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1 Introduction

- 1.1 The West Midlands is in renaissance. A global force and major part of the UK economy, generating £99bn of GVA or 5% of UK output.
- 1.2 We are growing fast, with output up 27% over the past 5 years. A record number of people are in work and lowest number are out of work. Productivity is increasing too, at twice the rate of the UK in 2017/18.
- 1.3 Our cities, towns and rural areas have long been centres of industrial innovation, creativity and enterprise. A legacy that survived the industrial restructuring of the 1970s and 80s and is now the engine of our current and future success.
- 1.4 The West Midlands is large and diverse, consisting of three interlinked, but distinctive economic areas. Our cities, many towns and important rural areas are home to distinctive communities with very different characteristics. But all share a long history of creative design, making and producing. Doing things differently and leading the way is what defines us.
- 1.5 We've been supplying components and assembling vehicles from the first bikes to today's autonomous pods. We built the world's first production line and now we create virtual worlds for testing new products based on real data. We provide the real-life testing needed to get new medicines from the lab to patients. Our firms provide modern components and materials to global supply chains in a wide range of industries, and our digital creative businesses create games played across the world.
- 1.6 Our universities and commercial research and development (R&D) centres are central to the UK, developing the skills, products and processes it will need tomorrow, as well as being major employers and core to the future of the towns and cities that host them.
- 1.7 In 2016 leaders from business, education, local government and a wide range of other organisations came together to agree an ambitious but achievable economic strategy. We have focussed on delivery and made good progress. The overall targets and metrics set in 2016 will continue to drive our actions and investment and be used to measure our overall progress.
- 1.8 But alongside celebrating our recent success, we need to remove the barriers that remain. Performing at its full potential, our economy would be £15.1bn larger and we would have higher average earnings and more people earning above the real living wage. Recent growth has also been concentrated in a number of places and too many of our communities have not benefited as much as they should. Developing a focussed plan for inclusive growth is an important priority in this strategy.
- 1.9 Much has changed in the global, national and local economy since our 2016 strategy. In developing this trailblazing local industrial strategy, we have taken the opportunity to refresh priorities, take stock of the evidence and agree the actions that will have the

most impact in unlocking the barriers that lie between us and our long-term goals of strong growth and improved productivity in a more inclusive economy. This is what our local industrial strategy is designed to do:

- The strategy begins by identifying four major national and global strategic opportunities, where the evidence shows that the West Midlands has both existing strengths and the ability to make a major future contribution. They are cross sector and not focussed on any one part of our region; all our firms and communities can benefit in different ways. They also show how the West Midlands can make the strongest contribution to the Grand Challenges set out in the Government's national Industrial Strategy.
- We then set out the distinctive characteristics of our economy with our USPs for residents, businesses, investors and entrepreneurs. They show what makes us what and who we are, the strengths that set us up well for the future and where there are barriers to growth and productivity that we need to address.
- Then we set out the actions that we are going to take, building on our opportunities and removing those barriers.

1.10 Throughout the strategy we reflect the distinctiveness of the different places and communities of the West Midlands. Some of the actions in this strategy are region wide. Others are focussed on specific needs or opportunities. But all will contribute to our goals of more inclusive growth and higher productivity.

1.11 The 2022 Commonwealth Games and Coventry City of Culture are major opportunities for local firms and communities and to showcase the region to investors and visitors and leave a lasting legacy.

1.12 This strategy is based on the most up to date and detailed evidence possible. Over the last three years, we have developed an extensive evidence base and undertaken a number of expert independent commissions and studies into skills and productivity, mental health, leadership and the availability of land for housing and employment. The actions in this strategy are informed by that highly credible body of evidence.

1.13 It has been co-designed with the involvement of over 350 organisations, led by the Combined Authority with the 3 Local Enterprise Partnerships, who have worked with a wide range of organisations and sector groups and carried out public consultation during the Autumn of 2018.

1.14 Our universities have played a major role in developing our evidence base and our assessment of the strategic opportunities ahead. Ongoing work with businesses themselves and industry groups to develop sector action plans has been crucial in identifying actions and looking ahead. These emerging action plans will be essential in how sectors and firms themselves implement our local industrial strategy, reflecting the fact that our growth and productivity is driven by the region's private sector.

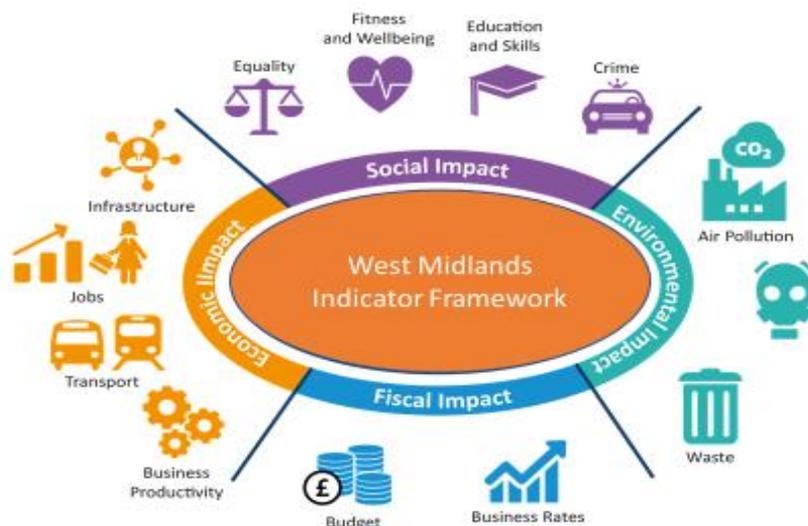
- 1.15 Whilst focussed on the 3 LEP area, it also looks to our crucial economic, trading and supply chain relationships with close neighbours (including non-constituent members of the CA outside the 3 LEP area) and partners in the UK and globally.
- 1.16 It is not a strategy set in stone and is designed to continue to evolve as the economy changes. As we develop it further, we will continue to involve and engage with the communities, businesses and sector groups across West Midlands.

Ian Ward
Andy Street
Jonathan Browning

2 Metrics and Indicators

- 2.1 In 2016 the West Midlands agreed a comprehensive approach to monitoring the overall performance of our economy across a wide range of indicators. This is set out in Figure 1 below. The targets we have set against these indicators are set out at Annex 1, together with the most recent progress against them which we publish in our annual State of the Region report.
- 2.2 This local industrial strategy does not set new targets, we have concluded that the long metrics we set in 2016 are still appropriate. They continue to drive our investment programme and are delivered through a number of other regional and local delivery mechanisms, including individual LEP investment plans, the Housing and Land Delivery Plan, Regional Skills Plan and Transport for West Midlands (TfWM) Movement for Growth strategy.
- 2.3 The local industrial strategy is focussed on those actions which will drive future output and productivity growth, whilst improving inclusion and opportunities for all our residents. It integrates existing plans, such as those above, updates some actions and proposes new interventions where the evidence suggests that this is appropriate. It does not set a new set of targets.

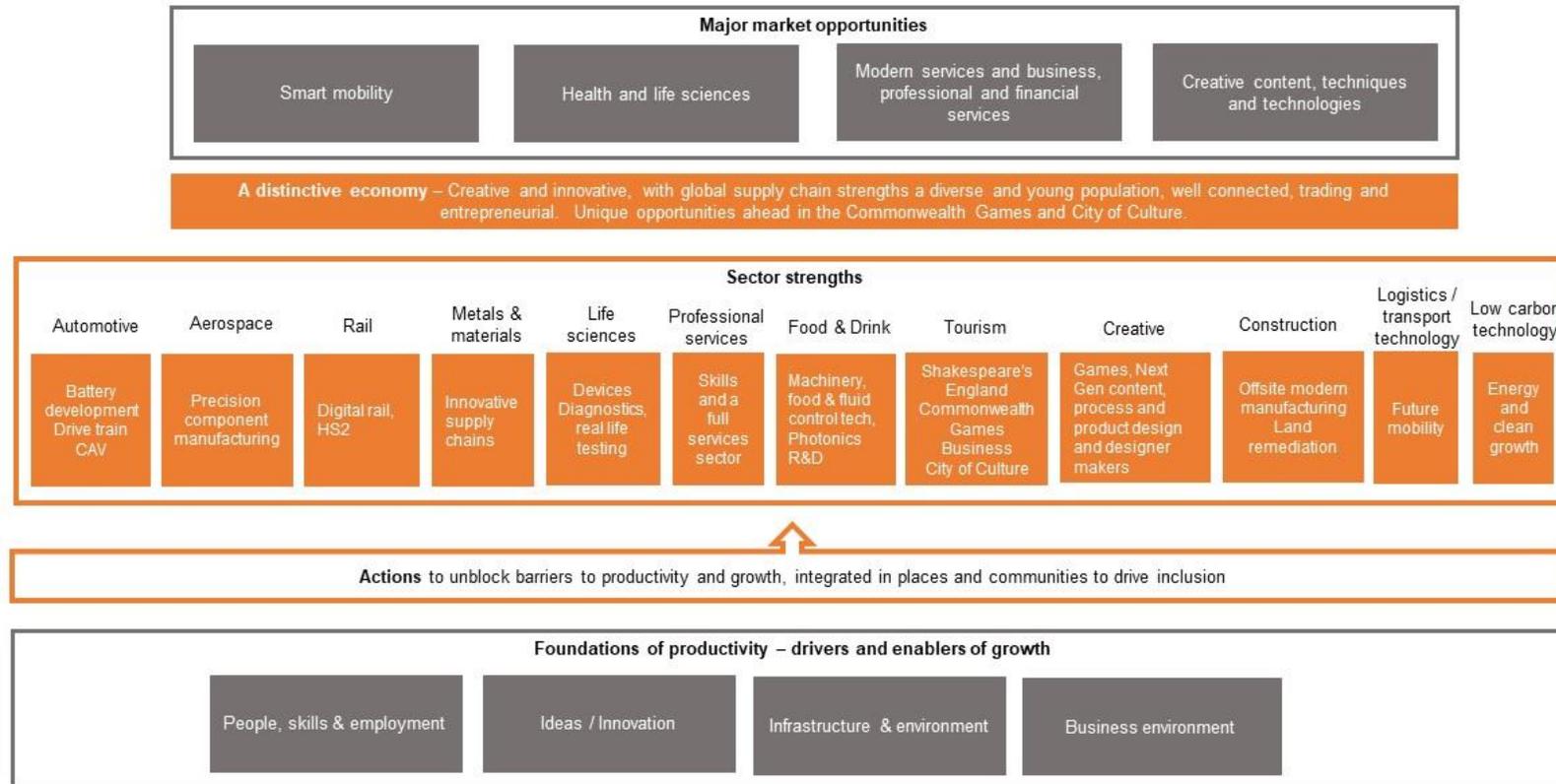
Figure 1 - Tracking the West Midlands Economy



- 2.4 Figure 2 shows how this approach is reflected in the structure of the local industrial strategy. Actions are targeted at specific foundations of productivity, based on what the evidence shows us about our economy and sector specific strengths and barriers, and where the market alone will not deliver the outcome required. These actions will

support the whole West Midlands to take advantage of the strategic opportunities ahead.

Figure 2 West Midlands Local Industrial Strategy



3 Strategic Opportunities

- 3.1 The future success of the West Midlands lies in our ability continue to influence and adapt to long term global and national trends. These include:
- Large scale urbanisation and population growth.
 - Rapid technological change, advances in the creation and use of data, and increasing automation and artificial intelligence.
 - Longer life expectancy, an ageing population with increasingly complex needs and later pension ages.
 - Increasing awareness of local and global environmental impacts and the transition to a low carbon, resource efficient economy.
 - The long-term trend towards a more service-based economy, for example in mobility.
 - Growing concern about communities and people that have been left behind by recent growth.
- 3.2 All these factors, and others, create demand for new products and services, presenting opportunities for growth. They are also opportunities to drive productivity, as firms and individuals change the way they work and develop new skills and techniques to succeed. These changes affect all areas of our economy, crucially, the existing supply chains that underpin the region's success.
- 3.3 The opportunity and challenge for the West Midlands is to use our existing strengths and emerging expertise to ensure clarity on our distinctive opportunities, and to ensure that not only our firms and communities benefit, but that we do so in a way that plays a leading role in the UK's response to global trends and future economic success. The West Midlands has the scale and size - in terms of geography and population - and the level of committed investments to enable the development of test-markets at scale. These attributes enable us to address the Grand Challenges that Government has set out and drive UK economic growth.
- 3.4 We have been careful to ensure that these opportunities are specific to the West Midlands and reflect where our USPs link with global trends. We have worked with all the West Midlands universities, a wide range of sector groups and trade bodies, and market experts to understand what global trends and new markets mean for the different sectors and places of the West Midlands.
- 3.5 The evidence shows there are four distinctive strategic opportunities where we can play a leading role in the next generation of industry, products and services, improving the productivity and inclusivity of our economy as we do so. Successfully exploiting these will involve a wide range of opportunities for all our firms, from the region's

existing large firms and anchor institutions through to SMEs and firms of all sizes. Our SME and micro business base in particular will see huge opportunities from the related new markets that are emerging.

- 3.6 The distribution of our supply chains, universities, colleges and existing and future employment land means that success in these areas will benefit all our cities, towns and rural communities, plus other areas across the UK, with the potential for a much more inclusive future.
- 3.7 Delivering a greater volume of good quality employment land is critical to the success of our strategic opportunities, particularly through greater utilisation of brownfield land. Through the National Brownfield Institute in Wolverhampton the West Midlands will be a nationally and internationally significant centre of expertise, driving an increase in potential land availability locally, such as Phoenix 10 in Walsall and i54 in Wolverhampton. Successful conversion and extension of these kinds of sites will also underpin the strategic opportunities.

1. Smart Mobility

The West Midlands is the centre of transport innovation in the UK, leading the smart, low carbon movement of people and goods

- 3.8 The West Midlands is the recognised centre of transport and mobility innovation in the UK and has some of the strongest clustering of automotive technology activity in the world. Our ability to be a long-term leader in the production of new transport systems is rooted in our successful history of leading the specialist design and manufacturing of vehicles from bicycles through to automotive, precision aerospace components and autonomous pods. We are widely recognised as the existing home of automotive and the mobility industry of the future, in a global cluster that includes cutting edge research and development, globally competitive supply chain firms and established and new OEMs. This is a cross sectoral opportunity, enabling and requiring collaborations between gamers, designers, digital and physical component makers, data and legal experts, circular economy and energy firms amongst many.
- 3.9 We are the UK's platform for creating, developing, testing and building global and national solutions to the future of mobility and associated supply chains, including large scale battery manufacture and the move to electric vehicle (EV) powertrains across the full range of transport modes. A plethora of firms from the foundation industries of metals and materials underpin our manufacturing prowess, reflecting the robustness and inter-connectedness of the region's supply chains.
- 3.10 The West Midlands is at the forefront of the research, development and production of Connected and Autonomous Vehicles (CAV), Electric Vehicles and large-scale battery manufacture. We will soon be home to the UK Battery Industrialisation Centre (a key component of the UK Industrial Strategy and focussed on enabling industry to scale up

and commercialise advanced technologies central to the development and manufacture of batteries), and we have an unparalleled range of innovation assets (including Horiba MIRA's research and testing centre & technology park, WMG, Manufacturing Technology Centre, National Transport Design Centre, and the Centre of Excellence for Digital Systems for Rail); OEM's and tier 1 manufacturers undertaking R&D and production in this field (including JLR, BMW, Bosch, Brose, Denso, Geeley London Taxi Company, Siemens, Telent and Volvo); and smaller but leading disruptive entrants and supply chain companies (including Detroit Electric, RDM and Westfield).

- 3.11 Many of our supply chain firms are developing, or have already developed, the expertise needed to succeed in the manufacture of battery, CAV and EV powertrain components, including **Westfield** in Dudley, **ZF Lemforder** in Darlaston and **Teepee Electrical** in Bloxwich (Walsall). Our aim is to take a unified and balanced approach to how our economy and firms manage the transition from the majority of today's vehicles to EV and CAV and the opportunities this creates. For example, ensuring a successful transition will involve ensuring supply chain companies have the right necessary wider business environment so that they can successfully contribute to the delivery of smart mobility in the region.
- 3.12 Our ambition is to continue this success as the centre of the transport manufacturing in the UK, and to reinforce our strengths in the production of EV and connected and autonomous vehicles related products and components. The more immediate opportunity of EVs will require large-scale battery manufacture, the rapid adoption of EV locally, and the roll out of the necessary local charging and energy transmission systems. Successfully managing the transition from combustion engine production to EV production will be crucial to ensure that the West Midlands remains at the forefront of the automotive industry.
- 3.13 We are working with Government to maximise the impact of our shared strategic programme of investment, as the UK's first Future Mobility Zone, to pilot and prove the future of smart mobility solutions. We are home to 5 live test beds for CAV, and a range of specialist testing facilities (including the new TIC-IT high speed CAV test track at Horiba MIRA). Our strengths go well beyond the automotive sector, and include digital and ultra-light rail, logistics, aerospace and commercial vehicles. We are building the transport system of the future through a significant programme of transport investment, building an integrated, clean, multi modal system linked to High Speed 2 (HS2). This will directly address productivity challenges by connecting people to new job opportunities and skills provision, improving access to healthcare and green space and will improve air quality. It will also be integrated with our 5G network to drive a new traveller-centric system and approach.
- 3.14 With significant planned investment of over the next ten years, the opportunity to apply our innovation and manufacturing expertise locally to West Midlands supply chain firms is vast. We will use the 2022 Commonwealth Games and 2021 Coventry UK City of Culture to showcase new approaches to mobility and visitor travel information across all modes of transport, including autonomous services, smart transport

networks and integrated control and data management. Firms of all sizes in the West Midlands and from across sectors will be involved in this success.

- 3.15 The implications for our region could be significant. CAV alone is worth between £50-£100bn to the UK economy. A single Gigafactory scale battery manufacture would generate at least £1bn locally, in addition to an integrated transport network and arrival of HS2, which will add £4bn to the West Midlands' economy, driving major centres of growth such as UK Central. We will connect these opportunities to our supply chains, allowing us to boost SME growth and productivity.
- 3.16 Our 5G infrastructure will enable a totally new approach to real time data and user management across the whole transport system, including integration with CAV design, testing and operation. Collaboration with other 5G testbeds, including Worcester Manufacturing and Midlands Engine 5G project, will deliver productivity improvements for the wider supply chain.
- 3.17 We are putting in place the capability needed to use large volumes of near to real-time data sourced from intelligent roads and vehicles plus spatial and environmental data to manage new transport systems operating on a complex network. For example, the Open Data Institute at Warwick Manufacturing Group will provide the open access analysis and research facilities needed to develop future solutions to the business, legal, ethical and regulatory challenges and opportunities created by substantial new, real time, personal data. We will also establish data and mobility technology scholarships for the analysis of mobility data and application of disruptive technology into the manufacturing supply chain and logistics.
- 3.18 Innovation in connected mobility will underpin a new approach to distributed, connected factories and supply chains, with significant gains for the wider UK economy and local supply chains across our region and wider Midlands Engine area. For example, the evidence shows that £1 of productivity gains in the West Midlands automotive industry is worth up to £2.2 to the UK economy through supply chain benefits.

2. Data driven Health and Life Sciences

Partnering with patients and business to improve health and wellbeing

- 3.19 The opportunity we have is to make the West Midlands a global centre for the innovation, translation and real-world evaluation of new diagnostics, devices and healthcare technologies (including artificial intelligence). Building on the successful Institute of Translational Medicine and enabled through the best real-world test bed in Europe, based on a partnership with our large, stable and diverse population.
- 3.20 AI and large data techniques are driving new approaches to healthcare, in medicines, devices and services. The next phase of disruptive innovation in the life sciences will be driven by big data, and the UK's response to it, at a time when global state actors and companies are innovating in ways that will dramatically affect the relationship between

individuals and their health and biometric data. Increasing developments in digital solutions are driving huge new market opportunities around remote health care and assisted living and enabling greater cross-overs between our strong digital creative sector and health & life sciences.

- 3.21 Recognising this shift to working across disciplines, sectors and institutional boundaries, over the past 5 years the West Midlands has transformed our contribution to health and life sciences, centred around the University/NHS strategic partnership Birmingham Health Partners, and involving new facilities and expertise across our six universities. We have aligned academic, NHS and industry capabilities across the West Midlands based on shared mission rather than sector boundaries to deliver an offer built on our nationally recognised strengths in genomics medicine and diagnostics, clinical trials, medical technologies evaluation and healthcare data informatics and systems, and digitisation of health care services. These strengths are underpinned by significant national, competitively-won investments.
- 3.22 Our expertise and ability to work with patient data in an inclusive, collaborative way is a major UK and West Midlands strength. We can provide the translational environment to develop the testing, evaluation, validation and application of new technologies (e.g. AI or diagnostic) from other regional and UK clusters.
- 3.23 Building on these established strengths and strong links to the wider Midlands cluster will help deliver the key elements of the Government's Life Sciences Industrial Strategy and address the mission, announced as part of the AI and Data Grand Challenge, "to transform the prevention, early diagnosis and treatment of diseases like cancer, diabetes, heart disease and dementia by 2030."
- 3.24 Crucially, our offer and expertise are complementary and distinctive to other UK clusters in providing:
- A co-located translational environment and access to a diverse population at scale.
 - The ability to accelerate translation through strong partnerships between universities, the NHS and firms.
 - The ability to offer real-world and diverse environment testing - ensuring wider relevance and ability to scale nationally and internationally.
- 3.25 National and global firms see the commercial opportunity here. We have a growing cluster of both large and small firms and an associated supply chain, raising at least £35m of investment in the last 12 months. We have also seen investment of over £150m in the Birmingham healthcare campus and will continue to invest in the business support and networks needed to drive cluster development.
- 3.26 Our approach to supporting innovation within the health and life sciences industry will be anchored in partnership with the NHS and thereby ensure the potential to translate directly into better health outcomes for our citizens across the region. This opportunity will also provide new technical careers in local health care and more personally

targeted care working with individuals, digitally enabled care reducing the burden on carers, improving health outcomes and providing the healthcare jobs of the future.

3. Modern services and business, professional and financial services

- 3.27 The global trend towards services is a significant opportunity for the West Midlands. Existing firms will need to adapt to and adopt new technology, new processes, products and services. The innovative use of business, finance and professional service skills is increasingly important for the long-term growth and success of firms in all sectors. This creates growing demand for business and professional services and skills locally and a growing national and global market for these skills and the firms that provide relevant services. Talented people with the right experience, networks and ability to innovate in these areas are in strong demand across all parts of our economy and supply chains. These trends will drive significant global growth, innovation and disruption to professional services in the decades ahead.
- 3.28 Total business, professional and financial services (BPFS) GVA is forecast to double between 2015-2030, with growth forecast across all parts of the sector. Employment is expected to grow by 31% over the same period. The sector currently employs just over 400,000 people and contributes over £24bn of GVA to the West Midlands economy.
- 3.29 We are the only place with a ‘full service offering’ outside London; with the exception of high-end financial management (related to the stock market and investment) all services are available. Most nationally significant firms have a full-service team operating locally. Companies cite the availability and loyalty of skilled talent, the choice of locations and office space and attraction as a place to retain talent, as strong drivers of future growth.
- 3.30 The sector has a highly distributed global client base and the West Midlands has a different distribution of occupations compared with the national picture, with higher skilled occupations which reflect the technical and professional, rather than back office, nature of the West Midlands cluster. World class business schools like Warwick, Aston and Birmingham mean we have more business students here than any location outside London and we will continue to develop and foster innovative partnerships and links between firms and education institutions, including opening opportunities to communities that may not otherwise see the sector as accessible and ensuring the availability of the technical skills that continue to be in high demand.
- 3.31 Changes for which the West Midlands is well placed to take advantage include AI, automation, cyber security and machine learning. With small technology firms, regionally embedded larger firms and expertise in our universities we are a test bed for business innovation to access and embed new applications and techniques, helping core business services firms and wider sectors deliver next generation services locally, nationally and globally.

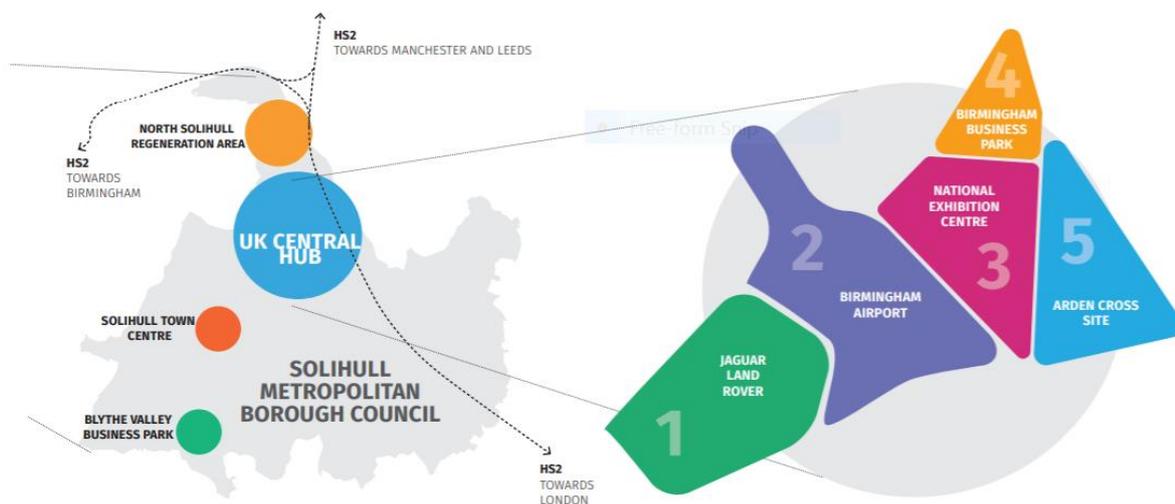
3.32 The West Midlands is already well connected, but HS2, and further expansion of Birmingham airport, will drive our success further as a high value business and professional services location and attractor of talent. Rapid expansion of different types of high-quality housing, high grade employment spaces and improved connectivity within the region will do the same. Investor interest is high, and we will continue to land significant additional investment.

UK Central - Solihull

UK Central Solihull reflects the huge potential of the West Midlands and the integrated approach to delivery that makes it achievable.

Solihull is an area of strong growth and high demand that is a net contributor to the Exchequer. UK Central brings together Solihull's world class business, transport and leisure assets to deliver a unique proposition in a high value environment. At its core is the Hub, which is already home to Birmingham Airport, the National Exhibition Centre (NEC), Jaguar Land Rover and Birmingham Business Park. The international transport connectivity and existing growth drivers will be bolstered by the arrival of HS2 at Arden Cross, the redevelopment of Birmingham International Station and major housing and commercial growth over the next few years.

The scale of opportunity is unprecedented in the region: 775,000 m² of new commercial and mixed use floor space; up to 5,000 new homes, up to 77,500 new jobs delivering up to £4.1bn additional GVA each year. Investment in the Hub across a range of programmes interact and is coming together to deliver new energy provision, multi modal transport innovation and large scale business growth opportunities - including in EV manufacture and new, digital, business services firms. New communities are planned based on a modern interpretation of garden town principles.



4. Creative content, techniques and technologies

3.33 The West Midlands has a long history of creative business success, from the earliest development of new techniques in industrial design and processing, to 90,000 creative jobs today. A major feature of our economy is the extent to which our creative

communities are engaged in both the core creative industries, and in using creative and design skills and techniques in the transformation of products, processes and services as part of industry 4.0 and a wide range of future global markets. In Greater Birmingham and Solihull alone, nearly 60% of design jobs are outside core creative industries. Furthermore, while the area in and around Leamington is dubbed “Silicon Spa” for the nationally significant concentration of gaming companies, there are increasing cross-overs to other sectors, and wider digital technology sector in the area are developing exciting collaborations in new market areas. All the following examples are happening today in the West Midlands; they are a very distinctive hallmark of our economy:

- Design-led thinking originating in the gaming industry is combined with virtual reality (VR) and augmented reality (AR) to develop, prototype and test new vehicles across automotive, aerospace, rail and last mile logistics as well as the wider digital manufacturing sector.
- Creative techniques for visualising and manipulating large and complex data sets are driving new approaches to healthcare, personal finance and insurance services, mobility, tourism and culture, and retail environments.
- VR and superfast connectivity are being used to train the next generation of paramedics, engineers and surgeons in environments that are as close to real life as possible.
- Modular construction of high quality, low energy homes begins with design-led solutions to components and build. Modular construction is estimated to be worth £2-3bn per year in the UK, with modular build growing by 25% per year.
- Design-led production of new components and diversification into new markets, often with cross-sector impacts.
- Increasing digitisation of services, and innovation within culture and media to develop new ways of engaging “audiences of the future”.

3.34 In our core creative industries, we have strengths in next generation creative and commercial content creation and as a production centre for higher budget content. Demand is driving investment in new high value TV and film production capacity and a proposed Media Campus at the NEC. Recent and projected economic and population growth is driving increased demand from consumers for creative experiences, such as theatre, performance and live music, which are stimulating the market for the region’s cultural offer.

3.35 The Commonwealth Games and Coventry City of Culture will provide significant opportunities to develop and showcase new, creative and digitally led, approaches to resident and visitor services and experiences. Our 5G connectivity will unlock new markets and platforms for content, information and services.

3.36 The distributed factory of the future will be constructed by designers, data analysis and visualisation specialists, powered by 5G connectivity and involve the rapid design, build

and deployment of virtual and physical components. These approaches will be developed and adopted in the West Midlands, as our innovative manufacturing and transport supply chains evolve for the future.

- 3.37 The West Midlands has the skills, firms, innovative supply chains and assets needed to take advantage of global growth in this creative future for content, techniques and technologies across all our sectors and sub sectors. With a core sector generating over £4bn of GVA through 10,000 firms, 10% of the UK games industry based in Silicon Spa, and universities including Birmingham City and Coventry that are nationally leading in providing graduate and post graduate skills to a wide range of creative disciplines. We have strong collaborations, clear sector specialisms, and a diverse creative ecosystem.
- 3.38 We have a creative economy that is far more than just our strengths in creative industries. The evidence shows that Birmingham and Solihull alone have the **potential to add nearly 4,000 new creative enterprises and 30,000 new related jobs**¹ with the opportunity to scale this across the West Midlands.

¹ Creative Economy Mapping Study for GBSLEP <https://gbslep.co.uk/resources/reports/creative-economy-mapping-study>

4 The West Midlands Economy

- 4.1 This section summarises the distinctive characteristics of our economy – strengths that will help us meet the strategic opportunities we have identified and the barriers that remain. More detail can be found in the evidence pack and in the sections on each foundation of productivity.
- 4.2 The West Midlands has always been the productive heart of Britain. We are home to innovators, engineers, creators and designers; doers, learners and makers who do things differently and lead the way. Over the last decade, the West Midlands economy has experienced a renaissance – our £99bn economy has grown by 27% in the last five years and over the last 12 months productivity growth has been twice the national rate.

A region full of youth, diversity and opportunity

- 4.3 We have the youngest population in the country outside of London, with more than one in five people aged under 16 and 39.7% under the age of 30². Our population is highly diverse. For many decades people from around the world have come to call the West Midlands home and our communities and businesses are richer for this diversity of faith and culture. We are place of many perspectives, communities and beliefs, each with an important contribution to make to our business, economic and social life. This also gives us powerful personal and businesses connections to the rest of the world. And people who grow up here want to stay, more than 70% of graduates from the West Midlands return here. We predict a population increase of half a million in the next 20 years. This is a region full of potential and opportunity.

International and outward looking

- 4.4 We are open, welcoming and ready for business. Investor sentiment is strong, and the West Midlands is recognised as an excellent place to do business. Our business centres are being transformed through the development of 2 million square feet of prime office space.
- 4.5 We are the fastest-growing UK region for goods exports and experienced 27% growth between 2015 and 2017. Outside London and the South East, we export the most by value, over £33bn in 2017. Not only this, we had the greatest number of new jobs from FDI projects outside London last year. Since 2011, the number of FDI projects has tripled. There is significant capacity and potential for growth here. Our universities have global presence and draw talented, highly skilled people at all stages of their academic and business careers.

Continuing a history of creativity, innovation, design and making

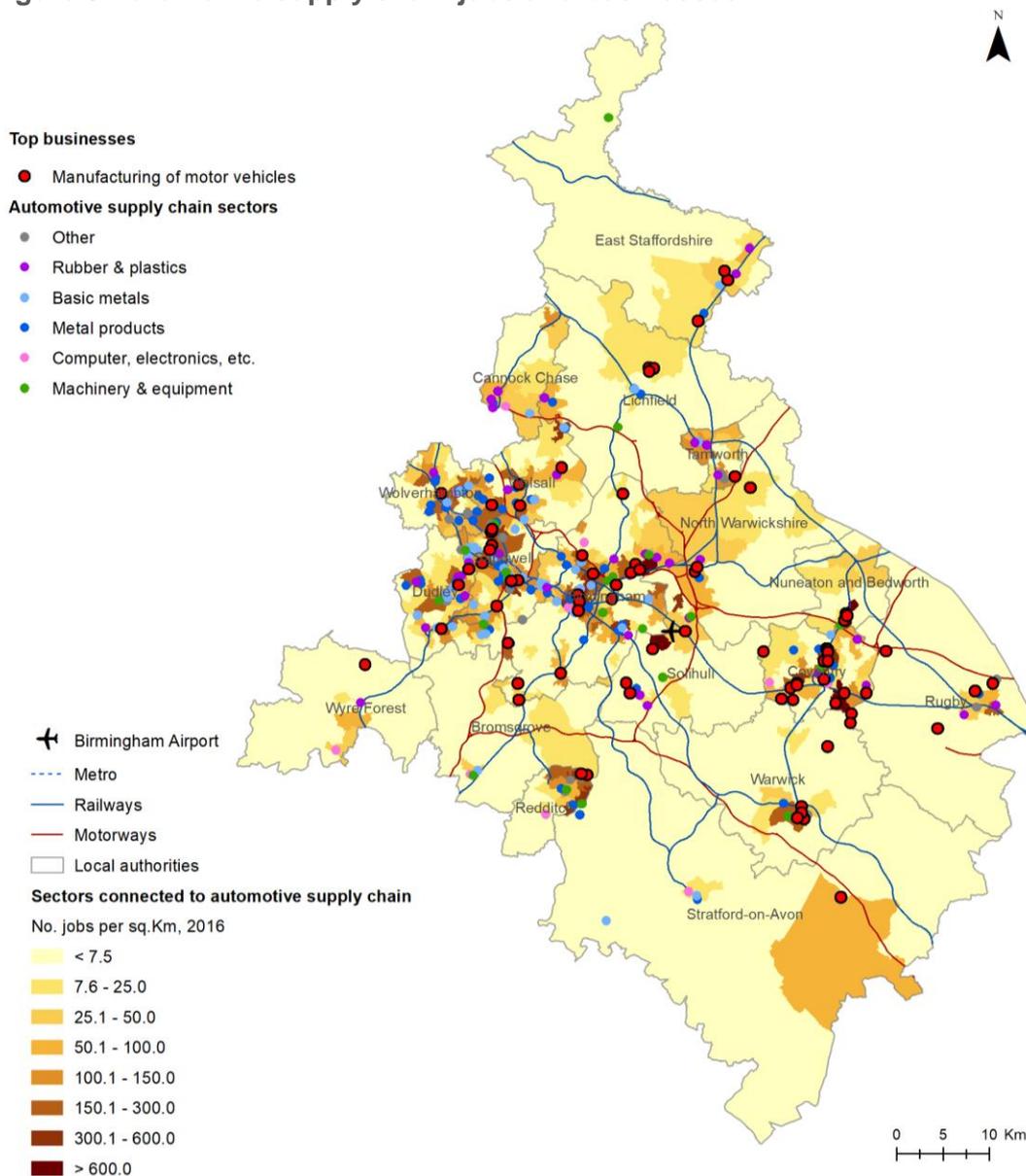
² 3 LEP geography

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- 4.6 We have a long history of creativity, innovation, design and making. The West Midlands has been at the forefront of change and innovation throughout successive industrial revolutions, driving technological development for the whole of the UK. We are the home of the Lunar Society and the region that gave birth to the 'city of a thousand trades'. People, institutions and cities have put theory into practice, translated ideas into action, solved problems and created great works that have made their mark across the world.
- 4.7 This heritage and continuing strength in bringing creativity to the design of products and processes is why the West Midlands is a centre of excellence and home to some of the world's most famous brands such as Land Rover, JCB, Cadbury's and AGA. Our cultural creativity has been recognised by Coventry being awarded the UK City of Culture in 2021 and our people, businesses and universities continue to enhance that reputation through their innovation, creativity and endeavour.

With globally competitive and adaptable supply chains

- 4.8 Our economy is distinctive for its deep network of supply chain firms operating across a range of sectors, including automotive, aerospace and medical technology and playing a crucial role in the value chains of goods and services traded across the world. Many of these firms and the people that work in them have been highly successful in adapting to past developments in supply chain requirements and are well placed to continue to do so. Indeed, we have one of the world's greatest concentrations of automotive technology activity, driving the future of mobility.
- 4.9 Companies within the West Midlands are engaged in a wide range of supply chain activities from the sourcing of inputs, including raw materials, production, distribution and delivery of goods and services to downstream, consumer facing markets. Our supply chain firms are critical to growth and productivity - integral to the core activity of our sectors and through their potential to diffuse innovation into the wider economy.
- 4.10 The long-standing pattern of engineering and manufacturing supply chains is deeply connected into our university innovation and research assets. The resultant pattern of development is a polycentric supply chain economy with distinctive local but linked specialisms. Our core urban centres each have their own economic linkages and travel to work patterns. Figure 3 demonstrates the spatial distribution of activity in the automotive supply chain as an illustrative example, showing activity across all areas of the West Midlands, with a significant concentration in the Black Country.

Figure 3 Automotive supply chain jobs and businesses



Source: ONS Business Register and Employment Survey (2016) and BvD Fame (2018)

Located at the heart of the nation

4.11 We are a region built on social and commercial connections and collaboration. No other region has more than 90% of the UK’s market within a four-hour drive. When HS2 arrives into UK Central and Birmingham Curzon Street, with journey times of just 38 minutes to London, it will bring the capital closer to the West Midlands than it is to Cambridge. And as the hub of the HS2 network, connections to the northern cities of Manchester (40mins) and Leeds (1 hour) will be less than half current times. We have one of the UK’s fastest growing airports, carrying 13 million passengers a year on 50 airlines to 143 destinations. Birmingham Airport recently announced the UK’s first direct flights between Birmingham and Amritsar and £500m of investment.

4.12 The West Midlands will also be the site of the UK's first 5G rollout. The potential to utilise early adoption of this technology across our industries and services is immense and the West Midlands will trial implementation and application to communities and industry for the UK.

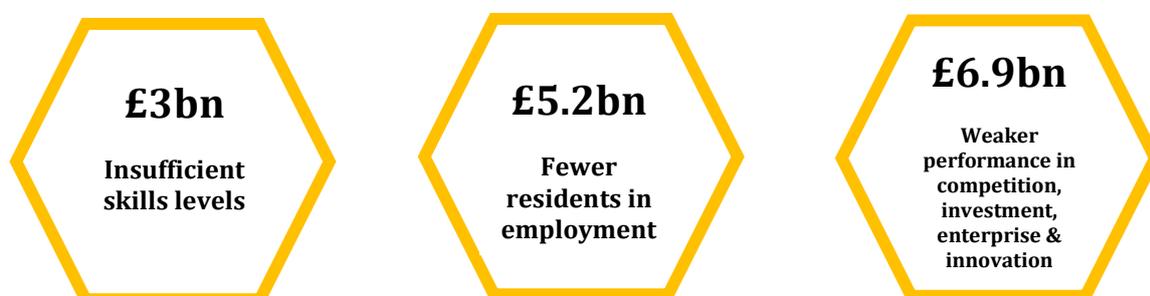
Strong leadership and proven delivery

4.13 The West Midlands Mayor and Combined Authority leaders are committed to growth that delivers a tangible change in people's everyday lives. Investments over the course of the coming decade to drive productivity will be integrated in communities, putting people at the centre of what we are trying to achieve.

- 215,000 **new homes** by 2031, providing high quality places to live, with real choice.
- £69m to support development of new **skills** provided in ways that meet the needs of how people live and work.
- Highest increase in **workforce jobs** outside London and rapid reductions in the proportion of working age population with no qualifications.
- More than £50m to create the UK's first multi-city **5G** test bed across Birmingham, Wolverhampton and Coventry.
- Home to the new **UK Battery Industrialisation Centre**
- **Commonwealth Games 2022** – Athletes Village, investments to Alexander Stadium and facilities across the region like the Olympic swimming pool in Sandwell.
- **City of Culture 2021** – unlocking investments and productivity improvements in arts, culture, visitor economy and a Year of Wellbeing and a 10-year Cultural Strategy.
- Six new **suburban rail** stations and over 31km of new track will provide 20,000 new seats.
- **HS2** –with a £4.4bn HS2 Growth Strategy, including the Curzon Masterplan and 20 transport schemes to fully connect HS2 stations to local transport networks and communities.
- A new **Metro system**, including East-West Metro with extensions to Dudley/Brierley Hill and through East Birmingham to North Solihull and the HS2 Interchange station.
- £15bn investment in distributed **energy infrastructure** to 2030.
- £10bn opportunities in identified **investor-ready sites** and a strategic programme to identify and bring forward employment land.

5 Productivity and Output

- 5.1 Low productivity growth is not unique to the West Midlands and the Government recognises this as a UK-wide challenge in the Industrial Strategy, but the West Midlands has some distinctive challenges alongside distinctive strengths.
- 5.2 GVA per employee varies significantly across sectors in the WMCA, with an average figure of £42,897. This is below the national average of £47,783. At the individual level, amongst all residents in the West Midlands, GVA per head is £4,886 lower than the UK average. The productivity gap is significant and is reflected across most of our broad sectors. **Performing at full potential, our economy would be £15.1bn larger.**³ This gap is driven by three structural issues in our economy.



Insufficient skills levels	Fewer residents in employment	An economy lacking dynamism
The proportion of the WMCA population with NVQ4+ is 31.1% compared to the UK, at 38.4%.	Compared to the UK's 74.7% employment rate, the West Midlands has 71% of people in work.	There are 398 businesses per 10,000 population in the region. This compares to 443 per 10,000 as the UK average.
This amounts to 184,867 fewer people with this higher-level qualification in the WMCA compared to the UK on the whole.	There are 95,422 fewer people in work here than the UK average	The result is 18,393 fewer businesses in the WMCA vs. the UK average.

- 5.3 These structural challenges cut across the foundations of productivity and manifest differently across in different places as well as sectors. We explore these further in the subsequent chapters. However, we know we have the potential to significantly grow our productivity levels. The Coventry & Warwickshire LEP area within the WMCA has seen the fastest economic growth of all LEP areas in the country since the end of the

³ The output gap figure has been updated to reflect 2017 GVA per head data

recession, including the greatest improvement in productivity levels with GVA per job filled growing by over 28% since 2009.

Firm level productivity drives our productivity challenge

Regional productivity is influenced by both industrial mix, because different industries have different average levels of productivity, and by the productivity of firms within individual industries and the extent to which they outperform other regions.

The West Midlands' industry composition index is the highest of all English regions. Meanwhile our firm productivity index is 16% below the Great British average. This suggests that our lower overall productivity is due to relatively lower firm productivity within industries rather than our industrial structure.

If we were to keep the West Midlands' industry structure but applied average UK productivity to the firms within each industry, regional productivity would be higher than the Great Britain average.

Like most of the UK, 99% of the West Midlands business structure is SMEs, but a higher percentage of these are "lifestyle businesses". These firms are set up primarily to maintain a level of income for the owner and generally lack growth ambition. This affects productivity and dynamism.

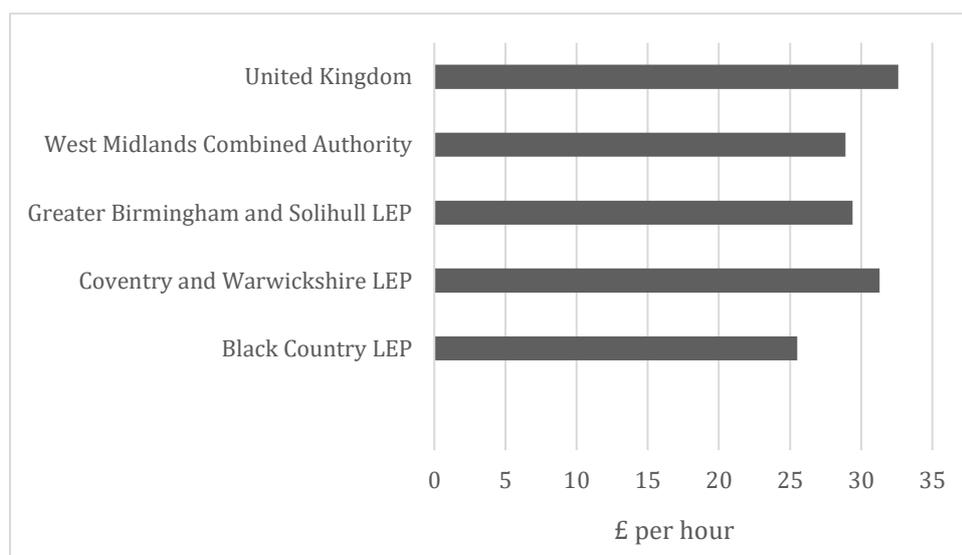
GVA per employee varies significantly across sectors in the West Midlands and the average GVA per employee is below the national average. Four sectors exceed the regional benchmark on the GVA per employee measure of productivity (£42,897): Low Carbon and Environmental Technologies is by far the most productive sector (£134,638 GVA per employee), followed by Digital and Creative (£65,151), Business, Professional & Financial Services (BPFS) (£60,212) and Advanced Manufacturing and Engineering (£58,036). The other six broad sectors have productivity below the WMCA average.⁴

The evidence tells us about the nature of the productivity challenge - this is an issue of firm level productivity within and across industries. Actions to address the challenges firms face in pursuit of growth and productivity gains are explored both within the context of specific industries in section 7 and common elements of the supply side: ideas, people, business environment and infrastructure in section 8.

5.4 Aspects of the productivity challenge are also spatially more concentrated in some parts of the West Midlands. Variations in GVA per hour are shown below:

⁴ Sector data presented here is based on the 10 original WMCA sectors used in the 2016 SEP.

Figure 4 GVA per hour worked (£)



Source: ONS sub regional productivity (2018)

- 5.5 This spatial variance is reflected in patterns of employment and skills (explored in more detail in the people chapter. Overall, 12 West Midlands’ local authorities have a higher employment rate than the UK average (74.7%) with the highest rate in North Warwickshire (85.4%). We see much lower employment rates in other areas: Sandwell (64.3%), Birmingham (63.6%) and Wolverhampton (65.8%) in particular.
- 5.6 In the Black Country, 15.6% of people have no qualifications, almost double the national rate of 8%. The median full-time weekly wage for Black Country residents is £499, compared to £545 in GBS LEP and £589 in Coventry and Warwickshire.
- 5.7 We also see stubbornly poor performance on, for example, healthy life expectancy and childhood obesity, with growing problems of housing affordability. We have low levels of access to green space, local hotspots of poor air quality, 12% of our households in fuel poverty, and high levels of carbon emissions.
- 5.8 We explore these issues in more detail in the sections on each of the foundations of productivity below, and in the supporting evidence reports. In summary the major issues for the West Midlands are:
- Recent growth has not been felt by all and too many miss out, with significant variations between those areas where growth has been concentrated and skills and earning power is highest, and those where it has not. Unlocking the potential of these communities is core to improving lives and reducing the output gap.
 - The strategic opportunities we have will drive the success of sectors that already have higher than average productivity and those where our productivity is lower than it could be, such as construction, retail and health. Securing the adoption of new techniques and technologies, often across sectoral boundaries, is the other major part of solving the productivity puzzle here.

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- We have the research and innovation capacity and the creative, young population needed to make this change, but have more to do to drive business demand for new skills, techniques and technologies.

Investing in resilience

- 5.9 Brexit will create a change in our relationships and interactions at a regional, national and international level. But it does not mean that our outward looking perspective and readiness to cooperate with neighbours will change too. The region's success is built on migration and immigration. Knowledge exchange and progress go hand in hand and Leaders across the West Midlands are clear that leaving the EU does not correlate with a withdrawal from open collaboration with cities and regions across Europe or the rest of the world.
- 5.10 The West Midlands is still highly recognised both nationally and globally as a region open to new ideas and new working practices. We have a strong track record of bringing in major investment from European and other global partners which has brought prosperity, growth and employment to the region and UK as a whole. This will not change. Rather the West Midlands has the opportunity to be at the forefront of all that is successful about the future UK.
- 5.11 Businesses have concerns in a number of areas. Smooth trading, particularly for our advanced manufacturing base, is significant. There are implications for supply chains and just-in-time impacts. Similarly, there are particular vulnerabilities around the recruitment and retention of skilled workers - 1 in 10 nurses are EU nationals and the need to maintain access to technical skills is important for many of our industries.
- 5.12 Funding is another aspect of change. The regional economy has benefitted from £566m in ESIF funding (2014-2020). The UK Shared Prosperity Fund (UKSPF) must be constructed and resourced so it funds our priorities around growth, productivity and inclusion⁵. We expect parity between the previously separate EU and domestic local growth funding and the UKSPF. The fund must be designed in a way which allows us to invest this funding locally to achieve the shared ambitions in the WMIS and to address the thematic and spatial barriers to improved productivity and inclusion.

6 Inclusive Growth

- 6.1 Growth and the benefits of growth are unevenly distributed, with pockets of deprivation, low employment and a lack of access to opportunities. International evidence shows that the concentration of creative and highly skilled people and firms that drive growth in our urban areas can also further entrench inequalities, particularly in suburban and rural areas close to centres of growth.

⁵ Further reading – https://www.birmingham.gov.uk/downloads/file/11144/brexit_impact_analysis_summary

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- 6.2 There is a long-term opportunity to connect more of our people with our economic opportunities. This will boost our productivity and benefit the UK economy. There is strong evidence that we could be more productive overall and that firms face recruitment challenges for entry level and higher skilled roles, as well as changing skills needs. The priority for us now is to **develop a West Midlands Inclusive Growth roadmap / plan** which pulls out the specific implications and targeted activities and next steps for both the local industrial strategy and wider West Midlands workstreams.
- 6.3 Devolution, combined with an economy in renaissance, give us a unique opportunity to make inclusive growth happen here, now. Local powers and flexibility mean that interventions can be designed, tested and implemented based on the needs of local people, businesses and places (including recognising the specific and different challenges facing urban and rural areas of our geography). The commitments and actions at the heart of this strategy set out what we believe a more inclusive West Midlands can be.
- 6.4 Inclusive growth underpins all the actions in the strategy. For us this means that we want to ensure that all our residents and communities can touch, taste and feel the benefits of rising prosperity. And we know that we will be most successful if we benefit from the creativity, talent and ideas in all our communities. Our strong local partnership, together with the new powers and influence of the Mayoral Combined Authority, gives us the chance to drive progress over the long term, make the case to Government and make things change.
- 6.5 Our opportunity is to use our Industrial Strategy and the potential of a young and growing population to act boldly where we have the levers to do so. We will seek to pilot new initiatives designed to deliver more inclusive growth. These will build on our existing projects and pilots such as Thrive West Midlands, which will improve awareness of workplace mental health.
- 6.6 Raising the living standards of all our residents and addressing the low productivity, low pay cycle that many of our residents experience will require an integrated response across multi policy areas. The West Midlands has a unique opportunity to do things differently and we will implement a West Midlands approach in piloting, experimenting and evaluating what works here.
- 6.7 We have launched the Inclusive Growth Unit to blend analysis, policy advice and practical action. The unit will support the development of the roadmap and promote inclusive growth outcomes with our Industrial Strategy and Public Service Reform programme across all activity. Its work will develop over the next year. We aim to make this unit the leading example of devolved areas working towards inclusive growth goals.
- 6.8 We have identified priority issues on which to develop and test new approaches:
- **Low pay sectors** such as social care, looking at labour supply and demand, locally adapted and targeted training and skills, meeting local needs with local innovation

and creating/facilitating organisations to fill gaps or create linkages around the sector.

- **In work progression**, increasing the support available to people to access in-work progression opportunities, particularly for employers and residents working in tourism, retail and prioritising historically lower paying sectors, where technological change will open up new, higher skilled roles. This will require focus through business support and skills provision.
- **Commissioning and procurement**, with an emphasis on maximising local value, local supply chains, local skills development and local ownership in infrastructure projects. This includes HS2, City of Culture and Commonwealth Games related procurement.
- **Diversity**, the Combined Authority can lead by example to promote diversity by implementing the Leadership Commission's recommendations of organisational culture change policies and policies to support individuals in the Combined Authority and wider public sector.
- **Inclusive Growth Corridors and town centres**, implementing place-based responses to integrate investment in specific sites and growth corridors bringing together transport, housing, skills, Public Service Reform and wellbeing investment to drive long-term change.
- **Bespoke solutions for individuals**, focusing on mental & physical health and barriers to work alongside the wider determinants of wellbeing. Coventry and Warwickshire will run a Year of Wellbeing in 2019 driven by the European City of Sport and develop wellbeing and productivity.
- **Youth unemployment**, developing a fresh new approach to working with young people through the Transition to Work scheme to create a sustainable pipeline of young talent in the region.
- **Social enterprises**, to diversify the types of economic activity available to create opportunities and improve wellbeing and productivity for people and communities. The Social Economy Taskforce will report findings in the early spring. It is anticipated to commit to a growth in the size of the social economy within the WM; a regional and/or mayoral financing mechanism to support this (such as a regional SE bank, or Mayor's bond); and the drawing together of support mechanisms for SE start-up and scaling.
- **Vulnerability, mental health and complex needs** – a number of interventions (both via the WMCA and with partners) focused on the relationship between vulnerability, wellbeing and work, such as our Individual Placement Support trial (developed with DWP's work and health unit), Thrive at Work, and partnerships with the West Midlands Fire Service, West Midlands Police and the Office of the Police and Crime Commissioner focused on prevention.

6.9 GVA helps us measure the pace of growth but not who is benefitting. We have developed an Inclusive Growth Framework which seeks to capture the positive social and environmental outcomes that the West Midlands would like to realise as a consequence of its economic activity. The Combined Authority will ensure that the Inclusive Growth Framework continues to be developed and refined and is used in monitoring the

delivery of our wider social and economic goals, including this local industrial strategy, looking at who is benefiting from the actions and where more needs to be done to ensure inclusive growth.

7 Sectors

- 7.1 This section sets out the strengths we have across our major sectors. Identifying the specific dynamics of our industries, supply and value chains is an important factor in ensuring that we prioritise the right actions to drive inclusive growth and productivity, so our people and businesses can take advantage of the opportunities ahead. We have worked closely with sector trade bodies and groups such as the Midlands Aerospace Alliance and the UK Metals Council, as well as academic experts, to ensure we understand both current and emerging sectoral trends and strengths. Ongoing activity to implement sector-specific actions will be done via close working with trade bodies.
- 7.2 More detail about the productivity and growth of specific sectors can be found in our detailed evidence report at **DN [insert hyperlink]**.

Sector Productivity

- 7.3 Over the last 18 months, the West Midlands has undertaken a range of comprehensive, independent studies to understand our clusters and sectors as well as the underpinning drivers of our output and productivity. Both elements are important. We explore the West Midlands economy in relation to the foundations of productivity in section 6. In this section, we identify the specific sector specialisms that are driving growth.
- 7.4 The **productivity gap is reflected across all broad sectors** apart from Low Carbon & Environmental Technologies (+£16,085). The region's manufacturing strength is displayed through its marginal productivity difference with the UK average in this sector (-£423). Sectors with the highest productivity gap between the West Midlands and the UK are BPFs (-£15,418), Digital and Creative (-£7,157) and Logistics & Transport (-£6,643), which are also core to meeting our strategic objectives, creating an important link between future growth and productivity improvements.

Sector Strengths and Specialisms

- 7.5 The West Midlands makes up around 10% of the UK **aerospace** industry. Clusters exist in the engine supply chain around Rolls-Royce and electro-mechanical systems, like UTC Aerospace Systems and Moog who are two of the world's leading producers and suppliers of aircraft actuation systems. Focused on civil aircraft, West Midlands products and services from throughout the supply chain contribute to the latest passenger planes made by Airbus, Boeing and BAE Systems.
- 7.6 The West Midlands has a significant **rail** supply chain, particularly in activities at the higher end of rail design and engineering, and upcoming opportunities around digital rail. The sector is underpinned by academic excellence and private sector leadership through Birmingham Centre for Railway Research and Education which specialises in digital rail technology and is the lead partner in a £92m industry-partnered investment in research on digital train technology through the UK Rail Research and Innovation Network (UKRRIN). The area is also home to the Quinton Rail Technology Centre and a

testing ground for Birmingham University's hydrogen propulsion research; and a cluster of transport design businesses - for example companies that designed the interior of the new Hitachi IEP 800 Series, Disneyland Europe amusement park rides and Suncheon Bay light rail in Korea. Major planned investments, including HS2, Midland Metro Extension and projects in Control Period 6, present significant opportunities for growth and innovation locally. Our strategy is to integrate these investments so the benefits are felt across the whole of the rail sector and communities.

- 7.7 The regional **logistics** sector is enjoying significant growth with a 66% increase in the number of businesses in the past five years. Driving productivity gains through investments in distribution centres and emerging technologies such as automated guided vehicles (AGV) in warehousing, virtualisation technologies to monitor and utilise capacity in vehicle fleets to smooth demand, connected and autonomous vehicles and integrated delivery systems to increase transport efficiency. The sector is core to the wider changes in mobility services and will significant change in skill requirements and occupations going forward.
- 7.8 Key in underpinning these transport related industries are the cluster of foundation industries within **metals and materials**. Their historic presence and current and future expertise for advanced manufacturing plays an important role in the regional economy, contributing 75,000 jobs and £4bn GVA. The supply chains are robust, and their continued success is integral to the businesses they supply. Without the local supply of quality material and products from both metals and materials many of the area's better-known industries (e.g. automotive, construction) would be less successful. Metals and materials supply is the bedrock of the West Midlands' manufacturing economy.
- 7.9 The West Midlands has a significant **automotive** sector, producing one third of the nearly two million vehicles manufactured in the UK. The region has 35 automotive OEM brands, major R&D and headquarters operations, and over 20 vehicle manufacturing sites. The cluster has attracted and retained global brands Jaguar Land Rover, Aston Martin Lagonda and BMW (engine manufacture), Geeley London Electric Vehicle Company and smaller, niche manufacturers. Both CWLEP and GBSLEP areas employ more people in the sector than any other in the country. Many of those employed locally are within SME supply chain firms; one fifth of the UK's motor vehicle parts and accessories businesses are located in the West Midlands region, reflecting that our automotive expertise goes far beyond the presence of OEMs. The Black Country in particular is home to a deep and diverse network of tier 1, 2, and 3 component and engineering suppliers that extends out across the region.
- 7.10 There are significant existing strengths and innovative capacity in powertrain and battery propulsion, connected and autonomous vehicles, and prototyping and product development. Successfully delivering these high-level, high technology ambitions requires a wholesale adjustment across all levels and particularly relies on the innovative capabilities of our supply chains to respond and be fully integrated within the development of new technologies and products.

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- 7.11 Similarly, the region's distinctive **low carbon** expertise makes the West Midlands an attractive market for commercialising new energy and transport system technologies in the UK. This sector is the most productive sector in the West Midlands, with GVA per employee that outstrips the national average.
- 7.12 The advanced manufacturing economy also underpins a **food and drink** sector which has seen the greatest long-term growth in food and drink manufacturing of all UK regions. Smaller, artisan producers play an important and high value-added role linking to both our wider tourism sector and our dynamic agricultural base.
- 7.13 Our growing **creative** sector includes important maker clusters, globally recognised product and process design, and a globally significant concentration of firms in gaming, innovative and immersive content and high-end production, centred on screen media including film, TV and virtual reality (VR) and augmented reality (AR). The creative sector underpins, supports and cross-cuts into many of our key sectors, and there are huge opportunities to support and facilitate this further cross-fertilisation, building on our strong digital creative business base.
- 7.14 Our thriving **BPFS** is the region's largest GVA contributor and employer with the UK's largest regional full-service banking and professional services cluster, serving a global client base. A strong and distinctive Birmingham city centre is complemented by a range of other key options and locations (both in town and out of town) around the West Midlands, including Coventry, Worcester, Leamington and Stratford-upon-Avon, which provides a wide and varied choice for companies of all sizes. The sector brings region-wide benefits through positive spill over effects via the access to capital and providing for the growth of businesses in other industries. The cluster is supported by world class business schools, including Aston, Birmingham and Warwick, resulting in more business students than any location outside London.
- 7.15 New technologies and world class assets support a high value **medical technology and life sciences cluster**. There are particular strengths in R&D, design and production of high-tech medical devices (firms like Salts Healthcare and Kimal), diagnostics including in-vitro (The Binding Site, Serascience, Perspectum) and software as a medical device (Safe Patient Systems, Evolyst). The region's strengths in med-tech include the application of AI, digital and data analytics, with the West Midlands as an important location for clinical trials. The region's NHS Trusts and universities attract large numbers of trials from global industry to an international centre of expertise in accelerated trials models and a track record in health data collection.
- 7.16 Industrial know-how in advanced manufacturing is strongly related to major **construction** activity and expected spending of £3.8bn per year for the next five years in transport and housing investment. This is the third largest sector in the West Midlands with companies across the supply chain operating locally. Offsite construction and other modern methods of manufacturing (MMM) are a distinct opportunity for the region to deliver its 215,000 homes and other large infrastructure commitments. Offsite construction is already happening – evidenced by WM-based firms like LoCaL

Homes and Totally Modular – and there’s a key opportunity for the region to develop a world-class capability in this activity going forward.

- 7.17 The West Midlands is the UK’s fastest growing region for international visitors – attracting a record 2.3 million overseas visits in 2017, up by nearly 50% over the last six years. We have an already world class tourism offer, building on the global draw of Shakespeare’s England, the Black Country Living Museum, key heritage assets, and a range of sporting and events based attractions. The City of Culture 2021 and Commonwealth Games 2022 provide a unique platform to further raise the global profile of our area and enable our **tourism** sector to capitalise on these opportunities to expand the visitor economic and business tourism levels to drive economic growth and leave lasting community legacies.

The Black Country Living Museum and Castle Quarter case study

Across 26 acres of exploration, The Black Country Living Museum recreates the area’s proud industrial heritage, attracting almost 300,000 visitors annually. An open-air museum brought to life by costumed characters in original shops, houses and workshops, the museum is a key visitor economy attraction in the region which continues to invest and develop. ‘Forging Ahead’, the museum’s 40-year masterplan for further developing the site, will create a world-class heritage attraction in the heart of the Black Country. Phase 1 of the masterplan, part-funded (£9m) by Black Country LEP’s Land and Property Investment Fund (LPIF), represents an investment of £23.7million in a project to engage and inspire visitors of all ages to learn about the Black Country’s heritage, its impact on the world, and its relevance today.

The Black Country Living Museum forms part of a thriving tourist attraction hotspot in Dudley’s Castle Quarter. This area provides a wide range of attractions including Dudley Zoological Gardens, Dudley Canal Trust and Limestone Mines. Further reflecting the Black Country’s diverse industrial heritage and unique identity, the Black Country has the ambition to become a Global Geopark, with parts of this also focused on the Castle Quarter. The Black Country’s geological and industrial history has ensured it’s now an amazing place to explore with many ‘hidden gems’ of world class natural and manmade wonders to be found and explored. A Global Geopark status recognises an area’s outstanding geological heritage and where there is considerable effort to conserve it and increase the public understanding and enjoyment of it. UNESCO are responsible for granting Geopark status’, and the Black Country has applied for this

- 7.18 The related industries of **retail and hospitality** are significant at the local level. They play a key role in the functioning of our city and town centres, which are undergoing significant changes and challenges. The sectors also provide a route out of unemployment and flexible working. The challenge is to build progression pathways through these sectors to upskill workers, increase productivity, improve wage growth, and to support the sector to change and evolve to meet new expectations and embrace future technology.

8 Actions to drive growth and productivity

8.1 In this section we set out the actions we are going to take. They are grouped by four foundations of productivity, reflecting how they are targeted, based on the evidence, with place being integrated into each. In each section we also summarise the inclusive growth impacts.

Ideas

8.2 ***With a long history of commercial and academic research and business innovation, the West Midlands has the potential to further increase both new to firm and new to market innovation in products and services by further building capacity and capability.***

8.3 Ours is an innovative economy built on the development and commercialisation of new ideas, processes and products. Our innovation is driven by the creativity of companies and Universities in the West Midlands, founded in our history as the place where the first industrial revolution was commercialised, driving growth across the UK.

8.4 The West Midlands has a long standing, sophisticated and thriving innovation ecosystem, with a diverse mix of research and applied universities, commercially engaged academics, science parks, incubators and the largest concentration of accelerators in the country (NESTA, 2017). We are home to two of the UK's strategically important Catapults in High Value Manufacturing and Energy Systems. And our universities are consistently ranked in the top 20 nationally for the quality of their research.

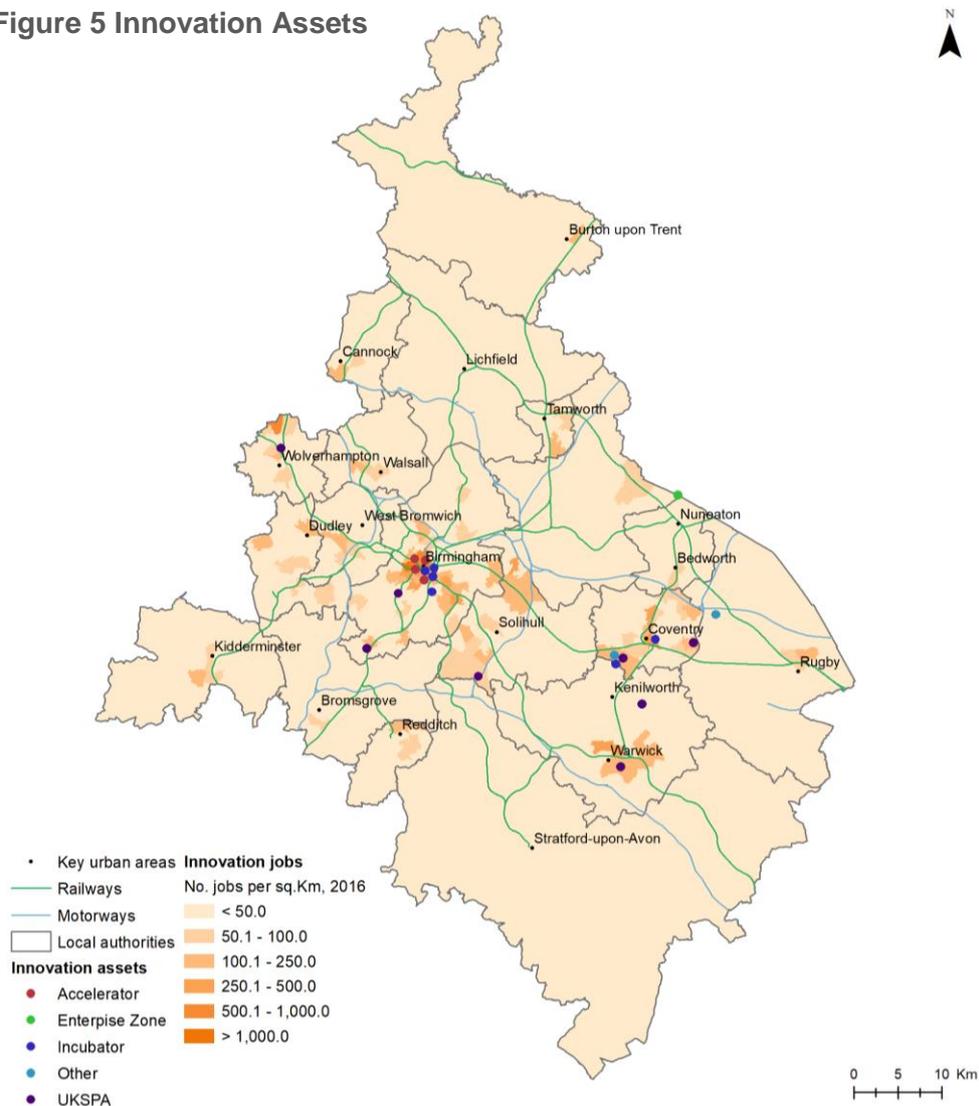
8.5 Innovation in industry, academia and R&D is focused in our core economic and business areas of advanced manufacturing and engineering, digital technologies, data and systems integration with a particular strength across the whole West Midlands in next generation transport systems, data-driven healthcare technologies, and energy generation and storage.

8.6 The major opportunities are driven by rapid innovation in the way that firms use data in the development of new products and implement data in the configuration of new business growth. Cities, towns and local areas across the West Midlands will be the first to benefit from cutting edge 5G capabilities.

8.7 Universities, developers and the public sector have invested substantially in incubator space, science and technology parks and in the availability of finance and access to university and business partnerships. Together with substantial business networks and support for specific technologies and capabilities (such as battery manufacturing, CAV vehicle design and testing, digital rail, energy generation and storage, and data for future healthcare), these will continue to be the pillars of our innovation ecosystem

beyond the existing funding streams. The innovation infrastructure is widespread and clusters around key institutions. The challenge is ensuring that this capability and capacity percolates into the supply chains as well as frontier firms.

Figure 5 Innovation Assets



Source: ONS Business Register and Employment Survey (2016) and SQW (2017) A Science and Innovation Audit for the West Midlands

8.8 Businesses across the region invested £2.3bn in R&D in 2016 and this is on the rise. Since 2010 we have increased our share of all UK investment. We perform above average in Innovate UK funding awards, though there are spatial variations, which is primarily driven by the nature of our business base.

8.9 Innovation is concentrated around the clusters of OEMs, universities and medium, small and micro firms in these major sectors, for example around Warwick Manufacturing Group and the automotive and aerospace clusters in Solihull, Coventry and Warwickshire, manufacturing supply chain firms in the Black Country and creative industries in Birmingham. There is the opportunity to go further, to broaden the smaller scale commercial research and process innovation undertaken by firms in our

supply chains who find it difficult to engage with the innovation ecosystem. There is a key role for universities to broker the connection between national research and innovation funding to deliver benefits for the region.

- 8.10 Our regional innovative capacity is not confined to any one sector, meaning that capabilities in research and development, design, production and aftercare spans multiple industries, putting firms at the forefront of innovation across as well as within specific sectors.

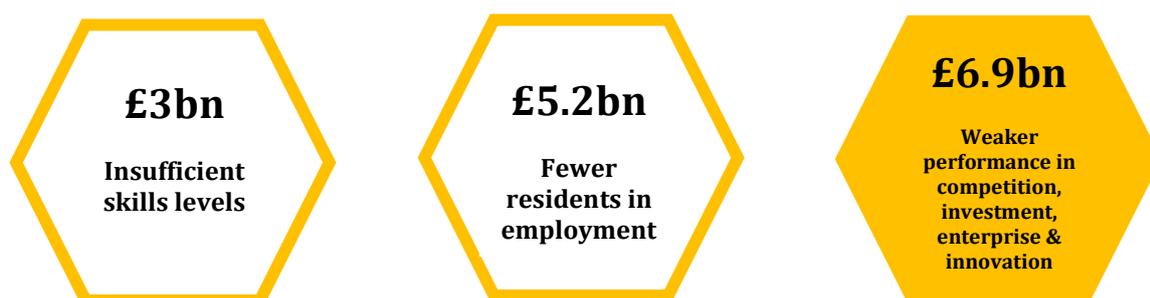
STEAMhouse case study

STEAMhouse is a co-working space for businesses, artists and academics designed to enable small companies and artists to work together on new projects and business ideas. There are facilities such as 3D printers, laser cutting machinery, virtual reality and printing studios.

STEAMhouse will drive innovation and research to create business solutions that fuel long-term economic growth through a combination of industry-led workshops, access to product development facilities, partnership working and SME grant-making. The first phase of STEAMhouse launched in spring 2018 and will engage with at least 200 SMEs in the Greater Birmingham Solihull Local Enterprise Partnership (GBSLEP) area over a three-year period. The second phase of STEAMhouse is already in development with construction due to commence in spring 2019.

Clear opportunities to strengthen business innovation

- 8.11 Around 46% the output gap between the West Midlands and the UK is caused by weaker performance in competition, investment, enterprise and innovation.⁶



- 8.12 Levels of process innovation and commercialisation are lower than they could be. And we need to increase business demand for new techniques and technologies. Our aim is to drive up levels of business innovation by supporting improvements in business capacity and subsequent demand.

⁶ Based on 2017 output gap analysis.

8.13 Our academics and researches are at the forefront of global trends in the clean movement of goods and people and the development of new products and services. We know that these changes provide significant opportunities for our supply chain firms in automotive, rail and aerospace who specialise in materials, metals and components, alongside the need to continue to further innovate production processes and techniques.

8.14 Our strategy therefore is to continue to ensure the availability of both space and finance for innovation, whilst further developing the business led and peer to peer networks and connections that the evidence shows are most effective in helping firms innovate. We want to encourage our businesses of all sizes to ensure that innovation becomes part of “business as usual”. We are committed to closer working between institutions to maximise the West Midlands research contribution to national and local opportunities and to making it easier for new and existing businesses to access our world leading assets and new support programmes.

- **Innovation networks and linkages:** We will support business networks and programmes to join-up assets and entrepreneurs, and help identify the opportunities for collaboration across sectors, technologies and supply chains.
- **Innovation investment programmes:** We will create new support programmes integrated with local supply chains, including through demonstrator projects, supporting broad and accessible investment and access to a good supply of appropriate finance products on attractive terms.
- **Innovation talent:** We will support high growth potential business with the skills needed to innovate, through programmes in universities, Catapults, and technology innovation networks.
- **Innovation intelligence:** We will create a West Midlands foresight programme to generate new ideas and promote awareness of latest market demand from large firms and the public sector for innovative SMEs as well as technology drivers of change.
- **Innovation culture:** We will continue to create opportunities to showcase the impact and importance of innovation across the West Midlands’ public and private sectors.

8.15 In addition, we are working closely with Government to embed a number of initiatives within the West Midlands innovation ecosystem, including:

- Driving innovation through planned procurement of capital investment in the West Midlands.
- An industry-focused regional grant scheme (for our innovators who have difficulty securing Innovate UK monies) with a range of funding options.
- Wrap-around business support with innovation and R&D at its centre.

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- Integrating the approaches described above into a new Productivity Factory, acting as an access point for peer-to-peer mentoring and repayable grants for project design and implementation.
 - Sharing and development of intellectual property (IP) for collaborative innovation and consideration of where IP finance can improve the access to finance for innovative companies

8.16 We are investing in innovative spaces and networks to enable cross discipline intellectual property (IP) sharing and commercialisation, for example at the STEAMhouse project with Birmingham City University. We are developing creative sector specific financing opportunities and pathways and have put in place innovative programmes to further enhance the transfer of skills and techniques between the core industry and the potential it has to grow productivity in other sectors.

Innovation delivering inclusive growth

8.17 Innovation drives improvements in individual firms as well as across whole industries. A more innovative West Midlands will be an environment with more productive and competitive businesses that create and attract better paid and higher skilled jobs (for instance in traditionally low paid, low skilled sectors such as retail, hospitality, logistics and health & social care).

8.18 As well as continuing to support high tech innovations, our local industrial strategy commits to encouraging a broader and more inclusive innovation policy that can help supply chain SMEs across the West Midlands to contribute to the West Midlands distinctive strengths by moving into new markets and supply chains.

Warwick Manufacturing Group (WMG) case study

WMG is one of the world's leading research and innovation groups. Since its inception in 1980, WMG's mission has been to improve the competitiveness of organisations through the application of value adding innovation, new technologies and skills deployment, bringing academic rigour to industrial and organisational practice.

WMG is a pioneer of innovative technology, leading major multi-partner projects to create and develop new products and processes that can be adopted by organisations.

WMG's new National Automotive Innovation Centre is the largest of its kind in Europe and the product of partnership with Jaguar Land Rover and Tata Motors. The centre will focus on automotive research, combining expertise from industry, university academics and supply chain companies. It is intended to support advances in technology to reduce dependency on fossil fuels and vehicle emissions whilst also developing the talent required for the demands of emerging technology. This is in addition to the existing facilities.

People – Skills and Employment

- 8.19 The West Midlands has a young and diverse population, brimming with potential and opportunity. There are 1.8 million people under 25 in the region (32.5% of the population), making the West Midlands the youngest region in the country outside of London⁷. Of the 52,000 graduates from eight West Midlands universities, 71% stay on to work here. The employment rate is growing faster than the UK as a whole and we have the lowest number of people out of work for ten years.
- 8.20 We have record levels of employment and things are improving. Since 2012, the number of people with higher level skills increased by 113,000, faster than the national average and the number of people with no qualifications is falling faster than the UK average.

Manufacturing Technology College (MTC) Advanced Manufacturing Apprenticeship Centre case study

A £36m Advanced Manufacturing Training Centre (AMTC) has been developed at MTC in Ansty Park, Warwickshire to provide a flagship facility for advanced apprenticeship programmes. Having been named as one of the UK's top 100 apprentice employers, courses here are setting the standard as the future of advanced manufacturing apprenticeships.

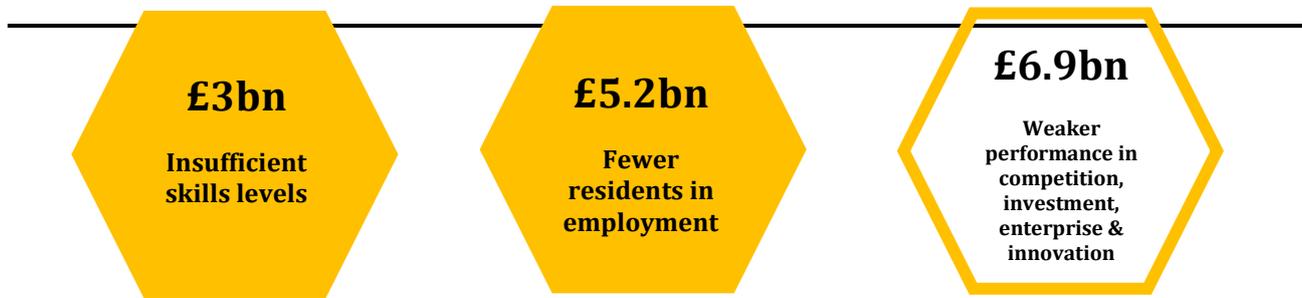
Apprentices learn the latest technology in areas such as intelligent automation, additive layer manufacture, robotics, metrology, mechatronics, additive layer manufacture, computer aided design (CAD) and computer aided machining (CAM). Apprentices will be able to test and develop their skills in sponsored placements, including the opportunity to undertake international assignments with MTC members and supporters.

With communities that miss out

- 8.21 The evidence points to concentrations of low employment and high levels of unemployment and deprivation, where social mobility, wage growth and access to opportunities have persistently lagged behind overall growth and act as a break on productivity between the West Midlands and UK driven by challenges around our population. However, these areas often sit alongside areas of strong employment growth, high demand for labour, and businesses complaining of recruitment difficulties and skills shortages. These equate to £3bn through lower skills levels and £5.2bn through fewer residents in employment. Together they account for 54% of the output gap.⁸

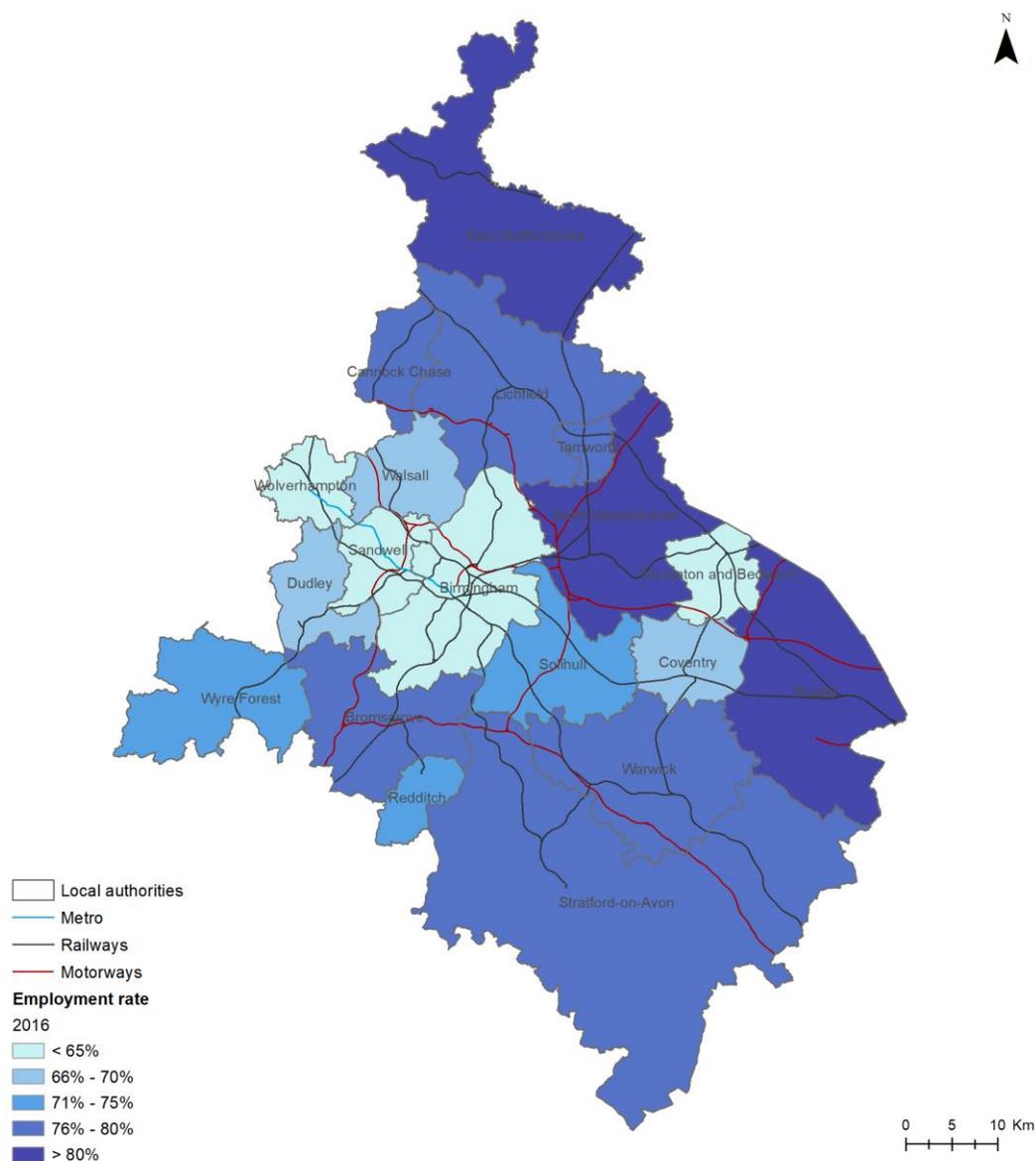
⁷ 3 LEP geography

⁸ Based on 2017 updated output gap analysis.



- 8.22 We see concentrations of deprivation in close proximity to growth areas. To an extent, this is an issue of connectivity, and the elements which relate to infrastructure provision are set out below. But this challenge goes wider, so we also have targeted labour market interventions, as set out in our **Skills Plan** and as agreed in a **£69m Skills Deal** with Government to deliver on this plan.
- 8.23 The West Midlands has amongst the lowest employment rate of any mayoral combined authority (71%) and an above average unemployment rate of 5.7%. There are particular weak spots, including in parts of Sandwell, Birmingham and Wolverhampton. Whilst annual wages are on the rise, one in four pay below the ‘real living wage’. Too many of our communities don’t enjoy the access to jobs, skills and support for enterprise that they should, and face entrenched structural issues resulting in poor economic, social and health outcomes. Some communities face the challenges of an ageing society and the associated pressures on health and social care.
- 8.24 Around 50% of five-year-old children in the West Midlands do not achieve a good level of development compared to 34% nationally. Nearly a third of children in the region grow up in poverty and by Year 6 almost a quarter are obese. Healthy life expectancy is lower than the UK average. Black and minority ethnic (BAME) employment rates are 15% lower than for white groups. And for women from an ethnic minority background the employment rate is much lower than white women. There are similar disparities for those with disabilities and low or no qualifications.

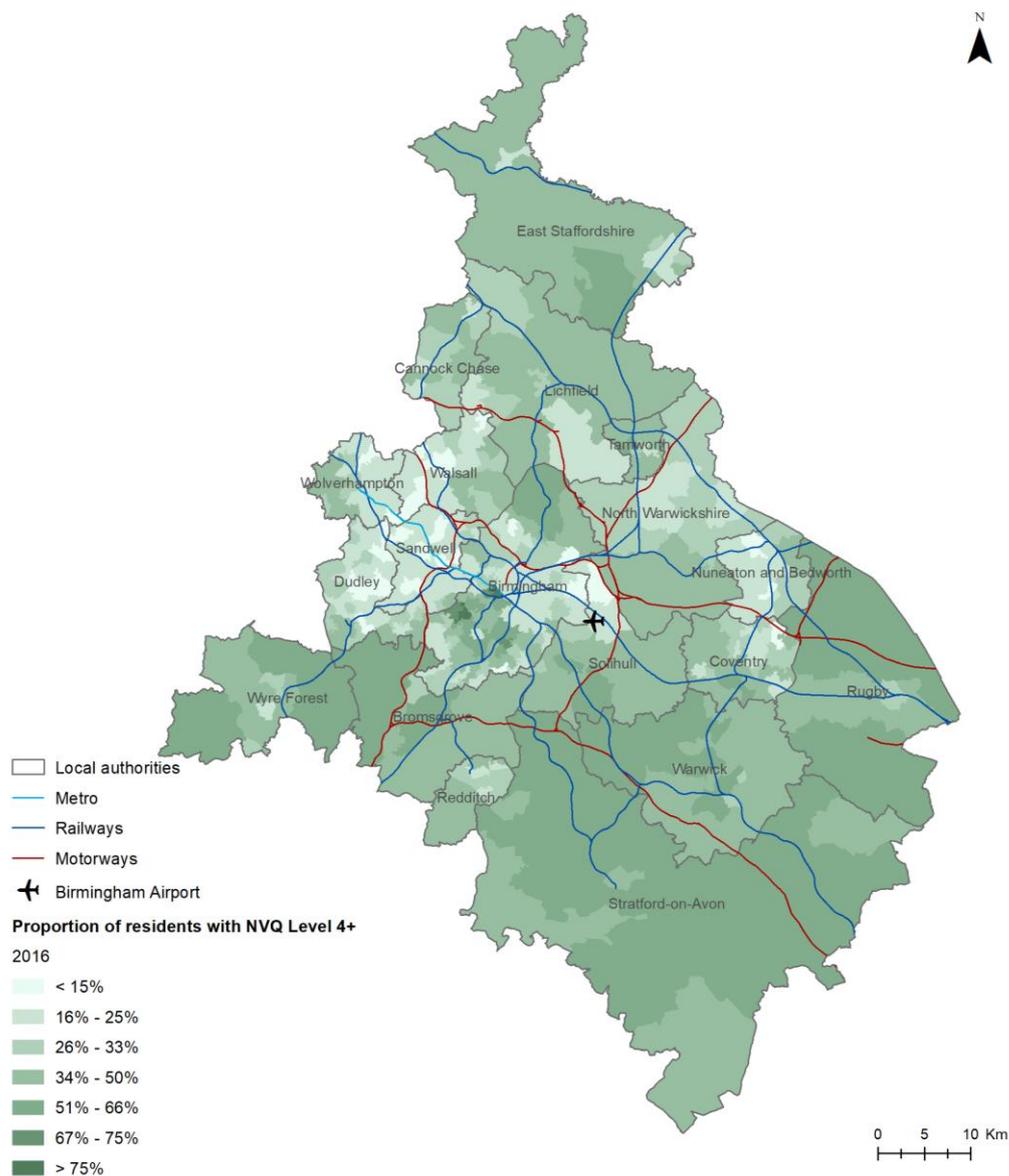
Figure 6 Employment rate (2016)



Source: ONS Annual Population Survey (2016)

8.25 The West Midlands also performs below the national average on educational attainment. Spatial analysis highlights a general pattern of poorer outcomes in the West of the Combined Authority area and a more positive picture in the East. On basic skills, 11.4% of West Midlands residents had no qualifications in 2017 compared to 8% nationally. And parts of the Black Country have the highest proportion of the working age population with no qualifications or NVQ1. There is a ‘missing middle’ of technical skills at Levels 2 and 3. Less than a third of West Midlands residents are qualified to NVQ Level 4+. Matching the national average will require a further 184,867 people to be qualified to this level.

Figure 7 Proportion of residents with NVQ4+ (2016)



Source: Metro Dynamics estimates based on ONS Annual Population Survey (2016) and Census (2011) data

Connecting Communities case study

The Connecting Communities Programme is an innovation pilot funded through the Department of Work and Pensions as part of West Midlands Combined Authority’s first devolution deal. The approach is based on providing employment support within the heart of communities with a connection with that community being the only eligibility criteria.

An early example of how the project is making a real difference to people within the communities from the perspective of one of the contracted providers is detailed below:

“K heard about the project running from the local library and approached the project accompanied by his father. He was very reserved and reluctant to communicate without support from his father. After building both rapport and trust, it was identified that K has autism

and finds it difficult to talk to new people. Through developing an action plan we were able to support towards help make the next step into employment.”

An Inclusive Strategy

8.26 We will use devolved powers and funding to deliver a high quality and responsive regional skills and education system, to provide people with the skills they and businesses need for the future. We know that this alone will not be enough. So, we are also acting to improve accessibility, through transport and digital infrastructure, and through raising awareness of the jobs and opportunities that are available, particularly for communities that have historically been disconnected from growth.

Actions

8.27 We will deliver 5 strategic interventions as outlined in the **Regional Skills Plan**, those most directly targeting inclusive growth and productivity are summarised below:

1. Prepare our young people for future life and work

8.28 Our new approach to tackle youth unemployment identifies the need for individualised support, across the existing silos in careers, health (mental and physical), travel, housing, childcare, and others. This will include measures to prevent, as well as tackle, youth unemployment and ensure that we are nurturing young talent.

- Create a **West Midlands Career Learning Hub** to enhance the impact of careers education and advice.
- Celebrate and promote young talent across the region and extend the **Mayor’s Mentors programme** to encourage more young people to access regional opportunities.
- Work with the Department of Work and Pensions to support the testing of **‘progression coaches’** in Birmingham and Solihull. The coaches will support and mentor unemployed and disadvantaged young people as they work towards gaining and progressing in an apprenticeship or other job.
- The **Apprenticeship Promise** - a commitment to working with local employers to make sure an apprenticeship or training place is available to every young person in the region that wants one.

2. Create regional networks of specialist, technical education and training to drive up skills and productivity and underpin economic growth

8.29 We will address shortages of specific skillsets like engineers by boosting the uptake of vocational training through apprenticeships and preparing to deliver T-level routes and better match skills provision to employee need.

- Seek full Government backing for two Institutes of Technology (IoTs) to deliver T-levels. Dudley IoT will redevelop land to provide teaching facilities for higher level skills programmes. The Greater Birmingham and Solihull IoT focuses on advanced

manufacturing and industry 4.0 through greater collaboration of Further and Higher Education and creating clear pathways from level 3 to level 6 apprenticeships.

- Create employer-led taskforces and sector action plans for each of our priority sectors, representing a cross section of businesses, to drive curriculum and skills provision that meets employers' needs.
- Launch the West Midlands new Digital Skills Partnership to link the region's existing and emerging digital offer with national and sector-based initiatives.
- Help workers in retail, logistics, hospitality and other low paying sectors to move up the value chain through in-work progression and support retraining for those whose jobs are at risk of automation.
- Through the devolved Adult Education Budget (AEB), increase the volume of qualifications delivered at all levels in priority sectors and develop flexible models of learning to support adults in work to upskill.

3. Accelerate the take up of good quality apprenticeships across the region – double the number by 2030

8.30 Apprenticeships form a central plank of our strategy to grow the supply of skills that employers in our region need to achieve growth. Our region is home to some of the country's best apprenticeship programmes, providing world class training and support that enables businesses and our residents to compete globally – but we need to do more. We will:

- Maximise Apprenticeship Levy investment for the West Midlands through a regional campaign targeting employers, young people, employees and key stakeholders to consider apprenticeships.
- Direct £40m Apprenticeship Levy funding to support more apprenticeships for SMEs, targeting Science, Technology, Engineering and Mathematics (STEM) skills in our priority sectors and supply chains.
- Establish a regional pre-apprenticeship and traineeship offer including piloting Access to Apprenticeships in growth sectors.
- Provide a brokerage service to employers to promote apprenticeships as a key tool for workforce development, supporting them to identify the best apprenticeship programme and apprenticeship training provider to meet their business needs.

4. Deliver inclusive growth by giving more people the skills to get and sustain good jobs and careers

8.31 Despite record employment levels, we need to get more people into work to tackle that element of our output challenge. One of the most direct ways of improving inclusivity is through good quality employment with the opportunity to progress.

8.32 We will tackle low employment and high unemployment in specific areas by:

- Supporting those out of work and on low incomes in targeted communities – this starts with us delivering our £4.7m Employment Support Pilot – Connecting Communities - to test and learn what works.
- Providing a new employment support service for people with a mental health and/or physical health conditions in primary and community care through the Thrive into Work project. The success of this project will shape the roll out of the Individual Placement Support model for other cohorts.

8.33 Delivering £100m+ of investment in future training and skills provision through the AEB and £10m worth of retraining funds and strengthening the **upskilling of low paid and low skilled residents** to bolster their long-term career and income prospects.

5. Grow collaboration between partners to support achieving even more collectively

8.34 The West Midlands is successful in engaging partners in the skills agenda. Close working relationships are in place with the Further and Higher Education sector as well as the three LEPs and local authorities. These relationships go beyond passive engagement to all partners playing a meaningful and active role in developing and delivering regional plans, with appropriate local flexibility to address local labour market conditions.

8.35 Local partners are working together to develop an approach that will further integrate investment in transport, skills and services to target specific communities or groups in focused inclusive growth corridors or locations. The aim is to develop approaches which improve the overall impact of investment, and accessibility to skills, jobs and business opportunities for local people.

- Closer working with community based organisations to develop local access and progression pathways.
- Development of local learning routeways from compulsory education, through further, higher and career development learning.

Skills Factory case study

The Black Country Skills Factory is an employer-led education and training collaboration which aims to address the shortfall of skills in the Black Country and increase the pipeline of suitably skilled staff to respond to growth. It has been a highly successful project in addressing skills shortages in the advanced manufacturing sector.

The aspiration is to fundamentally shift the relationship between employers and education providers to develop a networked approach to skills delivery that is needs-driven by industry demand for skills whilst also meeting general “best practice” standards

Training and education courses are co- developed and co-delivered using shared facilities and industry trainers. This results in the provision of “bite-sized” skills training courses which fit the current and future needs of highly technical industries.

Construction Gateway

The Construction Gateway has been established by the Combine Authority in response to major projected growth in the demand for construction jobs, of which HS2 is significant, but so too is the £350m housing deal, delivering 250,000 new homes – both traditional and systems-built. It is crucial we ensure that local people can access these opportunities, so that employers looking for skills, or people looking for a job, an apprenticeship or a move up know where to go for help and support.

The Combined Authority has £5m three-year programme to train over 2,000 new recruits linked to specific major projects. The programme would also engage 300 schools and host a number of careers events across the region. A partnership of the Further Education Skills and Productivity Group network of colleges, training providers, Job Centres and local authorities will work closely with developers to provide a supply of recruits across the whole range of skills areas and levels.

Working through hubs in Coventry, Birmingham and the Black Country, the emphasis is on providing the training and support needed to enable more unemployed and/or low-waged entrants to develop the skills needed to enter and sustain employment in the construction sector. This will include accreditation through the CSCS scheme.

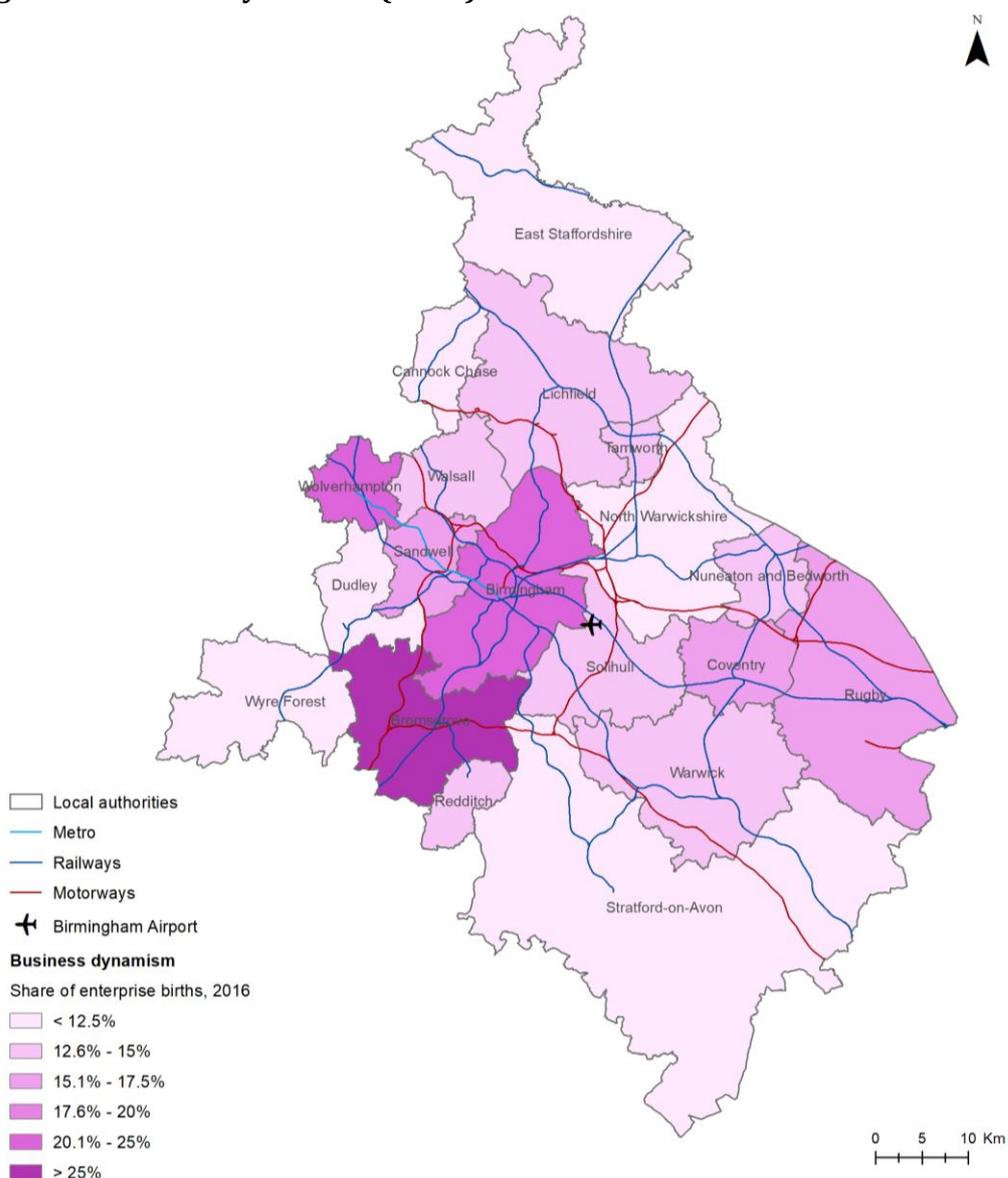
Business Environment

Business dynamism is mixed

8.36 GVA per employee varies significantly across sectors in the West Midlands and the average GVA per employee is below the national average.

8.37 Four sectors exceed the regional benchmark on the GVA per employee measure of productivity (£42,897): Low Carbon and Environmental Technologies is by far the most productive sector (£134,638 GVA per employee), followed by Digital and Creative (£65,151), Business, Professional & Financial Services (BPFS) (£60,212) and Advanced Manufacturing and Engineering (£58,036).

Figure 8 Business dynamism (2016)



Source: ONS Business Demography (2016)

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- 8.38 Business dynamism and productivity is also impacted by low business stock⁹. Between 2016 and 2017, the number of businesses increased by 9.6%, compared to national growth of 6.1%. Between 2013 and 2016, growth outstripped the UK too. This growth has occurred primarily in Greater Birmingham and Solihull. Despite this recent performance, the Combined Authority needs to increase its business stock by 17,133 in order to reach the national average.
- 8.39 On start-up rates, CWLEP performs well against the English LEP average but BCLEP lags the benchmark; in contrast BCLEP performs well on survival rates.

Global Supply Chains and Exports

- 8.40 We are the fastest growing UK region for goods exports and experienced 27% growth between 2015 and 2017. Outside London and the South East, we export the most by value, over £33bn in 2017. And between 2011 and 2018, 775 Foreign Direct Investment (FDI) projects have created nearly 46,000 new jobs and the number of projects per annum has more than doubled. Our supply chain firms are competitive in a range of global markets for aerospace, materials, rail, automotive, healthcare devices and marine, providing flexibility and quality design for a diverse range of sectors.
- 8.41 There is uneven direct distribution of inward investment jobs – most go to the GBSLEP area (71%). One quarter are created in CWLEP, but only 5% in BCLEP. Our FDI success has significant impact on supply chain firms and related jobs, many of which are concentrated in the Black Country.

Supporting SME growth and productivity.

- 8.42 To successfully drive up productivity we will focus not just on those who already innovate, trade and are growing. We will also provide support for those firms where there is potential for further growth and productivity, where innovation could unlock greater success and renewal. Many of our SMEs are well established manufacturing firms whose future success will depend on new approaches. These will include the mindset and growth orientation of individual business leaders/entrepreneurs, access to, and effective use of, technologies, investment readiness and appetite and management and entrepreneurial capacity.
- 8.43 Firms continue to report issues with finance from both the supply and demand side. This is both about maximising uptake of existing loan and equity finance and attracting more private investment. It also means working with our businesses to ensure that they are investment ready through business planning, support and advice from entrepreneurs. Better access to finance will allow more firms to start-up, scale-up and pursue profitable lines of activity.
- 8.44 We know that management practices can play a central role in firm performance, both within and across industries. By building on successful existing programmes, we can

⁹ Number of businesses per 10,000 population

maximise our **management and leadership capabilities** through peer-to-peer mentoring.

- 8.45 We will improve competitiveness of our globally significant concentration of leading advanced manufacturing and engineering businesses through supply chain SME support led by businesses for businesses.
- 8.46 We will develop a virtual **Productivity Factory**, using expert industry benchmarking and coaching, masterclasses on management processes, to cover accessing new markets, supplier efficiency and sector-specific topics, targeted at SMEs.
- 8.47 We are investing with the Department of Culture, Media and Sport (DCMS), Aston University and Creative England in small and medium enterprise (SME) growth and support programmes, with **creative industry specific pathways**.
- 8.48 We will also launch a **fund for new industry co-investment** to provide wrap-around support for businesses looking to grow into new sectors, supply chains and markets, who need to invest in new technologies and capital to grow into those markets.

High growth SME support

- 8.49 We will develop further **dedicated, segmented and locally appropriate business support** focused on our highest growth potential industries through dedicated “cluster” support and expand **scale up support** for high potential companies that will help position them to provide the good jobs of the future.
- 8.50 We will increase internationalisation by continuing to leverage national resources and the Midlands Engine brand, focussing on both high value contracts and those new exporters and securing first overseas orders. This will include **identifying and accessing new markets** with a particular focus on smaller businesses, which may not currently be supported.
- 8.51 We are establishing a business led Creative Innovation & Talent Hub to discover, develop and showcase new creative content and diverse talent in broadcasting, arts, games and social media and develop and implement an ambitious cultural investment programme.

Maximising the business impact of unique events.

- 8.52 We will use the opportunity of the **Commonwealth Games and City of Culture** to provide targeted support to drive productivity through the **visitor economy**, developing bespoke qualifications for staff looking to step into management roles, providing key underpinning skills and competencies together with the business insights required, including through focussed support to extend the season and further increase business tourism.

Infrastructure

Transport and Mobility

- 8.53 The West Midlands is a well-connected region with 90% of UK markets no more than a four-hour drive away. We have one of the UK's fastest growing airports, carrying 13m passengers a year on 50 airlines to 143 destinations. HS2 will put the centre of Birmingham and UK central within 40 minutes of central London. We are a major location for logistics and the movement of goods as well as people. Our central location means that all north west to south east or north east to south west national movement, whether for freight or passengers, travels through or around our conurbations.
- 8.54 Recent growth has put our existing transport system under a great deal of pressure, leading to poor air quality and costly congestion. We are over-reliant on the road network and private transport, with only 41% of residents able to access three or more strategic centres by public transport within 45 minutes during morning peak times. Physical access to jobs and skills is still an issue for too many people in the West Midlands. Many of our more rural areas continue to face transport challenges, and it is important to ensure that they are "connected to the connectivity" that the West Midlands has. We are committed to a long-term ambitious programme to address infrastructure deficits, with early action in priority areas to ensure all areas have the infrastructure needed. The focus is on alleviating congestion within the main urban areas and the routes between metropolitan and neighbouring areas that people use to travel between their place of work and residence.
- 8.55 Similarly, we recognise the pressure that our infrastructure system puts on the natural environment, and that inequality of access to natural spaces has a significant detrimental impact on our most disadvantaged communities. Our proposed investment in natural capital strives for better connected, healthier and more productive communities.

Inclusive Growth Corridors

- 8.56 We also see pockets of deprivation close to major growth corridors. We are therefore focussed on integrating our actions in those parts of the West Midlands where the evidence shows that communities are most disconnected and where relevant elements of the output gap are most pronounced, using our investment to drive long term opportunities for growth.
- 8.57 These "inclusive growth corridors" will enable us to work with local communities and businesses, to ensure that the delivery of large-scale infrastructure investment is integrated with other programmes locally to maximise impact on employment and skills, high quality housing and development viability and improved public green space and air quality. Local Authorities are testing this approach with the Wolverhampton to Walsall rail corridor, with more to be identified as we develop the approach. We are also keen to explore how this concept could be applied to our more rural areas.

8.58 Our strategy is to work with our globally recognised firms and universities to integrate a number of factors into the next stage of our infrastructure development:

- Mobility innovation
- Improving our natural environment and access to it
- Modern methods of construction
- 5G connectivity, ultra-fast & full fibre broadband
- Local energy solutions
- Accessibility to jobs, skills and services

Deliver £3.4bn of investment over the next ten years in trams, road and rail

8.59 We will build a fully integrated and seamless multi-modal transport system across the whole region. A new Metro system, including East-West Metro with extensions to Dudley/Brierley Hill and through East Birmingham to North Solihull and the HS2 Interchange station. Overall, we will deliver six new rail stations, over 31km of new track and provide 20,000 new seats.

8.60 Figure 9 demonstrates planned rapid transit, additional metro stops, extensions and railway stations that will link areas of high jobs density to new and existing communities.

Connect all communities of the West Midlands to HS2 and bring the journey time between Birmingham and London to under 40 minutes

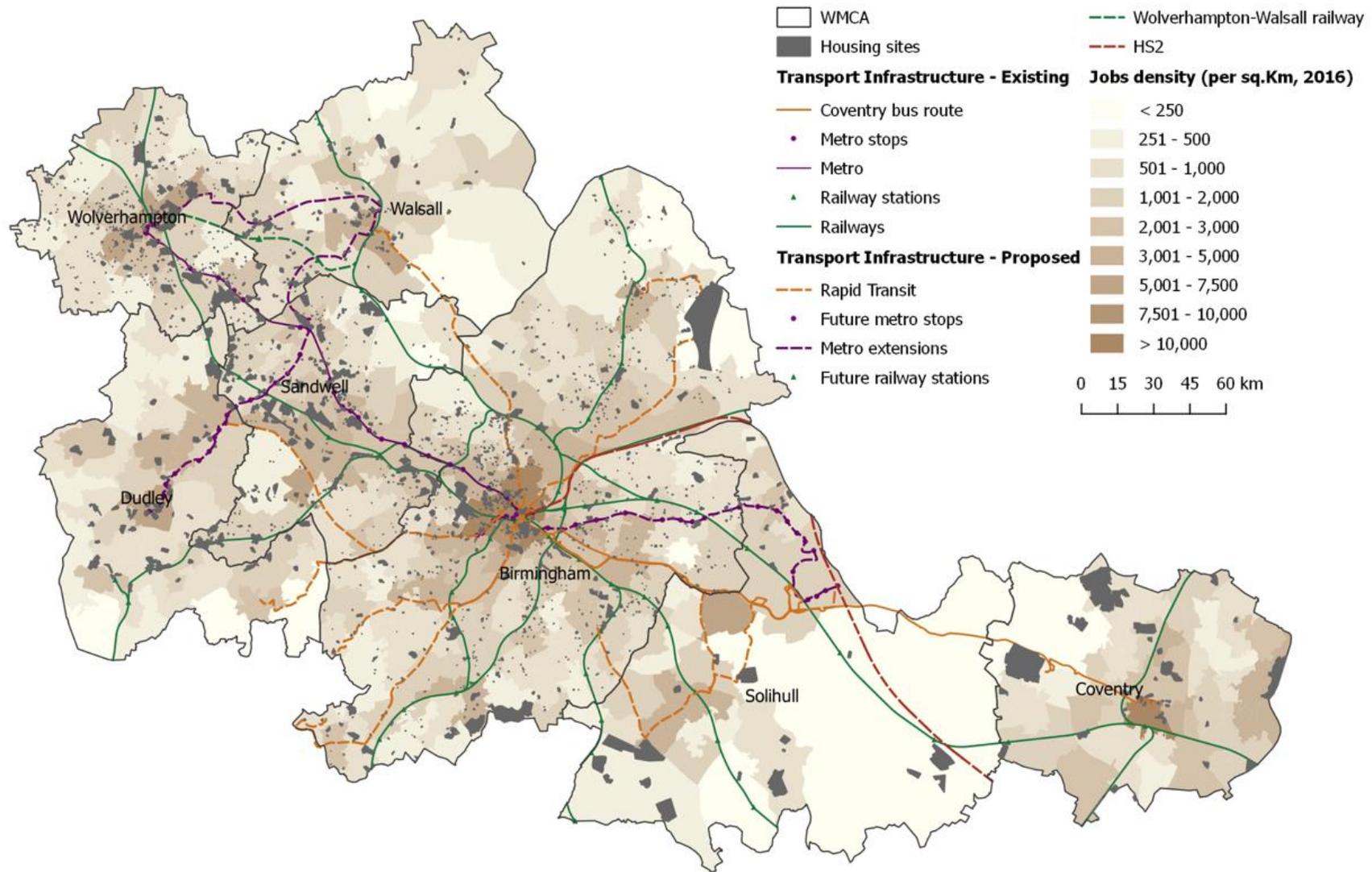
8.61 We will implement the £4.4bn HS2 Growth Strategy, including the Curzon Masterplan, Interchange station in Solihull and 20 transport schemes to fully connect HS2 stations to local transport networks and communities. A new West Midlands integrated control centre will deliver the smartest streets and best managed network during HS2 construction. It will also help to reduce congestion during major events such as the Commonwealth Games as well as improving journey times, air quality and productivity. We are also keen to enable greater ability for our rural areas to be better connected to this enhanced connectivity across the urban environment.

Be the first 5G ready region

8.62 There are still significant variations in superfast broadband, full fibre and gigabit capable broadband coverage. We will continue to work to ensure more consistent superfast coverage.

8.63 More than £50m will be invested to create the UK's first multi-city 5G test bed across Birmingham, Wolverhampton and Coventry. The West Midlands will lead the way for the UK through the Government backed national 'Urban Connected Communities' pilot which will be supported by strong supporting digital infrastructure including a full fibre network

Figure 9 Planned network – linking high employment density and housing sites



Source: ONS Business Register and Employment Survey (2016) and WMCA

We are committed to ensuring that all our investments improve the natural environment

- 8.64 We want to celebrate and protect the high-quality natural environment, public spaces and biodiversity that makes us a great place to succeed. In line with world-leading economies, we will seek to use innovative solutions to address urban challenges like air quality, flood water management, overheating in urban areas, and climate change adaptation. We will 'green' existing transport routes and improve access for walking and cycling.
- 8.65 We are committed to developing a long-term plan for Natural Capital. We are committed to the principle of an annual net gain for natural capital and will develop the tools that enable us to work towards reversing the current trend in biodiversity loss.
- 8.66 We will improve air quality through a strategic action plan for the West Midlands to improve health and wellbeing and unlock new clean growth opportunities. By working with the private sector, we will accelerate charging infrastructure for zero emission vehicles across the region, driven by demand.

Energy

- 8.67 We are committed to innovation and delivering successful new approaches to energy generation, storage and distribution integrated within our transport system and major employment sites. We will meet the forecast need of our manufacturing sector, new transport system, increased use of electric vehicles and 215,000 additional houses in new communities. Future mobility, and the industrial base that will be at the forefront of this change, will require specific additional energy requirements that need to be addressed and catered for.
- 8.68 West Midlands industry spends over £2bn each year on energy and £15bn additional expenditure is planned between now and 2030. We also have innovation strengths in energy systems and storage as recognised in our Science and Innovation Audit. We are home to a range of major energy companies including National Grid, Eon, Baxi and Cadent. Clean energy is fundamental to economic growth and quality of life, and there are significant challenges in the region around the energy infrastructure that will underpin housing, industry, electric vehicles etc., as well as the issues of clean air and fuel poverty. We are committed to demand side management around vehicles and buildings, and local authorities are exploring the implementation of clean air zones where relevant to tackle air pollution.
- 8.69 Energy Capital will develop a West Midlands devolved governance framework for energy infrastructure and markets to maximise economic opportunities for industry, support the creation of new markets and address citizen inclusion by reducing fuel poverty. This will be based around proposed Energy Innovation Zones (EIZs) across the region.
- 8.70 EIZs create local partnerships which bring together the right stakeholders for each locality and are thus collectively able to manage energy investment risk efficiently

(particularly when innovative technologies are being commercialised or require strategic infrastructure investment). Development and use of EIZs will provide a simple, flexible mechanism to support integrated local energy infrastructure transition, investment and accelerated deployment of innovation. The West Midlands has led on the development of the concept of EIZs nationally and four pilot EIZs have been identified.

8.71 Work on regional energy strategy has been underway for several years, with the Regional Energy Policy Commission reporting in 2017. We will use this opportunity to:

- Establish a £500M public-private investment fund to support targeted clean energy investments unlocking productivity and GVA growth.
- Work with industry partners, Government and regulators to develop and pilot a new institutional model for managing regional energy investment and markets (a regional energy infrastructure commissioning and market-making body), designed to de-risk investment in meeting future energy requirements and to improve our ability to meet the infrastructure elements of increasing business and consumer demand.

Changes in affordability and a lack of social housing risks holding back growth and impacting our communities

8.72 Housing costs are increasing faster than local salaries. Most areas in the West Midlands are in the top fifth of house price increases nationally. The West Midlands median increase is 6%, more than double the national average. This has been exacerbated by a lack of supply, quality, choice and mix of affordable and social housing. Typically, only 10% affordable housing is being delivered as part of city and town centre housing schemes. The rate of housing completions in the region is rising. With population set to increase by over 400,000 by 2038, we are committed to ensuring housing meets the full spectrum of housing need.

Delivering 215,000 homes and driving productivity in construction.

8.73 We will increase the rate of housing delivery by implementing the £350m housing plan, investing £250m in land remediation and developing the skills required through the National Brownfield Institute in Wolverhampton. We will work to re-set the housing contract and are firmly committed to delivering a broader choice of tenures and styles. We will deliver quality through a West Midlands-wide design standard for new buildings. We will encourage diversity and new entrants to the market to support this increased delivery, such as through modular build, and support the provision of new skills as the industry changes.

8.74 The scale of construction activity in the West Midlands in the decades ahead gives us a once in a generation opportunity to work with the sector to transform productivity, methods and delivery of new long-term skilled careers. Emerging assets, such as the

University of Wolverhampton's Springfield Campus – set to be the largest construction and built environment campus in Europe – will critically support this sector drive.

- 8.75 We will work with the sector to accelerate the use of data and innovative processes and products in the **construction industry** - enhancing process innovation via modern methods of construction, including through the MTC Core Innovation Hub, building information modelling and modular build. Incorporating innovation in houses as they are being built, working with housing associations and other providers. Given the significant housing and infrastructure investments coming into the region, and our emerging cluster specialism, the West Midlands has a unique opportunity to boost quality, sustainability and productivity through the utilisation of modern methods of construction.

National Brownfield Institute and Springfield Campus case study

The development of strategic sites of employment and housing land is one of the key priorities identified within the West Midlands. In 2015 a feasibility study showed that the market would benefit from, and support, the development of a Centre of Excellence in brownfield development.

A crucial asset for tackling land availability shortages for housing and employment land is the National Brownfield Institute at the University of Wolverhampton. It's home to a team of specialist researchers, consultants and industry experts who will advise on all aspects of brownfield development from dealing with contaminated land to repurposing buildings and sites.

The National Brownfield Institute will be a part of Wolverhampton's developing Springfield Campus. The site of the former Springfield brewery is being transformed into Europe's largest specialist construction and built environment campus, bringing together businesses and the education sector to maximise impact on the economy. As the home of the West Midlands Construction University Technical College, the University's School of Architecture and Built Environment, and the Elite Centre for Manufacturing Skills, Springfield Campus is a central part of the region's growth ambitions, particularly in the construction sector – this is further supplemented by Dudley Advance II, Dudley College's new centre dedicated to advanced Building Technologies.

- 8.76 We will maximise the opportunity of **HS2** to create regional supply chains and the skills both to service HS2 (including through the national HS2 college) and wider infrastructure projects to include a long-term rail/infrastructure strategy along with dedicated support to address both supply and demand side challenges ensuring our businesses benefit fully from HS2 opportunities.
- 8.77 Through a national **Centre of Excellence for Commissioning** we will drive procurement excellence, social and environmental value and innovative behaviour through contracts, particularly focussing on construction and digital infrastructure.

Employment Land

- 8.78 The West Midlands Land Commission (WMLC) concluded that the “shortfall of land for employment space is at least as pressing as the shortage of land for new homes, and possibly more so”. This is felt most strongly for strategic employment sites – those that can bring net additional activity and jobs to the region. Similarly, there is a challenge for incubation space as well as grow on space to support agile and mobile economic activity. These issues are most severe in Coventry and Warwickshire, but across our region there’s a significant gap in good quality employment land for our industries. The Black Country Land and Property Investment Fund (LPIF) aims to provide a solution to the shortfall through investment in projects which will support the re-use of brownfield land and buildings and the delivery of supporting infrastructure. Through this investment, the re-development of major employment land sites, such as Phoenix 10 in Walsall and the proposed extension of i54 in Wolverhampton, can help underpin the region’s industrial sectors, creating jobs and long-term prosperity.
- 8.79 As well as £10bn worth of existing opportunities in identified investor-ready sites, the West Midlands will implement a strategic programme of employment land development, based on up to date evidence of requirements in different parts of the region. Further work is underway to scope out the need for employment land through the West Midlands Strategic Employment Site Study 2019.

9 Commitments and Implementation

- 9.1 The impacts the actions outlined above are designed to achieve are not just quantitative. The actions in this strategy are based on our commitments to an inclusive and successful future West Midlands. This is the future of the West Midlands that we are determined to deliver.
- 9.2 High employment with more good jobs and accessible opportunities, where more people and communities benefit and leadership in business and public life is more diverse. A net fiscal contributor to the UK, where wage growth has been driven by value chain progression and productivity gains, including through improved health and wellbeing, and with more home-grown high growth businesses. Our high quality and responsive regional education and skills system will be recognised by individuals and businesses as providing the opportunities, pathways, skills and retraining needed to take advantage of future growth and a changing world.
- 9.3 We will have delivered the 2022 Commonwealth Games and City of Culture, using them to further promote the strong West Midlands tourism offer, and to showcase autonomous transport innovation, new 5G enabled services for visitors, businesses and residents and with both leaving a lasting legacy of business and community benefits. Infrastructure within these major events and elsewhere will be delivered through the use of modern methods of construction by our innovative firms, and we will harness our emerging expertise in brownfield land development to deliver world-class employment land that will underpin sustainable industrial success.
- 9.4 The West Midlands will be renowned for the improvements we make to our natural environment, with improved natural capital and biodiversity. Population growth will be supported by new, connected communities, with a choice of high-quality housing and access to high quality green space. We will have a network of prosperous and vibrant town centres, supporting and addressing the changing consumer and leisure activities of our residents and visitors. Our clean growth will be supported by innovative and successful new approaches to energy generation, storage and distribution, integrated with our transport system and major employment sites that meet our energy needs.
- 9.5 As the home of mobility and transport innovation in the UK, we will be the national centre for connected and autonomous vehicles, electric motor and battery manufacture for the full range of electric vehicles, supported by successful supply chain adaptation, and the highest electric vehicle adoption and Connected and Autonomous Vehicles share of vehicle use anywhere in the UK.
- 9.6 Our expertise will have created a fully integrated, multi-modal and smart transport network, enabling seamless travel across the West Midlands, dramatically reducing congestion and journey times and ensuring that every part of the West Midlands is close to local and national opportunities, and the rest of the world via air, road, rail and digital

at UK Central's international gateway. We will have the best ultrafast and 5G networks in the country, which will have led the way in developing new services and markets.

- 9.7 We will be a pre-eminent national centre of creative content, techniques and technologies, helping firms locally, nationally and globally to continue to innovate across disciplines, transferring skills and techniques generated in our gaming, content production and design firms and anchored by institutions, world class facilities and networks.
- 9.8 The UK centre for the innovation, translation and real-world evaluation of new diagnostics, devices and healthcare technologies (including AI), enabled through a partnership with our large, stable and diverse population. A global life sciences cluster complementing and working in partnership with the London cluster centred around Euston just 38 minutes away.
- 9.9 We will continue to be a renowned 21st century manufacturing and engineering centre, as the UK's leading exporting region with strong and successful supply chains. And our firms across sectors will enjoy an easy to access competitive support system with demand lead innovation where businesses and people come to develop new products, processes and services, backed up by supportive investment in employment land initiatives. Supported by the business, academic and public partnerships needed to drive new ways of doing things and new products.

Implementation

- 9.10 Through the West Midlands Combined Authority the region has a proven governance and delivery structure. This combines integrated investment planning against the metrics we have set, with delivery structures designed to meet the specific requirements of individual issues or programmes. Implementation will be coordinated by the Strategic Economic Development Board, reporting to the CA Board, which will continue to review operation as Government arrangements for future growth and infrastructure funding are developed.
- 9.11 We will measure progress against the core metrics set out in Annex 1, which will continue to evolve further as we develop new approaches measuring and prioritising improvements in inclusive growth, natural capital and biodiversity.
- 9.12 In the months ahead the CA, its constituent and non-constituent members, LEPs, Universities, business and community groups will work together to keep this strategy up to date and drive implementation of both new programmes and established priorities. This includes through the development of the inclusive growth roadmap.
- 9.13 Our emerging sector action plans will provide a focus for private sector led delivery of aspects of this strategy within different areas of our economy and, in tandem with businesses and industry trade bodies, we will further develop these. A successful industrial strategy will ultimately be driven by the private sector.. This strategy has been developed in partnership with business and they will be essential to its

implementation across the region, working in partnership to deliver an inclusive and successful future West Midlands

10 Annex 1

The WMCA Performance Management Framework¹⁰

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
ECONOMIC GROWTH - Improved GVA for the region in line with the UK average	O1. GVA per Head	£22,443	+£671	+£2,308 +11.5% WMCA +9.1% UK	GVA per head £26,621 +£4,178 GVA per head	ONS (2017) Balanced Gross Value Added (GVA) for Local Enterprise Partnerships
	O2. GVA per Hour ^{11*}	£28.90	+£1.10	+£2.10 +7.4% WMCA +6.0% UK	GVA per hour £32.60 +£3.70 per Hour	ONS (2018): Sub regional Productivity: GVA per hour worked by Local Enterprise Partnerships, 2004-2016
	O3. GDHI per Person*	£16,295	+£115	+£1,287 +8.6% WMCA +8.5% UK	£19,432 GDHI per Person +£3,137 GDHI per Person	ONS (2017): Regional Gross Disposable Household Income (GDHI) by Local Enterprise Partnerships, 1997 - 2016
BUSINESS - Improved the productivity of our businesses focussing on our growth sectors	B1. GVA per employee	£49,937	+£1,077	+£3,022 +6.4% WMCA +4.5% Eng	GVA per employee = £56,783 +£6,846 GVA per employee	ONS Balanced Gross Value Added (2017) for Local enterprise Partnerships ONS Business Register and Employment Survey for years 2009-2016
FISCAL - Secure better for less from our public services	B2. GVA in transformational sectors	£66bn	+£2.6bn	+£9bn	£147bn WMCA SEP Ambition +£80.8bn GVA	EIU have applied the proportion of GVA by sector from the Oxford Economic Model and applied to the ONS GVA figures

¹⁰ The green shading illustrates indicators which have moved in a positive direction compared to the UK average or national (England) where UK averages are not available. The red shading indicates the reverse and orange indicates a growth rate in the right direction but less than the UK or national average.

¹¹ * New PMF Indicator for 2018

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
				+15.9% WMCA +11.8% UK		
	B3. No. of Business Births	27,550 business births 67 per 10,000 population	+5,120 business births	+8,745 business births +46.5% WMCA +19% UK	Ahead of UK 63 per 10k population +1,618 births per annum	ONS UK Business Demography, 2017
	B4. Five - year Business Survival Rate of businesses born in 2011*	43.8%	-6.9pp	-31.48pp WMCA -31.5pp UK	44.1%	ONS UK Business Demography 2017
	B5. Jobs in Transformational Sectors	1.2m	+24,646 jobs	+106,979 jobs +9.5% WMCA +8.1% Eng	1.5m WMCA Transformational SEP Ambition + 236,120 transformational jobs	Oxford Economic Model
	B6. Total Jobs	2m	+36,178 jobs	+131,457 Jobs +6.9% WMCA + 7% Eng	2.4m WMCA SEP Total Jobs Ambition +364,165 Jobs	Oxford Economic Model
	B7. Employment Rate	71%	+2.2 pp	+3.7 pp WMCA +3.5 pp UK	Employment rate = 74.7% +3.7pp	Annual Population Survey (2018) January – December 2017

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	F1. Income & Exp. Balance	-£2.7bn	-0.5 bn	N/A	To achieve no fiscal gap +£2.7 bn	
PEOPLE - Improved Life Chances for all	P1 – Reduce % of people in top 10% most deprived areas	20%	+0.0007 pp	+0.002 pp WMCA	10% of people	Public Health England Profiles, 2017
	P2. – Better employment, health and wider outcomes for people with complex needs	Under development				
	P3. (i) Annual average earnings of full-time working residents	£27,574	+ £472	+£1,695 +6.55% WMCA +6.47% Eng	+ £1,184	Nomis: ONS Annual Survey of Hours & Earnings, 2017
	(ii) % of employees earning above UK living wage	75.7%	NA	NA	+1.1pp	ONS user requested data - Annual Survey of Hours and Earnings (ASHE) - Number and percentage of employee jobs with hourly pay below the National Living Wage, by local authority, UK, April 2016
SKILLS - Improved skill levels at all ages so that people have the skills and qualifications to access jobs. Ignite /Retune /Accelerate	P4. % of Working Age Population (WAP) with No Qualifications	11.4% 289,300 people	- 1.7 pp - 40,500 people	- 3.2 pp - 73,900 people - 1.6pp UK	- 3.4pp - 86,036 people	ONS Annual Population Survey, 2018
	P5. % of WAP with NVQ1	11.4% 288,800 people	-0.6 pp - 14,200 people	- 1.1 pp - 22,900 people - 1.2pp UK	Ahead of UK % by + 0.7pp + 16,934 people	ONS Annual Population Survey, 2018
	P6. % of WAP with NVQ2	16.9% 428,300 people	+ 0.1pp + 4,800 people	- 0.4 pp WMCA - 2,300 people - 0.8pp UK	Ahead of UK % by + 0.9 pp + 21,772 people	ONS Annual Population Survey, 2018
	P7. % of WAP with NVQ3	17.5% 445,800 people	+ 1.3 pp + 34,600 people	+ 0.1 pp + 9,800 people +No change UK	Ahead of UK % by + 0.5 pp + 13,864 people	ONS Annual Population Survey, 2018
	P8. % of WAP with NVQ4+	31.1% 790,800 people	+ 0.4 pp + 14,600 people	+3.55 pp + 103,000 people +3.5pp UK	+ 7.3 pp + 184,867 people	ONS Annual Population Survey, 2018

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	P9. No. of Apprenticeships starts	42,470	+ 400 + 1%	+ 6,460 + 17.9% WMCA +12.5 % Eng.	84,000 + 42,219 apprenticeships	ONS Annual Population Survey, 2018
	P10. Progress 8 Score	- 0.12 (Below Average)	NA	NA	0 (average score) + 0.12 points	Department for Education Main National Tables, 2017
	P11. NEETs aged 16-17	5,040 (7.8%) (WM Met)	N/A	N/A	6% - 1,143 NEETs	Department for Education, 2017
	P12. % of children achieving a good level of development at the end of reception*	67.0%	+1.7%	+10.0% WM Met +10.3% England	+3.7%	Public Health England Profiles, 2017
	P13. Social Mobility Index*	Based on 326 Local Authorities Lowest Ranked: North Warwickshire: 307 Highest Rank: Bromsgrove 48				All the West Midland Local Authorities in the Top Quarter Ranking
HEALTH - Better quality of life for all: improved health (inc. Mental health) and well being	P12. Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.6 years	+ 0.32 years	- 0.3 years WM Met + 0.1 years Eng.	63.3 years	Public Health England, 2017
		Females (F) =	- 0.6 years	- 0.9 years WM Met	63.9 years	

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source	
		60.3 years		- 0.05 years Eng.		Public Health England, 2017	
	P13. Reduced Inequality in HLE for Males & Females	Under development					
	P14. Health inequality gap by years between the most and least deprived areas	M = 7.4 years F = 9 years (WM Met)	M = + 1.2 F = - 0.9	M = + 1.3 F = - 1.3	No gap Reduce gap by 7.4 years for males and 9 years for females	Public Health England, 2017	
	P15. Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	58.9 %	- 0.6 pp	+ 1.5 pp WMCA + 5 pp Eng.	Ahead of England % by + 8.3pp (67.2%)	NHS Digital 2017 Dataset: 1F - Proportion of adults in contact with secondary mental health services in paid employment October 2016	
	P16 – Rates of suicide (per 100,000)	9.8	- 0.3	+ 1.5 WMCA + 0.3 Eng.	No suicides - 401 suicides	Public Health England, 2017	
	P17 - % Physically Active Adults*	57.0%	-23,400 -1.2%	NA	61.8% + 156,701 active people ¹²	Active Lives, Sport England, 2018	
CRIME - Reduced offending and re-offending	P18 – No. of offenders per year	32,008 7.9 offenders per 1,000 population (2014)	- 1,364 - 4.1%	- 7,170 - 18.3% ¹³	Below the national average	Public Health England, 2017	
	P19 - Re-offending rates (per 100,000)	24.9% (2014)	+ 0.3 pp	- 0.1 pp WMCA - 1.2 pp Eng. ¹⁴	Ahead of England - 0.5pp	Public Health England, 2017	
	P20 – No. of first time entrants to Youth Justice System	443	- 2.5%	- 10.4% WM Met - 27% Eng.	-116 first-time entrants	Public Health England, 2017	

¹² First Active Lives Survey was issued in 2017, therefore baseline data is unavailable.

¹³ Baseline is 2011.

¹⁴ Baseline is 2011.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	P21. Youth Claimants aged 18 - 24	16,265	+1,155 +7.6%	- 17,140 - 51.3% WMCA - 55.1% UK	- 34% - 5,499 youth claimants	Department of Work and Pensions, 2018
	P22. Claimant Count aged 18 - 64	83,485	+ 10,310 + 14.1%	- 42,145 - 33.5% WMCA - 39.5% UK	- 41% - 34,018 claimants	Department of Work and Pensions, 2018
PLACE ACCESSIBILITY- Improved the connectivity of people to businesses to jobs and markets	PI1. Broadband Connectivity	95.6% 1.15m premises	+ 1.9 pp	+ 4.3pp WM Met + 16 pp UK ¹⁵	100% +53,339 premises	Ofcom Connected Nations, 2018
	PI2. % residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	41% (WM Met)	- 0.4 pp	- 3.6 pp	75% + 34pp	Transport for West Midlands 2017/18
	PI3. Journey time reliability	Under development ¹⁶				
INFRASTRUCTURE - Improved the quantity of high quality readily available development sites	PI4. Mode Share of all Journeys: i). Mode Share of all journeys by car, public transport, cycling & walking	i) Non-sustainable: Car (67%) Sustainable: Public Transport (10%) Walk (20%)	NA	i) Non-Sustainable: Car +3% Sustainable: Public Transport -1% Walk - 2%	45% car mode share Car (- 22%)	Transport for West Midlands, 2017/18

¹⁵ Baseline is 2014.

¹⁶ Transport for West Midlands is in the process of developing an effective monitoring approach for journey time reliability.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge	Source
	ii). Percentage of car journeys single occupancy	Cycle (1%) Taxi (2%) ii) 82% (2014-2016)		Cycle No change Taxi No change ii) No change (2013 to 2015 – 2014 to 2016)		
	PI5. Total Dwelling Stock Estimates*	1,704,600 (2017)	+11,480	+42,200 WMCA	+215,000 (by 2031)	MHCLG Live Tables, 2017
	PI6. Total Additional Affordable Dwellings*	2,850 (2016/17)	+520	+15,550 WMCA (2012/13 – 2016/17)		MHCLG Live Tables, 2017
	PI7. Number of Additional Affordable Rented Dwellings*	1,590 (2016/17)	+320	+5,830 WMCA (2014/15 – 2016/17)		MHCLG Live Tables, 2017
	PL8. Ratio of median house price to median gross annual residence-based earnings*	6.86 (2017)	+0.20	+1.00 WMCA +1.15 England		MHCLG Live Tables, 2017
SUSTAINABILITY - Resource efficient economy to stimulate new technology and business	E1. CO ₂ emitted within SEP area by transport, businesses and homes	21,696ktCO ₂ (2015)	-924ktCO ₂ -4.1%	-12.8% WMCA -12.7% UK	WMCA target: 40% reduction in carbon by 2030 from 2010 -5,756 ktCO ₂	Sustainability for West Midlands, 2017
	E2. No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index) ¹⁷	25 days	-15 days	-55.4% WMCA ¹⁸ -38.1% UK	WMCA target: 1 day by 2030 -24 days	Sustainability for West Midlands, 2017

¹⁷ Number of days is measured by region

¹⁸ Baseline data is 2011

