



**West Midlands
Combined Authority**

WMCA Board

Date	28 June 2019
Report title	West Midlands Local Industrial Strategy - Implementation
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Report and content has been considered by	Programme Board Strategic Economic Development Board

Recommendation(s) for action or decision:

The WMCA Board is recommend to:

- (1) Endorse the proposed approach to implementation of the West Midlands Industrial Strategy, and give delegated authority for the WMCA and 3 LEPs to secure resource and progress delivery according to the approach set out in the paper.
- (2) Receive a further report in the autumn once the outcome of the Spending Review is clear.

1.0 Purpose

1.1 This paper summarises the proposed approach to implementation of the West Midlands Industrial Strategy.

2.0 Background

2.1 The [West Midlands Industrial Strategy](#) was published on 16 May 2019, jointly with Government. It builds on 2016 Strategic Economic Plan, setting out our shared intent to continue recent growth and success, whilst tackling the issues of economic inclusion that remain too embedded in our economy and communities.

2.2 Over the last year the Combined Authority and 3 LEPs have worked together, overseen by the SED Board, to put together a best in class evidence base, engage with a wide range of businesses and representative organisations, work with all the region's Universities and develop a set of specific actions and opportunities.

2.3 The Government stipulated that local industrial strategies should be co-designed and published as Government documents. The strategy development process was a further opportunity to ensure that Government acknowledges and buys in to the distinctive and major contribution we make to the future of the UK.

2.4 The CA Board agreed to taking a "trailblazer" role, as the first place to develop and publish a local industrial strategy, showing that the WM is both open for business and addressing the need to ensure all our communities benefit from a resilient economy. Major changes in technology, data and services have accelerated since 2016 and will continue to do so; our strategy sets out how we can help individuals and companies succeed. Clarity on the region's distinctive characteristics, opportunities and actions will help ensure we fulfil our potential and navigate funding and economic uncertainty successfully.

2.5 Summary of the Industrial Strategy

2.6 The industrial strategy does not start from scratch. It integrates agreed priorities, for example the £350m Housing Deal, Regional Skills Plan, Skills Deal and the 2026 Delivery Plan for Transport, to ensure that our overall effort to drive a more inclusive, successful, economy continues to be successful. The strategy reinforces our previously agreed targets on earnings, health outcomes, jobs, productivity and skills, and looks ahead to 2030, but focusses on the actions that are required now. The plan is, therefore, to use existing delivery mechanisms and portfolios wherever possible, whilst boosting delivery to meet the challenges and opportunities ahead.

2.7 Our strategy sets our four major new economic opportunities, where the West Midlands has existing business and research strengths which will provide future opportunities for all our communities and firms:

- The UK's centre for innovation in all forms of transport and mobility, as we lead the transition to electric and autonomous vehicles of all kinds and build an integrated transport system
- A leader in data driven healthcare, working with patients to develop and implement new therapies and devices, improving health outcomes and commercial opportunities and skilled jobs.

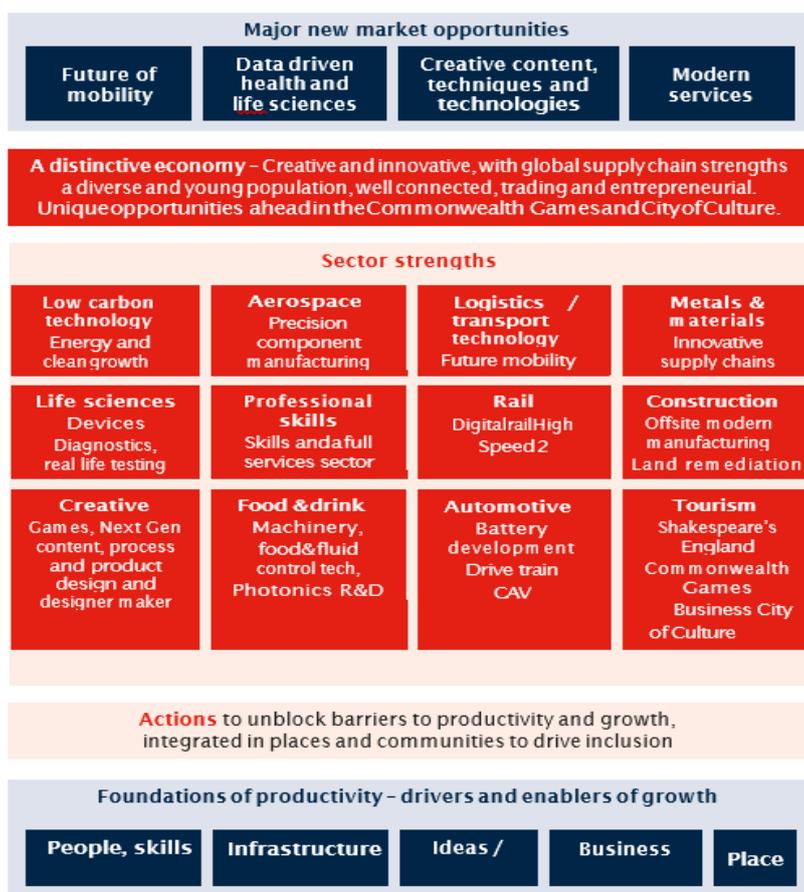
- A global centre for modern services, with total GVA forecast to double to £50bn between 2015-2030.
- A centre for creative content, techniques and technologies, bringing our design and industrial know how to the factories and products of the future.

2.8 It also identifies current and future sector strengths that will be important in taking these four opportunities forward alongside others. Sector action plans have been developed by businesses themselves showing what firms need to do to take advantage of the opportunities and to tackle the barriers that exist to growth and productivity.

2.9 The strategy then sets out the actions that will be needed to help businesses deliver the opportunities we have identified and overcome the barriers that remain, organised by each of the 5 foundations of productivity defined by Government: Place, Ideas, Infrastructure, Business Environment and People. Businesses sectors will play a central role in delivery.

2.10 The diagram below shows the relationship between the new opportunities, sectors and foundations of productivity.

Figure 1



3.0 Implementation

3.1 We are determined to push ahead with implementation, particularly given current political and funding uncertainty nationally. The aim is to align both existing funding streams and delivery to the strategy, and to position the West Midlands well for future Government investment. A wide range of existing funding streams come to an end between now and 2021. These include ERDF, ESIF and local growth funds. So to ensure the region's future success we need to secure long term replacement funding, both through any future spending review (including the future local Government settlement), Innovate UK and UKRI research funding, and through securing the right deal for the West Midlands from any future replacement for existing EU funding.

3.2 An integrated approach

3.3 The Strategic Economic Development Board are recommending an approach based on 4 principles, to ensure that the West Midlands:

1. Creates a single pipeline of significant, strategic projects and programmes.
2. Is proactive – biased towards action
3. Is collaborative and complements existing activity
4. Insists and ensures that projects and programmes integrate our commitment to a balanced and a more inclusive economy, engaging with communities and employees.

3.4 The integrated delivery approach we are proposing has four interconnected elements and builds on existing structures. It is summarised below and then explained in more detail in the following paragraphs. Activities across each of the 4 elements are connected to ensure an integrated approach.

- Existing portfolios, LEPs and boards, including the Strategic Economic Delivery Board, will be responsible for delivering the majority of actions (those set out under each of the Foundations) in the strategy
- Senior task and finish groups supported by the CA and LEPs will drive forward the four new strategic opportunities. They will be led by businesses and clinicians / academics as relevant and will include representation from a broad cross section of industries across the region. The actions set out in the strategy and in the sector action plans will inform their approach.
- Individual business sectors, supported by individual LEPs working on behalf of the whole region will be represented on the task and finish groups, and will maintain sector action plans to inform the broader approach.
- The inclusion portfolio and SED Board take an overview to ensure inclusion impacts are maximised and to monitor progress against our economic and social goals.

3.5 Delivery and future funding bids will be supported by a detailed delivery plan that will capture both existing and agreed strategic projects and programmes (e.g. the Digital Skills Partnership,, specific transport projects, Town Centre programme) and new programmes subject to future funding availability (e.g. Innovation Programme, High growth scale up support programme, further science park development). This is being developed over the course of July initially, to be ready for any potential funding opportunities.

3.6 Existing delivery mechanisms in the West Midlands

3.7 The SED board has overall responsibility for monitoring progress across the economy and for reporting to the CA Board. It is proposed that monitoring and reporting on WMLIS is aligned with this approach. A major strength of the strategy is that it integrates and strengthens existing plans, which means that individual “foundations” in the strategy in large part will be delivered and overseen through existing delivery mechanisms, as below:

- Ideas – Innovation Board
- People – Skills Board
- Housing and Employment Land – Housing and Land Delivery Board
- Transport – TfWM
- Digital / 5G – WM5g and Digital Board
- Energy – Energy Capital
- Environment - Environment Board
- Business Support - Strategic Economic Development Board
- Growth Company – inward investment and relevant marketing

3.8 Coverage of both the foundations and opportunities across existing delivery mechanisms and portfolios will be reviewed as part of this phase of implementation. This process will identify potential gaps in current activity and will ensure they are addressed in future plans. All LEPs and CA Portfolios will inform this work.

3.9 The CA and LEP teams leading specific delivery work for portfolios and Boards will continue to ensure that they engage with the right groups and people in the West Midlands, including the young people and employees whose future opportunities are framed by the Local Industrial Strategy, and the business and sectors who will deliver the growth and economic activity needed.

3.10 Integrated Investment and a more inclusive economy

Avoiding silo delivery will continue to be vital to the West Midlands, as will ensuring that all programmes and projects maximise the impact they have on making our economy as inclusive as possible. The strategy commits the West Midlands to further strengthening its impact on wage levels, access to opportunities for local firms and people and improving the design and sustainability of new communities and developments, for example.

3.11 The Inclusion portfolio will therefore have a key role, working with the SED Board and across the different elements of the strategy, supported by the CA senior leadership team and Chief Executives, to ensure that project and programme design across all portfolios is achieving these goals. The strategy makes a clear commitment that the inclusive growth unit and framework will be central to this.

3.12 Strategic New Opportunities

3.13 In addition to these thematic portfolios we are proposing to establish short term, task and finish groups of senior business and academic leaders to make the most of the 4 strategic opportunities. They will be industry led across a board cross section of sectors, and will draw on existing sector action plans to inform their proposals. For example, on Data driven healthcare and life sciences a groups of business and clinical leaders will drive forward the capital investment needed and the next steps in speeding up commercialisation of new products and techniques.

3.14 Sectors

3.15 Businesses will deliver the growth and wealth needed for the West Midlands to succeed and its communities benefit. Our proposal is that each LEP continues to lead across the region on working with specific sectors and sector groups, to avoid duplication and maximise linkages between supply chain firms and opportunities across the region. These groups and the action plans they have already developed will continue to play an integral role in delivery of the strategy.

4.0 Financial implications

4.1 There are direct financial implications arising from this paper, as the new opportunity task and finish groups will need to be resourced and it is not yet agreed how this will be managed. Wider additional funding for the region is in place through the WMCA investment programme, recent housing and skills deals, transport investment and existing LEP funding. Existing funding streams and delivery will be aligned to deliver this strategy. However, in the current uncertain financial environment and with significant funding still to be secured to deliver the existing WMCA programme, delivery of the LIS strategy objectives will require additional and replacement funding being secured through government and other sources and from which we will continue to lever private sector funding. The LIS implementation process will feed into the wider West Midlands input to a future spending review, through drawing together a single pipeline of strategic projects and programmes and which will be developed to ensure robust funding bids are ready for any potential funding opportunities as they arise .

5.0 Legal implications

5.1 No legal implications at this stage.

6.0 Equalities implications

6.1 None

7.0 Other implications

7.1 None

8.0 Schedule of background papers

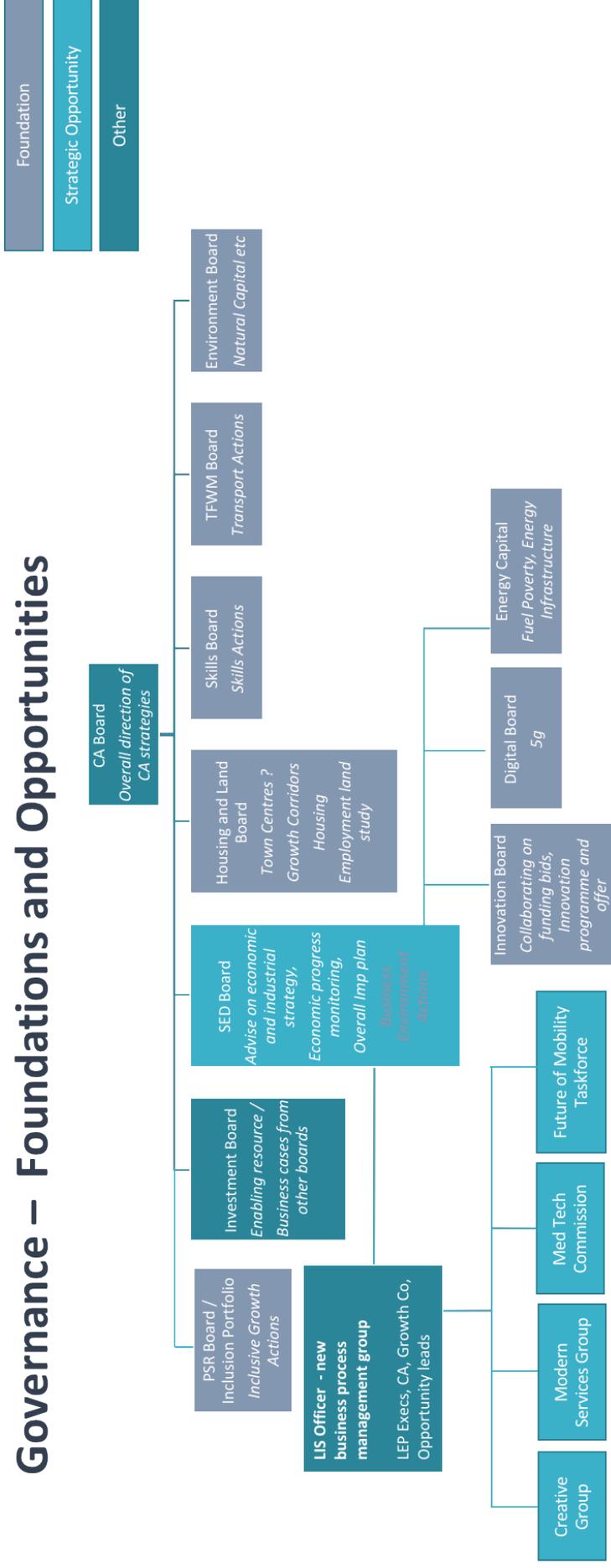
8.1 The West Midlands Industrial Strategy

9.0 Appendices

Figure 2. Suggested Governance Summary for LIS implementation

The below diagram sets out a suggested LIS governance structure ahead of formal review and approval.

Governance – Foundations and Opportunities



Foundation

Strategic Opportunity

Other