



**West Midlands
Combined Authority**

Strategic Economic Development Board Meeting

Monday 8 July 2019 at 1.30pm

Notes

Members

Coventry & Warwickshire LEP
Black Country LEP
Cabinet Portfolio - Economy &
Innovation
City of Wolverhampton
Dudley Metropolitan Borough Council
Solihull Metropolitan Borough Council
Warwickshire County Council
West Midlands Combined Authority
Deputy Mayor

Jonathan Browning
Lindsey Flynn

Councillor Ian Brookfield
Councillor Harman Banger
Councillor Ian Kettle
Councillor Ian Courts
Councillor Izzi Seccombe

Councillor Bob Sleigh

Officers in Attendance

Black Country LEP
Coventry & Warwickshire LEP
Coventry & Warwickshire LEP
City of Wolverhampton
Greater Birmingham & Solihull LEP
West Midlands Combined Authority
Energy Capital
Zanna Creative

Sarah Middleton
Paula Deas
Kate Hughes
Richard Lawrence
Paul Edwards
Julia Goldsworthy
Matthew Rhodes
Suzie Norton

**Item
No.**

1. Apologies for absence

Apologies for absence were received from Councillors George Duggins, Bob Lloyd and Ian Ward and Stuart Croft, Matthew Hammond, Tim Pile and Stewart Towe.

2. Chairs comments

The Chair asked that going forward, when presentations were to be submitted that a covering note be included in the Agenda, providing an overview of the presentation and what the Board were being asked to consider and, if necessary, approve.

With reference to the Innovation Group, Energy Capital Group and other bodies, the Chair asked the Executives to consider how the agenda should be structured and how these new bodies retained a connection with the Strategic Economic Development Board. He asked that a summary paper be presented to the next meeting.

Resolved:

1. That presentations being submitted to the Board, include a covering note to provide the background, the purpose and what the Board was being asked to approve, if a decision thereon was required.
2. That Executives provide a summary report to the next meeting detailing how each new relevant body being established to include the Innovation Board and Energy Capital Board would link into the WMCA SED Board, as they would be undertaking work pertinent to the LIS.

3. Declarations of Interest

No declarations were made.

4. Notes of the Strategic Economic Plan Board Meeting held 8 May 2019

The Chair referenced that "Councillor Izzi Knowles" referenced under paragraph 9, Note 44. Local Industrial Strategy (LIS), should read "Councillor Izzi Seccombe".

Resolved:

That the notes of the meeting held on the 8 May 2019, subject to the above amendment being incorporated, be approved as an accurate record.

5. SED Board Tracker Log

The Chair commented that the Tracker log required cleansing as a number of work items had now concluded.

Resolved:

That the SED Board Tracker Log be noted and the action identified undertaken.

6. Forward Plan

Resolved:

That the Forward Plan be noted.

7. Terms of Reference

The Chair referenced the Terms of Reference report and highlighted that the Board were being asked to include the Cabinet Portfolio Holder Economy and Innovation on the Board and to consider whether an increase in the Board to include an increase in Constituent authority membership from 3 members to 7. He commented that to maintain the effectiveness of the Board the membership should be kept to a smaller number and suggested that, where the relevant Cabinet Portfolio holder was also a constituent member then that authority would not have a place on the Board.

Councillor Ian Brookfield agreed with this approach and Councillor Ian Courts welcomed better representation for the Constituent authorities.

Resolved:

- 1) That the Board confirm the revised Terms of Reference in regard to Membership of the WMCA Cabinet Portfolio Economy and Innovation to the Board; and
- 2) That the Board agree to the proposed increase in Constituent Membership from 3 Members, representative of each LEP area to 7 Members, representing each Constituent Council, excepting that where the WMCA Cabinet Portfolio Economy and Innovation is a member of a constituent authority, that constituent authority does not have a place on the Board.

Economic & Innovation Portfolio

8. Local Industrial Strategy (LIS) – Implementation Plan

Paula Deas advised that each LEP was supporting the next phase of work on opportunity on behalf of the region. She advised that the strategy set out the headline opportunity and the major actions needed. An early priority was to develop a more detailed understanding of the opportunity and to ensure that the detailed actions being delivered under each Foundation would enable us to make the most of the opportunity:

Data driven life sciences

- New Cluster development programme being developed by GBS LEP, to include commercialisation and scale up support.
- Large scale bid for Science park being developed
- First meeting of commission / leadership group with Government being fixed for September

Future of Mobility

- New business leadership group being created, supported by C&WLEP and TfWM
- Next stage of future mobility zone funding proposition being developed.

Creative

- BC LEP supporting.
- Creative scale up pilot up and running
- Launched screen industry body

Modern Services

- Work underway to establish business leadership group and action plan.
- GBS LEP supporting.

In regard to sectors and foundations the meeting was advised that the 3 LEPs and CA team were working with Portfolio holders and the executive team to ensure that delivery of individual foundations was hard wired into the work of relevant CA boards and strategies, and to identify options for further investment and new or different actions.

It was noted that early funding priorities were being prepared for the spending review and for early discussions with Government, as part of the Brexit preparations. The meeting was advised that the next steps were to develop the implementation plan and progress a dashboard for the SE Board and Portfolio holder.

Sarah Middleton referenced the Creative content and creative technologies and advised that there was a need to incorporate inclusive growth and inclusive economies.

The Chair welcomed the continued engagement and advised that progress was not made quickly enough then officers would need to implicit what they required from the Board.

Councillor Ian Brookfield noted that a lot of infrastructure was in place and asked in regard to GBSLEP leading on two foundations, whether they had capacity. Paul Edwards advised that with regard to Life Sciences, they had an officer in place and highlighted that the GBSLEP had requested further support.

It was noted that the WM Growth Company had its business plan and there was a need ensure the priorities of the WM Growth Company were completely connected. Julia Goldsworthy advised that the Spending Review asks and the LIS would align with the Growth Company.

Councillor Ian Courts referenced “new opportunities” and highlighted that sectors were what the region was good at and thus the good work needed to be continued.

It was noted that more work was required to identify further industrial sites and employment land.

Resolved:

1. Note the plan to develop an integrated pipeline of strategic LIS programmes and projects, across 3 LEPs and the WMCA.
2. Note the plan to develop a list of strategic priorities for use with Government, in the run up to potential new funding opportunities in the Autumn, consistent with the wider LIS implementation plan.
3. Agree that each LEP will work across the West Midlands as a whole to lead work with specific sectors and to take forward the next stage of work on the 4 new opportunities, and that they and the WMCA will commit resource to doing so.

9. Brexit Commission

Julia Goldsworthy advised that there would be a change in the forecast impact if “no deal” became more likely.

She advised of the pooling funding made available to the WMCA and Local Authorities and the region was developing projects that would help improve the support available across the region.

These included:

- A free Brexit health check had been extended across the West Midlands – with the aim of accessing the 60% of businesses that had not undertaken any Brexit contingency preparations; and
- A series of workshops for LA officers to ensure they were able to signpost any businesses they engage with to the full range of support available in the region.

She advised that pooled funding was still available, and new proposals would continue to be worked up, with the next project currently in development being to build a consistent / aligned growth hub offer.

The Chair noted there was a need to crank up activity and was advised that the Economic Contingency Group would reconvene once the next Prime Minister was elected. The Chair stated that this group needed to get prepared and suggested that the group be re-established now.

Councillor Bob Sleigh stated that he was aware that air transport had been covered but asked what other arrangements were in place. Julia Goldsworthy advised there were a large volume of technical notes published but currently the WMCA did not have enough line of sight on these.

Paula Deas stated that it was important to get the message of support out to businesses regarding the offer of a “health check” regarding Brexit preparedness and marshal as many through the Growth Hubs’ support networks.

Resolved:

1. That the WMCA be advised that the Economic Contingency Group should be reconvened now; and
2. that a further report be submitted to the next meeting.

10. Spending Review

Julia Goldsworthy highlighted that Liz Truss at the Lords Economic Affairs Committee on 5 June had advised that the Government already had capital budgets for 2020-21, whilst there would be a need to set revenue budgets for 2020-21. Thus, a major spending review was unlikely.

She highlighted the key themes endorsed by Leaders: -

- Local Industrial Strategy delivery to support inclusive growth.
- A shared vision for public services.
- A Funding Framework that supports delivery.

Julia Goldsworthy advised of the consideration for the spending review, to include: -Public service reform; Local government finance; Brexit; and HS2. She also referenced the potential milestones, although these could change following the comments from Government.

Councillor Ian Courts highlighted HS2 and stated that this needed to be a priority for the region. It was noted that there needed to be an announcement on the Shared Prosperity Fund as there needed to be some continuity of funding.

The Chair suggested that in relation to HS2, Julia Goldsworthy discuss with leads how to manage as it represented such a big piece for the regional economy.

Reference was made to the LIS and it was noted that that the funding asks would go to the next meeting of the implementation group. She advised that the Chair of the Implementation would work with the Board and report through following discussions with the Chair and Ina Martin.

Councillor Bob Sleigh commented that much of the LIS was dependent on HS2 being delivered.

Resolved:

That the Board note and receive the update.

11. Energy Capital Update

Matthew Rhodes advised that local energy consumption was made up of 1/3 transport (either petrol or diesel), 1/3 housing and 1/3 industry. He advised that transport was currently independent of the Energy Capital remit.

It was noted that new housing built from 2025 would not have a gas supply.

Matthew Rhodes advised that being totally planned centrally was not fit for purpose and all, both commercial and domestic users were paying too much for their energy supplies. He advised that a clear strategic framework had been developed with a clarity of roles and responsibilities between WMCA, LEPs and LAs.

He advised the Board of the support he was seeking for the following four asks: -

- Power to designate Energy Innovation Zones and leverage global investment (£50M)
- Establish Regional Energy Infrastructure Commissioning Body (£4.2M)
- National Pilot for a new approach to tackling fuel poverty (ECO4) (£150M)
- Energy Systems Innovation Hubs (£127M)

There would be no need for “new” money as this “pitch”, for which there was industry support, could be accommodated from a reallocation of existing funds in the region.

Reference was made to reducing energy consumption and demand such as greater insulation of existing homes. Mathew Rhodes advised that in relation to fuel poverty work could be done with planning powers on homes, new developments could incorporate energy from waste solutions, that is electrify generating. He advised that given the increased required of 20% electricity consumption to accommodate electric vehicles there would be a need to incorporate charging points.

The Chair commented: -

- That prior to the CA such a large strategic issue was difficult to achieve;
- There were big numbers in the presentation and there was a need to ensure that the figures stood up to test and that everybody was in support; and
- Reference had been made to hydrogen and he trusted teams were working on this solution to continue the journey to zero carbon usage.

Councillor Ian Courts welcomed the promotion as a national pilot which was a good Segway to achieving the outcome.

Councillor Ian Brookfield queried whether the proposals would be letting national energy suppliers off their exiting obligations. Matthew Rhodes

advised that their existing track was very poor and to achieve their targets was becoming increasingly difficult. He stated that the proposal was to divert funds from existing companies and highlighted that this would equate to approximately £50m in the West Midlands annually and thus £150m over three years. He stated that there was a need to target the right homes and ensure that local supply chains were used to deliver the pilot.

Lindsey Flynn commented that this represented a clear line of sight with the LIS ambitions and provided a growth opportunity for the region.

Resolved:

1. That the SED Board recommend to the WMCA Board funding to support the definition and piloting of Energy Innovation Zones (EIZs) across the region. (£500k of revenue funding in 2019-20 followed by [£50M] to support establishment of the pilot EIZs from 2020-2023.
2. That the SED Board recommend to the WMCA Board funding to support establishment of a pilot Regional Energy Infrastructure Planning and Commissioning Body [£4.2M]. This covers two years' costs and will be covered from regional allocation of existing energy bill levies following a successful pilot.
3. That the SED Board recommend to the WMCA Board Government willingness to confirm to obligated energy suppliers that up to [£50M] of their annual fuel poverty obligations under ECO3 per year [total £150M] will be fulfilled if they contribute this amount of funding to a West Midlands-wide ECO4 Fuel Poverty pilot.
4. That the SED Board recommend to the WMCA Board the ring-fencing of [£180M] of innovation funding to support an innovation fund for the pilot EIZs and two national centres of excellence: an energy systems innovation centre at Tyseley led by the University of Birmingham and a national centre for housing refurbishment (energy, construction and digital skills) led by WMCU in the Black Country.

12. Screen Industry Body Update

Suzie Norton advised that the C4 bid had provided 3 opportunities: -

- It had brought together creatives from across the region.
- A huge amount of work had been done on the bid and there were projects that were "ready to go".
- The cohort themselves had recognised the regional opportunities that existed for them.

She highlighted that the bid had developed a new approach, Taking Forward the West Midlands Screen Industry, with a vision and delivery model approved. The WMCA had appointed Ed Shedd, Deloitte - Managing Partner, North & South Europe Technology, Media & Telco (TMT) Practice, as Chair of the Screen Industry Body and she highlighted the work programme between July and September 2019. With regard to Board Membership the Body would welcome leads from other creative clusters from across the region.

Julia Goldsworthy advised that the C4 bid had identified regional opportunities that the WMCA would not want to lose.

Councillor Ian Brookfield welcomed that the Body would be industry led.

Resolved:

That the note and receive the update.

13. Date of Next Meeting

Resolved: that it be noted that the next meeting would be held on 5 September 2019.

The meeting closed at 3.05pm

Chair