



Economic Growth Board

Date	Friday 13 th May 2022
Report Title	West Midlands Plan for Growth next steps
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Report has been considered by	

Recommendations for action or decision:

The Economic Growth Board is asked to:

- a) Note proposed steps to take forward the aims of the West Midlands Plan for Growth, previously agreed at the Board, including:
 - An update on how some of the Levelling Up White Paper announcements – including LEP integration, UKSPF, and the Innovation Accelerator – will be critical to taking forward Plan for Growth interventions.
 - Launching the plan at a stakeholder event in June, setting out the region's broad plans for economic recovery with the Plan for Growth at its heart.

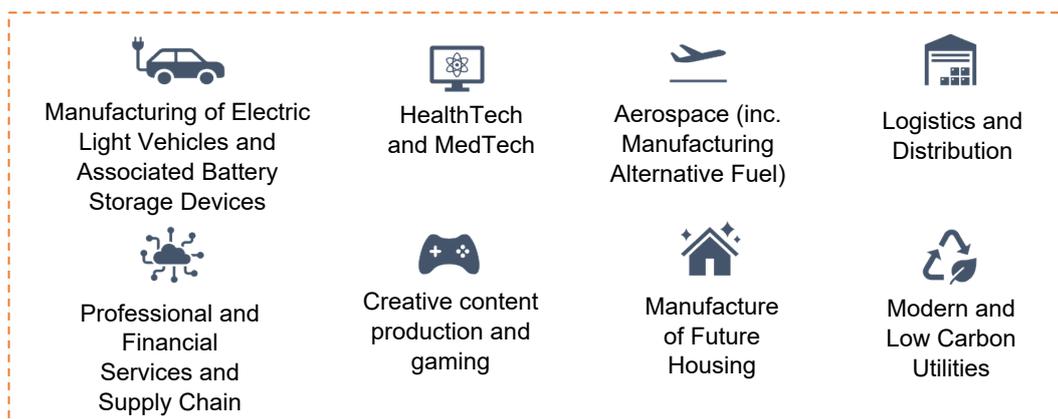
1 Purpose

- 1.1 Following the Economic Growth Board's endorsement of the West Midlands Plan for Growth in February 2022, the report describes how those cluster opportunities will be taken forward through more active integration of the six cross-cutting interventions, to drive above-average growth in high value areas, creating good jobs for local people.
- 1.2 The Plan for Growth will help inform the future commissioning of UKSPF and the Growth Company, the brownfield development programme, Innovation Accelerator, future skills provision, and the Co-Invest Fund.
- 1.3 The region is also seeking further powers and resources through the trailblazing devolution deal (see item 5). The West Midlands Plan for Growth provides a lodestar to drive focus and alignment across existing and new powers to catalyse additional growth in the primary and nascent clusters.

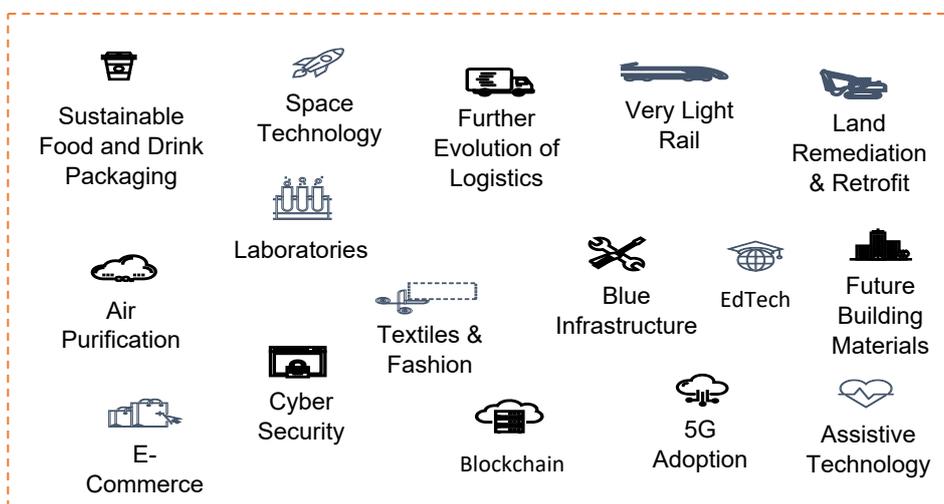
2 Background

West Midlands Plan for Growth

- 2.1 In February the Economic Growth Board endorsed the findings of analysis about those economic clusters where the region can ignite above-forecast levels of growth in areas where the West Midlands has comparative advantage and market confidence. A summary of the findings can be viewed [here](#) (from 40:00). The Plan for Growth was also considered by the WMCA's Overview and Scrutiny Committee on 7 March when the committee felt that the plan focused on high-value growth areas and there was a need for the region to also consider how the economy can be made more productive, inclusive and fairer, with a more demonstrable effect on places across the region.
- 2.2 The Plan is designed to focus on those areas where there is potential for high-value growth – it is not a comprehensive regional economic strategy, and whilst interventions may benefit broader sectors (e.g. retail, hospitality), they are not the focus for this plan.
- 2.3 The eight primary clusters are:



- 2.4 In addition, the Plan for Growth identifies a series of nascent cluster and technologies where the West Midlands has some strengths and assets. These emerging markets have the potential for exponential growth, but are also higher risk and where there is a lower degree of comparative advantage.



2.5 Six key cross-cutting interventions can address the identified barriers to growth, and can relate to national, regional and local programmes. The key is the degree to which they can be aligned and flexed according to the specific needs/opportunities of relevant clusters. Potential new powers through the trailblazing devolution deal (see item 5) also offer a powerful way to catalyse addition growth. Each cluster does not necessarily relate to all the interventions:

1. Develop future skills pathways	Single pot intervention that brings together a specific view of required skills and provide funding linked to an attractive pathway for learners and links to employers and potential job opportunities once trained. Providers (e.g. FE colleges) would deliver for employees as well as individual learners.
2. Target funding to anchor projects alongside private sector	Competitive fund that works alongside the private sector on specific projects through rounds of available co-funding. A process allows WM to directly stimulate the specific projects according to a set of criteria aligned to the cluster priorities (but open to all firms)
3. Land development fund	Leveraging the UK Infrastructure Bank, develop a patient capital fund to invest in land projects for industrial and commercial purposes (or mixed development) where land assembly and infrastructure is required and payback periods are long. Would also support physical hubs for clusters where this is relevant
4. Location coordination	A team that co-ordinates the myriad local and national incentives and funding available as well as helping firms negotiate local and planning issues of locating to the WM. If there is a desire to anchor a particular firm, e.g. a non-UK firm, help with funding at local and UK level, planning etc
5. Infrastructure and transport fund	Establish a WMCA controlled fund that has sufficient scale to invest in large local interventions (e.g. light rail or bus rapid transport) and also support specific infrastructure (e.g. junction improvements) aimed at unlocking land development for manufacturing and other sectors
6. Early growth fund	Work with British Business Bank and Business Growth Fund to set up an early growth fund with an emphasis on the clusters where this is critical, and ensure the fund has flexibility on instruments and the expertise to invest.

Aligning key interventions and commissioning to deliver growth and good jobs

2.6 Mobilising the Plan for Growth means securing powers and investment across these interventions and then aligning and flexing their delivery to meet the needs and opportunities of each cluster. The clusters also result in different impacts across the region – for example, to decarbonisation, creation of new jobs, increase in productivity and value-add of existing jobs, etc.

2.7 The Economic Growth Board has previously endorsed the importance of more aligned interventions and investment to support green, inclusive economic growth. Discussions are ongoing about how existing funds (for example, for skills, brownfield development, Co-Invest) can support Plan for Growth priorities. In addition, we expect the future commissioning of UK Shared Prosperity Fund and the Growth Company to include a focus on these clusters. This will not exclude other clusters and sectors not covered by Plan for Growth and these commissioning decisions will be brought to Economic Growth Board for agreement in due course.

2.8 In addition, Levelling Up White Paper announcements – including LEP integration, the trailblazer devolution agreement and West Midlands Innovation Accelerator – will also be critical to catalysing activity on Plan for Growth clusters. For example, the

Innovation Accelerator (subject to another detailed report) provides the opportunity for the Innovation Board – which reports to the Economic Growth Board – to bolster applied and translational med-tech technologies, making the West Midlands the heart of the UK’s diagnostics industry, as well as developing the capacity and capability to secure further R&D investment, particularly into energy and clean technologies.

- 2.9 As part of the work on LEP integration, the WMCA is currently determining how cluster development is taken forward. In some areas, there are existing mechanisms and/or leads which we are keen to build on – e.g. Coventry City Council’s work on electrification of the automotive industry, Create Central and the Midland Aerospace Alliance. Recommendations on the other clusters will be brought back to a future EGB.

Setting out our vision for Plan for Growth to regional stakeholders

- 2.10. The WMCA is planning a stakeholder-focused event in late June to champion how the Plan for Growth is being embedded into mainstream economic activity across the region. This will be led by the Mayor and the Portfolio Lead for Economy and Innovation and will highlight how major cross-cutting interventions – such as the commissioning of UKSPF and the Growth Company, the brownfield development programme, Innovation Accelerator, skills provision and the Co-Invest Fund – can all be flexed to meet the cluster growth opportunities.
- 2.11. The event will be for regional economic partners including local authorities, universities, employers, business representative groups, and relevant government agencies. It will highlight how the region is mobilising to secure economic recovery and growth.

3 Financial Implications

- 3.1 There are no immediate financial implications arising from this report. The Plan for Growth emphasises the importance of aligned resources which may affect the focusing of established or future funds. These decisions will be taken through the arrangements for managing those funds.

4. Legal Implications

- 4.1 There are no immediate legal implications arising from this report.

5. Equalities Implications

- 5.1 There are no equalities implications arising from this report.

6. Inclusive Growth Implications

- 6.1 The West Midlands Plan for Growth is designed to drive additional growth across the region in clusters related to good quality jobs.

7. Geographical Area of Report’s Implications

7.1 The West Midlands Plan for Growth covers the 3 LEP area with hotspots of cluster activity right across the region. Interventions may focus on other geographies (e.g. the 7Met area) where funding/future commissioning responsibilities dictate.

8. Other implications

8.1 None



West Midlands
Combined Authority