



West Midlands Combined Authority

Strategic Economic Development Board Meeting

Wednesday, 20 January 2021 at 1.00pm

Minutes

Members

Greater Birmingham & Solihull LEP
Black Country LEP
Coventry & Warwickshire LEP
Cabinet Portfolio - Economy &
Innovation (City of Wolverhampton)
Dudley MBC
Redditch BC
Sandwell MBC
Solihull MBC
Walsall MBC
Warwickshire CC
WM Universities
Automotive Sector
Construction Sector

Tim Pile (in the Chair)
Tom Westley
Sarah Windrum

Councillor Ian Brookfield
Councillor Angus Lees
Councillor Matthew Dormer
Councillor Danny Millard
Councillor Ian Courts
Councillor Adrian Andrew
Councillor Peter Butlin
Prof John Latham
Prof David Keene
Sat Nijjer

Officers in Attendance

Black Country LEP (Rail)
Black Country LEP
Black Country LEP
City of Wolverhampton
Coventry & Warwickshire LEP
Coventry & Warwickshire LEP
Coventry City Council
Greater Birmingham & Solihull LEP
Greater Birmingham & Solihull LEP
City of Wolverhampton
Create Central
Create Central
West Midlands Combined Authority
West Midlands Combined Authority

Rachel Eade MBE
Sarah Middleton
Prof Delma Dwight
Charlotte Johns
Paula Deas
Jordan Dowthwaite-Clark
Andy Williams
Ed Watson
David Furnage
Charlotte Johns
Suzie Norton
Nick Toon
Julia Goldsworthy
Annie Kehoe
Fiona Latter
Rebecca Riley
Jonathan Skinner
Tony Smith

**Item
No.**

159. Apologies for absence

Apologies for absence were received from Councillors Matthew Dormer, George Duggins, David Humphreys, Izzi Seccombe and Ian Ward and from Matthew Hammond

160. Declarations of Interest

No declarations were made.

161. Notes of the Strategic Economic Plan Board Meeting held 17 December 2020

Resolved:

That the notes of the meeting held on the 17 December 2020 be approved as an accurate record.

162. SED Board Tracker Log

Resolved:

That the SED Board Tracker Log be received and noted.

163. Forward Plan

The Chair noted the revisions to the Forward Plan and reiterated his requests that officers to ensure the right structure the March meeting and the 2021/22 meetings on dates to be agreed, to optimise the effectiveness of the Board's input.

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

164. West Midland CA Covid Economic Monitoring – WM Redi weekly monitor 15 January 2021 and the updated SED Board Economic Dashboard

Rebecca Riley provided an update highlighting the headline figures, to include:

- The Covid death rate had increased over the Christmas period;
- Youth claimants, the latest forecast would increase in the second quarter of this year;
- Business Activity before Christmas had indicated optimism and gone into positive;
- Quarterly GDP had dropped at the beginning of the last quarter and forecasters had noted that the region would be hardest hit because of the business base and the export/import and inward investment.

She advised that she would not do a full update on the State of the Region but would provide an update for June. She highlighted that the region had been at £100BN in the economy and were outperforming other regions, however in regard to the strengths and the weaknesses the region had it was predicted that it would be the worst affected economy due to Covid and Brexit impacts; the business base had been growing faster but now 1 in 5 businesses were closed; employment had slowed and the region was one of the worst for furlough; apprenticeships had dropped off; claimants had doubled over the period; 20% of the region were in the most deprived of the country and these communities had been hit harder by Covid. However, there were positives in that there was pent up demand; accelerated digital connectivity and higher levels of digital usage.

The Chair asked that work be done with the four Executives across the LEPs and the CA so that when the Economic Dashboard report came back in March that not only would it include a translation of the implications of the impact on the economy but would include 2 to 3 key actions to tackle the issues.

Sarah Windrum advised that there was potential to use the predictions of the Brexit impact and current dashboard to look at scenarios for the West Midlands in Quarter 2 of 2021, or when the current Covid related support mechanisms were due to end.

Julia Goldsworthy advised that the CA and LEP colleagues could build into the Covid 12 months on plan. She advised that they were tracking the key actions and interventions that were required through Government, regional, local and sub-regional level, with the aim of mapping the gaps to see what other interventions were required. In respect of the scenario planning, she advised that this was work in progress and would come out through the Brexit item and advised that they were working through the quantum of implications, highlighting that in relation to trade issues they were seeking to understand whether they were initial “teething” problems or whether there were other problems that would not materialise for a while.

The Chair acknowledged the points made but advised that for this Board he would still wish to see the actions to be taken to address the issues the dashboard was currently highlighting.

Resolved:

- 1) That the Board note the Economic Dashboard data and summary of the State of the Region;

- 2) That the Board note an interim State of the Region report would be submitted through to the June Board; and
- 3) That the further interventions and actions required to address issues identified in the Dashboard be developed and reported through to the Board.

165. Implications of the Trade and Cooperation Agreement

Julia Goldsworthy advised that the paper and reports shared with the Board represented the first take where we were with the trade deal and emerging implications. It represented one part of the work being undertaken and LEP colleagues may wish to on the work in the localities to include the sector views. It identified the current risks and how they could be managed. Work was also being undertaken at the SCG level and through the EIG. She advised that it would take time to work through what at a high level was a very substantive free trade agreement but with some specific exceptions which would provide challenges such as the issues being felt in food distribution. However, she added that there were also opportunities, including in battery technology and production and electric vehicles. She highlighted that there was a Brexit Contingency fund with a current focus on the business face of the local authorities, particularly environmental health and trading standards and advised that it was going to be “bumpy”.

Tony Smith provided an overview of the Agreement noting that it was hard Brexit which meant that there were lots of gaps and unfinished business, meaning that negotiations would be ongoing for a number of years and that there was uncertainty of businesses and the economy going forward. He advised that the Board would need to consider the medium- and longer-term impact of the Agreement. He advised that there were issues intrinsic to the deal that could not be changed such as the freedom of movement which was unlikely to see any re-negotiation thus there was need to consider how to adjust.

In respect of longer-term issues, Tony Smith highlighted that there were big gaps around the service sector to include financial agreements; recognition of professional qualifications; whilst there was a temporary agreement on data, this was only in place for 6 months and there was no guarantee these issues would get resolved, thus there was uncertainty. In respect of other big changes, migration affected certain sectors which were dependent on immigrant labour. There was more pressure to invest in home battery production and the broad forecasts on GDP were not looking good.

Tony Smith advised that whilst there was no shortage of data and intelligence the question remained is what you did with it. He concluded that the Brexit fund currently focussed on public services but there was scope to widen the focus.

Councillor Ian Brookfield highlighted one area high on his radar was the loss of EU fund which equated to approximately £20m for the City of Wolverhampton and which had provided funding for schemes to create jobs, provide training and enable businesses to expand. As yet the replacement funding was unknown but as a region and noting the Government plans to “level-up”, there was a need to receive the lost EU funding before the region could progress anywhere else.

The Chair advised that he had asked the three LEP Chief Executives to get to one figure of what EU funding had brought into the region, a “hero figure”, which captured ESIF/ESA etc. and thus be clear the support the region had received over the last five years from EU funds. He noted that that the Leveling Up Fund was currently £4BN.

Councillor Angus Lees queried where the economic growth was coming from and reflected on the education sector, which to his mind all seemed to be a bit disjointed at the moment, would be key. He advised that he was involved in scrutiny review looking at how funding had been allocated and the bidding processes. In respect of the Black Country, he highlighted the work on the Very Light Rail project and Dudley Institute of Technology. He commented that in order to develop a strategy there needed to be clear knowledge of where the region was going to be.

Councillor Peter Butlin advised that he was optimistic and commented that the EU had been a barrier to new technology opportunities by over legislating, highlighting that UK tech firms had received £11.2BN investment by venture capitalist which was more than France and Germany combined. Whilst the EU was a market of 550m people the world’s population was 7BN plus.

Prof Delma Dwight shared the chart of EUSIF Funding allocation between 2014-20:

| | |
|---------------------------------|-------|
| Black Country | £177m |
| Coventry and Warwickshire | £124m |
| Greater Birmingham and Solihull | £255m |
| Stoke and Staffordshire | £169m |
| The Marches | £100m |
| Worcestershire | £69m |
| West Midlands Total | £894m |

The Chair welcomed the notification of the figures and commented that, whilst it was good that a negotiation that would normally take 5-6 years had been concluded in 1 year but noted that there were still issues that remained unresolved. He proposed that going forward, every time there was a review of a sector plan there should be consideration of the Brexit outcome to include implications, opportunities the direction required for the sector to include consideration of cross cutting themes across the sector.

Resolved:

That the SED Board:

- 1) Note the summary provided on the implications of the Trade and Cooperation Agreement; and
- 2) That each sector plan review include a transition (Brexit) lense in respect of the implications, opportunities and direction required for the sector; to include identification of cross cutting themes across the sectors.

166. Policy context and development

Levelling Up; Overall context and potential urgent workshop on retail and hospitality sectors; Levelling Up-Fund and Shared Prosperity Fund; Community and economic recovery; Covid 12-month On; Jobs and Skills Board; and Green Book training.

Julia Goldsworthy advised that the report recapped the economic context which currently did not provide for a great outlook. However, there was a £600m treasury business support grant coming through the local authorities; a short-term call for action to partners across the region was close to being finalised, seeking clarity on Government support to:

- 1) Provide maximum prior notice to businesses of forthcoming changes;
- 2) A further push on previously raised gaps;
- 3) Unlocking space to enable business to plan and move quickly, in that the first mover should have an advantage.

She referenced the announcement of the Government's Build Back Better Council which was going to have quarterly meetings to consider opportunities and how to build future growth, which had a good regional representation but was a big business view so has a region there was a need to reflect the diverse business base and how that gets represented through that process. There was need to understand risks for sectors.

In respect of national announcements, Levelling Up and UK Shared Prosperity Fund these were expected at budget time. At present the CA and LEPs were pushing for regional need and flexibility as currently it was being driven centrally.

In response to the Green Book the summer school was being developed but consideration was being given to what could be done sooner.

In regard to the Covid 12 months on report this would be a two-part report, to include:

- 1) Bring together all activity and recovery planning across the region; and

- 2) Consider recharge priorities and how they related to future opportunities. Considering how the situation had evolved over Christmas it was still at response mode and there was need to include immediate activity and trail some key economic missions that would be pursued.

She highlighted that since the last meeting BEIS had a new Secretary of State, Kwasi Kwarteng, who had announced five priorities, which were strongly aligned with the WM region – Business response and support to Covid; Trade; Decarbonisation; Innovation; and the National Security bill.

Julie Nugent advised that working closely with Councillor Ian Brookfield who chaired the Jobs & Skills Board the actions were closely aligned to the wider economy recovery and the activity had been structured in three areas:

- 1) Helping Young people;
- 2) Getting WM Back to Work; and
- 3) Future Jobs Future Skills.

Whilst it was not known where economic growth would come from at present where there was recognition of an immediate need or where employers were re-skilling resources were being targeted there, thus digital, construction, health & social care and also electrification. She advised that whilst there was not yet a set out plan, they were switching resources where need was identified to support providers and she would come back to a future meeting.

The Chair welcomed further reporting to provide a schedule for skills as it was a major requirement going forward for not only tackling youth unemployment but also general unemployment. He noted the comments on the need for a structured plan in respect of skills. In respect of the update on the Secretary of State he was pleased to see the priorities aligned with the regional priorities; welcomed the Green Book summer school, although the sooner the better; the Covid 12 months on whilst noting there was a need to re-express what had happened in the last 12 months, he stated that there was need to develop what success would like in tackling the economic issues arising from the pandemic.

Rebecca Riley advised that there was a meeting scheduled with Treasury on Friday and that they were developing a series of road shows in respect of the Green Book. She advised that they would be seeking nominations from partners for a Regional User Group.

Julia Goldsworthy advised that “Covid-12 months” on was a working title. In respect of the part of the interface with Government she advised that they had gone very quiet on the Local Industrial Strategy nationally but advised that the CA were monitoring any activity.

The Chair noted that everything had been impacted by the pandemic but there was still a need to push. In respect of the Retail and Hospitality Sector he asked who was the lead. It was noted that Coventry and Warwickshire LEP were leading on Retail and would report back to the next meeting.

Resolved:

That the SED Board:

- 1) Note the updates provided;
- 2) Request officers to progress the Green Book Summer School as fast as was possible, to ensure the region were prepared for future funding announcements and consequently submissions;
- 3) Advise the local authorities that a Regional Green Book User was being established for which nominations were being sought from each CA partner;
- 4) That the Covid 12 months on report highlight what success would look like;
- 5) Note that Coventry and Warwickshire LEP were leading on the Retail and Hospitality Sector, with a report to be submitted through to the next SED Board; and
- 6) Note that the Jobs and Skills programme would be reported to a future meeting, to be scheduled.

167. West Midlands Business Support

Paula Deas provided an overview of the current support coming through the Growth Hubs and Federation of Small Businesses, although it was noted that there were still some gaps. In respect of Retail and Hospitality they were galvanizing and combining efforts in Coventry. She advised that the City Council had looked to plug the gaps for the cultural sector and independent workers.

Paula Deas advised that in respect of the medium term there was need to consider where the gaps in provision were and change or vary the products to meet these. This was being done by harnessing the intelligence and provide products that were "Fit for Purpose" for customers. She noted that much of the funding to now had been associated with EU funding.

Resolved:

That the SED Board:

- 1) Note the progress on both the immediate economic provision of, and the potential improved solutions to, economic support measures.
- 2) Note the analysis of the wider landscape and the initial findings of the scoping meeting highlighting how improved information, advice, and support provided by Growth Hubs at the centre of the ecosystem, will help businesses and entrepreneurs accelerate economic recovery over the medium-term.
- 3) Agree to the ongoing work to procure external services to look at options for a long-term fit for purpose future operating model for business support.
- 4) That a further report be submitted to the March SED Board.

168. Sector Plans – Rail

Rachel Eade provided an overview of the work being undertaken on the Rail Sector Action Plan highlighting that Rail was part of the connected transport infrastructure. In respect of the sector there were key sub-sectors to consider i.e., connectivity, digital, catering and construction. She observed that the WM was one of the largest regions impacted by rail, with a strong base for HS2 and supported by world leading innovation to include the Very Light Rail scheme at Dudley and the WMG at Warwick. The region had a good range of support but in relation to Covid the sector had been impacted severely in terms of passenger journeys, with Lockdown 3 having an even bigger impact. There was need to get the messaging out there to get passengers to return.

However, Rachel Eade advised that there remained opportunities around digitisation and decarbonisation. She advised that there was need to work together across the region for a rail and transport recovery for work, education and tourism.

The Chair noted how the sector cut across sectors and asked how best the SED Board could best support to encourage the public back on to transport to include rail and buses.

Councillor Peter Butlin advised that he was the Chair of WM Rail and advised that rail was operating at 15% of capacity and that the “new normal” would be that people would not return to workplace-based locations on a daily basis but that the challenge was to make people feel safe and restore confidence. There would be a need to redo pricing the model for travel and provide flexibility. He highlighted forthcoming innovations to include hydrogen and gas powered trains.

Rachel Eade advised that there was an opportunity to move more freight off the road and Sat Nijjer agreed with this, plus he advised that there were the lighter rail opportunities being developed. The Chair added that HS2 would provide the freight opportunity rather than solely speed of journeys.

Councillor Peter Butlin observed that whilst there were good rail links north and south, there was a need to develop the east to west linkages, particularly for freight to Felixstowe.

The Chair welcomed the update and asked Rachel Eade to advise the Board when she required specific support or action from them.

Resolved:

That the SED Board:

- 1) Note the comments of the Board in respect of opportunities for rail and transport;
- 2) Ask the Sector Lead to advise the Board when their support was required for specific actions to taken.

169. Sector Plans - Creative

David Furmage provided an update on the delivery plan, which now included the Covid recovery plan, however he noted that there was need for national support. He highlighted the impact on the creative sector in relation to the touring market with the new rules on movement to the EU.

He provided an update respect of progress against the following actions previously reported

- Ci1.2 Covid Recovery Creative Sector Support Programme;
- Ci2.1 Creative Cluster Collaboration Programme;
- Ci2.2 Develop & Launch CI Data Portal;
- Ci3.1 Map immediate and future creative work roles;
- Ci4. 1 Broader creative careers provision into schools;
- Ci5.1 Map innovation opportunities between creative, tech and key sectors – harnessing benefits of Createch1 for the region;
- Ci6.1 Develop an investible pipeline of creative infrastructure projects;
- Ci7.1 Develop ‘cultural action zones’, heritage investments, and ‘meanwhile spaces’; and
- Ci7.2 Develop and investible pipeline of cultural capital projects

Councillor Ian Courts commented that the sector was held back by the lack digital infrastructure and skills. David Furmage advised that there was flexibility in digital skills in other sectors, thus there was a need to try to exploit the availability of digital skills in these other sectors. Councillor Ian Courts added that the sector represented 5% of the workforce across the West Midlands and David Furmage stated that if the wider creative sector was included, then the sector was actually 9% of the regions workforce.

The Chair welcomed the report and asked that, where possible, that the quantum behind the initiatives detailed and outputs could be included in future reporting.

Resolved:

That the SED Board:

- 1) Note, whilst Covid challenges continue for many creative & cultural sector businesses, the creative sector overall will be a significant contributor to the region’s economic recovery because it is an enabler of cross-sectoral innovation and growth across all sectors.
- 2) Note the progress being made through specific sector interventions that support recovery in the areas of business support, skills & talent development, innovation, infrastructure and place-making.
- 3) Endorse these on-going interventions within this WM Creative Sector Recovery Plan.

170. Create Central - Screen Industry Body - Next Phase Governance model of Create Central

Suzie Norton provided a presentation on the proposed revised Governance for the Screen industry Body and sought support from the SED Board for the proposals.

Resolved:

That the SED Board confirm the transition of Create Central beyond its initial Proof of Concept year, with a specific emphasis on streamlining decision-making, boosting diversity, representation and developing plans to ensure Create Central's financial sustainability.

171. Create Central - Screen Industry Body - Production & Inward Investment Strategy including regional production services.

Nick Toon provided a presentation on the Production & Inward Investment Strategy to include regional production services with the request that the SED Board support the recommendations in the strategy.

Sarah Middleton welcomed the proposals and advised that the Black Country had a new partnership to achieve inclusive growth across technical and supply chains. She was aware of the opportunities and encouraged a whole conurbation reach for the Strategy.

Nick Toon advised that he was aware of Deborah Aston and strong individual characters across the region which were incredibly important to develop the Strategy.

Resolved:

That the SED Board:

Approve the recommendations of the WM Production and Investment Strategy, as detailed below: -

STREAM 1: REGIONAL CO-ORDINATION AND DIRECTION

- 1) Given Create Central's mandated strategic development role for the region's creative content sector and subject to the approval of this strategy, Create Central to establish formal partnership agreements with key stakeholders to support delivery of this production and inward investment strategy.
- 2) Create Central lead to convene monthly meeting for key production and inward investment local and national stakeholders, including service providers, to co-ordinate knowledge sharing and activity and maximise impact

- 3) Work to commence as soon as possible on the sustainability of Create Central beyond the two-year BFI programme to deliver the long-term commitment required to make a lasting impact from this strategy

STREAM 2: PHYSICAL INFRASTRUCTURE (I.E. STUDIO SPACE) & PRODUCTION SERVICES

- 1) Create Central and key partners to continue to work closely with Mercian Studios to support its development and promote it as a key case-study of what the wider region can deliver in order to attract investment from other investors, including broadcasters and streaming services.
- 2) Create Central to commission studio mapping exercise and use output to work with WMGC to promote the region as a potential destination for long-running HETV or feature film production [tender issued].
- 3) West Midlands to develop improved region-wide production services offer. Create Central to provide key coordinating role and strategic advice to ensure that bodies including Creative England, Film Birmingham, Local Authorities and Crew Birmingham, work together more effectively to support incoming productions right across the region.

STREAM 3: REGIONAL INDEPENDENT PRODUCTION SECTOR SUPPORT

- 1) Create Central to support and promote the establishment of the Creative Content Hub in Digbeth, including through the development of financial incentives from appropriate local authorities to facilitate relocations to the hub by indigenous indies and the undertaking of a 'roadshow' to large UK indies to promote the hub as their out of London base.
- 2) Seek specific regional partnership opportunities with public service broadcasters, with an immediate focus on the BBC.
- 3) Seek partnership opportunities with new media entrants, e.g., YouTube.
- 4) Agree a partnership with RTS Midlands and explore opportunities with other relevant partners to support the development of region-wide indie networks of (i) established indies and (ii) emerging indies/new talent
- 5) Seek to establish region-wide indie production development fund pilots [see Stream 5] to support growth of local indie sector and creation of IP, and facilitate partnership opportunities with broadcasters such as BBC, Channel 4, and Sky.

STREAM 4: BUILDING A HIGHLY SKILLED, DIVERSE, LOCAL CREW BASE AND TALENT POOL

- 1) Conduct a mapping exercise of existing crew in region to identify strengths, weaknesses, and opportunities [tender issued]. Co-ordinate outputs from this with wider West Midlands screen training offer completed by Create Central in December 2020 in order to inform skills & training plans for the region.
- 2) Create Central to provide coordinated oversight of region-wide training opportunities, establish pilot fund for production training, and seek industry partnerships (e.g., with BBC, Channel 4, Sky) to ensure training opportunities are sustainable and open access to the industry for residents from all backgrounds, coordinating this work with the outcomes from the bootcamps pilots and broadcast training opportunities arising from the Birmingham 2022 Commonwealth Games.

STREAM 5: LOCAL FUNDING SUPPORT FOR PRODUCTIONS

- 1) Create Central to work closely and effectively with Creative England, administrators of the West Midlands Production Fund, to promote the fund and identify opportunities to secure investment in a returning HETV series.
- 2) Create Central to pilot development funds to support local production. In the first instance to explore potential development funding partnerships with existing broadcasters, e.g., BBC, Channel 4 [see Stream 3] as proof of concept for creation of longer-term regional support for IP development

172. Creative Scale Up Programme – an update

Fiona Latter advised that the DCMS had not extended funding for the programme. However, there was still an opportunity to continue a skeleton programme through to March 2022. She reported that in respect of the Scale programme, the initiative had worked well.

Resolved:

That the update be noted.

173. Date of Next Meeting

Resolved:

That the SED Board note that the next meeting would be held 11th March 2021.

The meeting closed at 3.00pm

Chair