



West Midlands Combined Authority

Strategic Economic Development Board Meeting

Tuesday 20 October 2020 at 3.00pm

Notes

Members

Greater Birmingham & Solihull LEP
Black Country LEP
WMCA Deputy Mayor
Cabinet Portfolio - Economy &
Innovation (City of Wolverhampton)
Dudley MBC
Redditch BC
Sandwell MBC
Solihull MBC
Warwickshire CC

Tim Pile (in the Chair)
Tom Westley
Councillor Bob Sleigh

Councillor Ian Brookfield
Councillor Angus Lees
Councillor Matthew Dormer
Councillor Danny Millard
Councillor Ian Courts
Councillor Peter Butlin

Officers in Attendance

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

Sarah Middleton
Prof Delma Dwight
Richard Lawrence
Paula Deas
Katie Trout
David Furmage
Julia Goldsworthy
Fiona Latter
Rebecca Riley
Jonathan Skinner

Screen Industry Board

Chair
Create Central

Ed Shedd (Chair)
Suzie Norton

Major New Market Opportunities – Modern Services

Chair
Greater Birmingham & Solihull LEP

Tim Kay
Hilary Smith Allen

**Item
No.**

116. Apologies for absence

Apologies for absence were received from Sarah Windrum, Matthew Hammond, Councillors Adrian Andrews, Matthew Duggins, David Humphreys, Isobel Seccombe and Ian Ward.

117. Declarations of Interest

No declarations were made.

118. Notes of the Strategic Economic Plan Board Meeting held 14 September 2020

Resolved:

That the notes of the meeting held on the 14 September 2020 be approved as an accurate record.

119. SED Board Tracker Log

Resolved:

That the SED Board Tracker Log be received and noted.

120. Forward Plan

The Chair noted the Forward Plan had been updated to include the reporting through of the Sector plans. He stated that there was a need to incorporate the milestones for refreshing the vision and strategy and asked that officers work these into the Forward Plan for the next meeting.

Resolved:

That the Forward Plan continue to be reviewed and updated to provide for a planned future work programme of the Board.

Economic & Innovation Portfolio

121. West Midland CA Covid Economic Monitoring – WM Redi weekly monitor (9 October 2020) and the updated SED Board Economic Dashboard

Prof Delma Dwight was in attendance to provide an update on the economic monitoring reporting. She referenced the Spatial and Sectoral analysis and advised that the document would be circulated to Board Members.

She highlighted the economic dashboard which continued to show a mixed picture and she advised that:

That the PMI had reduced but remained higher than the national average and that the WM remained in the top 4 areas;

- Claimant Count figures had increased and spatially out of 417 Wards, 45% (188) were above the national average
- Youth Claimants had increased
- Exports – WMCA totaled £27.45BN

She advised that work continued with the intelligence to support the propositions going forward.

Councillor Ian Courts stated that there was devastating material coming out through the data and commented that there remained a need to see what actions and interventions were being undertaken to alleviate the impact. The Chair concurred with the view that actions and interventions should be reported through.

Julia Goldsworthy advised that there was a rich source of information and this was informing the CA intelligence and economic asks, as an approach to Tier 3 status.

The Chair referenced the need for the sectoral analysis when bringing through the deep dives. In regard to the spatial context and the identified high-risk areas to the impact of Covid-19, he stated that there was a need to also consider the move out of the EU. He asked how the work was being undertaken.

Julia Goldsworthy stated that the question was how the CA were drawing together all the information and proposals across the region. She advised that last week Birmingham City Council had put proposals forward and other local authorities were doing so separately. She advised that there were informal discussions to come to a single view and that there was work to consider what other regions were doing, highlighting that she would be meeting with Tony Bray from MHCLG in this context.

The Chair stated that there was a richness of data and specific insights into the corporate business and that this was required in order to form the lobbying requests, with underpinning evidence.

Councillor Ian Courts advised that in the lobbying request there should be focus on the pillars of the WM economy.

Councillor Peter Butlin stated that then data was required in regard to lobbying on the Tiers. In respect of where there had been spikes in Covid-19, he highlighted that these had primarily been where universities were located and commented that he did not feel the data was being used in that way.

Councillor Bob Sleight stated that there needed to be one version of the truth and commented that data was not consistent, in that NHS boundaries did not necessarily match with the CA collated data.

The Chair commented that other forms of data, whilst important, the focus for the SED Board remained providing support for businesses. Julia Goldsworthy added that there was an issue of co-terminosity and how this was navigated, noting there were areas the CA and partners could influence but did not necessarily control, such as the increase in infections. She stated that the focus for the CA remained on factors in their control.

Rebecca Riley advised that every week the City-Redi monitor there was qualitative information provided for business decision making. In regards to geography she advised that they were restricted on what information was available and acknowledged that the super output map did highlight that the spikes were in student areas and that in Birmingham these areas were contained in parts of the City.

The Chair reiterated the need to use the data to take action and advised that the weekly monitor provided a great deal of information. He asked officers to consider cause and effect to inform when actions should be taken.

Resolved:

(1) That the data submitted and comments thereon be noted; and

(2) That actions be identified to

122. Policy Context and Developments

- **Comprehensive Spending Review**
- **Devolution White Paper**
- **EU Transition period ending**
- **Industrial Strategy Refresh**
- **Get Britain Building Fund**

Julia Goldsworthy advised that the Policy Context was the Spending Review the Industrial Strategy and the Local Recovery and Devolution White paper. She noted that the Spending Review was now anticipated to be one year towards the end of November. She advised that the Economic Recovery Steering Committee met fortnightly and was monitoring and directing relationships with Government and the next steps for each of the 31 projects in the Recharge proposition.

In regard to the End of the Transition period with the EU, there was work being undertaken to:

- Understanding of exposure through sector plans
- Impact of Rules of Origin
- Freeport policy paper
- Influence over new trade policy (Strategic Trade Advisory Group)

- Direct support:
 - Extending export support from the Chambers
 - Partnering with the Cabinet Office on the FieldForce project to ensure the readiness of the UK's highest-value traders with the EU

The implications for the WM was that the economic recovery would flex according to the economic and public health conditions and thus there was a need to make sure the region had the necessary powers and levers to deal with the crisis.

Councillor Angus Lees noted the Treasury spending review being a one year roll over and asked if there was room to increase the funding ask; how would a one-year review affect schools and the NHS; and what was meant by a special multi-year settlement.

Julia Goldsworthy advised that usually the spending review was three years revenue and 4 years capital and advised that it would continue to be more than one year for schools and the NHS but that the implication for others was a one-year settlement. She advised that there remained more scope for capital and thus the CA were pursuing this as matter of urgency.

Councillor Angus Lees stated that if Covid got worse in areas then the Government would need to help out and Julia Goldsworthy confirmed that the CA were in regional negotiations with Government.

Councillor Bob Sleight noted one-year revenue but stated that capital spending was a concern and asked what flexibility could be encouraged through the CSR. He stated that there was a need to start lobbying on some of the Asks, to include Birmingham International Station.

Julia Goldsworthy advised that the CA were clear on their what the multi-year, capital asks were and the Chair whilst noting that not all the CSR asks could be achieved advised that they wanted to be able to commit to the capital spends.

Katie Trout advised that the Round Table discussions had highlighted the need to build back greener and thus there was a need to present the projects in relation to how they could support these green ambitions.

Resolved:

That the Board receive and note the Policy Context and Developments, taking forward the comments in relation to the capital asks.

123. Future Research Focus

Rebecca Riley advised that she had established a group to look at the issues to inform the future research focus but noted that it was not an exclusive group thus if anyone in the Board's organisations should be involved then to advise her. She stated that the current work was exploring the issues already published in the Recovery paper. They were considering big global changes to include business travel slowing and the shift to home working.

She advised that work on was ongoing on scenario planning and purchase of a Regional Economic Forecasting Model – initial discussions with providers and that they were also looking at the model being made available to partners across the region, through the regional group.

She advised that a sub group had met a number of times in the last 6 months to look at the user requirements for evaluation and monitoring, and how this could align with the Single Assurance Framework. An initial review has started looking at gathering of best practice examples across different policy themes and intervention types, with the aim of collating best practice guidance on the application of the Green Book across all interventions. The group has also identified a need for training both at an introductory level and practitioner level for business case development, which covers the whole project lifecycle through to evaluation. WMREDI/Dream are currently exploring options on this and how it could be rolled out.

In regard to the State of the Region update, there had been 6-month reflections – a number of significant data releases had been put on hold by ONS (i.e. GVA in December), therefore any update would focus on changes under pandemic conditions as and when they happen, through the weekly monitor with a view to reviewing these in the New Year. Key issues to continue to watch included: the impact of furlough and redundancy pressures; impacts of second wave; impact of student recruitment, supply chains and impacts on city centres. In terms of the impact on city centres a piece of work was being carried out led by Adam Hawksbee with Local Authority Chief Execs which the WMREDI partners were feeding into.

Councillor Angus Lees welcomed the update but asked when the activity would be implemented. Rebecca Riley advised that it was currently happening and that there was a shared methodology.

The Chair noted the work and stated that the timeframe should be included in the Forward Plan.

Councillor Ian Courts advised that with the megatrends unfurling such as home working and the evidence come forward, what engagement work did they want to do with the SED Board.

Rebecca Riley in terms of the model this was something that could be updated as it developed. In relation to global and megatrends there was need to look at was already happening and how the pandemic was impacting. She advised that work was continuing with academics i.e. in regard to logistics. She advised that she would share an outline of the workshops.

The Chair advised that the asks of the SED Board should be specific and detail what was required. He stated that as a region the research needed to bring out the competitiveness difference and the core competencies.

Resolved:

- 1) That the feedback on the direction on the research plan be noted;
- 2) That the Board endorse the principle and approach in the plan; and
- 3) That the Board request that the timeline be included in the Forward Plan.

124. Major New Market Opportunities – Modern Services

Tim Kay and Hilary Smyth-Allen were in attendance to provide an update and overview of the Modern Services activity to include clarity of the scope of the sector and its inter-relationships with other sectors; the impact of Covid-19 on priorities and interventions; and the role, focus and future activities of the Modern Services Board.

The Local Industrial Strategy vision was highlighted, which underpinned the work of the Board - The West Midlands aims to build its reputation as a high-value business and professional services location benefiting from a highly diverse and highly skilled local workforce... The West Midlands is driving innovation and demand through a 'full modern services' offer that benefits the wider local economy, including highly paid, highly skilled roles for all communities.

The sector action plan and been revised to a recovery plan looking at the future of services, the gig economy, transformational technologies.

As with other sectors there had been a huge impact of Covid-19 which had led to the following approach:

- Change in priorities from strategic MMO thinking to BPFSS sector focus in short term.
- Not without impact, but areas of priority intervention remain consistent.
- Acceleration of innovation led interventions was a key impact for policy team.
- For phase 1 sector, Modern Services agenda was still very relevant and opportunities remained to build from position of strength

Tim Kay advised that the Modern Services Board Focus in Q3 would be:

- Established and functioning board membership – first meeting scheduled for November.
- Agreeing the scope and sphere of interest/ influence for Modern Services/ prioritisation.

- Understanding the current position & exploration of Modern Services KPIs/ economic impact – baselining, existing data/ measures – First meeting scheduled with WM ODA to understand existing knowledge base.
- Priority in Q4 would be Modern Services Delivery Plan 2021/22

The Chair stated that as the sector represented 25-30% of the region's business then it would affect all businesses and sectors, and asked if the issue of funding was going forward to the first meeting in November.

Councillor Ian Courts advised that when the next report came to the Board that it should include a delivery plan, concentrating on a few opportunities for the sector.

Resolved:

That the Board receive and note the update on the Modern Services Sector Major New Market Opportunities.

125. Creative Sector Plan

David Furnage advised DCMS's definition of creative industries versus the cultural sector you will see an overlap: Film, TV, music, radio, photography, crafts, and perhaps surprisingly, museums, galleries and libraries appear in both. In addition, DCMS has said recently that the term Creative Industries *can* be used as a catch-all term to include culture, and so the LIS definition used for this report does include the elements of culture that drive economic growth and placemaking.

He Highlighted the progress across the following 8 actions

- Action 1: Specialist Business Support
- Action 2: Cluster development and cross
- Action 3: Align education & training + careers provision regional collaboration programmes
- Action 4: Creative sector training and access to work and Identify barriers to progress, which I hope this group can help solve.
- Action 5: Creative innovation Programmes
- Action 6: Creative Sector Building Programme
- Action 7: Leverage Cultural Action Zones to re-animate our places
- Action 8 Restarting & sustaining Cultural activity & placemaking

He advised that DCMS's definition of creative industries versus the cultural sector had overlaps and included - Film, TV, music, radio, photography, crafts, and perhaps surprisingly, museums, galleries and libraries appear in both. In addition, DCMS has said recently that the term Creative Industries *could* be used as a catch-all term to include culture, and so the LIS definition used for this report does include the elements of culture that drive economic growth and placemaking.

The current state of the sector could be divided into three broad groups:

- A small group, mostly games companies, were doing well.

- A large group, including designers, marketing, film makers, animators, software makers and VR/AR had been hit hard but were still trading. They have used furloughing and cost cutting alongside digital tools and remote working to adapt and survive so far.
- The third significant group had been hit very hard to include commercial venue-based organisations which did not normally receive any arts grants, including music venues, theatres, cinemas and associated suppliers.

David Furmage advised that they were seeking support through the SED to the following barriers: -

Barrier 1: A more unified approach to business support across the region could improve outcomes for individual businesses.

Barrier 2: Advocacy to government for more flexible grant programmes that take into account the high use of freelancers in this sector by reducing the mandatory employee head count for eligibility.

Barrier 3: Advocacy to government for further targeted support to the hardest hit creative sub-sectors and their supply chains as lockdown continues.

Barrier 4: GBSLEP has funding for this in its area, but to be really effective we need coordinated action with other LEPs to extend the intervention across the region.

Barrier 5: Continued advocacy is needed nationally on apprenticeship levy rules and flexibility of skills money to cover unfunded costs such as the training provider brokerage element of multi-employer schemes.

Barrier 6: Significant shortage of both revenue and capital monies for cultural recovery. The £1.57bn cultural emergency fund to date has been exclusively to support businesses very close to failure. Further support is needed, as outlined in our CSR submission, to actually invest long term in the sector and its businesses.

Barrier 7: For effective and timely interventions we need an improved level of coordinated action between LEPs and other regional stakeholders.

Barrier 8: Advocate for certainty over new capital resources for LEPs and the WMCA.

Councillor Ian Courts advised that the sector represented 1 in 20 jobs and needed to be given a lot of impetus. In reference to the barriers he advised that there was also technical infrastructure.

Councillor Peter Butlin noted that gaming was doing well but referenced live venues requiring support to include the support staff i.e. lighting and sound engineers etc., who were generally freelancers and their skills could disappear if they did not receive support.

The Chair observed that it was also a sector where younger employees were adversely affected. He asked that when the Create Sector Plan was re-submitted that it include the next level of detail, that is actions and potential outcomes.

Resolved:

That the SED Board

- 1) Note the very variable business situations that different parts of the creative sector are facing as a result of Covid.
- 2) Note the rationale for how the eight creative sector actions have been prioritised within the West Midlands Creative Industries Local Industrial Recovery Plan (WM CI LIRS).
- 3) Endorse the on-going interventions within the WM Creative Sector Recovery Plan.
- 4) Report to the January meeting on what actions the Board can support to help unblock the barriers to delivery that a number of these actions are facing.

126. Create Central

Suzie Norton and Ed Shedd provided an overview of activity in year one and an overview of the evolving governance model of Create Central after one-year.

They advised that the next steps would be to:

- Commission skills/diversity/geography audit.
- Work with WMCA to review governance.
- Agree selection process for Create Central Board and Membership.
- Seek approval from SED in January 2021.

The Chair welcomed the report coming forward to January.

Suzie Norton advised that they were looking at production and inward investment and the impact of Covid-109 on film, tv production and infrastructure i.e. Mercia Studios and work was being done with the WM Growth Company. She advised that they would be coming back to the Board with tangible actions for a pan-regional approach. The Chair welcomed the news on Mercia Studios.

Resolved:

That the SED Board note the update.

127. Creative Scale-Up

Fiona Latter advised that the West Midlands was an ideal location for the initial two-year pilot programme to deliver meaningful results in a relatively short time. In particular, the region had the following assets:

- A large, growing cluster of around 13,000 creative enterprises providing a viable pool for the programme, with some of the largest growth in creative businesses in the country.
- Around 10% of the UK games industry; a substantial advertising, marketing and design sector; the largest jewellery, crafts and designer maker cluster outside London; and the UK's first large scale 5G test bed providing unique opportunities.

She advised that the WM had the local infrastructure required to establish the programme: including local business support architecture with scale up experience; a newly established Digital and Creative Syndicate of Angel investors; a British Business Bank regional lead and established experience of working with the Creative Industries.

She highlighted that there were four cohorts underpinning the work:

Cohorts 1 to 3:

- Within one cohort there are 3 'Cohorts'; a Birmingham, Black Country and Coventry & Warwickshire cohort (3 main LEP areas in the West Midlands)
- Each LEP cohort comprises of 10 businesses max (we can allow 10-12, to allow for dropouts)
- Same sessions repeated by workshop stream providers (online until otherwise)

Cohort 4:

- Cohort 4 has been devised for larger SMEs with a turnover of £500K plus larger teams.

In addition, there were workshop stream, meet the investor event and trade missions scheduled. Ambitions for the future included Sector Specific Cohorts; Increased use of mentoring through new CRM Mentors Matching System; Trade Missions to Argentina, Poland and Pacific North West; Linking up with pipeline programmes including the P Word and Creative Warwickshire; Development of the Digital and Creative Syndicate to increase numbers of businesses receiving investment.

Fiona Latter advised that she would report back to the Board in January.

The Chair asked that she provide some detail of case studies to the January Board and asked what success would look like. Fiona Latter advised that success was moving businesses to the next level, highlighting that some gaming companies had increase by 300-400% over the Covid-19 period. The Chair asked that the next update include an aggregate of the businesses taken to the next level and commented that other areas could benefit from the Scale-up approach.

Resolved:

That the SED Board note the progress of the region's Creative Scale-Up project and endorse its future plans.

128. Date of Next Meeting

Resolved:

That it be noted that the next meeting would be held 19th November 2020.

The meeting closed at 5.00pm

Chair