



Name of meeting: Investment Zone Board

Meeting date: 25 July 2024

Report title: West Midlands Investment Zone – Opportunities with a New Government

Responsible Director: Ed Cox, Executive Director - Strategy, Economy & Net Zero

Report author: Steve Bowyer, Partnerships and Engagement Strategic Lead

Key Decision? No If Yes, select date decision was entered to the Forward Plan

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Public/private report: Public

1. Decisions Recommended

- (1) The WMCA and local authority teams prepare a proposition to Government based on this report and the reflections of the Investment Zone Board that clearly articulates how investment and greater devolution to the West Midlands Investment Zone can accelerate the delivery of their missions.
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2. Voting Requirements

- 2.1 A majority of voting members, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the committee.

3. Executive Summary

- 3.1 To provide the Investment Zone Board with the opportunity to discuss how the region can maximise initiatives outlined by the new Government in respect to the West Midlands Investment Zone, and to receive feedback from the Mayor on his recent discussions with Government.

4. Matters for Consideration

Government Announcements

4.1 UK National Wealth Fund

- 4.1.1 Treasury has already created a £7.3bn National Wealth Fund (NWF) to drive a further £20bn of private sector money into low-carbon investment in the UK economy. This is focused on five areas – clean steel (£2.5bn), green hydrogen (£500m), carbon capture (£1bn), gigafactories (£1.5bn) and ports (£1.8bn) – and is aimed at attracting private investment at a much larger scale through de-risking, pump-priming.
- 4.1.2 It is also suggested that they create a “concierge service” for major investors, which would include the ability to fast-track planning approvals and deliver critical infrastructure, such as grid connections or spur roads.
- 4.1.3 The strategic case for the WMIZ aligned well with the (then) Government’s £4.5bn Advanced Manufacturing Plan (AMP) which emerged during the WMIZ’s development. As the (past) AMP and (new) NWF sector-based funding commitments relate to very similar sectors, officers are establishing the status and implications for the Advanced Manufacturing Plan and whether NWF funding is additional or replacement.

4.2 Mission Boards

- 4.2.1 Mayors may be part of the Mission boards for each of the 5 Labour missions:

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1. Driving economic growth
 2. Green energy investment
 3. Rebooting the NHS
 4. Creating safer streets
 5. Delivering “opportunity for all” through a new skills agenda.
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- 4.2.2 These mission boards would be chaired by relevant minister and PM. These will oversee each of the government’s main overarching policy objectives, as well as feeding into this autumn’s spending review.

4.3 Taking Back Control Bill

- 4.3.1 Establishing a clearer framework for English devolution; pushing powers outside of Westminster; providing mayors with access to new powers over transport, skills, housing, planning, employment support and energy, supported by long-term integrated funding settlements.

4.4 Local Growth Plans

- 4.4.1 Statutory obligation on all combined authorities and counties with devolution deals to develop Local Growth Plans (LGP) based on their respective economic geographies. These plans will identify the key economic clusters and how they will use the powers devolved from central government to build upon their regional strengths to support local growth. LGPs will align with the proposed national industrial strategy – mobilising local businesses, industry, universities, FE and unions.

4.5 Planning Reforms

- 4.5.1 Intention to update the National Planning Policy Framework to accelerate the pace of delivery, support local authorities and give greater weight to planning decisions that benefit growth in priority economic sectors.

5. Other Manifesto Policies

- 5.1 A range of other policy initiatives were contained in Labour's manifesto that may have relevance to WMIZ development (the following is not intended to be exhaustive):
- 5.1.1 Cross-CA collaboration: exploring ways of deepening cross-combined authority work on areas like industrial strategy, transport and energy that span across borders and benefit from collaboration and scale.
- 5.1.2 British Business Bank: reforming the BBB to make it easier for SMEs to access capital; reform procurement rules for greater access to government contracts; improve export guidance.
- 5.1.3 Innovation and R&D: longer term commitments for key R&D institutions aligned to Mission sectors; Regulatory Innovation Office to speed-up approval timelines. Aim to commit 3% of GDP to be invested in R&D.
- 5.1.4 Automotive Strategy: backed by gigafactory investment, enhance the industry and create 80k new jobs in EV manufacturing.
- 5.1.5 Skills & Employment: Enhanced coordination across skills and employability including Job Centre Plus integration; improved Apprenticeship Levy scheme including employer flexibility; modular training to improve productivity.
- 5.1.6 Green Prosperity Plan: incentives in 'Contracts for Difference' to boost supply chains and job creation in industrial heartlands.
- 5.1.7 Business Rates: proposed review of business rate regime.

5.1.8 National industrial strategy:

Labour's proposed industrial strategy is comprised of four missions:

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1. Delivering a clean fossil fuel free electricity system by 2030.
 2. Harnessing data for the public good.
 3. Building national resilience to future shocks, such as food supply and access to core technologies.
 4. Building a more resilient economy.
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In addition to the industrial strategy, Labour want to establish an Industrial Strategy Council (ISC), on statutory footing equivalent to the Committee on Climate Change (CCC) and Office for Budget Responsibility (OBR)

6.0 Issues/Opportunities for West Midlands Investment Zone

6.1 Influence to promote the priority sector and demonstrate WM leadership in this space (Mission Boards; LGP; BBB; Skills England).

6.2 Alignment of regional sector focus (Local Growth Plans; National Industrial Strategy).

6.3 Further investment opportunities:

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- Confirmed R&D funding to leading institutions (Battery development; Life Sciences; Digital).
 - National Wealth Fund opportunities (eg £1.5bn Gigafactory commitment).
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6.4 Accelerating site delivery through NPPF reforms.

6.5 Increase skills and employability activity (Skills England).

7.0 Additional Asks

Fully devolved 5-year IZ funding to allow flexible investment to accelerate delivery (Taking Back Control Bill).

Need to secure anticipated retained business rate values to ensure site financing (Business Rates Review).

Increased involvement in investor enquiries, shared intelligence, and export support (Taking Back Control Bill; Local Growth Plans; National Industrial Strategy).

Flexibility in tax incentives regime which currently precludes incentivising occupancy of existing buildings even for alignment with priority sector outcomes and growth.