

## WMCA Board

<b>Date</b>	19 March 2021
<b>Report title</b>	Economic Update and Next Steps
<b>Portfolio Lead</b>	Economy & Innovation - Councillor Ian Brookfield
<b>Accountable Chief Executive</b>	Deborah Cadman, West Midlands Combined Authority email: <a href="mailto:deborah.cadman@wmca.org.uk">deborah.cadman@wmca.org.uk</a> tel: (0121) 214 7200
<b>Accountable Director</b>	Julia Goldsworthy, Director of Strategy email: <a href="mailto:julia.goldsworthy@wmca.org.uk">julia.goldsworthy@wmca.org.uk</a> tel: (0121) 214 7941
<b>Report has been considered by</b>	WMCA Programme Board

### Recommendations for action or decision:

#### WMCA Board is recommended to:

- (1) Note the latest economic intelligence about how the Covid-19 pandemic and introduction of the Trade and Cooperation Agreement have affected the region's economy.
- (2) Note implications for the West Midlands of the 3 March Budget and 'Plan for Growth'.
- (3) Endorse the response and recovery planning undertaken to date - including a review of the business support system and development of finance instruments to support growth companies - and support the further development of recovery plans with partners, linked to five major challenges set out in 4.5.

## 1. Purpose

- 1.1 This paper summarises the latest economic data, regional implications of the 3 March Budget and Government's 'Plan for Growth'.
- 1.2 Building upon how the region has come together to respond to the economic and community emergency, the report uses insight from the State of the Region update to pinpoint the major challenges and inequalities that will ensure the region, in the words of the Young Combined Authority, "*we must rebuild, and rebuild back better*".

## 2. Latest economic intelligence

- 2.1 The first Covid-19 case in the West Midlands was confirmed on 5 March 2020. In the intervening period, 9,738 people have died across the WMCA's constituent and non-constituent authorities<sup>1</sup> and during 2020 the region's economic output fell by over £10bn because of restrictions to constrain the spread of the pandemic.

### *National picture*

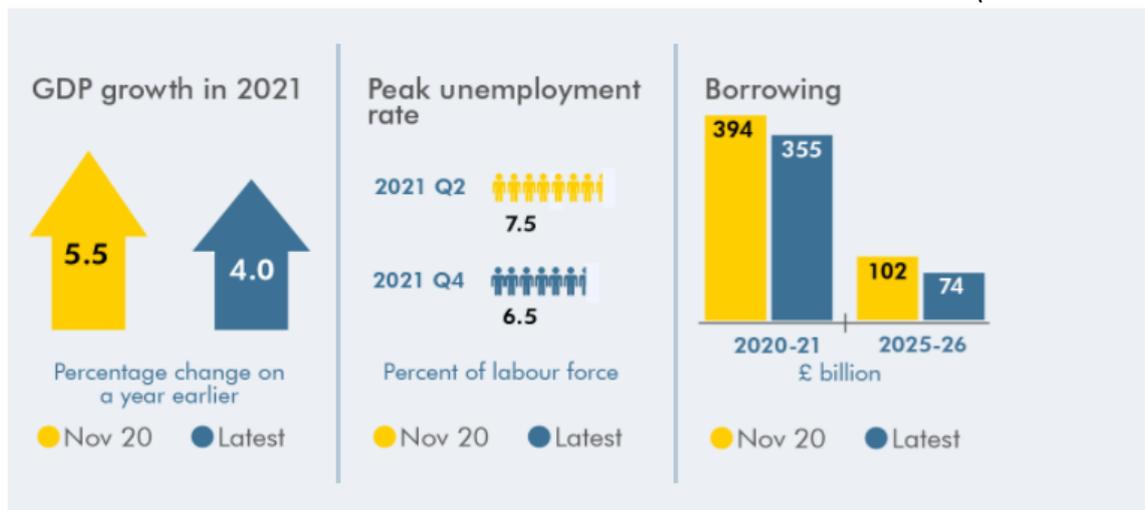
- 2.2 Nationally, the UK economy contracted by 9.9% in 2020. Moving into 2021, first quarter output has been constrained by national lockdown and trade frictions from the move to the Trade and Cooperation Agreement with the EU, but the Office for Budgetary Responsibility (OBR) finds that the rapid rollout of effective vaccines offers hope of a swifter and more sustained economic recovery. The easing of public health restrictions in line with the Government's 22 February Roadmap<sup>2</sup> should permit a rebound in consumption and output through 2021, partially supported by the release of extra savings built up by households during the pandemic. GDP is expected to grow by 4% in 2021 and to regain its pre-pandemic level in the second quarter of 2022, six months earlier than it forecast in November. The pandemic is nevertheless still expected to lower the supply capacity of the economy in the medium term by around 3% relative to pre-virus expectations.
- 2.3 The national impact on people and businesses remains challenging, with unemployment projected to rise by a further 500,000 people to a peak of 6.5% at the end of 2021, but this is around 340,000 less than the 7.5% assumed previously, thanks partly to the latest extension of the furlough scheme. Changes to the headline measures of growth, unemployment and borrowing are summarised below.

---

<sup>1</sup> To 23 February. Source: <https://coronavirus.data.gov.uk/details/deaths> - deaths within 28 days of a positive test

<sup>2</sup> See: <https://www.gov.uk/government/publications/covid-19-response-spring-2021/covid-19-response-spring-2021>

Fig 1 – Overview of new forecasts in the OBR’s Economic and Fiscal Outlook (March 2021)

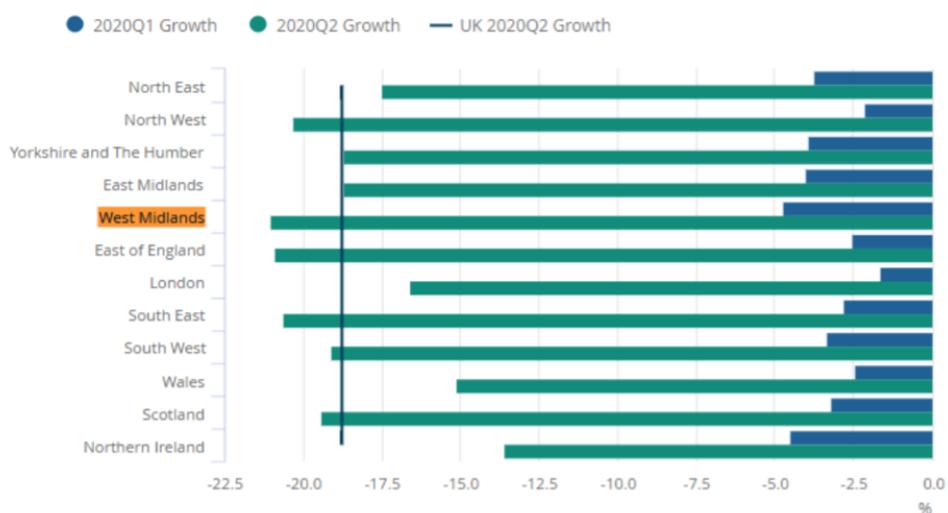


Source: OBR Economic and Fiscal Outlook (March 2021)

### Economic and social impacts in the West Midlands

2.4 At the outset of the pandemic, experts forecast the economic impact of restrictions would be more severe in the West Midlands than elsewhere. This was based upon its sectoral strengths and young, diverse demography. Most of the region’s residents and businesses have been under tighter operating restrictions since 14 October 2020, in addition to the first lockdown from 23 March to 4 July 2020. Regional output statistics are now available and the West Midlands experienced the largest negative growth of all regions in the first two quarters of 2020 (see Fig 2).

Fig.2 – Quarter-on-quarter GDP change for UK regions



Source: Office for National Statistics – Regional GDP estimate

2.5 Analysis for the updated State of the Region report draws out the major ways in which the pandemic has affected people, including:

- 135,000 fewer workforce jobs across the region.
- 207,645 people across the 3 LEP area claim benefits because they are out of work, which is an increase of 90,055 since March 2020. The claimant rate among young people has nearly doubled to 41,230 young people (a rate of 8.4%).

- 261,000 people were furloughed in January 2021, a rate of 14.5%.

These themes resonate with the Jobs and Training priority in region's Community Recovery prospectus, *Levelling-up the West Midlands*<sup>3</sup>:

2.6 Economic evidence also points to stark sectoral impacts. The region's Local Industrial Strategy identifies distinctive sector strengths, with LEPs pivoting their leadership of regional sector action plans to help businesses survive and adapt to Covid-19 and the end of the Transition Period. Fig.3 summarises the insight and evidence about the sectoral impacts related to Covid-19 restrictions, with the highest risk sectors in Retail, Hospitality, the Cultural Economy, Advanced Manufacturing and Transport & Logistics.

Fig.3 – West Midlands Covid-19 sector risks

West Midlands Covid Sector Risks	Skills & Labour - % furlough in WM)	A2F – diff. between % of loans & economy proportion	Lockdown	Order Books	Insolvency & Debt	Social Distancing	Transition to New Business Models	Testing & Labour Supply	Digital / Home Working	Risk Management Capability	Overall Risk to Future Growth (inc. via EY forecasts)
Advanced Manufacturing & Engineering	12%	-1.3%									HIGH
Construction	15%	0.1%									MEDIUM
Retail	13%	-6.0%									HIGH
Cultural Economy	62%	2.6%									HIGH
BPFS	12%	1.4%									LOW
Energy and Low Carbon	6%	-0.1%									MEDIUM
Creative Industries	10%	1.8%									MEDIUM
Healthcare & Life Sciences	3%	2.3%									LOW
Transport and Logistics	8%	0.4%									HIGH
Hospitality	45%	-4.1%									HIGH
Public Sector	2%	3.3%									LOW

2.7 This summary includes businesses' access to finance across the sectors, which has been subject to a detailed report by the LSE<sup>4</sup>. It shows that the liquidity crisis of 2020 will soon become the solvency crisis of 2021. The authors say that more than one in seven UK businesses are at risk of failure in the next few months, with those 390,000 'at-risk' registered businesses employing 1.9 million people across the UK. Recommendations include providing protection from excess debt in the short-term and the introduction of a path to prosperity by stretching loan subsidies and moving to a system of debt restructuring in the recovery period. This is particularly relevant for the recovery, with growth SMEs able to grow and create jobs faster than incumbents.

<sup>3</sup> See: <https://governance.wmca.org.uk/documents/s5129/Appendix.pdf>

<sup>4</sup> LSE (2021): A major wave of UK business closures by April 2021? The scale of the problem and what can be done <https://cep.lse.ac.uk/pubs/download/cepcovid-19-016.pdf>

2.8 Across the UK, there is a projected investment shortfall of £15bn this year for start-up and scale-up firms, with the magnitude of financial shock in the West Midlands potentially greater than other regions. An initial piece of analysis has been completed which found historic funding for SMEs in the start-up and scale-up space is poor, with the West Midlands sitting in the bottom quartile in terms of proportion of UK SME deal share and investment share, despite some existing support measures. If the region does not address the gap to support growth firms, this will hinder the pace of jobs growth and dynamism of the recovery.

2.9 Fig 4. summarises the impacts and opportunities from the new trade frictions from the Trade and Cooperation Agreement with the EU and the ability to strike new trade deals. Sectors facing the greatest risk are Advanced Manufacturing; Retail; Business, Professional & Financial Services and Transport & Logistics, with a high degree of similarity about those sectors facing the compound effects of EU exit and pandemic risks.

Fig.4 – West Midlands Covid-19 sector risks

West Midlands EU Exit Sector Risks	CURRENT, OR POTENTIAL "TEETHING PROBLEM"						LONG-TERM STRUCTURAL CHANGE			
	VAT	Financial Equivalence	Travel	Customs Paperwork	Prof. Quals.	R. of Origin	Standards / Regulation	Data Sharing	Skills Shortages	Overall risk of reduced competitiveness
Advanced Manufacturing & Engineering	Red	Yellow	Yellow	Red	Yellow	Red	Yellow	Yellow	Yellow	HIGH
Construction	Red	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Red	MEDIUM
Retail	Red	Yellow	Yellow	Red	Green	Red	Yellow	Yellow	Red	HIGH
Cultural Economy	Red	Green	Red	Yellow	Green	Yellow	Green	Yellow	Red	MEDIUM
Business, Professional and Financial Services	Yellow	Red	Red	Green	Red	Green	Yellow	Red	Green	HIGH
Energy and Low Carbon Technologies	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow	LOW
Creative Industries	Yellow	Green	Red	Yellow	Red	Yellow	Green	Yellow	Yellow	MEDIUM
Healthcare & Life Sciences	Yellow	Yellow	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	MEDIUM
Transport and Logistics	Red	Yellow	Red	Red	Yellow	Red	Yellow	Yellow	Red	HIGH
Hospitality	Yellow	Green	Red	Yellow	Green	Yellow	Green	Yellow	Red	MEDIUM
Public Sector	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Green	LOW

*Mobilising business and civic leaders across the region*

2.10 To complement the quantitative analysis, regional leaders have continued to convene regular meetings with business leaders to understand the efficacy of support and act where there are gaps. Major themes include:

- Vital that Government provides businesses with clarity and certainty about the longevity of support – through measures like furlough, business rates reliefs, VAT deferrals and reductions, loan repayment schedules and addressing gaps in support.
- The West Midlands’ advanced manufacturing strength means it is particularly susceptible to preferential Rules of Origin (ROO) regulations, which led to targeted lobbying as the UK finalised its Trade and Cooperation Agreement.
- Rallying business support for major economic projects, including the Gigafactory, HS2 and the Business and Tourism Programme to lever the impact of the Birmingham 2022 Commonwealth Games.

2.11 As well as analysis of lagging economic data, regional partners have also been assessing how new societal and business megatrends set the context for the region's economic and community recovery. Delivered by WMREDI in conjunction with thinktank Future Agenda, the series of seven workshops<sup>5</sup> brought together academic experts, business leaders and public officials to understand the implications and opportunities for the West Midlands. The outputs of the workshops contribute to the reset of the region's priorities.

### **3 3 March Budget and Government's 'Plan for Growth'**

3.1 The West Midlands is a resilient and innovative region that's used to finding ways to seize on the opportunities coming from a crisis. Now, as the region looks forward and plans for recovery, partners are determined to step up again and tackle the challenges – including the deep-seated, historic issues of deprivation and inequality that existed long before the pandemic. This is a once in a lifetime opportunity to rethink and reset ways of working together across the region to deliver fundamental change that will benefit everyone who lives and works here.

3.2 A fairer, greener and healthier economic recovery in the West Midlands is vital for the national recovery. It is economically important for three reasons:

- Scale - the largest region outside London generating 5.5% of the UK's output.
- Previous growth trajectory – with the strongest track-record of growth outside London, buoyed by construction and services sectors.
- Export strength and the importance of exploiting new global trade opportunities - particularly related to the region's high-value automotive and aerospace manufacturers and their supply chains.

3.3 The West Midlands is also politically, socially and environmentally important, to the national recovery because:

- For Government to succeed in its mission to 'level-up' the country, it must address the stark economic, social and health inequalities exposed and exacerbated by the pandemic and manage public finances.
- Delivering net zero carbon and energy transition is vital for the region given its strengths in energy intensive industries and with the stock of industrial and residential buildings and energy supply. This corresponds to the ambitious 5-year action plan to deliver the region's commitment to be carbon neutral by 2041, as set out in agenda item no. 7.
- The region's young demographic means it will bear deeper long-term consequences of disruption to education and early-stage career progression.

3.4 Ahead of the Budget, the region's priorities for Government were consistent with its ambitions submission to the Comprehensive Spending Review (September 2020). The region has maintained its commitment to exploiting the 'big bets', including the arrival of HS2 through the refreshed Growth Strategy, capitalising on the Coventry City of Culture and Commonwealth Games, large-scale brownfield land development and securing the region's competitive advantage in electric automotive manufacturing by securing a UK Gigafactory.

---

<sup>5</sup> See: <https://blog.bham.ac.uk/cityredi/workshop-series-megatrends-and-cities-understanding-the-future/>

3.5 The Chancellor announced the 2021/22 Budget on 3<sup>rd</sup> March (briefing attached as **Appendix 1**). In addition to national measures to extend emergency support for businesses and households, the Budget included tax measures to incentivise investment (a 'super-deduction') and address strained public finances. For the West Midlands, a further £225m of investment was announced across some of the region's key schemes including:

- £59m for five new stations in the Black Country and south Birmingham.
- £50m to Solihull Council's Urban Growth Company to further exploit the full benefits of HS2 with transport improvements at Birmingham Interchange Station.
- £116m for the regeneration for Rowley Regis (£19m), Smethwick (£23.5m), West Bromwich (£25m) Wolverhampton (£25m) and Nuneaton (£23.5m) in Towns Deals.
- A £10m Wolverhampton-based Government taskforce to work with the WMCA in developing new construction technologies including low carbon, energy efficient homes.

3.6 In addition to the announcements in the Budget, over the last 12 months, the region has pursued support from Government to mitigate harm to businesses and people and stimulate future growth. A full analysis of the support offered to businesses, residents and authorities across the region is attached as **Appendix 2** and highlights include:

- £10.1bn of support provided by Government through furlough, business grants/loans.
- £376.3m of funding directly allocated to the West Midlands for its priorities, including the Brownfield Land Fund and National Brownfield Institute, VLR Innovation Centre, Precision Health Tech Accelerator and Completing Coventry's Cultural Capital.
- 26 of the region's 31 asks to kickstart economic recovery have been actioned, either by Government directly supporting regional plans (in part or in full), or by national government action.

3.7 Alongside the Budget, the Government unveiled its Plan for Growth and details of local growth funding for 2021/22. Led by HM Treasury, the Plan for Growth replaces the 2017 Industrial Strategy with "a new framework for how the UK will build back better". It responds to major changes since 2017 like the UK's adoption of the 2050 net zero target, coronavirus and the post-Brexit trade deal with the EU. Its short-term focus is on job creation, but retains a commitment to boosting productivity and living standards. The industrial strategy's focus on sectors is less strong, with instead a structure of:

- Three '**pillars of investment**' – Infrastructure; Skills; Innovation.
- Three ways of '**doing things differently**' – Levelling-up the whole of the UK; Supporting the transition to net zero; and the Vision for a Global Britain.
- A series of supporting strategies and documents to be published over the next 12 months, including on Net Zero, Innovation, Lifelong Learning, Digital and Devolution.

3.8 Future local growth funding is vital to delivering that vision. 2021/22 sees the replacement of the Local Growth Fund and tapering-away of European Structural and Investment (ESI) funding until 2023. Prospectuses have been published for the Levelling-Up Fund and Community Renewal Fund which, together, channel capital and revenue funding to locally led schemes to support business, boost places and quality of life, and help people develop their skills and find work. While further guidance is awaited, the region's local authorities and community groups will work together to develop submissions by mid-June and secure further investment to drive an inclusive economic and community recovery.

#### 4. Next steps

4.1 In May 2020, the region's political and business leaders acted swiftly to set 10 priorities to guide the region's approach which sought to (i) minimise harm to people, businesses and communities and (ii) forge ahead with ambitious propositions to stimulate future growth. Since then, there have been several milestones as partners, business and communities have acted across those broad aims, including:

- **Ongoing** – local authorities, LEPs, business and community groups, the WMCA and Government departments adapting delivery of vital services and support, particularly to help the most vulnerable.
- **June '20** – Proposition to 'Recharge the West Midlands' submitted to Government to kickstart economic recovery.
- **July '20** – Partners prioritise transformative projects for the £74m Getting Building Fund across the region<sup>6</sup>.
- **September '20** – West Midlands' submissions to Government on the future of devolution to help level-up the UK and on the Comprehensive Spending Review, covering the issues of infrastructure, economy & skills, public service reform and sustainable funding.
- **November '20** – Levelling up the West Midlands: Our roadmap to community recover and prospectus for government published with 41 areas of good practice from across the region, 27 shared ambitions for recovery, 29 asks of government and 15 initial areas for future collaboration following engagement with citizens and partners across the region.
- **November '20** – Intensive work with LEPs, Chambers and Government to put in place practical support to prepare for the end of the Transition Period.
- **January '21** – LEPs update sector recovery plans to take account of the Trade and Cooperation Agreement and further Covid-19 restrictions.
- **February '21** – The region mobilises an ambitious 5-year action plan to drive its transformation to being carbon neutral by 2041.

4.2 In addition to the region's collective work, partners have also driven recovery work to address particular challenges and opportunities at different spatial scales. They include, for example:

- The Coventry & Warwickshire LEP's Reset Strategic Framework<sup>7</sup> at a sub-regional level, which builds upon sectors of the future.

---

<sup>6</sup> This includes £66m for the West Midlands CA area and a further £8m for Warwickshire

<sup>7</sup> See: [https://www.cwlep.com/sites/default/files/cwlep\\_strategic\\_reset\\_framework\\_2.pdf](https://www.cwlep.com/sites/default/files/cwlep_strategic_reset_framework_2.pdf)

- The City of Wolverhampton Council's 'Relighting our City'<sup>8</sup> plan brings the city together, with 2,500 people directly shaping the key priorities for its recovery.
- Birmingham City Council's 'Our Future City Plan'<sup>9</sup> offers an ambitious view about the future development of central Birmingham over the next 20 years.

4.3 Many regional recovery plans highlight similar messages. These are drawn from a short review of the region's collective response<sup>10</sup>, which is summarised in **Appendix 3**:

- We know our economy is not as resilient as we need it to be.
- Individual action is not enough to prevent climate collapse and structural change is needed.
- Our businesses and industry adapt quickly but they need coordinated support.
- Inequalities have widened and the impact of Covid-19 is not equal with BAME populations and young people being hit hard.
- Our communities mobilise at pace and at scale. There is not a lack of community ambition but a lack of resources.
- Our future economic success depends on making a difference across all areas of our lives – health, the environment and our diverse communities.

4.4 Evidence from the region's social, economic and environmental analysis helps pinpoint a series of linked Challenges exacerbated by the pandemic and will need to inform the region's continuing recovery activity, as set out in the table below. Just as the national industrial strategy has been replaced by the Plan for Growth, the region's business, civic and community leaders will work to reset the region's priorities and strategy to address the damage wreaked by the pandemic, and the opportunities for growth, environmental transformation and a better quality of life as the regional economy recovers.

---

<sup>8</sup> See:

<https://wolverhampton.moderngov.co.uk/documents/s152444/Appendix%201%20Relighting%20Our%20City%20City%20of%20Wolverhampton%20Council%20Recovery%20Commitment.pdf>

<sup>9</sup> See: <https://www.birmingham.gov.uk/ourfuturecityplan>

<sup>10</sup> See: <https://www.wmca.org.uk/media/4671/covid-12-months-on-report.pdf>

Challenge	Fallout from pandemic	Longstanding issues	Evidence
<b>1. DELIVERING GOOD JOBS</b>	<ul style="list-style-type: none"> <li>Weak demand in the economy and for labour, especially for younger people and lower skills levels.</li> <li>Targeting public support and job creation.</li> </ul>	<ul style="list-style-type: none"> <li>Addressing the region's low productivity trends.</li> <li>Improving business leadership, innovation and investment.</li> <li>Connecting future jobs and skills.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated 17.7% of all businesses in the WMCA have been temporarily closed by the latest restrictions</li> <li>135,000 fewer workforce jobs across the region.</li> <li>207,645 people across the 3 LEP area claim benefits because they are out of work, which is an increase of 90,055 since March 2020.</li> <li>261,000 people were furloughed in January 2021, a rate of 14.5%.</li> <li>Strengths in sectors with relatively strong order books and a need for skilled labour.</li> </ul>
<b>2. THRIVING PLACES &amp; COMMUNITIES</b>	<ul style="list-style-type: none"> <li>How 'stronger' places, including city centres, recover from pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>Overcoming entrenched market failure in 'left behind' places.</li> <li>Improving inter- and intra-regional connectivity</li> </ul>	<ul style="list-style-type: none"> <li>Figures from Centre for Cities' High Street Recovery Tracker show that footfall in Birmingham city centre had only recovered to 31% of its pre-pandemic levels by early December with expenditure at 17% (the lowest of any city in the UK)</li> <li>This <i>footfall tracker</i> compares the three West Midlands cities</li> </ul>
<b>3. SECURING GREEN AMBITIONS</b>	<ul style="list-style-type: none"> <li>Sustain the positive behavioural responses to the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>Deliver on WM2041</li> <li>Make zero-carbon a driver of inclusive growth</li> </ul>	<ul style="list-style-type: none"> <li>We need to stay within a cumulative carbon dioxide emissions budget of 74.1 MtCO<sub>2</sub> for the period of 2020 to 2100. At 2016 CO<sub>2</sub> emission levels, the budget would be used within 6 years.</li> </ul>

<p><b>4. TACKLING INEQUALITY / LEVELLING-UP</b></p>	<ul style="list-style-type: none"> <li>• Need to mitigate further harm to most disadvantaged communities and design out inequalities.</li> </ul>	<ul style="list-style-type: none"> <li>• Tackling entrenched inter- and intra-regional inequalities, across different community cohorts and spatial communities.</li> <li>• How the UK's public spending helps the West Midlands 'level-up'.</li> </ul>	<ul style="list-style-type: none"> <li>• Covid deaths are 2.2 times higher in the most deprived areas vs least deprived areas (all deaths 1.9 times higher).</li> <li>• High number of areas with very-high unemployment which have been exacerbated by the pandemic.</li> <li>• Parts of the region continue to have amongst the lowest productivity in the country, which feeds through into living standards.</li> </ul>
<p><b>5. PREVENTING A LOST GENERATION</b></p>	<ul style="list-style-type: none"> <li>• Preventing children and young people, especially the most disadvantaged, from falling further behind.</li> </ul>	<ul style="list-style-type: none"> <li>• Creating opportunities for young people to fulfil their potential.</li> </ul>	<ul style="list-style-type: none"> <li>• The claimant rate among young people has nearly doubled to 41,230 young people (a rate of 8.4%).</li> <li>• Highest number of non-internet users in UK (1/5th), with a further 1/5th limited users.</li> <li>• Highest proportion of employers saying they find digital skills difficult to obtain from applicants of any UK region (38%).</li> </ul>

4.5 As well as setting the foundation for a reset of the region's priorities, partners have begun work at pace on specific measures to address gaps. For example, the Recovery Forum has initiated projects including:

- A Jobs and Skills Delivery Board which has examined the nature of unemployment and jobs supply, and opportunities with growth sectors like low carbon industry and major public procurement contracts to drive the creation of jobs for people out of work.
- A review to design a fit for purpose business support system, led by the LEPs.
- Further development of a co-investment fund to lever private growth capital addressing the challenge identified in paras 2.7 and 2.8, as referred to in agenda item no. 6. This is with a view to accelerate recovery in growth businesses and sectors and drive job creation across the West Midlands that is aligned to the region's strategic priorities around securing green and inclusive growth.

4.6 The SED Board (11 March) considered matters covered in this report and feedback will be provided to the WMCA Board discussion.

## **5. Financial Implications**

5.1 The report describes the implications of the Budget for the West Midlands. Although the report does not directly relate to WMCA spending decisions, there will be a role for the WMCA in convening partners – for example on the Levelling-Up Fund, and specifically as the lead authority on the Community Renewal Fund. That activity is subject to further government guidance (though the latter comes with modest capacity support), and be subject to future WMCA Board decisions, as appropriate.

5.2 Recovery planning will be undertaken within existing resources across the WMCA, local authorities, LEPs and partners. Establishing a clear, coherent and effective partnership strategy is also a vital foundation for work during 2021 to secure more investment on the region's priorities through the expected Comprehensive Spending Review.

5.3 The report refers to economic recovery activity being developed within existing resources. Where there is an opportunity to commit further resources, they will be subject to future WMCA Board decision-making, as appropriate.

## **6. Legal Implications**

6.1 There are no direct legal implications arising from this report. The WMCA's leadership of recovery activity delivers on its statutory power to promote economic development and regeneration. Any specific projects or developments arising as a result of additional funding or initiatives will be considered for their legal implications as required. The Getting Building Fund has already been the subject of funding agreements between the WMCA and partners.

## **7. Inclusive Growth Implications**

7.1 This report has focused squarely about how the Covid pandemic has disproportionately affected the West Midlands and exacerbated existing inequalities. The direction set by the report focuses on five major challenges, each of which contribute to a sustainable and inclusive recovery.

## **8. Geographical area of report's implications**

- 8.1 The report recognises that in responding to the pandemic, partners have acted at the appropriate spatial level. In building upon these strong foundations, the report sets the collective challenges and direction to be developed by the partners and apply to the WMCA's full geographical area.

## **9. Schedule of Background Papers**

Appendix 1 – Summary of Budget 2021

Appendix 2 – Overview of Covid recovery asks and funding secured across the region

Appendix 3 – Summary of 'Resetting the Region' based on work across partners