Power before any council tax decisions locally.

3.3 Regional headlines

- **Continued Growth in Regional Manufacturing Exports:** In the year ending September 2023, the West Midlands region exported £34.1bn worth of goods and imported £42.7bn. This represents a trade in goods deficit of £8.5bn, a decrease from the trade deficit in the previous year of £13.0bn. Since September 2022, the West Midlands region goods exports increased

by 22.0%, while the UK as a whole increased by just 2.7%. Notably, the West Midlands region had the highest annual percentage increase of all regions in the UK. Longer-term trends show the West Midlands exports are now at their highest since records were made publicly available in 2014. The region accounted for 9.2% of UK exports – fourth highest after the South East, London and Scotland.

- **West Midlands Universities:** The third national Knowledge Exchange Framework (KEF) highlights West Midlands universities, including Aston, Birmingham, and Warwick, as top performers in business collaboration and research commercialization. These universities excel in fostering 'spin-out' businesses and driving economic growth. Initiatives like the Universities as Drivers of Trade and Investment aim to boost overseas investment in regional research & development (R&D). Midlands Mindforge Ltd., a capital investment firm, amplifies commercialization of innovative university technologies. The KEF once again spotlights the attractiveness of the West Midlands as a place in which to invest in R&D.
- **Labour force headlines:**
 - Median Pay: In November, median monthly pay rose by 5.3% nationally compared with the same period in 2022. In the WMCA area, median pay rose by 5.7% over the same period. Adjusting for inflation, this is a real median pay increase of 1.8% in our region.
 - Jobs: In September 2023, the top three sectors for workforce jobs in the West Midlands region were human health & social work (13.6% of total jobs), wholesale & retail trade (13.5%) and manufacturing (10.4%).
 - Youth Claimant count: Latest data showed the youth claimant count rose by 11.9% in the WMCA area on the year to November 2022 (UK: 8.1%). The number of youth claimants as a proportion of residents aged 18-24 was 8.5% compared to 5.0% for the UK in October. Across the Combined Authorities, the WMCA had the highest rate, Tees Valley was the second highest at 8.0% down to 2.5% for the West of England.

4 Direct insights from businesses and business groups

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

- **Autumn Statement 2023:** Members expressed a variety of views regarding the Autumn Statement 2023. Some members welcomed the announcement that a full expensing scheme would be made permanent, which would allow companies to claim corporation tax relief on 100% of the costs of investments they make. Likewise, the announcement around the reduction of employee national insurance contributions and class 4 national insurance contributions for self-employed were welcomed. Members commented that this would likely result in investor confidence for the region. Members noted that the business rates still disproportionately affected manufacturing companies due to their size, and that the increase in National Living Wage would increase would

create additional pressures to SME's. Members were also concerned about the lack of reference to health and social care, as well as the lack of skill planning for investment zones.

- **West Midlands Business Commission:** The Forum received an overview of the recently announced West Midlands Business Commission, which is being led by three Chambers of Commerce in the region, alongside several private sector partners. Members heard how the Commission will provide a roadmap for unlocking business growth across the region. The update included a timeline of activity over the next year as well as opportunities to get involved with Commission.
- **WMCA energy collaboration agreement with SSE Energy Solutions:** The Forum received an overview of the new partnership between the WMCA and SSE which will see them work together on new clean energy projects across the region. Likewise, members heard about the pipeline of activity that SSE had planned for the region across the renewable energy and low carbon space.

4.2 Since the last Economic Growth Board meeting, some of topics explored by the WM Regional Business Council has included a discussion surrounding the priorities of HM Government ahead of the Autumn Statement, an update on the work around HS2 and the Midlands Rail Hub, and finally an update on the financial position of the Birmingham City Council following on from their Section 114 notice.

5 Financial Implications

5.1 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.

6 Legal Implications

6.1 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.

6.2 The West Midlands Combined Authority primarily fulfils this duty through its monthly *West Midlands Insights on Society and Economy (WISE)* newsletter and dashboard (wmca.org.uk/wise). WISE sets out the latest narrative on the region’s economic conditions and provides continuous tracking of regional economic metrics and is also shared at the Economic Growth Board. The

annual *State of the Region* report also contributes to the fulfilment of this statutory duty.

7 Equalities Implications

7.1 There are no direct equalities implications.

8 Inclusive Growth Implications

8.1 West Midlands Insights on Society and Economy considers our regional economic conditions across the eight West Midlands Inclusive Growth fundamentals. This ensures that the Economic Growth Board recognises the interconnectivity between elements of the economy, which is within the purview of the Board, with other essential components of the economy, from transport (connected communities fundamental) to skills (education and learning fundamental) and wellbeing (health and wellbeing fundamental).

9 Geographical Area of Report's Implications

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

This page is intentionally left blank

West Midlands Insights on Society and Economy

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

Issue 4, January 2024

1.0 Headlines

1.1 January Editorial

Welcome to the fourth edition of the WISE Newsletter. Following the publication of the latest Ofcom Connected Nations report, and launch of the refreshed WM Digital Roadmap (details in section 2.2), our editorial this month focuses on the opportunities for digital technologies to transform our region.

Universal access to fast and reliable mobile and broadband connectivity is the foundation of our digital economy. The latest independent Umlaut data confirms that the West Midlands has extended its leadership as the best connected region for 5G (outside of London) – with over 65% 5G geographic coverage – and the December Ofcom Connected Nations report shows our relative advantage in gigabit broadband – with 94% of premises having access versus 79% in the UK overall. This reflects the unique partnership between operators, Local Authorities and Government led by WM5G.

But we have to do more. There remain significant parts of our region that don't have access to fast and reliable mobile and broadband connectivity. For example, there are over 100,000 premises that don't have and are unlikely to get access to gigabit broadband in the next three years. The Government has cancelled the Birmingham and Black Country Project Gigabit Lot to accelerate gigabit broadband rollout in these locations and the latest Ofcom data shows over a third of households are struggling to afford connectivity during the cost-of-living crisis.

We must also accelerate ICT adoption. Despite the West Midlands' digital strengths, our region ranks as 6th out of 12 UK regions for business ICT adoption overall. Hence, we're delighted to have won £3.8m of Government investment to accelerate the adoption of 5G, data & AI in the advanced manufacturing, social care & housing sectors – working closely with our partners JLR and the WMCA constituent Local Authorities. In addition, as part of the Deeper Devolution Deal, we're leading a pioneering programme called Smart City Region to scale the adoption of key technologies to accelerate hospital discharges, speed-up cancer diagnosis and boost wellness & prevention.

By accelerating the adoption of new technologies, we'll not only transform the demand-side sectors that we're strong in – creating skilled jobs and attracting inward investment – but we'll also accelerate the growth of the West Midlands £15 Billion tech sector – creating more successful scale-up businesses, following in the footsteps of SCC, Gymshark, and others. The potential of the latter is evidenced by recent analysis showing that there are already 300 AI businesses in the Midlands (11% of the national total) – a growth of 122% in the last decade.

Robert Franks, Managing Director, WM5G Limited

1.2 Coming Up in the Month Ahead

- [Launch Event for the Create Growth Programme](#) 10 January
- [Centre for Cities: Cities Outlook](#) 22 January
- [Create Central Skills Accelerator Market Place Event](#) 24 January

1.3 National Headlines

- Both good and bad news for UK economy released in December
- Resolution Foundation releases final report of Economy 2030 Inquiry
- UK Government announces provisional local government finance settlement 2024–25

[Both good and bad news for UK economy released in December](#)

The [ONS announced](#) UK economy shrank by 0.3% in October 2023. This followed 0.2% growth in September, and in line with a Bank of England prediction of a flat growth rate for the end of 2023 and into 2024. In more welcome news, [inflation fell](#) to 3.9% in November, lower than many anticipated, primarily driven by falling petrol prices. As inflation appears to come down sooner than anticipated by the Bank, pressure will rise to reduce the base rate, ease pressure on mortgaged households and get the economy moving again. As a strong goods exporting region, falling interest rates should also put downward pressure on the pound, making West Midlands business's prices more internationally competitive.

[Resolution Foundation releases final report of Economy 2030 Inquiry](#)

The third and final [report](#) of the 2030 Inquiry attracted significant national media interest, primarily due to the two keynote speeches delivered by the Leader of the Opposition and the Chancellor of the Exchequer respectively, but also due to its findings. The report proffers a stark analysis of the shortfalls in the UK economy and proposes a new economic strategy to tackle persistent stagnation, which has been caused by low wage growth, high income inequality, and decreased uptake in education.

The Resolution Foundation suggests a package of measures that it says will boost growth by 7% over 15 years and reduce inequality, contending that the UK should build on its strengths as the second biggest services exporter in the world, ensure there is good-work available across the country, and prioritise growth in the West Midlands and Manchester.

To do this, the Resolution Foundation proposes a scale of investment previously unheard of in the UK, increasing the capital stock in the West Midlands and Manchester by 15–20%. It also proposes giving local leaders more tools to deliver economic growth, including allowing the retention of income tax for Mayoral Combined Authorities, and a radical reform of council tax.

[UK Government announces provisional local government finance settlement 2024–25](#)

The UK government has unveiled a £64 billion funding package for English councils in 2024–25, marking a 6.5% rise from the previous year. This includes an additional £1bn for social care. Councils can increase council tax by up to 3%, with an extra 2% for adult social care. But there will be an extension to the Funding Guarantee to ensure every council sees at least a 3% increase in Core Spending Power before any council tax decisions locally.

The Local Government Association said that the settlement “does not provide enough funding to meet the severe cost and demand pressures facing councils”.

A [consultation](#) on the proposed settlement is open and will run until 15 January 2024.

1.4 Regional Headlines

- Continued growth in regional manufacturing exports
- West Midlands universities amongst the country's best for promoting economic growth
- Mayor requests police and crime commissioner powers

Continued growth in regional manufacturing exports

In the year ending September 2023, the West Midlands region exported £34.1bn worth of goods and imported £42.7bn. This represents a trade in goods deficit of £8.5bn, a decrease from the trade deficit in the previous year of £13.0bn. Since September 2022, the West Midlands region goods exports increased by 22.0%, while the UK as a whole increased by just 2.7%. Notably, the West Midlands region had the highest annual percentage increase of all regions in the UK. Longer-term trends show the West Midlands exports are now at their highest since records were made publicly available in 2014. The region accounted for 9.2% of UK exports – fourth highest after the South East, London and Scotland. The largest sector for goods exports in the region was machinery and transport at £24.0bn (70.4% of total). Since the year ending Q3 2022, this sector increased its exports by 31.0%, reflecting a recovery in the automotive sector and wider manufacturing industry.

West Midlands universities amongst the country's best for promoting economic growth

The third national [Knowledge Exchange Framework](#) (KEF) highlights West Midlands universities, including Aston, Birmingham, and Warwick, as top performers in business collaboration and research commercialization. These universities excel in fostering 'spin-out' businesses and driving economic growth. Initiatives like the [Universities as Drivers of Trade and Investment](#) aim to boost overseas investment in regional research & development (R&D). Midlands Mindforge Ltd., a capital investment firm, amplifies commercialization of innovative university technologies. The KEF once again spotlights the attractiveness of the West Midlands as a place in which to invest in R&D.

Mayor requests police and crime commissioner powers

Provisions afforded by the [Levelling-Up and Regeneration Act](#) to facilitate the conferral of Police and Crime Commissioner (PCC) functions to the Mayor have been exercised, with the Mayor of the West Midlands having requested that the Home Secretary begin the process. Should the transfer go ahead, the West Midlands will elect a Mayor with PCC functions in the May 2024 election. The Mayor with the PCC functions will then be responsible for ensuring an efficient and effective police force, holding the Chief Constable to account, setting the West Midlands Police budget and issuing policing plans. The government has now approved the start of a six-week long [consultation](#), which is due to end on 31 January.

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

This page is intentionally left blank



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>Tackling Rising Youth Unemployment in the WMCA area together</i>
Portfolio Lead	<i>Councillor George Duggins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Clare Hatton, Interim Director for Employment, Skills, Health and Communities, West Midlands Combined Authority Email: Clare.Hatton@wmca.org.uk</i>
Report has been considered by	<i>Directors of Economic Development, 11 January 2024 LA Skills Officers, 10 January 2024</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note the update on youth unemployment in WMCA area.
- (2) Consider the proposals in this paper (and at Appendix A) to tackle rising youth unemployment and note that these will be shaped in context by each LA for their local areas.
- (3) Approve the recommended actions in the Action Plan (Appendix A).

1. Purpose

- 1.1 At the last meeting of the Economic Growth Board (EGB), members discussed the key findings from our 'deep dive' evidence review into what works in tackling youth unemployment and the ambition to be developed as priorities for further collaborative action. The deep dive showed that whilst skills training is an important intervention in equipping young people for work, it is but one aspect of the youth unemployment challenge and requires wider systemic interventions, including working with employers to enable employment opportunities.
- 1.2 EGB tasked officials to bring a costed action plan for recommendations in tackling youth unemployment, and to explore what more can be done now to build on the significant

work that LAs are currently leading. Specifically this should include where the CA can leverage employer support, involvement and commitment.

2. Background

- 2.1 Whilst rising youth unemployment is a national issue, in the West Midlands region it is especially stark. In 2000, 13.7% of young people aged 18-24 were not in education, employment or training in England. In 2023, that figure still stands at 13.8%. This phenomenon is not without consequences with strong evidence that being not in education, employment or training while young has a scarring effect on young people's outcomes – increasing their likelihood of unemployment or low wages later on in life, of developing poor physical or mental health, and of potentially gaining a criminal record. Spending time unemployed under the age of 23 has been linked to lower wages even twenty years on, and those who are not in education, employment or training between the ages of 18-19 are 20% more likely to be unemployed even ten years later. This indicates that the effects of time spent neither learning nor earning are a prospective restraint on an individual's potential across the span of their working life. Troublingly, young people from disadvantaged backgrounds are significantly more likely than their better-off peers to be not in education, employment or training. This means the negative effects of time spent neither learning nor earning are disproportionately borne by this group, with clear consequences for social mobility.
- 2.2 Across the WMCA latest figures show in December 2023 there were 24,110 young people aged 18-24 claiming unemployment-related benefits, an increase of 1.5% on the previous month, in contrast to a decrease of 0.8% nationally. Our youth claimant rate (8.5%) is much higher than the UK average (4.9%), with particularly high rates in Wolverhampton (10.8%), Birmingham (9.4%), Walsall (9.3%) and Sandwell (9.3%) reflected in Table One. More worrying still are trends that indicate it has increased by 10.7% since this time last year and by 25.9% since March 2020 (pre-pandemic), both in excess of UK-wide increases. In addition, recent increases in economic inactivity have been driven largely by young people, many of whom are inactive because of health-related reasons. Underneath these headline figures, we know that the picture is even more stark for young people in our most deprived wards, and for those with particular characteristics, including care leavers, young people with disabilities and some ethnic minorities.

Table one: youth claimant count in the WMCA area

	Youth Claimant count (Dec23)	Youth claimant rate (Dec23)	% change since pre-pandemic (Mar20)	% change since Dec22	% change since Nov23
UK	275,375	4.9%	15.7%	6.8%	-0.8%
WM 7 Met	24,110	8.5%	25.9%	10.7%	1.5%
Birmingham	12,155	9.4%	33.5%	12.8%	0.0%
Coventry	2,245	5.2%	46.3%	11.7%	1.4%
Dudley	1,845	7.8%	5.4%	5.4%	0.3%
Sandwell	2,670	9.3%	26.2%	6.8%	-2.6%
Solihull	810	5.4%	-1.8%	8.0%	-3.6%
Walsall	2,085	9.3%	8.9%	12.7%	1.2%
Wolverhampton	2,305	10.8%	20.7%	8.2%	-1.1%

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

2.4 The key findings of the [deep dive evidence review](#) has also identified the challenges for people and place, highlighting the types of interventions that are found to be effective from What Work's research. For example to help young people transition to the labour market, work experience is an effective way to boost young people confidence and provide insight into workplace behaviours and the world of work. Other What Work's examples include:

- Ensuring young people leave education with at least the minimum level 2 qualifications, and where this is not feasible, to provide proactive and timely interventions through managed transitions between education providers to catch them before they fall into risk of becoming NEET.
- Providing access to high quality education and vocational training that enables a clear pathway into good jobs, and support with the costs associated with looking for work and starting a job, can be effective tools in improving access to sustainable employment. This includes increasing the availability and uptake of apprenticeships, providing young people with a structured path when transitioning from education to fulfilling careers.
- Timely, targeted good quality careers advice and meaningful work experience opportunities is a critical success factor when tackling youth unemployment. While many employers are keen in principle they often struggle with the practicalities. Working with and supporting employers to offer more work experience, apprenticeships, and employment opportunities for young people is a significant part of the solution.
- Clear accountability for the locus of youth unemployment in government, coupled with coherent and long term intervention focused on place-based need, is considered a more effective medium to secure return on public investment. This should address the current fragmented employment support approach which is burdensome, confusing to navigate for young people, and off putting for employers.

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

3. Tackling Youth Unemployment

What we are already doing

3.1 At its last meeting, the Board considered a table outlining what we are already doing to mitigate for the issues identified around 5 key themes, alongside whom else has levers to help, and the suggested priorities for further collaborative action (which we have re-appended for ease, see **Appendix B**). This demonstrated that there is already a wide range of support available through the CA such as the extended study programmes for 19-23 years olds providing enhanced wraparound support for the whole learner rather than solely qualification success, or our new Thrive at College programme designed to boost mental health and wellbeing care to counter the rising mental health challenges

young people are experiencing and which may prevent (re)engagement in learning or progression. Since the devolution of AEB we have supported 25,778 young people aged 19-24 years, however through the proposed action plan, we want to extend the reach and impact of our works considerably.

- 3.2 There are further many good examples across the region of where evidence-based policies and programmes are helping us address this issue, such as centering services in localities outside of JCP e.g. Walsall Works, Coventry Job Shop. The deep dive has shown young people struggle to access support, in part because of anxieties associated with past experiences, lack of trust and poor mental health but also because they may lack the basic skills to navigate the employment support/skills system. Co-located services and 'One Stop Shop' models are considered highly effective strategies.

Enhancing our response through a shared regional action plan

- 3.3 At the Board's last meeting consideration was given to a number of actions informed by evidence. These have been narrowed down following discussions to those that are viewed to add value to the current work and will make the most difference. They have been incorporated into a proposed Action Plan which should form the basis of a best practice offering to support young people. There is strong feeling from LAs that this is an issue that needs to be led and tackled locally within a local context. **We propose that a commitment is made to systematise these actions in a local context by each LA to secure a consistent and uniform collaboration across the WMCA area, in partnership with central government, as part of a long term response to tackling our youth unemployment challenge.** To set out how this will happen, each LA will set out their plan on a page against the key areas identified for region wide action.
- 3.4 The aim of the action plan is to enhance and boost what we are doing across the region including where the WMCA can lead and convene additive action. To reflect the lessons from the What Work's deep dive, the Action Plan is grouped into three spheres of activity to illustrate how a shared strategic approach will deliver an effective response (set out in Table Two). Respective activities are grouped in accordance, identifying the intervention (or action), the action owners, and cost/source of funding (where applicable). Through the Action Plan, we seek to form the basis for monitoring progress and impact at a local/regional/national level, incorporating insights and evidence from local delivery to inform our ongoing policy response. The Action Plan is set out in **Appendix A**.

Table two: Intended purpose of the proposed spheres of activity

	<i>Aim</i>	<i>Level of operation</i>
Partnering with Government and National Agencies	To achieve system level improvements and enable delivery of long term sustainable positive change for young people, utilising What Work’s evidence and data.	National / Regional
Working with Employers	To increase the number of employers in the region, specifically SMEs, to employ and offer apprenticeships to young people for those who are ready to work.	Regional / Local
Supporting Young People	To help our young unemployed people prepare for the world of work where they are not yet ready to enter the workforce in a sustainable way.	Local / Regional

Proposal to widen sustainable employment opportunities

- 3.5 The What Work’s evidence review shows there is a correlation between where a young person lives and level of opportunity. Coupled with the intersectionality of deprivation and its impact, financial support is a critical success factor when securing wider engagement/progression. We know from the evidence that apprenticeships are an effective medium for sustainable employment yet we have seen a year-on-year fall in the number of starts in the region. Whilst we do not have direct levers in this space, we are creating pathways that will boost opportunities, through our work with employers in the Levy Transfer Scheme and our Pre-Apprenticeship Programme.
- 3.6 Evidence suggests that a bursary or wage subsidy can, not only support transition to work but may be even more effective than training in tackling labour market shortages. We have secured in principle support to implement a new Youth Unemployment Pilot Programme: Transition to Work Bursary Fund, utilising £500k underspend from UKSPF Business Support. This Fund will provide training bursaries for our disadvantaged young people, as part of the Pre-Apprenticeship Programme. Prior to submission, we presented the bursary outline for initial discussion with Directors of Economic Development and LA Skills Officers in December 2023 with feedback informing the delivery. We anticipate supporting bursaries to support attendance, subsistence, and work attire/equipment with the aim being to ensure young people are best placed to secure positive apprenticeship outcomes. The bursary should help to minimise SME concerns as it de-risks the process of recruitment, and in-turn incentivise opportunities for new untapped talent (success of Kickstart model).
- 3.7 This will be a regional programme and will target, through colleges and providers young people in the youth unemployment group. LAs are asked to consider boosting the fund for bursaries from their UKSPF and CWGLF to increase the volumes of young people and businesses we can support. For most, this is not currently possible but some LAs are looking at how they may do this and are indicating any local emerging underspend could be prioritised to this.

- 3.8 There is still more work to be done with businesses, the jobs on offer and recruitment practices. Whilst there are many great examples of inclusive employers we need a larger pool of businesses, particularly SMEs recruiting, supporting and developing young people especially those without maths and English qualifications.

Immediate action with employers

- 3.9 The Board asked for immediate work to commence with employers. There have been three aspects to this early work:
- i. Cluster leadership – Working with the medtech cluster leadership we have discussed what the businesses could be doing and how the cluster can convene this activity for a B2B advocacy conversation. The medtech cluster will be working with its businesses to ask that all start to ring fence employment opportunities for young people. Discussions are progressing with Tech WM on a hiring consortium model.
 - ii. 5% Club – A dynamic movement of employers who aspire to achieve 5% of their workforce in earn and learn positions (including apprentices, sponsored students and graduates on formalised training schemes) within five years of joining. We have reached an agreement with the 5% Club to work with us across the WM to bring their support to our businesses thereby increasing the number of opportunities for our young people.
 - iii. Path 2 Apprenticeships – We have tendered and are awarding up to £2m of pre-apprenticeship training that will support the connection of young people and employers.
- 3.10 BGWM are developing their marketing approach to SMEs across the region across these and wider programmes. There will be a set of messages that locally, LAs will determine targeting and sectors.

4. Next Steps

- 4.1 The Action Plan brings together a locus for the regional opportunities to enhance the impact of interventions aimed at supporting young people. It outlines where priorities in the next 6-12 months will boost activity in tackling our rising youth unemployment challenge, and draws on the What Work's evidence from the recent deep dive. Recognising that this is a complex challenge, where no one solution will address the problem, the proposals set out in the Action Plan are aimed at improving access to employment opportunities, raising young people aspirations and career insights, and most critically, utilising all our levers to engage with employers and SMEs locally/regionally to improve outcomes. With the Board's approval of the Action Plan, we will work with partners to secure progress, and through LAs respective local plans against key areas, reflect common opportunities for enhancement.

5. Strategic Aims and Objectives

- 5.1 The aims and objectives set out in this paper align with the strategic intents set out in the WMCA [AEB 2022-25 Strategy](#), West Midlands [Plan for Growth](#), and the West Midlands [Local Skills Report](#) which seek to secure stronger and more inclusive regional growth, reflecting the potential of our region and including its higher than national average young population.

6. Financial Implications

- 6.1 This paper outlines a proposed action plan focussed on the areas discussed at previous meetings. This includes investment of £500k on a Youth Unemployment Pilot Programme: Transition to Work Bursary Fund, from UKSPF underspend.
- 6.2 The approval of this funding will follow the WMCA governance routes; ensuring robust costing, assessment of resources and value for money.

7. Legal Implications

- 7.1 This report is in accordance with WMCA governance, and purposes to secure an Officer Ordinary Decision which is not exempt from publication.
- 7.2 The appropriate Corporate Director(s) as represented at the EGB are empowered by WMCA Constitution to duly authorise the proposal herein and is therefore approved by WMCA Legal, subject to resolution of the matters set out below at 7.3 and compliance with the recommendations at 7.4 and 7.5.
- 7.3 The disposal of the UKSPF underspend in the manner herein proposed must follow satisfactory enquiry by WMCA Finance, that the underspend has not arisen because of budget transfer in the relevant period and thereby is compliant with the overarching relevant funding rules.
- 7.4 Any underpinning Grant Agreement must meet the requirements of the UKSPF and the author is advised to revert to WMCA Legal for support with the development of appropriate terms and conditions.
- 7.5 It is strongly recommended that no transfer, payment or promise of payments are made to any potential recipients prior to the execution of and appropriate Form of agreement.
- 7.6 The Report Author's application is to secure approval to deliver projects aligned with corporate strategy that are exclusively for the benefit of the public. Therefore, in lieu of a full Subsidy Control Assessment, preliminary review indicate that the proposal falls in an exempt category and should therefore be approved.

8. Equalities Implications

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

9. Inclusive Growth Implications

- 9.1 The ambition outlined in this paper align closely with, and support, our inclusive growth agenda, particularly in relation to the following metrics:
 - **education and learning:** raising educational attainment of young people and reducing the number of young people not in education, employment or training.

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

10. Geographical Area of Report's Implications

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

11. Other Implications

11.1 None.

12. Schedule of Background Papers

12.1 The following documents are relevant to this paper:

- WMCA Youth Unemployment Deep Dive discuss at the November 2023 meeting of EGB: [PowerPoint Presentation \(moderngov.co.uk\)](https://moderngov.co.uk).
- UKSPF Youth Unemployment Pilot Programme: Transition to Work Bursary Fund submission.
- Impetus Blueprint for the Library of Birmingham Youth Hub available at: [Impetus-YouthHubs-Blueprint.pdf \(niceandserious.com\)](https://niceandserious.com).

Appendix A – Youth Employment Action Plan

Name of Intervention	What is the nature of the intervention	Owner – who will lead this action	Cost and source of funding
Supporting Young People			
<p>To get more young unemployed people into apprenticeships we will scale up the pre-apprenticeship offer for 18 to 29 year olds.</p>	<ol style="list-style-type: none"> 1. Deliver approximately 900 pre-apprenticeship training places between January 2024 and December 2025. 2. Utilise UKSPF to introduce a training allowance / wage subsidy to de-risk SME commitment and support young person via the Youth Unemployment Pilot Programme: Transition to Work Bursary Fund. <ol style="list-style-type: none"> a. Provide upwards of 150 training allowances January 2024 – December 2025. 3. Commission 5 new bootcamps with a focus on supporting young unemployed residents supporting a minimum of 200 people in first year. 	<p>WMCA</p>	<p>(Secured) £2.4m from AEB to deliver training</p> <p>(Secured) £500k from UKSPF business support regional fund</p> <p>(Secured) £26.7m Bootcamp funding</p> <p>LA partners will be invited to top up bursary using UKSPF allocations – not yet committed</p>
<p>Bringing together respective digital places into a single Youth Employment Platform as a single ‘front door’ for young people’s services across the region.</p>	<ol style="list-style-type: none"> 1. All LAs to consider how they deliver their young people facing digital content into their pages of the region wide platform by April 2024. 	<p>LA Partners</p>	<p>Officer time to develop</p>
<p>Develop a ‘virtual offer’ for young people unable to attend mainstream provision across the region.</p>	<ol style="list-style-type: none"> 1. Building on the Solihull LA approach, develop a model to extend across the region to enable young people who are reluctant to engage outside of their home to be able to access an initial support service. 	<p>WMCA</p>	<p>Officer time</p>
<p>Systemising jobs and careers fairs for young people across the region</p>	<ol style="list-style-type: none"> 1. Set out 12 month rolling plan of careers and jobs fairs for young people across the region. 2. Deliver a programme of cluster related careers fairs linked to plan for Growth 	<p>WMCA</p>	<p>(Secured) £100k WMCA</p>

	<ol style="list-style-type: none"> Working with the Race Equalities Taskforce, introduce additional careers fairs aimed at increasing engagement from racialised communities during 2024. Leverage employer support / attendance through Regional Business Council and Careers Enterprise Company network etc. 		
Establish Youth Hubs as the physical hub to support young people in each LA	<ol style="list-style-type: none"> Each LA to agree locally leadership for the Youth Hub offer in their area by April 2024. Establish the hub and spoke model to have sufficient coverage of unemployment hot spots by June 2024. Agree the service specification and design i.e. what services will be deployed. JCP to commit to all youth claimants commencing their journey in a hub setting from April 2024. 	LAs	Officer time to develop
Further develop a Transition and Support model for SEN young people	<ol style="list-style-type: none"> Bring together regional best practice and national research and evaluation to develop a costed model for SEN support and transition that can be included within the next round of local growth funding through the single settlement. 	City of Wolverhampton Council to lead with Birmingham City Council	Officer time to develop
Develop investment plan and regional offer to support youth unemployment for the next local growth funding round	<ol style="list-style-type: none"> Work collectively to develop the regional offer for 2025 to 2028 with associated investment plan. 	WMCA	Officer time
Working with Employers			
Increase the number of SMEs offering jobs and apprenticeships to young people	<ol style="list-style-type: none"> Through Business Growth WM – lead a campaign to communicate the support that can be offered, including Youth Friendly Employer toolkits, Bursary support to SMEs. Work with Chambers and JCP to amplify messaging through their networks. LAs to shaped, prioritise and promote through networks and groups. 	BGWM	BGWM operating funds (marketing)
Increase number of apprenticeship places and jobs being offered to young	<ol style="list-style-type: none"> Leverage employer led initiatives - 5% Club activity, Severn Trent, Hatch, Movement to Work to enhance awareness. WMCA to promote to large employers including levy donors. 	WMCA	Through Officer time

people through large employers	<ol style="list-style-type: none"> 3. WMCA and each LA to set out the number of placements, apprenticeships and jobs it will offer to young people to September 2025. 4. Anchor network to set out number of places and jobs it will provide. 		
Partnering with Central Government and National Agents for Change			
Work with DWP, DfE and IfATE to enhance national/regional policy cohesion.	<ol style="list-style-type: none"> 1. Develop regional all age careers strategy under guidance of Skills Advisory Board. 2. Work with Awarding Organisations and DfE to pilot English and Maths for work accreditation and curriculum. 3. Work with DWP to establish a longer-term training allowance / wage subsidy employment support offer, building on Kickstart and current Pre-Apprenticeships Programme. 4. Pilot job rotation employment support model for young people. 	WMCA	Through Officer time as part of official to official engagements.
Working with Thinktanks and Specialist Groups i.e. Youth Employment UK, Youth Futures Foundation, Youth Employment Group	<ol style="list-style-type: none"> 1. Work with specialist organisations with research/technical expertise to identify, utilise and develop evidence-led best practice models to strengthen regional policy impact and return on public investment. 	WMCA	Through Officer time as part of official to official engagements.

Appendix B – Youth employment deep dive summary

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
<p><i>Key challenges</i></p> <p>Page 28</p>	<ul style="list-style-type: none"> • Low prior attainment, leaving school without any (or few) quals, limiting options. • There is not the necessary volume and quality of provision and opportunities for YP post-16. • Our post-16 offer for YP – particularly those who are not work ready, have low levels of experience and qualification, or face barriers – is not broad enough or of a high enough quality. • Post-16 transitions can also be complicated for YP. • No L2 English and/or maths become gatekeepers to apprenticeships/better jobs. • Narrowing of offer to T levels and A levels. Removal of L2/3 vocational quals. Removal of Level 2 apprenticeship standards. • Apprenticeship participation declining for younger age groups. • Fixed point entrance to programmes (Sept/Jan). • Negative educational experiences, often due to undiagnosed learning difficulties, create distrust in system or fuel fear of learning / low self-belief. 	<ul style="list-style-type: none"> • Disaffected and disconnected, deep desire for belonging (Youth Census). • Often difficult personal circumstances and poor support structures leading to rising poor mental health/anxiety and economic inactivity. • Chaotic life circumstances. • Usually from low-income households, limiting financial capacity to train post 18 or digital deficit. • Have caring responsibilities or are young parents requiring flexibility. • Housing benefit ‘traps’ people on benefits as risk of work is too high. 	<ul style="list-style-type: none"> • We lack targeted, national employment support for YP who are long-term NEET. • YP who are NEET for an extended period accrue scarring that can negatively impact important long-term outcomes, incl salary and chances of progression. • These YP can be affected by numerous factors, such from low confidence to CV gaps, that act to further pull them away from the labour market. They are also more likely to struggle upon entering the workforce and so are at a heightened risk of leaving a job soon after securing it • Not enough, if any, workplace experience to develop knowledge, skills and behaviours employers want. • Poor employability/transferable skills due to teaching/assessing only to qualification. Limited holistic curricular. • Lack of timely or ongoing careers guidance to adequately prepare for labour market. • Lack of social capital/time/funds to undertake volunteering, clubs etc. 	<ul style="list-style-type: none"> • CA/LAs cannot create jobs. • Private sector could be more fully engaged. There are pockets of employers that want to support the agenda but not at the necessary scale to make a difference and all too often are the same ones supporting multiple agendas. • Perception YP lack soft and technical skills employers want to address high vacancy demands. • Poor recruitment experiences or leadership and management to support YP. Mutual needs are getting lost in translation. • Limited/negligible employer investment 	<ul style="list-style-type: none"> • ‘Double disadvantage’, where you live correlates to level of opportunity. Intersections (low attainment, poverty, socio-economic, disabilities, poor health) compounding effect. • Short term funding or fragmented approach to support and employment services limits policy coherence. • Lack of quality data on 18-24 at local level limits timeliness of intervention. • No-one ‘owns’ NEETs.

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
<i>What works</i>	<ul style="list-style-type: none"> • Programmes that offer vocational training, apprenticeships, and skill development opportunities to prepare young people for the job market – that provide practical skills and improve employability. • Lots of second chances to (re)engage with study. • Vocational training with work experience • Apprentice incentives to employers (offset wages) 	<ul style="list-style-type: none"> • outreach efforts aimed at informing young people about available job opportunities, training programmes, and resources can help reduce youth unemployment by connecting them to existing services. • Individualised one to one support is vital. • Personalised wraparound and financial support. • Mentoring/coaching champions to help YP feel agency over their lives. • Good quality information - know the person so they feel included. • Targeted support for at risk YP 	<ul style="list-style-type: none"> • Establishing dedicated centres or hubs that offer job placement services, career counselling, and assistance with resume building and interview skills have proven effective in connecting young job seekers with opportunities. • Public employment services that can offer tailored support to different groups of young people and effectively signpost or refer young people to other services or opportunities are key. • Early intervention raises effectiveness and reduces cost long term. • Work experience placements. • Extracurricular and volunteering opportunities for social skills. • Access to career information, advice and guidance & career coaches. • Embedded employability in curriculum. 	<ul style="list-style-type: none"> • wage-subsidy programmes where employers are incentivized to hire young people. These programs can help create job opportunities for youth who might otherwise struggle to find employment • Financial incentives/wage subsidy for an initial period (de-risk) • Employer designed and led programmes – Movement to Work • Job rotation schemes • Anchor networks – inclusive recruitment within public sector 	<ul style="list-style-type: none"> • Shared policy objectives/targets for coherent & consistent implementation & evaluation of impact. • Long term funding to enact sustainable interventions. • Holistic local approaches targeting severely impacted groups, utilising local collaborations as safety net for at risk. • regularly assessment of the effectiveness of interventions through shared data collection and analysis to make informed adjustments to programmes and services.

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
What are we already doing?	<ul style="list-style-type: none"> • Devolved skills funding for 19+, • Extending study programmes for 19-23-year-olds • Thrive at College to support mental health • Pre-apprenticeships (19+) • SWAP/gateway programmes and skills Bootcamps (19+) • Piloting of a virtual post 16 offer, particularly for individuals who are struggling to leave the house (Smart Futures Programme Kickstart Your Career (smarttar.co.uk)) • LA Supported internships 	<ul style="list-style-type: none"> • Thrive at College • Discretionary Learner Support Funds • Move to funding programmes rather than just quals, to meet broader needs • Youth Employment Platform 	<ul style="list-style-type: none"> • Developing all age career service • Youth Hubs / jobs shops / jobs fairs <p>Programme funding to provide IAG, coaching, mentoring, work experience and embed employability – only when on programme.</p>	<ul style="list-style-type: none"> • Better alignment of skills provision to employer need – LSIPs/LSIF, sector taskforces & training plans • Pre-apprenticeships as pathway to a good apprenticeship for YP. • More apprenticeships in SMEs for young people through Apprenticeship Levy Transfer Fund. • Anchor network establishment ICAN with ICB 	<ul style="list-style-type: none"> • Development of post-16 data hub. • Move to single pot and longer-term funding through single skills settlement.
Who else has levers?	LA support for SEND 16-18 offer (with DfE) Youth Offer (with DWP)	Flexible Support Funds (DWP)	DWP Youth Hubs DWP Work Coaches National Careers Service (DfE)	Tax incentives Employers (including public sector)	Schools know who is at risk of NEET

	Education & Skills	Personal and financial support	Work readiness & careers guidance	Employers & Job opportunities	Wider structural & system issues
<p><i>What else should we prioritise?</i></p> <p>Page 31</p>	<ul style="list-style-type: none"> • Scale up pre-apprenticeship offer for 18+ – but need a bursary/wage subsidy. LAs to commit UKSPF and CA pay for training. • WMCA/LAs commit to deep dive on support for labour market transition for SEND learners, including through supported internships to build out best practice model for the region (Wolverhampton to lead) • Extend the virtual offer across the region (Solihull to lead) 	<ul style="list-style-type: none"> • Region wide youth mentoring/ coaching offer. Need to identify funds – £5m autumn statement ask • Youth Employment Platform to become single digital front door for all LAs/CA • Travel costs – Adopt DWP approach on frontloading support for childcare to also include travel to work. • All housing schemes supported by WMCA grant to have more explicit social housing targets. • Each LA to work with housing organisations to increase live and work schemes. • Piot LHA scheme with St Basils. 	<ul style="list-style-type: none"> • LAs to take local ownership of Youth Hubs and commit to flowing all youth-related services through them. Develop hub and spoke model in each area. Widen participation to all non-economically active young people. • CA/LAs to continue to develop NEET prevention approaches through careers hub. • CA/LAs to develop an alternative provision model for the region (LA to lead) 	<ul style="list-style-type: none"> • LA in each area to write to local employers packaging together all asks of businesses (i.e. WEX, Careers Hub related, jobs for unemployed/care leavers/Learning Disabilities, etc.) - starting a more strategic conversation with them re. how we can support the development of their workforce through a range of initiatives • BGWM to provide support for youth friendly employers, based on YEUK Good Youth Employment Charter. • BGWM to consider where conditions can be leveraged against the issue of grants. • WMCA/LAs to develop youth employment programme (based on Kickstart model), using LA UKSPF as wage subsidy/bursary. • Leverage employer led initiatives - 5% club activity, Severn Trent, Hatch, Movement to Work • LAs to seek commitments from anchor network employers. 	

This page is intentionally left blank



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>Business Growth West Midlands – Service Update & Future Funding</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>An earlier version of this report has been considered by Local Authority Directors of Economic Development</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Note progress against delivery of the Business Growth West Midlands service
- (2) Note and, as appropriate, support proposed commitment of forecast regional underspend from Core Hub and Strategic Relationship Management activity
- (3) Note and, as appropriate, discuss and provide directional steer to officers on future funding models for business growth and productivity support post March 2025

1. Purpose

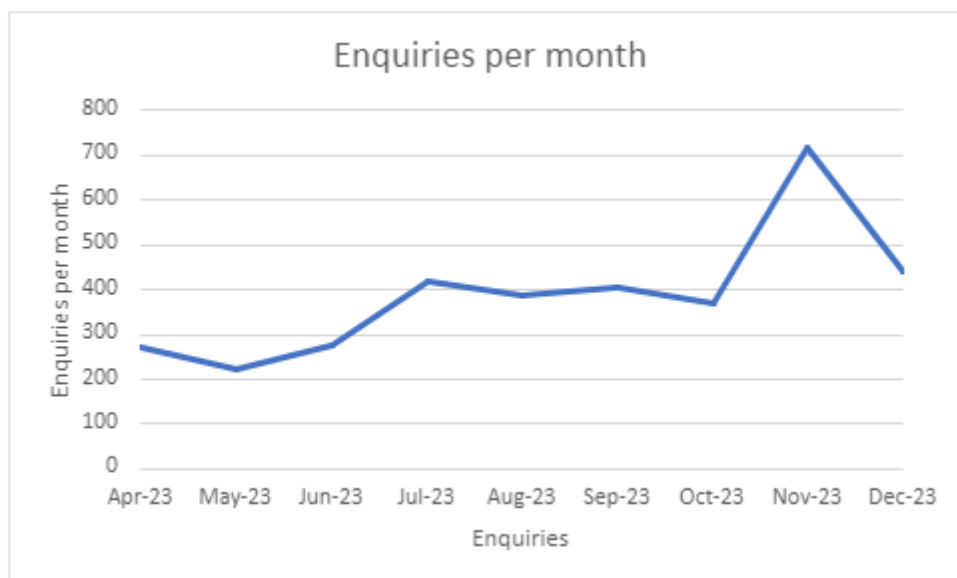
- 1.1 This report brings Economic Growth Board members up-to-date on progress of the Business Growth West Midlands service in its first nine months of operation. It also points to future priorities for forecast underspend and requests initial guidance from Economic Growth Board as to priorities post March 2025.

2. Business Growth West Midlands service update

- 2.1 The overall BGWM service is now becoming established with key highlights from monthly data to 31 December 2023 presented below.
- 2.2 Total enquiries into the Business Growth West Midlands service stand at **3,499** since the soft launch of the service on 1 April. Although December saw a seasonal dip to 439

enquiries from a November high, this was still above all previous months, with the exception of November, and it is anticipated that there will be an increase back to at least November numbers in the final quarter of the year.

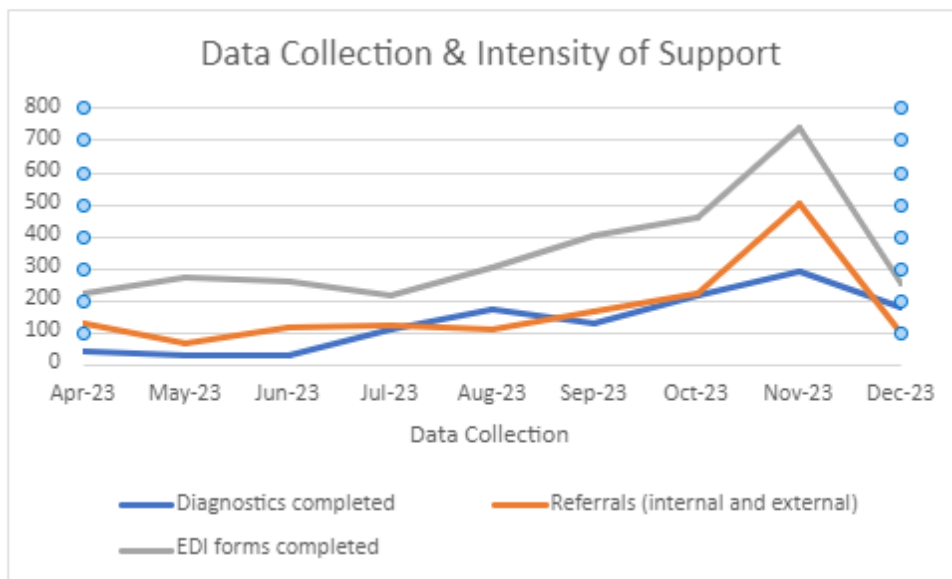
- 2.3 The website remains the main point of entry, which is indicative of the drive to make this the natural start for businesses seeking support and to grow in the West Midlands. By way of example, there were 402 web enquiries in November, representing 56% of the total, where the second largest enquiry volumes are through email (172).



- 2.4 Overall, the number of businesses supported remains very strong, with some expected variations by locality. Micro, small and medium-sized businesses are 54%, 20% and 5% of clients respectively. This represents a slightly bigger average size business than the general business population, meaning that BGWM is reaching its target market of small businesses, although there is more to be done in this regard. The total number of businesses supported also represents an approximate doubling of queries compared with the service delivered by the three Local Enterprise Partnerships.

Unique Business Supported by Size	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Pre-start (not trading)	15	21	31	40	14	43	33	35	32	264
Start-up (trading less than 12 months)	56	52	65	67	70	87	110	150	56	713
Micro (trading, 1-9 employees)	238	248	262	235	278	375	346	511	175	2668
Small (10-50 employees)	81	102	83	115	119	126	124	184	67	1001
Medium (50-249 employees)	14	21	19	37	27	31	35	50	19	253
Large (250+ employees)	5	3	8	2	1	5	2	2	1	29
Total	409	447	468	496	509	667	650	932	350	4928

2.5 The total number of diagnostics completed in **December** was **177**. This represents intensive one-to-one working with a business to best understand the individual businesses needs and provide tailored support. This level of in-depth support has more than doubled since September with an overall figure of **1,187** since April 2023 demonstrating that business interventions at all levels are growing, driven by a bigger pipeline of initial queries and expanding capacity in local teams as the overall service reaches an early stage of maturity.



2.6 To ensure consistency and quality of service delivery across the region, BGWM has created a communications channel for front line advisers. This follows successful regional adviser briefings on 7 December and 11 January involving 35 to 40 front line staff. The briefings and channel will improve information flow, sharing of best practice, and will be used to further encourage consistency of delivery across the geography.

2.7 In addition, a Task and Finish Diagnostic Group has been established, led by Coventry and Warwickshire Growth Hub, bringing together practitioners from across the region to ensure that the business diagnostic tool is being used effectively across the region and to look at improvements.

2.8 The front-line Birmingham and Solihull BGWM team (formerly GBSLEP Growth Hub) transferred into Birmingham City Council on 1 December. The focus and resilience of the team should be noted as delivery has not noticeably dropped despite it being a potentially disruptive time for staff and both the LEP and City Council should be thanked for their hard work in ensuring this smooth transition.

3 Communications and Promotion

3.1 In November 2023, BGWM ran three events totalling 483 registrations, and 426 of them were from unique businesses. The standout event was the Solihull and Birmingham BGWM roadshow – effectively a local launch of the BGWM service. It drew 300 registrations, with an impressive turnout of 200 unique businesses. Feedback from participants was positive, with 80% stating that the event met their expectations and was useful and informative, and 84% wanting to speak to business advisor following the event.

3.2 A BGWM awareness marketing campaign has recently been developed and is due to launch this month across varied media channels including billboards, taxi wrap, digital radio, and programmatic display advertising. The service will also be featured in Birmingham Business magazine.

4. Regional Programmes

4.1 Economic Growth Board members will recall that the Business Growth West Midlands model relies on account management activity based in localities complemented by programmes commissioned at a regional scale.

4.2 Many of these programmes are still at an early stage, which means that while we are able to count businesses helped, the outcomes for many of those businesses are to be determined. Full details of these programmes are included in Appendix I.

4.3 From this Appendix, we would highlight that:

- The tender specifications for the Commonwealth Games Legacy Fund supported High Growth Accelerator and Supply Chain Transition programmes have now closed with assessment planned imminently. Sarah Windrum, as Deputy Chair of Innovation Board and member of Economic Growth Board, and Martin Ward, as Tech Commissioner, have agreed to help assess tender responses, and provide a clear private sector voice to inform the choice of suppliers.
- The Business Energy Advice Service (launched in mid-October and supported by the Department for Energy Security and Net Zero) has had 578 businesses register for an audit with 137 completed.
- Made Smarter WM has been informed that it will receive an additional 30% funding for 25/26 to take the total programme to £3M as it continues to be the standard bearer for the national programme.
- Innovation Accelerator projects are now beginning to see direct benefit to WM businesses with, by way of example, the first 20 business working with the Clean Futures project and the first 30 with the West Midlands Health-tech Innovation Accelerator. A fuller report from Innovation Board is on the agenda under item 8.

5. UK Shared Prosperity Fund Forecast Underspend

- 5.1 Given confirmation from government on 9 November 2023 that 23/24 budgets can be carried forward in full into 24/25, it is proposed that all local authorities carry forward their individual budgets should they have any underspend at the end of financial year 23/24.
- 5.2 Regionally allocated funding for business support is currently forecast to be underspent in 23/24. The primary forecast underspend is due to the decision by local authorities not to utilise this funding for Strategic Relationship Management activity in 23/24. This results in a forecast underspend of £696,676 against this budget line. There are smaller forecast savings arising from an overly generous initial budget for CRM licenses and savings made against the original Core Hub budget, particularly with regard to a Department for Business and Trade 'Growth Hub' grant for £380,000.
- 5.3 Following guidance from November Economic Growth Board, it is proposed that £500,000 of this underspend be allocated to a youth unemployment pilot programme: Transition to Work Bursary Fund with an explicit focus on the impact business can make on increasing employment amongst young people in the region.
- 5.4 WMCA has recently piloted a pre-apprenticeship programme to provide an effective pathway for young people into good apprenticeships. This is particularly important given rising youth unemployment across the region, the steep decline in young apprentices across the region in recent years and the decline of SMEs offering apprenticeships in the region. The programme evaluation highlighted critical success factors as being its industry-aligned training, holistic wrap around support, and the availability of financial support for learners. This funding would look to deliver a significant expansion of level 2 pre-apprenticeship provision for young people across the region.
- 5.6 In reviewing regionally allocated budgets for financial year 24/25, there are likely to be similar underspends against the Core Hub, given the likelihood of receiving DBT Growth Hub funds, and Strategic Relationship Management for local authorities budget lines. This results in a forecast underspend for regional activity for 24/25 of £1,977,324.
- 5.7 Given the needs of the economy, it is proposed that this underspend is focused on an export support programme, linked to the West Midlands International Strategy and that complements the existing DBT offers and support of International Trade Advisors; an expansion of the supply chain transition programme currently supported by the Commonwealth Games Legacy Fund as in 4.3 above; and support for models of community-led business support programmes.

6. Future funding

- 6.1 Alongside the rapid mobilisation of the Business Growth West Midlands programmes, attention is also on the medium-term as funding for most programmes ceases in March 2025. The context is set by the Deeper Devolution Deal, which includes a commitment to a Single Settlement between Government and the WMCA on funding over the next Spending Review period across five pillars, including Local Growth and Place.
- 6.2 Whilst the terms and timing of the next Spending Review are subject to national political events, the WMCA is taking the initiative to set the parameters of the Local Growth and Place pillar. The first meeting of the Strategic Productivity Partnership with senior Dept.

for Business and Trade officials saw the region set out the Business Growth West Midlands offer and the vision for boosting productivity, in line with positions previously agreed by the Economic Growth Board in May 2022 and September 2023. The aim is to use the next Strategic Productivity Partnership meeting in spring to agree a shared direction and bring DBT closer to the Single Settlement as currently the pillar is biased towards elements of regeneration via DLUHC, rather than business and enterprise via DBT.

- 6.3 The initial framework of the Local Growth and Place pillar strategy is being developed with Directors of Economic Development and colleagues in Greater Manchester Combined Authority as the other trailblazing area, ahead of wider engagement with business and universities through 2024. During that period, the region should also consider how funding from the Single Settlement will align with locally-generated revenue (e.g. retained business rates) given the region's historic dependence on short-term government funding compared to similar areas.

7. Financial Implications

The paper is flagging forecast UKSPF underspend against both Local Authority programmes and the regional programmes for year 2 and year 3. In order to address this the paper also outlines plans currently in train to ensure full delivery of funding by March 2025.

All changes to UKSPF funding will go through the agreed WMCA governance routes.

8. Legal Implications

- 8.1 There are no legal implications directly arising from the report.

9. Equalities Implications

- 9.1 There are no direct equalities implications. However, Business Growth West Midlands closely monitors equality, diversity and inclusion as it relates to businesses supported through the service. This data currently reflects a good position, particularly in relation to the ethnic diversity of businesses supported. BGWM will look to put in place additional measures and support, as required, to meet the needs of the diversity of the business base in the West Midlands.

10. Inclusive Growth Implications

- 10.1 There are no direct inclusive growth implications. However, the overarching aim of Business Growth West Midlands is to ensure that all businesses, regardless of geography, benefit from expert support that enables growth across the region and in all communities. In addition, commissioning of regional programmes is based on ensuring that businesses and communities across the geography benefit from those programmes and that is a key outcome of the tendering process. Specific programmes, such as the Business Energy Advice Service aim to boost business productivity and, at the same time, reduce the consumption of energy and resources in West Midlands firms.

11. Geographical Area of Report's Implications

11.1 The report relates to the 7 Met area.

Appendix I

Programme Name	Funding (£'000)	Funding Route	Programme Summary	Delivery Partner	Target Outputs	Status	Geography
Decarbonisation Net Zero Programme	£4,600	UKSPF	Provides information and expert advice and support to businesses enabling them to make significant decarbonisation and money saving changes to their business.	Consortium led by Aston University	321 registrations 85 audits completed Grant applications in progress or referred - 23	In Delivery	WMCA Area
Investment Readiness Programme	£2,200	UKSPF	Addresses demand-side weaknesses in Small to Medium Enterprises (SME) access to external finance in the West Midlands.	Oxford Innovation in six LA areas & C&W Growth Hub in Coventry	Stage 1 training dates in place 7 arranged for Jan and Feb 62 businesses registered 19 moved to stage 2 intensive support	In Delivery	WMCA Area
FDI Internationalisation	£3,200	UKSPF	Funding to the West Midlands Growth Company to support inward investment to the region.	The West Midlands Growth Company	16 enterprises engaged in new markets 578 jobs created as a result of support	In Delivery	WMCA Area
High Growth Accelerator	£1,700	CWGLF	Aim to help high growth businesses in the West Midlands manage their growth more sustainably and increase the pace of growth.	TBC	50 businesses to be supported on their high growth journey.	Tenders under review	WMCA Area
Supply Chain Transition	£1,000	CWGLF	Aims to help small and medium-sized enterprises (SMEs) in the West Midlands (WM) to diversify their customer base by winning new orders in growing areas of the economy. It will do this through a combination of workshops, intensive one-to-one coaching, peer to peer support and events that host buyers from organisations seeking to diversify their supplier base in the West Midlands.	TBC	Aims to help 160 firms in the West Midlands	Tenders under review	WMCA Area
Social Economy							

Programme Name	Funding (£'000)	Funding Route	Programme Summary	Delivery Partner	Target Outputs	Status	Geography
Social Economy: Business Growth Support Programmes	£1,743	CWGLF	A suite of 6 programmes that will support up to 160 Social Entrepreneurs improve their business skill and confidence in order to improve their sustainability, grow revenue, increase employment and volunteering and increase their social impact. Grants also available to support growth.	TBC	Support for up to 160 Social Entrepreneurs	Contractors appointed	WMCA Area
Local Place Based Cluster Investments	£400	CWGLF and other funders	8 locations. Each 'cluster' will be led by a local organisation who will bring the community and key stakeholders together to build the plan from the bottom up. <ul style="list-style-type: none"> Coventry & Warwickshire Community Development Association (CWEDA) leading in Foleshill, Hillfields and Wood End Colebridge Trust leading in Kingshurst Witton Lodge Community Association leading in Erdington iSE leading in Digbeth SWEDA leading in West Bromwich centre Urban Hax leading in Walsall (Palfrey ward) Provision House leading in Dudley High Street & St Thomas Quarter Access to Business leading in Wolverhampton City Centre (south) 	TBC	Seed funding (£50k each) to develop an action and investment plan to build a sustainable ecosystem that supports a healthy social & circular economy.	1 more cluster is now being funded through matched funding	WMCA Area
Heritage and Culture							
Culture and Heritage Business & Skills Support Programme	£110	CWGLF	The overall objective is to create a stronger and more resilient culture and heritage sector	WMCA	Bursaries, grants and training	Delivery expected to begin in Jan	WMCA Area
Nationally funded programmes delivered across ITL1 West Midlands							

Programme Name	Funding (£'000)	Funding Route	Programme Summary	Delivery Partner	Target Outputs	Status	Geography
Business Energy Assessment Service (BEAS)	£24,610	DESNZ/D LUHC	The objectives of this project are to support WMCA and regional efforts to overcome market failures inhibiting energy-exposed West Midlands manufacturers and businesses (in the ITL 1 region) from mitigating the impacts of energy cost rises and the transition to net zero. The approach has been developed with the help of the West Midlands Industrial Energy Taskforce.	Aston University (consortium lead); Worcestershire CC, Warwickshire CC; Staffordshire CC, MTC	(LINKED TO Decarbonization Net Zero) 578 registrations progressing to audit 137 completed audits	MoU in place between WMCA and DESNZ Onward Funding agreements being finalised. Programme highlighted at PMQs on 15.11	West Midlands ITL1
Made Smarter – West Midlands (MSWM)	£6,900	DBT	To support manufacturing SMEs in the West Midlands to use digital technologies to overcome challenges or access opportunities to: increasing productivity developing resilience increasing competitiveness	Lead: C&W Growth Hub	Current Outputs for 23/24 to date: 106 of 120 Digital Roadmaps delivered. 36 of 44 grants awarded totalling £609k. 22 Registered for Leadership and Management Uplift of £0.7m to £3m funding confirmed for 25/26	In Delivery	West Midlands ITL1
Innovation Accelerator							
DIATOMIC	£6,042,	IUK	DIATOMIC (Digital InnovAtion TransfOrMative Change), is a multidisciplinary cross-cutting programme that will build the innovation capability and capacity to drive growth and prosperity locally, and enhance the reputation of the West Midlands globally. This project is led by Connected Places Catapult, and partnered by local universities, Birmingham City Council and the Birmingham Chambers of Commerce and Industry.	Lead: Connected Places Catapult	<ul style="list-style-type: none"> A digital twin to drive the use of data in place-based decision making underway Challenges set around three target areas for Birmingham City Council: Housing, Waste and Route to Net Zero 	In Delivery	Birmingham and Solihull

Programme Name	Funding (£'000)	Funding Route	Programme Summary	Delivery Partner	Target Outputs	Status	Geography
					<ul style="list-style-type: none"> UK SME Accelerator: 35 SME applications received 10 of which have been made offers to progress 		
WMIP2.0	£2,888	IUK	The Project addresses the "Capability and Capacity" strand of the West Midlands Innovation Accelerator, supporting cross-sector, demand-led innovation and enhancing the connectedness and operation of the region's innovation ecosystem.	Lead: WMCA	650 businesses engaged through events, 4 projects underway (£486,000 of project grants) with 4 under review (£405,000).	In delivery	WMCA Area
Clean Futures	£8,034	IUK	<p>The aim of Clean Futures (CF) is to develop the West Midland's innovation ecosystem and drive economic growth, engage with industry and address the:</p> <ul style="list-style-type: none"> Route to market challenges faced by SMEs in the transport sector Support the transition of manufacturing capability and associated supply chains from fossil-fuelled transport products to clean-tech transport Support the selected SMEs to transition, develop and demonstrate clean tech transport solutions to Tier 1 and OEMs. 	Lead: Connected Places Catapult	5 Challenge statements defined & approved for the Clean Futures programme 49 very high-quality applications received 20 businesses onboarded Clean Futures webinar – 85 registered; 60 attended BCIMO workshops – 35 attended	In delivery	WMCA Area
WMHTIA (6D)	£14,513	IUK	<p>The '6D' Innovation Accelerator (6D-IA) will unite key players across the region (universities, hospitals, industry and government-funded 'Catapults' for manufacturing innovation) creating coordinated series of activities that will help companies to navigate "pinch-points" in the process of medical translation.</p> <p>The 6D-IA will also provide a national focus for the development and deployment of new healthcare technologies, growing a vibrant and self-sustaining cluster of activity.</p>	Lead: University of Birmingham	Multiple events run so far, 137 companies engaged through events programme. Over 80 businesses ready for engagement, 30 businesses assisted so far.	In delivery – formally announced on 18 October	WMCA Area

Programme Name	Funding (£'000)	Funding Route	Programme Summary	Delivery Partner	Target Outputs	Status	Geography
Biochar	£1,822	IUK	This project will strengthen the supply chains and also expand participation in the cluster of companies investigating market opportunities for applications of Biochar technology.	Lead: Aston University	Multiple new applications and opportunities identified including 3D printing and odour suppression. 15 business enrolled on project	In delivery	WMCA Area



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Innovation Board – Six-Monthly Report</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>Mike Wright - Independent Chair of the West Midlands Innovation Board</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Endorse the 2023 activities and achievements of the West Midlands Innovation Board
- (2) Comment on and agree the proposed 2024 priorities of the West Midlands Innovation Board

1. Purpose

- 1.1 This is a six-monthly report of the chair of the West Midlands Board, setting out WM innovation achievements over 2023 and recommended priorities for 2024.
- 1.2 The West Midlands Innovation Board is an advisory committee to the West Midlands Economic Growth Board. The Board has a remit to recommend key activities to increase business-led research, development, and innovation as an important input to productivity, and in line with the West Midlands Plan for Growth.

2. Background

- 2.1 Business research, development, and innovation (R&D&I) is known to increase firm-level productivity, which in turn translates into more revenue and over time profit of firms. This increases business tax contributions and over time as this revenue and profit is reinvested, it creates jobs for residents. This is evidenced by the What Works Centre.

2.2 R&D&I is therefore an important element of the West Midlands Plan for Growth. The West Midlands Innovation Board is playing a positive role in driving up R&D&I across the eight primary clusters that the plan focuses on. Each cluster operates in the regional innovation ecosystem and so the conditions for R&D&I to thrive is as big of a focus as specific cluster interventions.

2.3 For 2023 EGB agreed that the West Midlands Innovation Board would focus in on five key priorities:

Priority 1: Maximise regional and national impacts from the Innovation Accelerator fund

Priority 2: Address gaps and seize opportunities to develop the local innovation ecosystem

Priority 3: Develop the regions reputation for innovation nationally and globally as a go-to place to set up a business and invest

Priority 4: Ensure the region is at the vanguard of government policy making for R&D and Innovation

Priority 5: Build partnerships with related innovation clusters

2.4 Progress over the last six months is set out below:

Priority 1: Maximise regional and national impacts from the Innovation Accelerator fund

2.4.1 In Spring 2023 EGB approved five projects to share £33m of grant funding that was awarded through the Innovation Accelerator pilot with Government. It was agreed that funded projects would focus on the growth of businesses commercialising clean-tech, and med-tech. The five projects and a summary of progress to date is list below:

Project	Partner/s	Grant funding awarded	Businesses supported to date	Businesses supported by March 2025 (planned)
Clean Futures Mobility R&D demonstrators	Connected Places Catapult, The Black Country Innovative Manufacturing Organisation, Coventry University	£8m	20 - intensive support	40 - intensive support 800 - initial engagement through workshops and events)
Biochar Commercial applications validation & demonstration	Aston University	£1.8m	15	44
DIATOMIC Smart City demonstrator, digital twin, & international trade & investment twinning	Connected Places Catapult, Birmingham City Council, Birmingham City University, University of Birmingham, Aston University, WM Growth Company.	£6.2m	9	50

West Midlands Health Innovation Technologies Accelerator Feasibility support leading to clinical trials & manufacturing R&D demonstrators	University of Birmingham, Aston University, University of Warwick, WMG, MTC, MediLink, Plug&Play.	£14.1m	30	150
West Midlands Innovation (Clusters) Programme Funding for cluster bodies networks, as well as proof of concept R&D trials	West Midlands Combined Authority, WMG, University of Wolverhampton, Create Central, Sustainability West Midlands, Transport for WM, Midlands Aerospace Alliance, Tech WM	£2.9m	30	650

2.4.2 To support projects there have been ten business events attracting 644 business delegates. WMCA has also set up a monthly community of practice with the five projects. Through this community of practice model all five projects have been introduced to a range of wider support services including local authority business advisors.

2.4.3 The WM Innovation Board has an ongoing assurance role for the Innovation Accelerator pilot. At every meeting it receives a highlight report of achievements, risks, and issues to be aware of. Each project also receives a deep-dive discussion with board members on a rotating basis. The chair also meets periodically with projects to assure their progress.

Priority 2: Address gaps and seize opportunities to develop the local innovation ecosystem

2.4.4 In July 2023, at Wolverhampton University, the West Midlands Innovation Board launched a new West Midlands Action Plan with Innovate UK. The Plan provided an endorsement for the West Midlands Plan for Growth in pursuit of R&D&I-led growth opportunities within the regions eight primary clusters. Examples of early impacts resulting from this Plan –

- **West Midlands Further Education Innovation Fund** - Innovate UK has ring-fenced £2.5m (25% of the total funding available) of grant funding for colleges in the WMCA area to bid in to. Three bids aligned to former-LEP areas have been submitted. Outcomes are currently embargoed and will be announced in February 2024.
- **Innovate UK Local Event** - Innovate UK's flagship event to outline how businesses can access their programmes and funding will take place on 12 March 2024 at the Black Country Innovative Manufacturing Organisation (BCIMO). This is a partnership event between Innovate UK and Business Growth West Midlands, with all local authority business support teams encouraged to have a strong presence at this.
- **Coventry-Warwickshire Creative Tech Launchpad** - Innovate UK has ring-fenced £7.5m (10% of total funding available) of grant funding for businesses and universities to bid in to. Projects must centre on creative-tech businesses in Coventry and Warwickshire area, but can include businesses and universities from elsewhere.

- **Innovate UK Catapults roundtable** - In early February 2024 a roundtable with the CEOs of relevant Catapult centres and the CEO of Innovate will take place to explore how they can deliver even more impact for West Midlands based businesses. This will include a focus on the case for a Catapult outpost in The Black Country, recognising there is already a strong presence in Coventry & Warwickshire, and Birmingham.
- **Near-miss Innovation Accelerator projects** - projects that were assessed as “recommended for funding” and only not selected due to the limited funding envelope, are being supported to secure funding from other Innovate UK competitions via bespoke account management from the Innovate UK Knowledge Transfer Network team.

2.4.5 As part of the next Spending Review, WMCA and the Innovation Board is pursuing an ask to Innovate UK to scale-up and sustain the pilots we have worked together on to date. In return it is very important that colleges, universities, and business deliver impact to generate the critical evidence needed to make the case for follow-on funding.

2.4.6 In addition the following regional Shared Prosperity Fund and/or wider government programmes have either been awarded or are currently under assessment, and meet particular gaps for innovative businesses –

- Investor readiness
- Supply chain transition
- High growth support
- Energy business grants
- Made Smarter

2.4.7 In addition the WM Innovation Board has undertaken the following deep-dive discussions over 2023:

- **International:** the work of the Growth Company was strongly supported, with a call for a new innovation narrative to be developed and launched (now completed). Baselineing and measuring FDI in to the region that relates to technology and innovation was recommended as a future step
- **Investor finance:** key investment funds available for innovative businesses, including the West Midlands Co-Investment Fund, was appraised. The Board concluded that work is heading in the right direction however much more ambition around the scale of regional investment funds is needed. The WM Investor Readiness programme funded by the Shared Prosperity Fund was welcomed and it was recommended that advisors should have experience of the international investor community and markets as well as the UK.
- **West Midlands Investment Zone:** members advised that the investment zone cluster focus should be “engineering and advanced manufacturing”, with a significant focus of available funding going towards supply chain transition and building. A twin-track plan to attract critical parts of supply chains, particularly focused on tier 1 supplier chain businesses, was also recommended

2.4.8 A number of key strategic partnerships have also been positively fostered, with:

- The Intellectual Property Office (IPO) hosts a regional post with Business Growth West Midlands to strengthen links to specialist IP support. This role regularly attends events and meetings with local authority business advisors.
- Innovate UK Edge and local authority business growth advisors across local authorities came together in November 2023 to discuss closer ways of working. Innovate UK Edge is a specialist innovation business support service, funded by Innovate UK. A number of practical ways to strengthen cross-referrals has been identified for action over 2024.
- Plug and Play, a significant global innovation platform that is rooted in Silicon Valley, has run two major open innovation platform events with Jaguar Land Rover and Bentley in the UK to date. These link high potential start-ups to the innovation challenges of these firms with purchasing, acquisitions, and equity stakes expected over time. A plan for 2024 has been agreed to broaden out the range of large firms Plug & Play will work with across the West Midlands.

Priority 3 - Develop the region's reputation for innovation nationally and globally as a go-to place to set up a business and invest

2.4.9 Over 2023 the West Midlands Growth Company has co-developed an innovation narrative with members of the WM Innovation Board. This was launched at Birmingham Tech Week under the strapline "The Tech that Makes Tomorrow Work".

2.4.10 The narrative gets across the breadth and depth of the West Midlands Innovation ecosystem including its six universities, three catapult centres, 11 science parks, and £2bn private sector R&D economy. The campaign includes a range of online content and collateral that to date has received over 100,000 social media impressions in international destinations. Over 2024 the narrative will be refined based on feedback and activated in global markets in line with the forthcoming West Midlands International Strategy. This has coincided with a record year for FDI, with the West Midlands confirmed as number one outside Greater London for new company locations from overseas.

Priority 4: Ensure the region is at the vanguard of government policy making for R&D and Innovation

2.4.11 As part of the West Midlands Trailblazing Deeper Devolution Deal the WMCA has been invited to work with Government through a new Strategic Innovation Partnership that "gives the WMCA a new and influential role informing the national research and innovation ecosystem at the strategic level".

2.4.12 The chair of the Innovation Board, the Mayor of WMCA, and a selection of local university vice chancellors are leading this Partnership. A dialogue with the Science Minister is scheduled for January 2024. An Innovation Deal for the region that is rooted in its research excellence strengths is going to be put forwards, shaped and informed by independent evidence and consultation with local innovation ecosystem stakeholders. In addition there are now regular and productive dialogues between WMCA and officials in the Department for Science, Innovation and Technology (DSIT), and Innovate UK that leads to better intelligence sharing and early insights relating to emerging opportunities for West Midlands innovation clusters.

Priority 5: Build partnerships with related innovation clusters

2.4.13 WMCA and the WM Innovation Board has pursued mutual priorities with the Midlands Engine and Midlands Innovation (the pan-Midlands forum for research universities it co-funds). This recognises that universities and businesses in the East Midlands are our most immediate neighbours, with some clusters – particularly aerospace – operating on this wider functional economic area. WMCA has advised and supported the Midlands Engine Innovation Clusters prospectus as well as its Midlands Universities pitch-books for the Global Investment Summit.

2.4.14 Through the WM Innovation Accelerator, pan-midlands organisations are also being actively involved where it makes sense to do so –

- Medilink, who operate across the West and East Midlands, is funded to strengthen collaboration in the med-tech area.
- Midlands Aerospace Alliance has submitted an application to the WMIP 2.0 Innovation Accelerator to support aerospace SMEs “pivot” into new industries in clean-tech and med-tech.

2.4.15 Mindforge is also a new pan-regional fund for IP-intensive spin-outs and spin-ins. WM Innovation Board has offered its support to promote this new fund. It is currently undergoing a fundraising round.

2024 Innovation Board priorities

2.5 For 2024 the West Midlands Innovation Board is rolling over its five key priorities as set out above because they remain relevant and good momentum is underway around each.

2.6 Recognising a lot of good activity is going in to R&D&I, the Board has noted that it is increasingly important to create “stickiness” of businesses in the region. Therefore a clear scale-up business plan has been called for. In response, a sixth priority to “develop a scale-up plan for the West Midlands, pin-pointing the particular interventions WM can take to strengthen the stickiness of our most promising R&D&I businesses”.

2.7 In addition to these proposed six priorities, the Board has proposed specific key performance indicators:

- Shape and influence a significant WM R&D settlement at the next Spending Review. Our ambition is to land £100m+ of funding ringfenced for WM innovation in next significant Govt spending settlement.
- Shape and influence regional investment plans & decisions in order to strengthen the innovation ecosystem. Success will mean stakeholder sentiment, and business survey data demonstrates an improving trajectory across all local authority areas.

2.8 In summary, the EGB is invited to endorse progress over 2023, and agree proposed priorities for 2024. A further progress report will be brought to the Economic Growth Board in summer 2024.

3 Strategic Aims and Objectives

- 3.1 This report directly delivers on the WMCA's objective 1.1 (We will drive growth by developing regional strategies and plans focussed on priority clusters, boosting innovation, and securing investment) and the priorities of the West Midlands Plan for Growth.

4. Financial Implications

- 4.1 There are no direct financial asks from this report, however it does reference previously committed funding by WMCA, such as UKSPF, CWGLEF, WMIP 2.0 and Made Smarter as examples.
- 4.2 If WMCA request, receive or commit additional Government funding above existing budgets, this will need to be approved through WMCA governance routes to ensure alignment with strategic direction and the investment represents value for money.

5. Legal Implications

- 5.1 The contents of this report are stated as being for information and comment purposes only. Consequently, there are no immediate legal implications flowing from the contents of this report.

6. Single Assurance Framework Implications

- 6.1 There are no Single Assurance Framework Implications.

7. Equalities Implications

- 7.1 The work of the Innovation Board is positively promoting equality and diversity in the innovation ecosystem. New funding is accounting for this including the new inclusive innovation network funded by the West Midlands Innovation Accelerator.
- 7.2 The chair of the Board has met and continues to keep in dialogue with the West Midlands Race and Equalities taskforce to identify best practice and intelligence for where more targeted action might be needed.

8. Inclusive Growth Implications

- 8.1 The work of the Innovation Board makes a positive contribution to inclusive economic growth. As noted in the existing and recommended priorities, targeted work is underway to engage and involve more businesses and institutions in places that currently access less innovation support such as businesses in The Black Country.
- 8.2 Innovation Accelerator projects are working in a very wide range of sectors from energy through to social care where benefits are expected to reach a wide range of people and professions. Innovation events and discussions involve a wide and inclusive range of voices to ensure work represents the whole ecosystem.

9. Geographical Area of Report's Implications

- 9.1 This report relates to the WMCA area.

10. Other Implications

10.1 There are no other implications.

11. Schedule of Background Papers

- July 2023 Innovation Update report to West Midlands Economic Growth Board
- Innovate UK-West Midlands Place Action Plan
- West Midlands Trailblazing Deeper Devolution Deal



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Plan for Growth: Aerospace (including manufacturing alternative fuels)</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>n/a</i>

Recommendation(s) for action or decision:

The Economic Growth Board is recommended to:

- (1) Note the progress in support of the aerospace cluster for the West Midlands Plan for Growth.

1 Purpose of Report

- 1.1 The purpose of this report is to provide an overview of the activity surrounding the “Aerospace” cluster (the “Aerospace cluster”) identified in the West Midlands Plan for Growth (“the Plan”).
- 1.2 The report also intends to serve as a cover note for a presentation that will be shared by Dr Andrew Mair, Chief Executive of Midlands Aerospace Alliance (MAA), the body appointed by the West Midlands Combined Authority (WMCA) to lead the Aerospace cluster. The presentation will cover topics such an overview of the Aerospace 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 and breaking through the £100 billion economic output mark, 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 Growth 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. Combining the power of private and public sectors around these opportunities gives the region a credible path to returning to being the fastest growing region in the country outside London.
- 2.3 Modelling by Oxford Economics in 2022 concluded that without further intervention, the West Midlands would experience below average growth over the next decade with a negative impact on employment and earnings across the region. Likewise, the same modelling concluded that the region's GVA would need to grow by £3.9bn to be the leading region outside of London by 2030. Clearly since the publication of this forecast, several shocks to the market have changed the economic environment in which the region operates, which just compounds the need to mobilise our limited resources to support the clusters in the Plan.
- 2.3 To that effect, the Plan identified "Aerospace" 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 To define aerospace, this cluster's activity includes factories in supply chains that are 'designing, making and maintaining aircraft'. In contrast, aviation, with which aerospace is often confused, includes airlines and airports aligned with air travel, therefore 'using aircraft'.
- 2.5 The Plan predicted that a further £80-£90m of output and 900-1,000 additional jobs could be created by 2030.
- 2.6 However, research currently being undertaken by MAA and Midlands Engine Observatory may indicate that the size of the aerospace sector in terms of number of companies and people currently employed is larger than initially identified, which in turn may positively impact the size of the potential economic growth if the region mobilises to support the Aerospace cluster. The data for this has not been released yet but will be reported back to the Economic Growth Board in due course.

- 2.7 The MAA was formed in 2003 to support and represent the aerospace industry across the Midlands region. The alliance works closely with the UK's other regional aerospace alliances and the national body ADS, as well as with other European and world-wide aerospace clusters.
- 2.8 Membership is open to all companies and organisations that are part of the aerospace industry or desire to become part of the industry. The MAA currently has 300+ members. 60% of its members make “flying parts” and the other 40% make equipment for design, testing, manufacturing or provide specialist services.
- 2.9 The MAA is one of the largest regional aerospace alliances in the world, comparable with global competitors in France and Canada.
- 2.10 Given the MAA's presence, it is well placed strategically to develop the aerospace cluster from the Plan.
- 2.11 On the 26 November 2023, HM Government launched their “Advanced Manufacturing Plan” which promised to make £4.5 billion of funding available to support strategic manufacturing sectors over five years from 2025. This includes £975 million confirmed for the aerospace sector specifically. The WMCA will work with Midlands Aerospace Alliance to explore how to best utilise this funding to support the aerospace cluster, once it becomes available.

3. Cluster specific support through the West Midlands Combined Authority

3.1 Cluster Development

- 3.1.1 The MAA has been commissioned by WMCA to undertake several activities to deepen and broaden the private sector underpinnings of the cluster. To support delivery of the West Midlands Plan for Growth, this work will:
- Enable valuable “infrastructure-building” activities to be undertaken that could not be justified on short-term commercial terms when they target organisations that are not members of the MAA.
 - Strengthen the MAA's networking foundations across the wider WMCA aerospace cluster data and infrastructure.
 - Build additional private sector support and leadership for the cluster.
 - Exploit the Midlands Engine Observatory and MAA innovation funding data project work which is currently in progress.
- 3.1.2 The funding for this activity will come through the UK Shared Prosperity Fund via the Department for Levelling Up, Housing and Communities.

3.2 Innovation - Aerospace Suppliers Innovation Support Trial (ASSIST)

- 3.2.1 The West Midlands aerospace cluster is strong in the number, breadth and depth of its lower-tier Aerospace suppliers who are place-based and recognised primarily as having manufacturing or make-to-print expertise. For the purpose of this project, these companies have been labelled as “Group X”. Group X

companies tend to hold the 'gold standard' AS9100 aerospace qualification for the manufacture of aircraft flying parts.

- 3.2.2 Notwithstanding their specialist technology expertise, most Group X companies do not participate in the national aerospace innovation ecosystem and so unlike the large aerospace companies they receive no R&D grants; some do not recognise that what they do involves innovation or R&D.
- 3.2.3 The ASSIST programme intends to explore why Group X companies do not participate in innovation activities today. It will in parallel research the current UK innovation funding and activities landscape to understand what funds are available, and any limitations in terms of applicants, timescales and technologies which might apply. It will then develop a process and run a trial to maximise the opportunities for Group X companies to make use of the national innovation ecosystem and receive R&D funding.
- 3.2.4 It is hoped that this programme will help companies understand their innovation potential and be matched with national funding opportunities across the public and private sectors.
- 3.2.5 The funding for this activity will come through the DSIT/Innovate UK funded WM Innovation Accelerator project, the West Midlands Innovation Programme.
- 3.2.6 At the time of writing of this report, the contract for this programme is making its way through the WMCA Single Assurance Framework. However, the MAA have begun some elements of this programme already, which will be provided in more detail in the presentation.

4. Next steps

- 4.1 In conjunction with the MAA, the priorities for supporting this cluster include embedding the needs of the cluster in the likes of the West Midlands Internationalisation Strategy, our regional skills programmes and supporting the decarbonisation of the industry.

5 Financial Implications

- 5.1 There are no direct financial implications arising from this report. Any future investment in the "Aerospace cluster" would need to follow the WMCA governance routes to ensure alignment with strategic direction and represent value for money.

6 Legal Implications

- 6.1 There are no direct legal implications.

7 Equalities Implications

- 7.1 There are no direct equalities implications.

8 Inclusive Growth Implications

- 8.1 The regional level activities set out in this paper aimed at moving the West Midlands economy towards one that is more productive, growing and sustainable aligns will likely have a positive impact on supporting the West Midlands Combined Authority definition of [Inclusive Growth](#).
- 8.2 Working towards a more sustainable economy directly supports the Climate Resilience fundamental, particularly in regard to the desire to support the decarbonisation of the cluster.

9 Geographical Area of Report's Implications

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

This page is intentionally left blank



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Growth Company Q3 Performance Report against the 'Global West Midlands' Business Plan</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>WMCA Executive Board</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) Comment on and endorse the attached performance report from the West Midlands Growth Company (WMGC).

1 Purpose of Report

- 1.1 Economic Growth Board is responsible for the oversight of the performance of the WMGC against its adopted 2023-25 Business Plan – *Global West Midlands*”.
- 1.2 The attached appendix provides a narrative and commentary on key issues, challenges, and opportunities for Q3 of the 2023/24 financial year.

2. Background

- 2.1 WMGC's Business Plan – *Global West Midlands* – was approved by the WMGC Board at its meeting in June 2023 and then formally agreed by the Economic Growth Board in July 2023.
- 2.2 EGB will continue to receive regular updates relating to the performance of the WMGC against the agreed business plan – alongside any context relevant to its performance.

3. Financial Implications

- 3.1 As noted at November Economic Growth Board, full approval for funding was approved to deliver WMGC's Business Plan 2023-25. This comprises:
 - £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to Local Authorities from WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
 - £3.2m from the UK Shared Prosperity Fund
 - £1.4m from the WMCA core budget
- 3.2 When combined with £3.8m generated by WMGC from commercial and other funding, this results in a budget of £22.5m over two years.
- 3.3 The attached report contains detailed figures for spend to 30 November 2023 and forecast to 31 March 2024. Due to delays in approval of the final funding and business plan, and therefore WMGC's ability to start activity in full, WMGC is now forecasting a reduction in overall spend and therefore income of £1.4m. In agreement with WMCA Finance Director both the core £700k funding from WMCA and £500k of deferred income that was budgeted to be spent in current year will now be transferred to next year (24/25) along with BATH Sponsorship revenue of £220k. Other key variances explained as follows:
 - The Business and Tourism Programme has a £80k transfer between 3rd party costs and payroll costs compared to Budget due to a change in the make-up of costs as the programme closed out.
- 3.4 The varied funding streams utilised by the WMGC to fund the 2023-25 business plan means that there are also different output reporting requirements.
- 3.5 During this business plan period, the WMCA will be working with WMGC colleagues to develop a sustainable long-term funding plan.

4. Legal Implications

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

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

5. Equalities Implications

- 5.1 There are no direct equalities implications.

6. Inclusive Growth Implications

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

7. Geographical Area of Report's Implications

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

This page is intentionally left blank



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>West Midlands Growth Company Q3 Performance Report against the 'Global West Midlands' Business Plan</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Neil Rami, Chief Executive, West Midlands Growth Company</i>
Accountable Employee	<i>Katie Trout, Director of Policy and Partnership, West Midlands Growth Company</i>
Report has been considered by	<i>WMCA Executive Board</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

(1) Note and comment on the issues outlined in this report in relation to West Midlands Growth Company's (WMGC) performance against its Business Plan – Global West Midlands – focusing on the period 1st October – 30th December 2023.

1. Purpose of Report

- 1.1 To update the Economic Growth Board on progress against the four strategic objectives and the headline targets set out in WMGC's 2023-25 Business Plan – *Global West Midlands*.
- 1.2 To provide narrative and commentary on key issues, challenges and opportunities.

2. Background

- 2.1 WMGC's Business Plan – *Global West Midlands* – was approved by the WMGC Board at its meeting in June 2023 and then formally agreed by the Economic Growth Board in July 2023. It sets out the following four strategic objectives which support the delivery of local and regional priorities:
- **Enhance the profile & reputation of the region**
Improving perceptions of the region as a place to invest, visit and host events.
 - **Create & sustain good jobs for local people**
Growing and increasing the productivity of the regional economy by attracting inward investment to the West Midlands.
 - **Facilitate the regeneration of the built environment**
Securing transformational capital from global and domestic investors in brownfield real estate and regeneration projects.
 - **Create & sustain vibrant destinations**
Harness sustainable domestic tourism and growing demand for inbound international tourism to enhance the region's quality of life by growing and strengthening the visitor economy.
- 2.2 A series of outputs, leading and lagging indicators for each strategic objectives have been identified with minimum and stretch targets set against them.
- 2.3 This report provides an update on WMGC's performance against the Business Plan to the end of Quarter 3.

3. Key Results

- 3.1 Appendix A which shows performance against the key targets in the Business Plan to Quarter 3. Performance against the targets is referred to in the sections below on each of the Strategic Objectives.
- 3.2 Overall, performance against the targets continues to be strong. At the end of this financial year, there will be a stage gate to review performance in the round. Where required, additional stretch targets will be proposed to ensure performance levels continue to be optimised.

4. Enhancing the Global Profile and Reputation of the Region

- 4.1 *Global West Midlands* includes 11 strategic and proactive campaigns that directly respond to the priorities of the WMCA and Local Authorities through digital, media and event-led content. These will all articulate the West Midlands' most competitive and compelling offer through messaging, proposition and collateral creation, rooted in a strong evidence base.

- 4.2 WMGC's marketing and communications activity since 1st April 2023 has resulted in:
- 375 articles being successfully placed in print and online media against the stretch target set in the Business Plan to place 800 by 31st March 2025.
 - An audience reach of nearly 557 million and the team is on track to hit the end of programme stretch target of 700 million.
 - More than 855,000 new unique users have visited WMGC's investment, leisure, and business tourism website in the context of an end of programme stretch target of 1.18 million.
- 4.3 Activity to support this objective since 1st October 2023 includes:
- **Birmingham Tech Week** in October 2023 formed an important part of the WMGC's innovation-centred campaign, "**The Tech That Makes Tomorrow Work.**" The WMGC's "Global West Midlands" event saw Birmingham Tech Week pivot towards a global audience for the first time; showcasing the West Midlands' world-class R&D ecosystem and the abundance of opportunities for international tech firms – operating across multiple sectors – to develop, test and scale next-generation products and services in a ready-to-go commercial market.
 - The region's strong tech credentials were amplified through four **media announcements** across Q2 and Q3. These achieved 650 media hits with a combined reach of more than 600m, including key titles such as Reuters, Daily Mail Online, Yahoo! and UK Tech News. Interviews were secured with Sunday Times, Free Radio, and The Business Desk.
 - Birmingham Tech Week also saw WMGC announce the **expansion of its Global Growth Programme** through a new collaboration with London & Partners. The programme aims to boost trade and investment by supporting high-growth tech firms to land in the West Midlands or expand internationally.
 - The **Medica** exhibition took place in Dusseldorf in Germany in November. The region's life sciences proposition, as part of the **innovation campaign**, was presented in collaboration with Medilink.
 - WMGC's '**Where the World Meets**' campaign kicked off with the positive news that the West Midlands' business events sector is bouncing back more quickly than the rest of the UK. The region's strong conference and events offer was then showcased to delegates at CHS Birmingham, a one-day exhibition for the country's events and hospitality community.
 - WMGC also led regional engagement at Expo Real in early October as part of its '**Catalytic place-making**' campaign. Showcasing the region's innovation credentials at Europe's biggest real estate event, six strategic development opportunities were championed through on-the-ground and marcomms activity, including a new digital prospectus that maps regional innovation and invention.
 - The West Midlands' '**Heart of Sport**' was on show at SportAccord's IF Forum in Lausanne in November. WMGC's delegation waved the flag for the region's heritage and future as a world-class host for sport, which included hosting a panel with Birmingham-born, Commonwealth Games-winning gymnast, Joe Fraser.

- 4.4 As part of the Business and Tourism Programme, WMGC commissioned a **regional visitor survey** to understand visitors' behaviour. Results from the survey help WMGC to evaluate the impact of the Commonwealth Games (CWG) and the Associated Business and Tourism Programme (BATP) and to make informed decisions to support tourism development strategies, policies and deliver inclusive and sustainable visitor economic growth for the region. Over 2,500 on-street interviews were completed from July to September 2023. WMGC's tourism research team secured site permissions from 27 tourism businesses across 12 local authorities in the region. The survey shows that the CWG and the BATP continued drive visitors and spend into the West Midlands in 2023:
- Some 10% of UK based visitors and 14% of overseas visitors in 2023 were motivated to come the region by seeing media coverage associated with the BATP and the wider Commonwealth Games.
 - Nearly 30% of visitors in 2023 were coming to the West Midlands for the first time, up from 23% in 2022.
 - At £151 average visitor spend in 2023 was 6% up on 2022 – although the price inflation over the previous 12 months was a key factor.

5. Creating and Sustaining Good Jobs for Local People

- 5.1 WMGC aims to grow the region's economy, increase its productivity and enable the development of its clusters by attracting firms who are looking to relocate or expand. This in turn will create good quality, high value jobs for those that live here.
- 5.2 Since 1st April 2023, the conversion of the substantial pipeline of inward investment leads generated by the BATP has continued:
- 52 projects have been landed across the region, against an end of programme stretch target of 117, creating or safeguarding 3,614 jobs so far, against an end of programme target of 5,148. Of these 27 are FDI and 25 are investments by UK based companies.
 - 16 projects have been landed over the last quarter of which three are in the business, professional and financial services sector, eight are in tech and creative, three are in advanced manufacturing and two projects have been landed in the life sciences sector. Eight are UK based investors, two are German investors and the others are from India, Turkey, Singapore, Ireland, France, and the Netherlands. While twelve have landed in Birmingham, three have landed in Solihull and one has landed in Warwickshire. Amongst these successes, projects notable for the number of jobs created and/or safeguarded include: the expansion Version 1 (300 new jobs), Petalite (100 new jobs) and Eversheds Sutherland (100 new jobs) in Birmingham and the expansion of the UK National Telecoms Lab in Solihull (100 new jobs).
- 5.3 Year to date, the WMGC's inward investment activity has generated nearly 787 new leads, against an end of programme target of 1,500, with the number boosted significantly by activity delivered during Birmingham Tech Week. 68 new qualified projects have been identified from amongst WMGC's pipeline of

leads, taking the number of active projects to 187, with the potential to deliver a combined 12,000 jobs. Of these 187, 15 are at active final stage, indicating they have a high probability of translating to successfully landed projects within the next 90 days.

- 5.4 WMGC's active inward investment project pipeline includes a number of projects with the potential to deliver significant impact and job creation across the region. Selected high profile projects include:
- **Schumacher Packaging** – seeking to develop a new, state of the art net zero packaging facility with potential to deliver 600 new jobs on top of their existing headcount in Birmingham. WMGC are currently awaiting feedback from Michael Owens – Schumacher CEO over his views on the i54 and next steps. These involve working with **Wolverhampton** once conversations progress. Support has been provided on property searches, stakeholder introductions and co-ordinating meetings with developers.
 - **Project Dawn** – a major international retail brand seeking to enter the UK bricks and mortar market in the West Midlands. The firm has now signed a lease for a flagship store at Merry Hill, **Dudley** (set to create up to 250 jobs including corporate back office) and is in dialogue with a number of other locations across the region. The CEO of Project Dawn has visited and considered sites in **Solihull, Wolverhampton, Birmingham, Sandwell, Sutton Coldfield, and Telford. Coventry** has also been engaged, however, there are no current assets that match the specification.
 - **Project Fox** – a food and drink retailer looking for a new 30-acre state of the art manufacturing site within the West Midlands for both primary and secondary processing. This expansion will create 1,500 new jobs. Sites of interest are currently located within **Birmingham, Dudley, Walsall, and Sandwell.**
 - **Firstsource Solutions** – Building on the previous new job expansion of 200 jobs announced in July 2022, Firstsource are reviewing its Financial Services operations and clients which can be serviced from an expanding Birmingham hub. If successful, this growth will create an additional **500 jobs.** They are looking to move from their Regus Victoria Square site next year into permanent space, as part of a wider strategic UK review of operations. WMGC are in regular dialogue with their Head of Europe to supporting this expansion.
 - **Arvato Expansion: Central HQ** – a German owned supply chain management and e-commerce solutions company who are keen to establish their first freehold regional HQ in the UK. Arvato are also interested in their management and central functions to be located within the UK, along with a warehouse facility. Sites in **Coventry, Wolverhampton, Walsall, Solihull, North Warwickshire, Tamworth, Nuneaton, and Bedworth** are being considered. To date, the following sites have been offered to Arvato through WMGC's advice and network: SPARK, Wolverhampton 450, DC5 Prologis Park Midpoint, Symmetry Park Rugby, Unit 4c SEGRO Coventry, Unit 4b SEGRO Coventry, Longbridge Business Park, Peddimore Units A-P (excluding e & h).

5.5 Other key activity and developments related to this objective to the end of Q3 includes:

- The development of the region-wide **Strategic Relationship Management** (SRM) initiative is continuing at pace. The foundations of the initiative are laid. The team are now building on this through Account Manager training, piloting, and engaging more deeply with officers across all the Local Authorities and with the WMCA to support priority accounts and develop collaborative ways of working.
- WMGC is committed to extending the **Global Growth Programme** and has appointed an 'Innovation and Scale Up Manager', who will lead the roll-out of GGP 2.0 moving forward. WMGC took a tender to market in October to secure a framework of suppliers with appropriate workspace offerings to accommodate innovative SME FDIs. This has generated a lot of interest, and a new contract will be let from the start of the new year.
- WMGC has now been awarded the **DIATOMIC Innovation Accelerator** programme. WMGC will play a key role in integrating the research work undertaken by the project and the development of the West Midlands International Strategy. WMGC will conceptualise and develop a Cleantech FDI hub which will harness from the existing Global Growth Programme model and support the delivery of an export-oriented accelerator programme. This will grow SME FDI Cleantech trade, investment and innovation links between the West Midlands and key global partner locations.
- WMGC has commissioned a consultancy firm to work with them to support the **Public Sector Relocations** programme. The initial focus will be to refresh an analysis on the size/nature of the remaining addressable market and provide a focused evidence base for government decision making.
- **Global Investment Summit** - Jointly hosted by the Prime Minister and the Department for Business & Trade, it was announced that the world's leading investors have committed £29.5bn in new UK projects and capital, triple the sum raised at the last Global Investment Summit in 2021. The Mayor attended on behalf of the West Midlands and WMGC led on compiling and submitting representations to include in various internationally significant capital investment and FDI opportunities for promotion. Following the event, the team are following up on several new leads for the region.

6. Facilitating the Regeneration of the Built Environment

6.1 The Capital Investment team are continuing to support Local Authorities in promoting a broad range of capital projects at varying levels of investor-readiness, these include: Aston BIQ, West Bromwich Heat Network, Smithfield Birmingham, University of Warwick Innovation Campus at Wellesbourne, Old Ikea Building (Cultural Gateway), Coventry and Planet Ice, Dudley. No projects have 'closed' during this period. The team has also picked up additional LA-led projects which are ready for market engagement. These include the Astle Retail Park in Sandwell and Wellington Road in Dudley.

6.2 Other key developments related to this strategic objective include:

- Planning for **UKREiiF** and the region's first pavilion there is continuing at pace. A region-wide Steering Group and Delivery Group has been established so that Local Authorities and the WMCA can help to shape plans. Local Authorities have each expressed their objectives and priorities for the event, and WMGC are working closely with each LA and the WMCA to ensure these objectives are met across the event programme and activity. This engagement is supporting the team's prioritisation of capital investment projects and driving their investor engagement strategy. WMGC is also supporting the development of specific collateral including Coventry's Investment Prospectus and updating Sandwell's marketing material.
- WMGC led on regional engagement at **Expo Real**, Europe's largest real estate and investment trade fair on 4-6 October 2023 in Munich. WMGC was part of the first UK pavilion alongside other city regions. Six strategic development opportunities were promoted at the event and were featured within an inventive digital prospectus and regional innovation map. These are Arden Cross, - Birmingham Innovation Quarter, Smithfield, University of Warwick Innovation Campus (Wellesbourne), Gigapark and Green Innovation Corridor.
- WMGC commissioned a **hotel feasibility study** and will be leading two roundtable discussions to discuss the results with market players and key stakeholders.

7. Creating and Sustaining Vibrant Places

- 7.1 WMGC's activity to promote and support the region's visitor economy includes attracting business conferences and events and major sporting events alongside work to support the growth of the region's travel trade and leisure tourism. As above, this financial year has seen the continued conversion of the substantial pipeline of leads generated over the life of the BATP.
- 7.2 In Q3, one major, high-profile business conference has been landed:
- The team has worked with Transport for West Midlands & The NEC Group and helped to win a bid to host the **Intelligent Transport Systems 2027 World Congress** - due to be held in Birmingham in 2027.
- 7.3 Over the financial year 30 new business conference bidding opportunities have been generated. Four bids were submitted in Q3:
- **Royal College of Anaesthetists** – College Tutors Meeting which will host around 400 delegates over 2 days
 - **Institute of Export and International Trade 2025** which will host around 1,000 delegates over 1 day
 - **Institute of Export and International Trade 2024** which will host around 50 delegates over 1 day
 - **Powering Net Zero Conference 2024** which will host around 200 delegates over 3 days.

7.4 In relation to Major Sporting Events, 12 bidding opportunities have been generated since the start of the financial year and five events have been landed:

- **The World Business and Sport Summit, SportAccord** was landed in the previous quarter and awarded £3m of funding from the Major Events Fund, responsibility for which lies with Birmingham City Council. WMGC has agreed with Birmingham City Council five key project areas which WMGC will be responsible for leading on and delivering. A delegation from the West Midlands attended the International Federations Forum in Lausanne from 13th-15th November to issue our formal invitation to the international sporting community, evaluate the standards and expectations of the West Midlands event and continue to build strong relations with the SportAccord organising team.
- During Quarter 3, three events were landed - the **Urban Sports Summit** which will be held in Wolverhampton, the **European Judo Cup** which will be held in Walsall and the **ESL One EU** gaming tournament in Solihull.

7.5 Wider activity to support this objective includes:

- The process around allocating remaining funds from the **£6m Major Events Fund** was concluded. WMGC undertook an extensive evaluation of submissions and presented a prioritised list and options for allocating the money to the Major Events Advisory Board, Chaired by Cllr Andrew. These were given full consideration and a recommendation made to the Economic Growth Board in November which approved funding to nine major events, as follows:

Event	Bidding Authority	Value (£)
Birmingham Weekender	Birmingham City Council	£350,000
Kabaddi World Cup	CoWC	£501,295
Black Country Festival	Dudley MBC	£364,694
European Judo Union Junior Cup	Walsall Council	£251,733
Reggae Fever	Coventry City Council	£250,000
Godiva Festival Worldwide Welcome	Coventry City Council	£500,000
SuperDome	Solihull MBC	£250,000
ESL ONE EU 2024 - DOTA II	Solihull MBC	£143,347*
West Midlands Urban Sport	CoWC	£388,931*
TOTAL		£3,000,000

It was not possible to fund all applicants to the Major Events Fund which means that there is now a healthy pipeline of events across the region that could be supported if further funding is available. These include: British Diving Championships 2024, GB Boxing Grand Prix - World Boxing Cup and World Squash Federation World Team Championships 2024.

WMGC will work with LAs to seek to encourage events which receive funding from the region to provide free or incentivised public transport, as doing so will in turn help support the commercial viability of public

transport in the region, something that is currently in receipt of very significant public sector funding support.

- A '**Visitor Pass**' for the region gained widespread support from industry and destinations following the completion of a feasibility study. A tender went out to market and WMGC is currently in final discussions with the winning supplier. This will offer visitors a bundled package of discounts to popular attractions, activities, experiences, and transportation options for a fixed period (e.g., 1 day, 3-day, 5-day). Work to sign up partners will commence with an aim to have this operational by Spring 2024.
- The '**UK's Largest Treasure Hunt**' campaign will launch and promote the regional visitor pass, which will encourage visitors to explore the breadth of the West Midlands, and increase dwell-time.
- WMGC partnered with VisitBritain for a **sales mission to New Delhi, India in November**. Over 100 one-to-one meetings to identify opportunities for visits to the West Midlands were held, 10 West Midlands visitor economy businesses were represented, two educational seminars were delivered and two media interviews were undertaken. As part of the mission, WMGC sponsored the welcome reception to consolidate the Business and Tourism Programme investment across 2020-2023 and to maximise the legacy of the Commonwealth Games' travel trade educational visits. The mission proved hugely successful, resulting in high satisfaction from West Midlands visitor economy suppliers - such as The Black Country Living Museum, Botanical Gardens and WM Merlin attractions - who represented a West Midlands cluster for the first time at an overseas mission. The WMGC team are now following up with contacts which has resulted in five pipeline opportunities to date.
- Partnership work with **Birmingham Airport** has facilitated their attendance at Destination Britain-India to promote Birmingham and the West Midlands destinations to tour operators. Two educational seminars were undertaken jointly with BHX to 48 tour operators and travel agents, highlighting direct routes, re-established routes and future expansions between Birmingham and Indian airports, to support their clients' business and leisure visits to the West Midlands.
- Work is continuing to secure designation as a second national **Destination Development Partnership** (DDP) pilot from VisitBritain and DCMS. This will see the Birmingham, Black Country & Solihull LVEP and the Coventry & Warwickshire LVEP come together to form a DDP to support the growth of the visitor economy.

8. Strategic Matters

- 8.1 Aside from work to deliver the strategic objectives of the Global West Midlands programme, WMGC is currently working on a number of strategic matters:
- 8.2 WMGC has led on the development of the **West Midlands Internationalisation Strategy** (WMIS) Green Paper working closely with the WMCA, Local Authorities, Department for Business & Trade, universities, Chambers of Commerce, Birmingham Airport and other partners. Following

agreement at the last Economic Growth Board meeting, consultation is underway and will run until early February 2024. A draft strategy and delivery plan will be brought to the March meeting of the Economic Growth Board for consideration.

- 8.3 WMGC is actively engaged in work to develop the region's **Investment Zone**. As set out above, work is already underway to attract investors, occupiers and capital including through the Global West Midlands Programme by promoting the sites, including at Expo Real and the GIS. Further ways to utilise the current programme are also being explored as well as starting to develop a potential programme of activity post-March 2025.
- 8.4 Work is continuing with regard to identifying **sustainable funding** for WMGC from April 2025. The Board's Task and Finish Group is meeting monthly to progress this work.

9. Quarter 4 Focus

- 9.1 Whilst this report highlights *Global West Midlands* activity to date in 2023/24, it also refers to key areas of focus for the coming quarter. These include continued planning for SportAccord and UKREiiF; piloting Strategic Relationship Management model with initial accounts; progressing the roll-out of the Global Growth Programme; securing Destination Development Partnership status; facilitating the allocation of resources from the Major Events Fund; and producing a draft International Strategy and Delivery Plan. More detail on these, and further activity undertaken in Q4 will be provided in the next performance report.

10. Conclusions

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

11 Financial Implications

- 11.1 Following the Investment Board's decision on 16 October 2023, full approval has now been given for funding to deliver WMGC's Business Plan 2023-25. This is comprised of:
- £14.1m from the Commonwealth Games Legacy Enhancement Fund, of which £0.7m has been granted to Local Authorities from WMCA to support an increase in capacity to deliver against priorities in the programme, with the balance of £13.4m for WMGC
 - £3.2m from the UK Shared Prosperity Fund

- £1.4m from the WMCA core budget
- 11.2 When combined with £3.8m generated by WMGC from commercial and other funding, this results in a budget of £22.5m over two years.
- 11.3 The table at Appendix C shows the detailed figures to 30 November 2023 and forecast to 31 March 2024. Due to delays in approval of the final funding and business plan, and therefore WMGC’s ability to start activity in full, WMGC is now forecasting a reduction in overall spend and therefore income of £1.4m. In agreement with WMCA Finance Director both the core £700k funding from WMCA and £500k of deferred income that was budgeted to be spent in current year will now be transferred to next year (24/25) along with B ATP Sponsorship revenue of £220k. Other key variances explained as follows:
- The Business and Tourism Programme has a £80k transfer between 3rd party costs and payroll costs compared to Budget due to a change in the make-up of costs as the programme closed out.

12. Legal Implications

- 12.1 WMGC is wholly owned by WMCA and its constituent authorities. As such, it benefits from the “Teckal exemption” and its services can be procured directly by its company members.
- 12.2 WMGC is required by law to submit statutory accounts and financial statements no later than 31 December every calendar year. As part of the preparation of statutory accounts and financial statements, WMCA secures the services of third-party auditors (currently Dains LLP) who consider whether the control and functional tests have been met.
- 12.3 There are no new legal implications for WMCA resulting from this report. WMCA has a general power of competence in relation to economic development and has the necessary legal powers to invest in WMGC.

13 Equalities Implications

- 13.1 There are no direct equalities implications.

14 Inclusive Growth Implications

- 14.1 The focus of WMGC’s activity supports the delivery of the region’s inclusive growth ambitions. For example, WMGC’s inward investment activity is creating new employment opportunities for local people across the region – both directly and indirectly through supply chains; capital investment activity is focusing on new, brownfield development and the refurbishment and repurposing of existing assets in line with local priorities. Ultimately, this work will improve the living conditions of local residents, drive economic uplift through new investment and champion a more sustainable future landscape for the region.
- 14.2 Activity to promote the West Midlands visitor economy domestically and globally, drive visitor footfall across local authority areas, will support local businesses, materially improve perceptions of these destinations, promote cultural and social wellbeing and foster the civic pride of citizens. WMGC is

also targeting major events, conferences and sporting federations which will deliver social and economic benefits to businesses and residents and support the region's sporting, cultural, events and hospitality supply chain.

15 Geographical Area of Report's Implications

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

Appendix B – Key Outcomes: Year on Year Trends

	1st April – 31 st Dec 2022	1st April - 31st Dec 2023
Business conferences landed	4	4
Sporting events landed	6	5
Inward investment projects landed	43	52
Jobs created by inward investment	2,298	3,614

Appendix C – Year to date Budget

Results to 30th November 2023

	YTD				Forecast to 31st March 2024			
	Budget	Actual	Variance	Commentary	Budget	Actual	Variance	Commentary
Regional Contribution								
West Midlands Combined Authority	4,936,960	3,672,437	- 1,264,523	GWM spend behind forecast due to budget sign off delays	8,750,000	7,550,000	- 1,200,000	Transfer of £700k Core funding to 24/25 as the GWM spend in 23/24 is lower than budget (agreed with WMCA) plus £500k of deferred revenue to be carried over to 24/25.
Other								
University Contributions	93,333	93,333	0		140,000	140,000	0	
DBT Key Account Management	114,000	114,000	-		171,000	171,000	-	
GBSLEP Proftech	9,296	9,296	-		9,296	9,296	-	
BATP	1,357,522	1,331,499	- 26,023	Final evaluation costs now due in by Jan-24	1,357,522	1,357,297	- 225	Higher accountable body fee
	1,574,151	1,548,128	- 26,023		1,677,817	1,677,592	- 225	
Commercial								
Partners	305,038	299,806	- 5,232		465,000	450,565	- 14,435	£29k lower Corporate Partners offset by £14k higher Tourism Partners
Convention Bureau	46,199	23,698	- 22,501		80,000	35,000	- 45,000	Revised forecast as the budget was an arbitrary figure
BATP Sponsorship	19,777	19,777	-		262,510	43,914	- 218,596	Lower BATP sponsorship revenue utilised v budget
Other - Research, WMT, BCC Grant	17,365	61,951	44,586	Solihull & Wolverhampton Steam reports	17,365	61,951	44,586	Solihull, Wolverhampton, Staffordshire & Coventry Steam reports
	388,378	405,232	16,854		824,875	591,430	- 233,445	
Total Revenue	6,899,489	5,625,797	(1,273,692)		11,252,692	9,819,022	(1,433,670)	
Staff Costs								
Direct Staff	2,729,202	2,553,435	- 175,767	Recruitment of new roles taking longer than forecast	4,867,324	4,872,258	4,934	
Direct Staff BATP	560,048	640,526	80,478	Offset with equal reduction in 3rd party costs	560,048	640,526	80,478	Offset with equal reduction in 3rd party costs
Indirect Staff	397,576	395,394	- 2,182		602,498	597,564	- 4,934	
Overheads	807,423	810,239	2,817	Recruitment costs lower due to recruitment of new roles taking longer than forecast	1,254,636	1,254,636	1	
Third Party Costs								
Regional Contribution								
Supplier costs for WMCA SLA	1,617,732	519,842	- 1,097,890	GWM spend behind forecast due to budget sign off delays	3,148,904	1,671,194	- 1,477,710	Revised forecast of costs - £7,550,000 GWM costs will be achieved with this forecast 3rd party spend
Other								
Supplier costs for BATP	729,002	623,790	- 105,212	£80k reduction in 3rd party costs offset with payroll. £25k costs now due in by Jan-24	729,002	648,298	- 80,704	Offset with equal increase in payroll costs and higher accountable body fee
DBT Key Account Management	15	15	-		15	15	-	
GBSLEP Proftech	1,750	1,750	-		2,100	1,750	- 350	
	1,765	1,765	-		2,115	1,765	- 350	
Commercial								
Partners	26,484	6,639	- 19,845		49,800	49,800	0	
Convention Bureau	12,863	12,187	- 677		21,000	21,000	0	
BATP Sponsorship	29	29	-		0	29	29	
Other	17,365	61,951	44,586	Solihull & Wolverhampton Steam reports	17,365	61,951	44,586	Solihull, Wolverhampton, Staffordshire & Coventry Steam reports - covered by income above
	56,741	80,806	24,065		88,165	132,780	44,615	
Total Expenditure	6,899,489	5,625,798	(1,273,691)		11,252,692	9,819,022	(1,433,670)	
Surplus/(Deficit)	(0)	(0)	(0)		(0)	0	0	

KPIs

GLOBAL WEST MIDLANDS HIGH-LEVEL KPI DASHBOARD



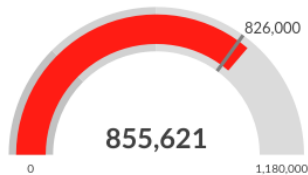
Output Measures Outcome Measures

While the WMGC is seeking to achieve a number of specific outputs and outcomes via the Global West Midlands Programme, it is part of a wider regional economic development ecosystem. WMGC's activities are helping to realise four broad economic objectives, working alongside a range of other organisations across the region, each with their own sets of deliverables: (i) to enhance the profile and reputation of the region, (ii) to facilitate the regeneration of the built environment, (iii) to create and sustain good jobs for local people and (iv) to create and sustain vibrant communities.

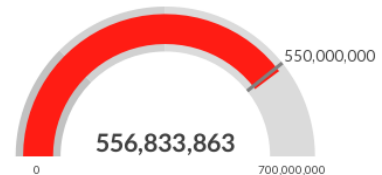
Data covers performance from 1st April 2023 to the current day. Figures are all drawn from WMGC CRM, except for Website Uniques, which are taken from Google Analytics. The target figures shown in each chart are for the end of the programme (31st March 2025). The lower figure is the minimum requirement and the higher figure is the stretch target.

Enhance the Profile and Reputation of the Region

Website Users

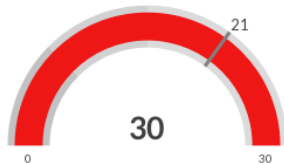


Total Media Reach

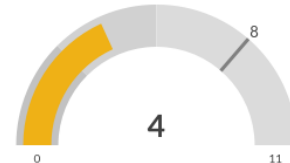


Create and Sustain Vibrant Places

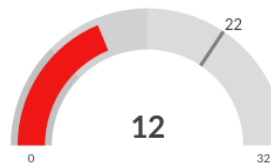
Business Conference Bidding Opportunities



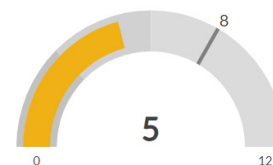
Businesses Conferences Landed



Sporting Event Bidding Opportunities

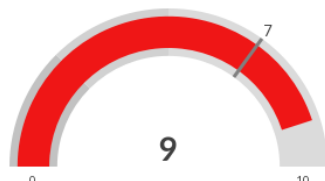


Sporting Event Bids Landed

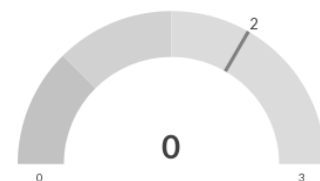


Facilitate the Regeneration of the Built Environment

Capital Investment Opportunities

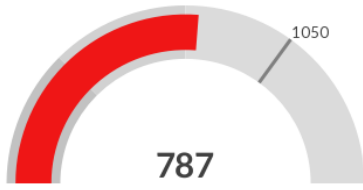


Capital Investment Landings

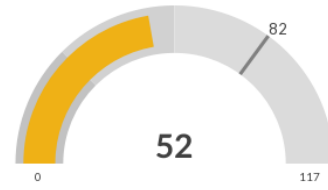


Create and Sustain Good Jobs for Local People

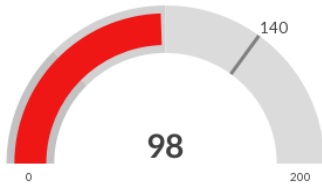
Inward Investment Leads



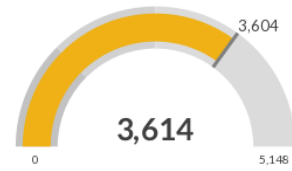
Inward Investment Wins



Inward Investment Opportunities



Inward Investment Jobs





Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>Single Settlement: Local Growth & Place Functional Strategy</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>n/a</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) To note the work being undertaken by WMCA officers and constituent authorities to develop place-based strategies.

1. Background

- 1.1 The West Midlands agreed a Deeper Devolution Deal with Government in March 2023¹, which was ratified by the WMCA Board in November. The Economic Growth Board has shaped the major economic themes of those activities² and ensuring the West Midlands has the priorities, institutions and private sector partnerships to fulfil the opportunity.
- 1.2 The Single Settlement is a major component of the Deal as it will empower and resource the region to lead change over a multi-year period that reflects

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1143002/West_Midlands_Combined_Authority_Trailblazer_deeper_devolution_deal.pdf

²<https://governance.wmca.org.uk/documents/s11945/Report.pdf>

regional conditions. Government and the WMCA agreed a Memorandum of Understanding³ in November 2023 about the Single Settlement, including more detail on the local growth and place pillar.

- 1.3 This report provides information about the initial development of the Local Growth and Place Functional Strategy of the Single Settlement.

2. Single Settlement

- 2.1 The Single Settlement recognises that the current system of funding for mayoral combined authorities is fragmented, overly reliant on centrally administered funds and lacks clear, lean and proportionate accountability structures.
- 2.2 The Single Settlement will set a single capital and revenue funding regime in the next Spending Review. With a streamlined, overarching, single accountability framework coordinated by DLUHC, rather than multiple frameworks administered by different departments, the settlement will increase the region's autonomy, ability to prioritise decisions locally, and ability to reprioritise across its own budgets.
- 2.3 In order to agree how the Single Settlement funding allocated to the region is invested, the region has agreed to develop what are being referred to as 'functional' and 'place based' strategies.
- 2.4 A **functional strategy** will cover an entire Spending Review period, setting out the objectives and investment priorities for each functional pillar of the single settlement. It will set out how the outcomes, yet to be negotiated with government, attached to the single settlement would be met.
- 2.5 There is a need to develop a Local Growth and Place functional strategy which will cover the following activities, which will be the basis of the future devolved funding we receive for this pillar of the single settlement:
 - 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.

³https://assets.publishing.service.gov.uk/media/655d0945d03a8d001207fe19/Memorandum_of_Understanding_for_the_Single_Settlements_with_Greater_Manchester_and_West_Midlands_Combined_Authorities_FINAL.pdf

2.6 There is lots of work to do to clarify the scope, agree outcomes and delivery details, and the EGB will be briefed about those positions ahead of more detailed reports in spring/summer 2024.

2.7 Alongside these functional strategies, each local authority is being asked to develop a **place-based strategy** that identifies, for a key geography, how functional strategy spending, wider levers from the devolution deal, other sources of funding and potentially public sector improved ways of working will come together to regenerate these areas. Local authorities will write these, tying them to their local priorities and the outcomes of the single settlement. Place based strategies will be developed according to the following high-level principles:

GEOGRAPHY	BUILDING A CASE AND PRIORITISING
<ol style="list-style-type: none"> 1. Can be a large continuous corridor or several smaller corridors. 2. Should include a mix of sites across each corridor. 3. Can cross local authority boundaries, if appropriate. 	<ol style="list-style-type: none"> 1. Led by local authorities with clear political leadership and support. 2. Underpinned by a compelling vision and narrative. 3. Require investment interventions from all five functions of the single settlement as defined in the MoU – helping to align with future funding and, critically, the outcomes framework and WM Inclusive Growth Framework. 4. Based upon a timeframe of between 10 and 20 years. 5. Built upon existing strategies, spatial plans, programmes and initiatives – local and regional. 6. Evidence-based and supported by material made available through the regional mapping exercise (economic need, economic opportunity and existing spatial programmes/initiatives). 7. Focused on Single Settlement but complementary funding aligned from a wide range of other sources – including private investment, universities etc. 8. Address issues around governance and delivery mechanisms – both in terms of short-term activation and management and longer-term governance and accountability.

2.8 In the coming months, the WMCA will work on the Local Growth and Place pillar functional strategy with:

- Local authorities via Directors of Economic Development and Business Support Officers Group.
- Business via the Regional Business Council, Business Insights Forum and direct work with business representative groups.
- Government departments via the Strategic Productivity & Innovation Partnerships and joint strategy activity like the International Strategy.

2.9 For place-based strategies, local authorities are identifying a range or potential geographies. These will be prioritised in spring 2024, followed by a locally-led process to develop the details of place-based investment plans over spring/summer 2024. These will set out the investment required to deliver transformational 10- to 20-year change in localities and will inform the functional pillars.

3. Financial Implications

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

3.2 Resources to develop the functional strategies and place-based strategies are covered by existing resources, though where there are significant pressure points of efficiencies by not duplicating, the WMCA will work with local authorities to explore how that work can be resourced.

3.3 Should this require investment outside existing funding and resources as part of formulating or delivering the Single Settlement strategies, this would need to follow the WMCA governance routes to ensure alignment with strategic direction and represent value for money.

4. Legal Implications

4.1 There are no direct legal implications arising from this report. Any potential legal implications arising from this work will be assessed during the development and approval process.

5. Equalities Implications

5.1 Different communities have different priorities so by developing functional strategies alongside place-based strategies, the WMCA will ensure the Single Settlement reflects the different needs of communities, determined by constituent local authorities.

6. Inclusive Growth Implications

6.1 The Single Settlement will relate to an Outcomes and Accountability Framework with inclusive growth at its heart.

7. Geographical Area of Report's Implications

7.1 The Single Settlement and pillar strategies will relate to the WMCA's constituent authority area – across the 7 Met authorities. There is flexibility and local autonomy in the development of place-based strategies to reflect functional footprints which relate to how the economy operates, including housing and labour markets.



Economic Growth Board

Date	<i>25 January 2024</i>
Report title	<i>Economic Growth Board Work Programme</i>
Portfolio Lead	<i>Councillor Stephen Simpkins</i>
Accountable Chief Executive	<i>Laura Shoaf, Chief Executive, West Midlands Combined Authority Email: Laura.Shoaf@wmca.org.uk</i>
Accountable Employee	<i>Ed Cox, Executive Director Strategy, Economy & Net Zero, West Midlands Combined Authority Email: Ed.Cox@wmca.org.uk</i>
Report has been considered by	<i>Directors of Economic Development</i>

Recommendation(s) for action or decision:

Economic Growth Board is recommended to:

- (1) To advise on which topics EGB would like to see brought as priorities; &
- (2) Approve the updated work agenda for March 2024 at para 2.2.

1 Purpose

- 1.1 For the Economic Growth Board to agree its work programme for March 2024. EGB's work and decisions will support the region's overall vision to build a healthier, happier, better connected and more prosperous West Midlands.

2 Background

- 2.1 Economic Growth Board's work programme currently runs until March 2024. This will allow a new economy work programme to be discussed & adopted in the new municipal year following elections across the region.
- 2.2 March 2024 proposed EGB Agenda:

	6 th March '24
Economic Research & Intelligence / Governance	Economic Conditions in the WM (WISE & State of the Region)
Plan for Growth / Innovation	Progress report on the Plan for Growth and Advanced Manufacturing Plan Progress report on Creative Cluster and the Create Growth programme
Business Support / Productivity	West Midlands International Strategy report & Midlands Engine Presentation Single Settlement: Local Growth & Place pillar.
Other Policy & Partnerships	Progress report on the Night-time Economy Action Plan
Skills	Report on Year 3 UKSPF (People) funding
Place	

3 Financial Implications

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

4. Legal Implications

4.1 There are no legal implications arising from this report.

5. Equalities Implications

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

6. Inclusive Growth Implications

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

7. Geographical Area of Report's Implications

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

8. Other implications

8.1 None