

APPENDIX TWO: LIS Implementation – Sector Action Plans - Initial identified key elements

Sector	Economic Potential	Going Well	Current gaps	LIS Opportunities
Aerospace	<p>GVA: Current: £1bn (Midlands Aerospace Alliance)</p> <p>JOBS: Current: 25,000 Around 10% of all UK aerospace jobs (Midlands Aerospace Alliance)</p>	<p>25% of UK aerospace sector is based in the Midlands (7% of Europe's & 3% of the world's).</p> <p>Midlands Aerospace Alliance (over 300 members) represents the largest aerospace cluster in Europe.</p> <p>High quality, sector focused science & research facilities and institutes, mainly used by OEMs.</p>	<p>Unrealised potential for smaller/supply chain companies to become more innovative.</p> <p>Poor industry perception and patchy careers advice.</p> <p>Harnessing innovation to build on tech capabilities (e.g. Industry 4.0) & building a cluster for electric flight.</p> <p>Live skills shortages/difficulties delivering T-levels & apprenticeships. Coding/programming skills a major need.</p> <p>High energy prices and power availability.</p> <p>Lack of capacity & resource in region to support local Ind.</p> <p>Large pools of know-how that is not currently converted into knowledge and IP.</p>	<p>Strong position in aerospace's growth sectors (e.g. civil aircraft) and well-positioned for new technology such as electrification - helping deliver the WM Future of Mobility opportunity.</p> <p>Major new factory moves/modernisations in recent years: Moog to i54, Rolls Royce to Birmingham Business Park, Meggitt to Ansty Park.</p> <p>Unrivalled lead in component design and manufacture, with a specific clusters in electro-mechanical systems and metals production, treatment and modification.</p> <p>Supply of land for industrial use is key for the sector.</p>
Automotive	<p>Current: GVA: £3.2bn Jobs: 46,000 Supply Chain Companies: 1100</p> <p>2030 Ambition: GVA: £4bn+ Jobs: 50,000-65,000</p>	<p>Leading UK centre for vehicle design, test and development; powertrain, EV and CAV development</p> <p>Premier UK location for premium, luxury and specialist vehicle and off-highway machinery manufacture</p> <p>NAIC (Lord Bhattacharyya Bldg), MIRA Technology Park, UK Battery Industrialisation Centre and NTDC are globally significant automotive R&D assets</p>	<p>To retain and grow this employment, the sector needs to meet the coming challenges of: low carbon powertrain, autonomous tech, new ownership models; and digital services</p> <p>Other challenges to the sector include: Brexit risks and opportunities, while also continuing to attract and retain the best talent.</p>	<p>Creation of a new centre to make the WM a global hub for battery, research and manufacturing scale up, supporting the development of new and innovative low carbon propulsion systems for future transport.</p> <p>WMCA and partners will support creation and development of test beds to showcase and embed future mobility technologies.</p>

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				<p>Creation of Automotive Skills Taskforce.</p> <p>Focused business support to support existing supply chain e.g. UKBIC and Gigafactory</p>
Construction	<p>GVA: Current: £6.8bn 2030 ambition: £10.8bn (+£4bn) 16% growth since 2013</p> <p>JOBS: Current: 127,000 2030 ambition: 235,000 (+108,000)</p>	<p>Large West Midlands sector, currently 16,150 Enterprise in WMCA a total of 11%. Well-developed network of research & educational assets Existing work on procurement and spatial frameworks (SIDP, SCF)</p>	<p>Low productivity sector with a slow adoption of new technologies. Regional skills shortages with demand not currently met by suppliers. confusing business support landscape Traditional commissioning and procurement holding sector back, hampering investment in skills and innovation. A lack of high-quality sites & availability of facilities. Climate & environmental challenges.</p>	<p>Exploiting advanced methods of construction and our unique 5G opportunity. Major regional infrastructure investment including HS2 and Housing Deal, and a collaborative regional plan for construction sector skills development. Two new Institutes of Technology to further add to construction education cluster. Exiting work on procurement and spatial frameworks.</p>
Creative	<p>£4bn+ in GVA 9,975 Creatives enterprises, 48,800 jobs plus 40,000 further creative jobs in non-creative industries</p>	<p>Birmingham has the largest Jewellery, Crafts and Designer Maker Cluster outside of London</p> <p>A substantial advertising, marketing & design sector, inc. web, product, fashion design, PR and data analysis supports growth opportunities</p>	<p>Lack of incubation space to support early stage businesses</p> <p>Career pathways difficult to see and talent development not systematic across all parts of sector</p> <p>Specialist business support, although growing, remains relatively limited</p>	<p>10% of the UK Games Industry (£224m) is in the region, with opportunities around digital manufacturing, VR, AR applications and innovative screen production</p> <p>Next Generation Content Creative is a key strength</p> <p>NESTA has identified the region as a 'Creative Challenger' cluster, with strong collaborations, sector specialisms, a diverse ecosystem & on track to becoming a central node in the UK</p>

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Food & Drink	<p>GVA: Current: The sector accounts for £1.04bn GVA</p> <p>JOBS: Current: 21,000 jobs in the West Midlands</p> <p>Target to increase GVA of the sector to £2.05bn and increase the number of jobs to 22,000</p>	<p>The region's central location and strong transport links with the rest of the UK makes it an attractive place for food and drink manufacturers to locate since they are especially reliant on logistics and supply chains</p> <p>There are a number of high-quality, sector specialised, science and research facilities within the region</p> <p>The region has niche strengths in Food and Drink machinery, food and fluid control technology and Photonics R&D</p>	<p>The withdrawal of the United Kingdom from the European Union is a risk to the sector since it relies heavily on the EU for Exports.</p> <p>The dispersed geography and fragmented nature of the sector have limited the tendency for firms to engage in sector-wide organisation at a local level</p> <p>Food & drink companies are encountering a skills shortage for engineering roles which hinders their ability to improve productivity by process innovation.</p>	<p>Capitalise on flagships in financial services, accountancy and law to further position as a globally relevant centre for BPFS sector.</p> <p>Build on existing strengths and depths in sector and regional university research teams to lead on development of 'next-gen' services within UK and internationally.</p> <p>Ability to attract and retain top talent based on narrative and reality of high quality of employment opportunities and quality of life, increasing labour market density further to attract top firms.</p>
Life Sciences	<p>Global growth of med tech projected at 5.6% CAGR 2017-2024 reaching sales of US\$595bn by 2024 (source: Deloitte, 2019).</p>	<p>Strong research & clinical base relating to translational medicine and accelerated drug trials, incl. national centres of excellence</p> <p>Large population/patient data sets covering a diverse and stable population – a vital asset for DDH</p> <p>WM has 3rd largest no. med tech employees in the UK</p>	<p>Industry base mainly small companies with no anchor companies</p> <p>Limited external awareness of regional capabilities and lack of coordination of partner offers is limiting investment and growth</p>	<p>Ideas – proposed Precision Health Technologies Accelerator (PHTA) on forthcoming Birmingham Life Sciences Park, proposed digital platforms and citizen engagement strategies</p> <p>People – proposed training capacity as part of PHTA, industry engagement to develop new education and training pathways including apprenticeships</p> <p>Business environment – proposed cluster organisation and associated business support programmes</p> <p>Infrastructure – Birmingham Life Sciences Park, WM5G</p>

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Logistics / Transport Technology	Further meetings with sector experts and industry to aid development of this emerging Sector Plan are taking place. Subsequent to this, the detailed plan will be available.			
Low Carbon Technology	The sector is expected to grow by 11% per year between 2015-2030 across the UK.	<p>Most productive sector in WM economy with potential for significant future growth given global decarbonisation agenda</p> <p>WM has an inbuilt natural global competitive advantage in its energy infrastructure, energy sector skills, diversity of local markers and innovation asset base in energy systems</p> <p>Significant potential in the development and commercial application of a range of technologies in energy storage including batteries and hydrogen storage</p>	<p>The Low Carbon and Environmental Technology sector is a small (3.1% of the GVA in the WMCA.</p> <p>Skills shortages are an impediment to growth in the low carbon and environmental technology sector with 36% of vacancies, nationally, attributed to skills shortages – a higher percentage than for any other sector.</p> <p>Require significant improvements in infrastructure to meet the growing demand for energy.</p>	<p>Regional opportunity to pre-empt the low carbon transformation by making use of public procurement and capital expenditure to bolster demand for LCET services in the region.</p> <p>significant potential in the development and commercial application of a range of technologies in energy storage including batteries (materials and chemistry), and hydrogen storage</p>
Metals and materials	<p>GVA: Current: £3.3bn 34% since 2012 (WM7MET)</p> <p>JOBS: Current: 64,000 (3-LEP) 12% of the England Total (ONS BRES)</p> <p>ENTERPRISES: Current: 4,425 3% of total businesses in the WMCA (ONS Business Counts)</p>	<p>Historic presence within metals & materials manufacturing & metals treatment. innovation from the region's universities is helping develop metals and materials for industrial use and future applications.</p> <p>Highly concentrated industry in WM. The West Midlands also has the largest concentration of materials related jobs in the UK. Representation from key industry bodies locally – e.g. UK Metals Council, RAPRA</p>	<p>Lack of capacity and resource in regional business support and communication agencies.</p> <p>Unrealised potential for smaller/supply chain companies to draw on technology knowledge from Uni's/Catapults.</p> <p>Skills shortages - demand not currently met by suppliers. Poor industry perception and patchy careers advice. A need to strengthen the brand of WM metals and materials.</p> <p>Climate change and need for the sector to decarbonise and become more energy efficient.</p> <p>High energy prices and power availability.</p>	<p>Major infrastructure investments in the region (HS2)</p> <p>The significant presence of automotive, aerospace and rail in the area ensures a strong number of metals & materials firms, feeding into these industries' supply chains. There is widespread demand for these products locally.</p>
Business, Professional & Financial Services (BPFS)	<p>GVA: Current: £24bn in GVA</p> <p>JOBS: Current: 400,000 people employed within sector – 20% of overall employment</p> <p>WMCA's target is to add £49bn in GVA (over 100% increase) and 126,000 jobs by 2030</p>	<p>Birmingham is a nationally significant centre and core strength is founded on the globally competitive capabilities; Coventry is the other regionally significant centre.</p> <p>Key sub-sectors are: Financial services (4th largest centre in UK), legal (2nd largest centre in UK) and accounting services (4th largest centre).</p> <p>New HSBC UK Retail bank headquarters flagship presence strengthening credentials as a major financial centre.</p> <p>High value jobs in the sector (all jobs = good jobs).</p>	<p>Requirement to prioritise the adoption and diffusion of new technologies for SMEs and large regionally embedded firms.</p> <p>Engagement gap stemming from legacy of low intervention sector</p> <p>Fragmentation and lack of access to relevant research funding streams to support sector</p> <p>Strong competition with other sectors for the same well-rounded, technology/ digitally enabled skilled people.</p> <p>Housing stock, education and transport offerings</p>	<p>Capitalise on flagships in financial services, accountancy and law to further position as a globally relevant centre for BPFS sector.</p> <p>Build on existing strengths and depths in sector and regional university research teams to lead on development of 'next-gen' services within UK and internationally.</p> <p>Ability to attract and retain top talent based on narrative and reality of high quality of employment opportunities and quality of life, increasing labour market density further to attract top firms. And also to 'grow our</p>

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				own' diverse talent pool to meet business needs, particularly for tech adoption/ next gen services.
Rail	GVA: Current: £1.98bn 44% of Midlands Rail GVA (Oxford Economics report) Current: 38,570 46% of Midlands Rail Jobs (Oxford Economics report)	High quality, sector focused science & research facilities and institutes. 1.72% of WM jobs are railway-related. Heavy cross-over relationships with significant local automotive/aerospace/ other manufacturing activity. Pan-Midlands cluster with large-scale rail activity in the East Midlands; Midlands Connect partnership. A multiplicity of sector support organisations working collaboratively.	Unrealised potential for smaller /supply chain companies to draw on technology knowledge from universities/Catapults to become more innovative. Live skills shortages due to an ageing workforce, competition for skilled staff, lack of STEM graduates. Poor industry perception and patchy careers advice. Fragmented business support landscape. Banks/ funders have limited knowledge of the sector. Multiple technologies are available; a coherent regional approach to the adoption of these is required so firms can plan ahead with greater certainty.	WMG at University of Warwick is a leading institution for battery and energy storage and lightweighting. University of Birmingham - BCRRE is a lead partner in the national UKRRIN, and Major investment is creating huge opportunities in rail: HS2 with its WM-based HQ, National Rail College and national control centre; Midland Metro; VLR.
Tourism	GVA: Current £12.6bn 2029: £13.7 (+£1.1bn) Jobs: current 135,725 (5% of working population) 2029 ambition: 154,725 (+19,000)	Launch of West Midlands Tourism Strategy with industry priorities Critical to regional perception for visitors, inward investment and student & business retention Tourism is a fast-growing sector Connections with other regional priorities: innovation, creative industries & events, digital innovation	Diverse, sometimes uncoordinated, industry base with a plethora of micro- and SMEs Low productivity – can be addressed through internationalisation to extend season and focus on business tourism Poor perception of careers – tourism and hospitality to become a career of choice through integrated skills & careers plan Brexit – fall in EU visitors and loss of EU tourism & hospitality staff	Align with national Tourism Sector Deal to evidence a 3-LEP bid for a regional Tourism Zone Collaborative region-wide business support and skills development opportunities Exploitation of 5G testbed for digital visitor services across major events – City of Culture & CWG

Further Sector Plan info available at:

<https://www.blackcountrylep.co.uk/about-us/west-midlands-combined-authority/local-industrial-strategy-sector-action-plans/>

<https://gbslep.co.uk/local-industrial-strategy>

<https://www.cwlep.com/work-and-priorities>