



West Midlands Combined Authority

Strategic Economic Development Board Meeting

Friday, 10th September 2021 at 11.00am

Notes

Members

Cabinet Portfolio - Economy & Innovation (City of Wolverhampton)	Councillor Ian Brookfield (in the Chair)
West Midlands Combined Authority	Councillor Bob Sleigh
Greater Birmingham & Solihull LEP	Tim Pile (Chair)
Birmingham City Council	Councillor Lisa Trickett
Black Country LEP	Tom Westley DL
Coventry & Warwickshire LEP	Sarah Windrum
Dudley MBC	Councillor David Vickers
Redditch BC	Councillor Matthew Dormer
Solihull MBC	Councillor Ian Courts
Warwickshire County Council	Councillor Izzi Seccombe
WM Growth Company	Matt Hammond
Further Education	Andy Dobson (Halesowen College)
Construction	Sat Nijjer
Creative Industries Sector	Anita Bhalla
MedTech	Sandie Shokar
Low Carbon Technologies and Services	Dr Michaela Kendall

Officers in Attendance

Black Country LEP	Sarah Middleton
Black Country LEP	Prof Delma Dwight
Black Country LEP	Charlie Hopkirk
City of Wolverhampton	Julia Cleary
City of Wolverhampton	Laura Collings
City of Wolverhampton	Rafiquel Islam
City of Wolverhampton	Mark Taylor
Coventry & Warwickshire LEP	Paula Deas
Coventry & Warwickshire LEP	Gemma Gathercole
Coventry & Warwickshire LEP	Andy Davis
Coventry City Council	Richard Hodge
Greater Birmingham & Solihull LEP	Ed Watson
Greater Birmingham & Solihull LEP	Ellen Peacock
North Warwickshire and South Leicestershire College	Katy Urwin
Repowering the Black Country	Matthew Rhodes
West Midlands Combined Authority	Julie Nugent

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West Midlands Growth Company
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Rebecca Riley
Jonathan Skinner
Joseph Baconnet
Jackie Homan
Dan Storer
Mary Grace Hager

**Item
No.**

28. Apologies for absence

Apologies for absence were received from Professor David Eastwood, Professor John Latham and Mandy Thorn.

29. Declarations of Interest

No declarations were made.

30. Notes of the Strategic Economic Plan Board Meeting held 9th July 2021

Resolved:

That the notes of the meeting held on the 9th July 2021 be approved as an accurate record.

31. SED Board Tracker Log

Resolved:

That the SED Board Tracker Log be received and noted.

32. Forward Plan

The Chair advised that a review of governance was being undertaken by the WMCA and stated that the way the economic development portfolio matters would be considered by the WMCA would change, with a new Terms of Reference etc.

Resolved:

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

33. West Midlands “Plan for Growth”

The Chair agreed to the earlier consideration of this item.

Members were advised that the Plan for Growth provided the opportunity to focused proposition to Government which, as one of the hardest hit regions:

- Explained why economic recovery in the West Midlands was vital to the UK.
- Stressed that the Plan for Growth was being driven by private investment and confidence. The region had therefore prioritised clusters where significant investment was underway and there were opportunities to spur further growth.
- Provided insights into each of the up to 5 clusters showing:
 - What they are – which companies are investing, what's the wider cluster (inc. supply chains and where they are), what's the nature of the region's competitive advantage, what are the cluster's major needs to amplify/accelerate growth?
 - The publicly-funded interventions to catalyse growth.
 - Scale of impact – what this means for jobs, wages, exports, etc.
 - Quantifies the overall impact for the region

It was not a comprehensive economic strategy; not a list of all the vital projects that needed public funding across the region; not set in stone for multiple years, but reflected current market activity, thus it was envisaged that there would be a need to refresh it to keep it relevant.

The final Plan for Growth would be submitted to the WMCA Board in November and prior to this there would be further work undertaken with the WM Growth Company, LEPs and academia; private sector investment would be reviewed; there would be a prioritisation of clusters i.e., consideration of the scale up opportunities that would make a difference; further work in relation to the supply chain to include skills the workforce required; and it was noted that there remained an employment land supply issue for the region.

An example of the cluster analysis work was shared in relation to Future Housing which included the Success Factors and Challenges facing the sector.

Councillor Ian Courts expressed concern that there was no reference to environmental factors, to include the green agenda or reference to the major HS2 project in the region.

Councillor Lisa Trickett stated that her concern was that there appeared to be no read across existing policy frameworks, such as work already undertaken on modern methods of construction, housing and the supply chain. She suggested that the Plan for Growth should include work already undertaken.

Dr Michaela Kendall stated that the strong nationally policy on carbon should be reflected in the Plan and stated that she would wish to engage further outside of the meeting.

Andy Dobson commented that he felt the role of Universities within the Plan was opportunistic, as Further Education colleges were the trainers for construction and stated that the training of craft workers appeared to have been missed.

Jonathan Skinner advised that there were considerations of the environmental dimension and inclusivity in respect of how they fitted into the wider agenda. In respect of environmental and carbon the prioritisation framework had a very strong zero carbon dimension and referenced the Future Housing Insight Summary slide, highlighting that future housing had to consider that construction and the operation of buildings had been shown to account for 40% of worldwide greenhouse gas (GHG) emissions and with such a huge carbon footprint, nations, local governments and companies were continuing to set carbon reduction goals with the aim to become as carbon-neutral as possible. He advised that the WMCA understanding of private sector funding was that in a lot of areas there was already decarbonising being taking forward in the electrification of transport, the construction of housing etc.

In respect of the Plan for Growth being opportunistic Members were advised that there were narrow headlines to the propositions, as these were targeted at the Government spending departments, as the release of the document was timed to maximise benefit from both the political and economic cycles. It had been developed drawing from the experience of partners, to include LEPs and local authorities and made strong connections with the supply side.

Sarah Windrum referenced that in Coventry public funding supported private sector investment and advised that where she would find out where the current pockets of private sector investment was taking place across the City. She expressed an interest in the supply chain element, as she was aware there were businesses that had a significant amount of capital to invest but were held back due to supply chain issues. In respect of the Levelling Up agenda across the WM, she advised that there was a lot of innovation taking place across Coventry and queried if the SED Board was the forum to discuss.

Councillor Ian Courts advised that his view was that the headline sectors needed joining up, as in each sector i.e., housing it should not just be growth for growth's sake and there should be linkages made across other sectors and investments.

Jonathan Skinner welcomed the points made but reiterated that the Plan for Growth had a market led element, thus because of where Government and public finances were at presently, there was a requirement for public sector investments to stimulate market activity and that the other factor would be the weight of private sector investment. In respect of the WM Prospectus refresh this would make links with the institutional investment.

Julie Nugent welcomed the comments made and advised that this was very much the start of the process and reiterated that it was not an economic strategy. It was an opportunity to accelerate growth and impact on the region, to include jobs.

Resolved:

That the SED Board: -

1. Noted the presentation from EY about the latest activity on the 'West Midlands Plan for Growth'; and
2. that the feedback provided be incorporated into the final document.

34. Strategic Account Management

Dan Storer and Mary Grace Hager presented on this item. Dan Storer advised that the report represented the audit response to the presentation submitted to the July Strategic Economic Development Board and was stock take of account management and the business relationships across the region. He provided the context for the work and advised of the 3 stages considered: - the key strategic companies in the region; an assessment of the account management and best practices across the region; and the delivery and funding associated with these.

Mary Grace Hager welcomed the input from partners into the report and highlighted five key outcomes required from Account Management: -

- Create additional investment in the region.
- Prevent companies from leaving or downsizing.
- Gain buy-in for promoting the region.
- Collect, develop, and share insight.
- Push out regional messaging.

In respect of Account Management, she advised that all these outcomes were being achieved in some places but that there was a need for them to be achieved across the region, given that between the Growth Company, local authorities and LEPs they managed relationships with 45% of the strategic companies. However, this meant there were 240 companies without a regular regional contact, which accounted for over 85,000 jobs. Currently the approach was to wait for companies to ask for help and account management could be ad hoc, which led to missed opportunities: -

- Most account managers were only in touch with their companies once or twice a year at the account's instigation.
- Insights were theoretically captured on CRMs but were not systematically shared, meaning regional leadership missed out on an invaluable source of insight.
- Account management could be used to cultivate a 'Team West Midlands' attitude among companies

The conclusion was that there needed to be an agreement on a regional requirement; a decision on the delivery model; and a need to secure funding.

Dan Storer advised that there were three models for a strategic account management: -

- Diffused model – the current approach
- Hub & Spoke Model – a centralised agency has leadership for account management but they operate from multiple agencies under a central strategy and approach;
- Centralised model – Strategic account management is centralised under one organisation

Councillor Ian Courts advised that Solihull MBC had contributed to the CA to intensify their marketing efforts in the borough and stated that any change should add value. He advised that he did not feel there was the resource for a centralised model.

Sarah Middleton acknowledged that it was an important piece of work and welcomed the reactive and proactive analysis. She expressed concern at centralised model, as there was knowledge and capacity at a grass roots level, that is the region's three Growth Hubs and stated that she would welcome an exercise being done with the Growth Hubs to see where joining up made sense and would add value.

Councillor Izzi Seccombe stated that it presented a real opportunity but that there was a need to have clarity about what we would want the Account Managers to achieve and stated that it was key that they added value instead of repeating what had already been done.

Councillor Lisa Trickett commented that the companies of today may not be the companies of tomorrow and asked what weight was being given to start up companies. She referenced transition and stated that there was a need to support companies into the new future; expansion, suggested continued growth but there was a need to look at reprofiling businesses; and in respect of centralisation, whilst too often there were multiple voices saying what the priorities were, there was a need to ensure regional growth.

Tom Westley endorsed a proactive approach and the advised that there was a need to look at strategic companies with a view to the future decarbonisation and asked if the analysis had looked at this, as, particularly in the Black Country, the nature of the businesses were different to some regional competitors.

Sarah Middleton advised that with the WM support work there was a need to develop regional milestones for collating data and relevant analysis, as there was a need to pool our knowledge of businesses for regional campaigns and she advised that the Black Country Economic Intelligence Unit and others could assist.

The Chair acknowledged the key themes and stated that it was important businesses talked to their LEPs in respect of the Business Support Review. He noted that it highlighted the liaisons between account management and businesses and the need to improve. He noted the issue raised by Councillor Ian Courts and advised that business support needed to be grown following a call from the Mayor to businesses. He noted that all were in similar place and the next stages were how we get to the new model, with the SED Board to have overview of the work.

Resolved:

That the SED Board

1. Noted the audit and list of key companies detailed in the report;
2. Agreed that there was a regional requirement for a programme of strategic account management; and
3. Noted and approved the proposed next steps, which included programme design and exploration of potential funding routes and relationship with the West Midlands Business Support Review.

35. WM2041 update: Home of the Green Industrial Revolution

Jackie Homan presented her report and provided the background to the work which had led to the adoption of the Five-Year Plan: -

- Domestic heat and energy efficiency – retrofitting 292,000 homes;
- Commercial heat and energy efficiency;
- Industrial decarbonisation – referenced the Repowering the Black Country decarbonisation project;
- Transport and mobility; and
- Strategic land use – solar, natural capital to include tree planting.

She advised that the implementation of the five-year plan was expected to cost £4.3bn, and generate 21,000 additional jobs over the period.

She highlighted the Energy Capital Work; the launch of the Natural Environment Plan 2021-26, which had been endorsed by the Wildlife Trust, RSPB, Canal River and River Trust, amongst others; the community green growth programme; the Circular Economy Routemap, scheduled to be published post the WMCA Board on 17th September; the Green Industrial Revolution ; and COP 26.

In respect of the Green Industrial Revolution: -

- The focus was on the region's industrial strengths in: Future Mobility; Energy Systems; Resources, Materials & Energy Storage; Construction.
- Involved collaboration with WM Growth Company on low carbon sector.

- The Home of the Green Industrial Revolution initiative had been positively adopted by local partners, to include both the public & private sectors.

She referenced the regions preparation for COP26, with collaboration being developed both locally and regionally and culminating in an event on 11th November 2021, to mirror 'Cities, Regions & Built Environment' day taking place in Glasgow.

Councillor Ian Courts welcomed the presentation and noted the ambition for 2041 would be tough to achieve and whilst the WMCA could deliver an element of what was required there needed to be the involvement of businesses and people to work at the scale required. He noted that some of the initiatives to be undertaken may not work but that there was a need to focus on the results and measurements of what did work and added value. He advised that the environment work was cross cutting to include transport and housing.

The Chair welcomed the comments and noted it was not just the remit of the local authorities but required everyone to progress towards the objectives.

Anita Bhalla referenced the Natural Environment highlighting green spaces and work undertaken in Georges Park, Lozells, highlighting that a small investment from the Health Authority and turned the area around and the Health Authority were monitoring the outcomes. She asked that a proper evaluation of the Natural environment be undertaken to include health outcomes and advised that funding could be sought from the Heritage Lotter Fund. Jackie Homan agreed that the monitoring and evaluation of projects was increasingly important.

Sarah Windrum referenced COP26 and noted the Chairs comment in that all needed to do what they could and that there was a need to have one WM voice.

Tim Pile advised that the strategy made sense, and amplified the point made by Anita Bhalla, in that there was need to have a clarity of targets and the monitoring thereof. He agreed with the ambitions of the Home of the green industrial Revolution but stated that there was need to distill into one page for messaging so that there was a compelling message for companies, who operated in a competitive market and could therefore benchmark against other organisations.

Resolved:

That the SED Board

1. Received the update on the WMCA's environment and energy programme.
2. Supported the Home of the Green Industrial Revolution prospectus, noting the need to provide a one pager of key aims.
3. Supported the Net Zero Business Pledge.

36. **WMLIRS Food and Drink Manufacturing Delivery Plan: Sector Update**

Ellen Peacock advised that the food and drink industry was the UK's largest manufacturing sector and in the WM the food and drink manufacturing sector accounted for £1.04bn GVA in the region, employing approximately 16,000 people across the 3 West Midlands LEPs. She outlined challenges facing the sector to include an increase in costs, the Covid outbreak and supply chain issues.

The Delivery Plan had 6 key objectives and highlighted the progress of the recovery plan in the following areas: -

- West Midlands Low Carbon and Circular Economy Fund
- West Midlands Food and Drink Manufacturing Forum
- Winning Bids: A Programme for Food and Drink Manufacturer
- Research to Map Food and Drink Manufacturing Skills Provision and Trend
- Food and Drink Manufacturing Engagement Strategy

She highlighted key priorities for 2021/22 to deliver projects outlined in the Food and Drink Manufacturing Sector Recovery Plan, including work being underway to build a pipeline of projects and better scope future needs, which would form part of future reporting, to include:

- Capitalising on national strategic interest in sustainable manufacturing processes for the sector e.g., by developing a cooperative sustainable packaging buying model for businesses.
- Expanding cross-regional working, taking advantage of shared objectives with the East Midlands.
- Exploring the potential to work with businesses in the West Midlands to increase supply chain resilience and green recovery.
- Evaluating the potential to expand the West Midlands offer to businesses with regards to innovation, and proactively engage potential partners in this space.
- Exploring opportunities around access to finance for the sector, and the removal of potential blockages to sector growth.
- Exploring opportunities to increase exports from West Midlands food and drink manufacturers.

She also highlighted work undertaken to measure the impact of the EU exit and Covid19 on the sector. The aim for the priorities and next steps was continue to deliver against the recovery plan and to develop a pipeline of projects and scope the future needs of the sector.

Councillor Ian Courts stated that there should be a focus on local production and provision rather than importing products.

The Chair noted that as well as making and producing, distribution remained an issue with the training requirements for the HGV sector. Councillor Izzi Seccombe agreed with the issues around the HGV sector and stated that there was need for lobbying, suggesting that it presented opportunities for taxi drivers and there was need to improve the turnaround of medicals.

Tim Pile supported the views of local production and supported the outlined proposals.

Resolved

That the SED Board:

1. Note the progress being made through specific sector interventions that supported recovery in the areas of business support, skills development and innovation.
2. Endorse the on-going interventions within the Food and Drink Manufacturing Sector Recovery Plan.
3. Agreed to share intelligence from engagement with businesses in the sector to help further develop the plan.

37. Sector Recovery Plans – Logistics and Transport Technologies

Andy Davis and Gemma Gathercole were in attendance to advise of the issues for the sector, to include in the short, medium and long term, which at present appeared to be a “perfect storm” for the sector: -

Short Term

- Nationwide 100,000 driver shortage - additional numbers of permits for temporary overseas drivers could help in the short term.
- LogisticsUK call for 10,000 licences to be granted immediately.
- Clear the backlog of test candidates delayed due to Covid-19.
- Impact was being felt across many other sectors.

Medium Term

- Resolve exam and test infrastructure for new drivers.
- Re-assess time and costs of gaining different levels of licence.
- More efficient processes for assessing candidates.
- Clarity/flexibility required around IR35 regulations.
- Sector based approaches to encourage driver retention within companies.
- Modern and safer work patterns.

Long Term

- Build a more diverse workforce.
- Widening workforce demographics.
- Changing the image of the sector.
- Delivering clearer career pathways and highlighting opportunities.
- Establishing wider FE/Apprenticeships and skills development offer.
- Building modern and safer working conditions and infrastructure.
- Better understanding of linkages across sectors and supply chains.

Gemma Gathercole referenced the 6-point plan developed by the Logistics Skills Network to address the current driver shortfall

1. Return to driving DfT –estimated that the actions detailed could quickly lead to 30,000 coming back to the sector.
2. Test volumes – DVSA should at least be maintained at their pre-pandemic output of 72,000 – estimated that the actions detailed could lead to 74,000 tests with a likely pass rate of 43,000 per year.
3. Delegated Examiners and DVSA to increase the volume of HGV Tests – estimated target of 8,000 additional drivers from 25 FTE examiners.
4. Pay and conditions - offering better pay, social / flexible working hours and better roadside facilities could lead to an estimated target of 20,000 additional drivers.
5. Service Leavers/Examiners – service personnel to be trained in both roles could lead to an estimated target of 3,000 additional drivers and service examiners 8,000 additional drivers with 25 additional examiners.
6. Training Programme The Department for Education to respond to the national crisis by funding a re-training programme to create skilled and qualified new drivers with a call for providers to deliver a Boot Camp re-training programme funded under the National Skills Fund. Target: 10,000 additional drivers

The Chair noted the actions required to fix the issue but advised that in respect of taxi drivers, there was also an issue there as many had taken on different roles.

Councillor Izzi Seccombe noted there was an issue regarding GP access to get the requisite medicals and advised that to increase diversity in the sector required an improvement in facilities provided for women at driver stops, to include motorway service stations.

Resolved:

That the SED Board: -

Noted the update and the actions being called for by the Logistics Skills Network.

38. Sector Plans – Risk Matrix Update and Time-Series

Ed Watson advised that the sector risk analysis had been undertaken since February 2021 and that the four tables in the report - Covid-19 Sector Risks / Impact; New Relationship with EU Sector Risks / Impact; Change in Sector Risk to Covid-19 Impacts; Change in Sector Risk to the UK's New Relationship with the EU – all showed progress since the report to the September Board meeting, noting in particular that the impact of Covid on sector risks had reduced, with four areas red (high) but 8 now in green (low). He asked if the Board wanted to take actions in respect of the identified risks and the relevant national government departments highlighted in the report or whether there were actions partners could take. He added that some of the information was already linked to activity being undertaken, to include the sector recovery plans.

The Chair advised in respect of the identified risks this was something to consider what actions could be undertaken to address them.

Resolved:

That the SED Board: -

1. Receive the September update to the sector risk analysis with regard to Covid-19 and the UK's new relationship with the EU.
2. Receive and note the time-series analysis, tracking the changes in sector impact over the past 9 months.
3. Noted the relevant forums and engagement with local / national government and where to raise the key and sustained sector risks highlighted.

39. Policy Context and Current Issues

Julie Nugent provided a brief overview of the content as she was aware Members would have already reviewed the content, to include: -

- The current economic conditions;
- An overview of the Government's policy priorities and what this meant in the context of the Levelling-Up White Paper and Spending Review;
- The current position on the Community Renewal Fund;
- The Governance Review of the Combined Authority; and
- The LEP Review.

In terms of the Governance Review she advised that the aim was to streamline decision making and establish an Economic Growth Board that had decision making powers. She advised that this would require a constitutional change through the WMCA Board and that the WMCA was committed to having the region's economic performance central to the WMCA governance.

The Chair acknowledged that the Governance Review was ongoing and that a report back would be made to the next Board meeting.

Resolved:

That the SED Board: -

1. Note the latest economic intelligence about the West Midland's economy, Government's policy priorities and relevant context about the Levelling-Up White Paper and multi-year Spending Review.
2. Note the position on mobilising projects under the Community Renewal Fund.
3. Note the latest position and implications of the Governance Review of the West Midlands Combined Authority, and the LEP Review being led by Government.

40. Date of Next Meeting

Resolved:

That the SED Board note that the next meeting would be held 28th October 2021.

The meeting closed at 1.05 pm

Chair