



**Economic Growth Board**

**Wednesday 15 February 2023 at 2.00 pm**

**Minutes**

**Present**

Tom Westley (Vice-Chair)	Black Country Local Enterprise Partnership
Councillor Peter Hughes	Sandwell Metropolitan Borough Council
Councillor David Stanley	Dudley Metropolitan Borough Council
Councillor Ian Ward	Birmingham City Council
Councillor Bob Sleigh (Chair)	Portfolio Lead for Finance & Investments

**In Attendance via MS Teams**

Councillor Adrian Andrew	Walsall Metropolitan Borough Council
Councillor Ian Courts	Solihull Metropolitan Borough Council
Councillor George Duggins	Coventry City Council
Councillor Matthew Dormer	Non-Constituent Authorities
Rob Johnston	Midlands Trade Union Congress
Corin Crane	Coventry & Warwickshire Chamber of Commerce
Matthew Hammond	West Midlands Growth Company
Rob Johnston	Midlands Trades Union Congress
Mike Wright	West Midlands Innovation Board

**Item Title  
No.**

**35. Apologies for absence**

Apologies for absent were received from Councillor Brookfield, Andy Street, Lee Barron, Stuart Croft and Anita Bhalla.

**36. Nomination of Substitutes**

Rob Johnston (Midlands Trades Union Congress) was nominated as a substitute for Lee Barron.

**37. Appointment of Chair**

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

**38. Inquorate meeting**

The Chair reported as this was an inquorate meeting, the recommendations contained within the minutes would be submitted to the WMCA Board on 17 March 2023 for formal approval and adoption.

**39. Chair's Remarks**

The Chair welcomed Councillor David Stanley, the new board representative for Dudley as a result of Councillor Simon Phipps standing down from his Cabinet role due to work commitments.

The Chair also acknowledged that whilst LEP integration was on the agenda, this was the last meeting of the board before the LEP functions are integrated into the WMCA and therefore wanted to formally thank the three LEPs, their Chairs (past and present) and staff for all they have done to champion the West Midlands economy over the last ten years; the Economic Growth Board would continue to build on those foundations.

**40. Minutes - 2 December 2022**

The board considered the minutes of the meeting held on 2 December 2022.

In relation to minute no. 26 West Midlands Growth Company, Councillor Hughes noted that he had reported on the need for an independent review of the Growth Company to be carried out and others had also shared this view. He asked that this comment be included in the minutes.

It be recommended to the WMCA Board that:

The minutes of the meeting held on 2 December be agreed as a true record subject to the inclusion of Councillor Hughes's comment referred to above.

**41. Matters Arising**

*Minute no. 25, Economic Growth Conditions in the West Midlands*

In relation to economic data, Councillor Ward asked whether the lower-level data (for local areas) he had referred to could be provided.

The Executive Director for Economic Delivery, Skills & Communities advised that the economic data Councillor Ward referred to was not available on a regular basis but would commit to providing the information for a future meeting.

*Minute no.26, West Midlands Growth Company Review*

Councillor Hughes commented that further to consideration of the above report at the last meeting, he could not find any reference in the Growth Company report on today's agenda as to whether a benchmarking exercise had been carried out and enquired whether this had happened.

Katie Trout, Director of Policy & Partnerships, WMGC reported that some international benchmarking work has been undertaken but it had not been included in the report being considered today. Katie advised that she was happy to talk through the detail of the benchmarking work with Councillor Hughes.

**42. West Midlands Plan for Growth**

The Head of Economic Development and Delivery, Paul Edwards introduced the report that provided an update on the most recent economic conditions and interventions that the WMCA and partners are making to address those

conditions to increase business resilience and growth across the region.

Delma Dwight (Black Country Consortium) updated the board on the economic conditions and highlighted key insights from the dashboard that provided the latest GDP and ONS figures.

Matthew Rhodes, Chair of the Industrial Energy Taskforce, provided an update on the work of the taskforce and how it is tackling the challenges faced by energy intensive industries across the West Midlands, especially the Black Country. Matthew outlined how lobbying by the taskforce had successfully secured enhanced EBDS support for energy and trade intensive firms and reported that lobbying was linked to the Devolution Ask for energy in supporting manufacturers. He added that the energy sector was biased against the manufacturing sector and a summit was proposed at the end of March ahead of the publication of a final report in June for consideration by the Economic Growth Board.

Councillor Hughes reported that with regards to energy costs, Sandwell suffers the most due and he would like Sandwell to host the summit if possible.

In relation to hospitality and tourism, and the recently established West Midlands Tourism and Hospitality Advisory Board, the Chair, Andrew Lovett of the Black Country Living Museum reported on the challenges and opportunities for the sector and how the board would represent and speak on behalf of the tourism and hospitality sector in the West Midlands.

In relation to the membership of the board, listed in appendix 1 of the report, Councillor Ward noted that members of the board included the Birmingham Hilton Metropole but did not include Birmingham Museum and Art Gallery. He reported that the latter was rated as outstanding by Government as well as being recognised nationally and internally and enquired as to the process of selection to the board.

Andrew Lovett advised there was an open recruitment process for partners to join the Tourism and Advisory Board and that he would welcome a representative from Birmingham Museum and Art Gallery on board. In relation to the Birmingham Hilton Metropole, the hotel had put themselves forward for membership.

Councillor Ward indicated that he would look to encourage Birmingham Museum and Art Gallery to join the Tourism and Advisory Board.

Councillor Hughes commented that the membership of the board was not geographically well-spread out and he would like more Black Country firms to be members of the Tourism and Advisory Board.

Andrew Lovett reported that he would welcome more businesses from the Black Country joining the Tourism and Advisory Board.

It be recommended to the WMCA Board that:

1. The latest update on economic conditions in the West Midlands and the most recent regional GDP figures published on 9 February be noted;
2. The wider mobilisation of Plan for Growth to support the medium-term growth strategy of the region be noted and agreed;
3. The most recent position on industrial energy and proposed interventions to support energy intensive businesses be noted and
4. The update from the Hospitality and Tourism Advisory Board on the current state of the sector and planned activities to support the resilience of the sector be noted.

#### **43. Understanding and Addressing Labour Market Challenges**

The board considered a report of the Executive Director, Economic Delivery, Skills and Communities that provided an overview of the labour market challenges facing the 7 Met area and outlined a proposed approach on how value can be added to existing local activity and how joint working might address the challenges.

Dr Fiona Aldridge, Head of Intelligence and Insight, outlined the report and reported on the proposed establishment of a Jobs Taskforce that would be comprised of key regional stakeholders working collaboratively to develop and implement an actionable roadmap to address both immediate and long-term market challenges. It was noted that the Jobs Taskforce would be time limited for a period of 9 months and it is anticipated this would facilitate more effective partnership working beyond this.

The Chair confirmed that the Economic Growth Board would become the Jobs Taskforce and set up the work plan.

Councillor Courts enquired why the taskforce was being established for 9 months as he considered this to be a long period of time given the challenges impacting upon the labour market were known and the need to address these as soon as possible. He also reported of the need to address youth unemployment as a priority in all areas and not just Wolverhampton.

The Head of Intelligence and Insight advised there was a need to understand the detail behind the data and the taskforce would bring in experts to provide fresh insight into the issues.

The Executive Director, Economic Delivery, Skills and Communities, Dr Julie Nugent added that there was a need to understand what was working/not working and why people were not taking up training opportunities so action-based research could be undertaken to better connect people with jobs.

Corin Crane (Coventry & Warwickshire Chamber of Commerce) reported on the need to focus on identifying an innovative solution for getting the over fifties back into employment and to also look at excessive childcare costs.

Councillor Ward noted that more money was being spent in this area, but he could not see how it was demonstrating an impact. He added that many working people were in low paid jobs and were reliant on benefits and food banks to supplement their income.

Councillor Andrew reported that Walsall's work programme has been effective in tackling youth unemployment and reported on the need to look at how different organisations are utilising the apprenticeship levy.

The Chair acknowledged there was a need to look at best practice.

Councillor Stanley reported that he would be interesting in obtaining a breakdown of figures from colleges on where people had found work.

The Director of Employment and Skills, Clare Hatton reported that the WMCA was working with colleges to monitor young people into employment and training and advised of the good outcomes that have been seen in Dudley and Wolverhampton.

It be recommended to the WMCA Board that:

1. The labour market challenges facing the West Midlands 7 Met area be noted and
2. The proposed approach in developing a deeper understanding of these challenges including for particular places and group of residents and identifying effective approaches to tackling them be agreed.

#### **44. Presentation: LEP Integration**

The board received a presentation from the Executive Director, Economic Delivery, Skills and Communities, Dr Julie Nugent that provided an update on LEP integration.

The presentation provided an update on the status, the processes underway, work being undertaken to strengthen the private sector voice across the WMCA's boards/committees, work on business input into the Economic Growth Board's activities and the transition of the Economic Impact Group into the new Business Insights Forum.

Dr Julie Nugent conveyed her thanks and appreciation to colleagues in the LEPs and undertook to share the draft letter being sent to LEP staff prior to the start of the consultation process.

The presentation was noted.

#### **45. West Midlands Growth Company Review**

The board considered a report of the Director of Policy & Partnerships, West Midlands Growth Company that provided an update on progress of the review of the West Midlands Growth Company (WMGC) that set out emerging feedback from the consultation process into the future model of the Company, highlighting areas where there is consensus and recommendations can be made and where further discussion and/or work is required.

The Chief Executive, City of Wolverhampton Council, Tim Johnson, presented the report, highlighting key aspects including the outcomes of the

review to date, the next phase of the review, the preferred scenario for WMGC's future model, local and regional priorities, funding and proposed governance changes.

He advised that the review had been undertaken in consultation with local authorities to understand their priorities from a place perspective and that consultation would continue to be embedded into the work of WMGC. The governance changes would also allow each local authority to be represented on WMGC's board with structured engagement undertaken on a quarterly basis that would be aligned with the Economic Growth Board. Additionally, private sector membership would also be reviewed.

Councillor Hughes expressed concern that the review had not been done independently and sought clarification as to the financial asks for WMGC, noting that he not received an evaluation of the Business and Tourism Programme.

The Director of Policy & Partnerships, WMGC, Katie Trout advised that in relation to funding, an additional £4.6m of Legacy Funding was being sought for 2023/24 and £6.1m in 2024/25 giving a total ask of £10.7m over the 2 years. With regards to the Business and Tourism Programme, she advised that a full evaluation of the programme had not yet been carried out, however, reporting was undertaken on quarterly basis and could confirm targets were being met and was happy to share the latest quarterly report.

The Vice-Chair, Councillor Courts and Councillor Ward considered the Growth Company was of crucial importance to the region which needed some form of marketing organisation and for all local authorities to have a relationship with WMGC.

Councillor Andrew welcomed the opportunity for the relationship to be re-set with WMGC as a result of Sandwell and Walsall becoming members of the WMGC Board.

Matthew Hammond (WMGC) expressed his thanks and best wishes to the Chair, Councillor Brookfield, and reminded the board that the interim funding arrangements utilising Legacy Funding, was a short-term fix and there was a need to reflect on the medium-term for a properly funded Growth Company.

It be recommended to the WMCA Board that:

1. Progress on the Review to date be noted;
2. The preferred scenario as identified by the Sponsors Group which would see the current funding envelope for WMGC consolidated as £12m with activity refocused to meet regional and local priorities be endorsed and further consultation be undertaken with the aim of bringing a recommendation to the Mayor and Met Leaders meeting on 3 March 2023 for discussion ahead of the WMCA Board on 17 March 2023 be noted;
3. WMGC should continue to undertake the functions as set out in paragraph 6.8 of the report and the balance of activity across them

- should be determined by regional and local priorities be agreed;
4. WMGC should undertake the additional role of Strategic Relationship Management if budget levels are broadly maintained at their current level and WMDC should work closely with local authorities to deliver this function be agreed;
  5. The geographical footprint of WMGC post LEP integration needs to be resolved and that recommendations be brought as soon as possible to include clarifying the future relationship with Warwickshire be noted;
  6. The detailed work being undertaken with Local Authorities with the WMCA to determine local and regional priorities and these are being used to inform the proposal for additional Legacy Funding and this ultimately informs the WMGC's Business Plan be noted;
  7. The progress in developing a framework of objectives and key results and further work is being undertaken to determine thematic objectives, deliverables and specific leading and lagging indicators be noted;
  8. WMGC has submitted a proposal for an additional £10.7m from the Legacy Fund to fund the Global West Midlands Investment and Tourism Programme over the next two years and this be considered as a separate item on the agenda be noted;
  9. WMGC would achieve efficiency savings amounting to 10%-15% reduction in the regional workforce/3<sup>rd</sup> party costs over the course of the year on the core activities be noted;
  10. The identification of long-term sustainable funding for WMGC, to support the scenario agreed by WMCA Board in March, is returned to in early 2023/24 and recommendations be brought forward to the Economic Growth Board for consideration in due course be agreed;
  11. The proposed changes to membership of the WMGC Board, specifically; that the board should be expanded so that every local authority is represented on it and that private sector membership should be reviewed when terms of office come to an end to ensure Directors have the right suite of skills and experiences aligned to WMGC's future focus, noting these changes would be for WMGC Ltd to enact be endorsed; 12. From 2023/24 Economic Growth Board should agree WMGC's annual business plan including its objectives and key results and that it should receive quarterly performance reports on it from WMGC be agreed;
  12. Proposals to strengthen engagement with the Local Authorities and WMCA at political and officer levels and that partners identify named senior officers and councillors by correspondence with WMGC be approved and
  13. The ongoing work to clarify roles and responsibilities and handovers across programmes of activity, across WMGC, WMCA and Local Authorities be noted.

[NB. Tom Westley, Councillor Ian Ward and Matthew Hammond declared a non-pecuniary interest in this item due to them being board members of the

**46. Commonwealth Games Legacy Fund: Economy, Trade & Tourism Pillar**

The board considered a report of the Executive Director, Economic Delivery Skills and Communities that set out the approach to the Commonwealth Games Legacy Fund including the development of the five strands of the Economy, Trade and Tourism Pillar, the approach to the funding asks and the next steps regarding the decision-making process.

The Executive Director, Economic Delivery Skills and Communities, Dr Julie Nugent informed the board that the report follows on from the decision taken by the WMCA Board on 16 December 2022 for the Economic Growth Board to shape the detail and oversee the delivery of the Economy, Trade and Tourism pillar and its programmes over the duration of the Legacy Fund.

It was noted that the programme costs exceed £38.9m allocated for the economy, trade and tourism pillar by £9.65m and a number of options are proposed to reduce the programme costs to within the funding envelope of £38.9m or alternatively, there is the option to allow for the deliberate over-programming at this stage before reviewing business cases as they are developed.

Councillor Ward reported that it was not clear how the numbers have been derived for each of the pillars and Met Leaders and the Mayor should be allowed to vire funds between the pillars. He added that the underspend on the Commonwealth Games should be linked to the legacy ambitions for the region and considered that whilst delivery programme 2, (Delivering on Plan for Growth and support for high-growth regional business) and delivery programme 5, (Wider jobs and skills legacy -helping people in the West Midlands benefit from the legacy and attendant economic growth) were good programmes, they should be funded from the UK Shared Prosperity Fund and skills and education monies as appropriate.

Councillor Ward considered the removal of delivery programmes 2 and 5 would enable funding to be allocated to support the legacy of Sandwell's Aquatic Centre which requires £2m to operate the facility. Additionally, he stated funding was needed to support the European Athletics Championships in 2026 that have never been hosted in the UK before and would provide the opportunity for the region to stage the best ever event.

The Executive Director, Economic Delivery Skills and Communities advised that the pillars had been determined by the WMCA Board and programmes 2 and 5 could not be funded elsewhere.

Councillor Courts reported he thought the pillars had been agreed and he supported the inclusion of programmes 2 and 5; for programme 5, he would like local authorities to be able to apply for funding to 'passported' to them.

Councillor Hughes reported that Sandwell's Aquatic Centre was a major feature of the Commonwealth Games and thanked Councillor Ward for his support.



The Chair re-affirmed that the pillars had been decided by the WMCA Board and the Aquatic Centre was not included in any indicative programme. He reminded the board that they were not required to take any decisions today on funding and that the debate on overprogramming was ongoing. The matter would be discussed further at the Mayor and Met Leaders meeting on 3 March.

Councillor Ward re-iterated that money should be spent in line with the legacy of the Commonwealth Games.

Councillor Courts reported of the need to receive further advice on what programmes relate to legacy.

The Executive Director, Economic Delivery and Skills reported that the WMCA has not received clarity from DCMS on the five strands of the pillar at this stage, as detailed programmes are required. She added that it is up to the region to determine its programmes and reported on the need to look at the four thematic pillars rather than focusing on the economy, trade and tourism pillar.

It be recommended to the WMCA Board:

1. The role of the Economic Growth Board in advising on the content of the £38.9m Commonwealth Games Legacy Fund, 'Economy, Trade & Tourism pillar' and its ongoing role in monitoring the impact of activity be noted;
2. The work undertaken with Directors of Economic Development and the West Midlands Growth Company to develop details of the indicative delivery programmes set out in the WMCA Board paper on 16 December 2022 be noted;
3. The approach to addressing the current overprogramming across the pillar as set out in paragraph 2.12 of the report be discussed further at the Mayor and Met Leaders meeting on 3 March and
4. The next steps ahead of the WMCA Board in making a final decision on the pillar in March 2023 on the allocation of funds in the pillar be noted.

[Councillor Ward declared a non-pecuniary interest in this item as Birmingham City Council was requesting funding for hosting the European Athletics Championships]

#### **47. UK Shared Prosperity Fund Year 1 Spends - Local Allocations (Community & Place) and Business Support Update**

The Director of Employment and Skills presented a report that set out the latest forecast of projected spend against the year 1 allocation from the UK Shared Prosperity Fund (UKSPF) against local authorities Communities and Place allocations as compiled from the latest returns. It also provided a potential approach in the event of the underspends in this area and an update on the current position with regards to getting legal agreements in place between the WMCA and Local Authorities.

The Director of Employment and Skills, Clare Hatton reported that she was confident the money should be spent with regards to Communities and Place allocations, but all of the money would not be spent for Business Support.

Councillor Hughes reported that he felt the WMCA should be supporting local authorities more as they were being asked to deliver more for less. He also expressed concerns regarding how productivity is evidenced and the methodology that would be applied.

Clare Hatton advised that the methodology was not yet determined but she could discuss the matter with local authority officers outside of the meeting. Dr Julie Nugent reported that in relation to administrative support, this would be transferred from Growth Hubs to local authorities and was happy to pick this up outside of the meeting.

It be recommended to the WMCA Board that:

1. The latest forecast position on the projected spend against year 1 allocations to local authorities for the Communities and Place pillar be noted;
2. Work continue on the current flight path with plans in place to utilise all year 1 funds for this pillar be agreed;
3. The options set out in the event of underspends in year 1 for the communities and place pillar in section 2.5 of the report be noted;
4. The latest forecast position of projected spend against year 1 for the Business Support pillar be noted;
5. A credible plan be submitted to carry forward funds from year 1 for this pillar be agreed and
6. Delegated Authority for the approach/decisions on year 1 underspends be given to the Executive Director of Economic Delivery, Skills and Communities and Executive Director of Finance and Business Hub, in consultation with West Midlands Finance Directors be agreed.

#### **48. UK Shared Prosperity Fund - Business Support in the West Midlands**

The board considered a report of the Executive Director, Economic Delivery, Skills and Communities that provided an update on progress in delivery of business support locally, utilising UK Shared Prosperity Fund and West Midlands-wide commissioned activity.

The Head of Economic Development and Delivery, Paul Edwards conveyed his thanks and appreciation to officers from the Growth Hubs and local authority officers on the task and finish group for their hard work in developing a coherent West Midlands approach to business support.

It be recommended to the WMCA Board that:

1. Progress of the task and finish working group since the December Economic Growth Boar in mobilising UKSPF funded business support

activity from April 2023 be noted and

2. The agreed regional framework, ways of working between locally embedded and regional activity and commissioning of region-wide programmes for activity to commence in April 2023 be noted.

**49. Economic Growth Board Work Programme**

The board received a report from the Executive Director, Economic Delivery, Skills and Communities that provided an update on the work programme for the Economic Growth Board.

It be recommended to the WMCA Board that:

The work programme attached as appendix 1 to the report be noted.

The meeting ended at 4.12 pm.