



Economic Growth Board

Friday 2 December 2022 at 10.00 am

Minutes

Present

Andy Street (Chair)

Lee Barron

Councillor Ian Courts

Corin Crane

Councillor Matthew Dormer

Matthew Hammond

Councillor Peter Hughes

Councillor Simon Phipps

Councillor Bob Sleigh

Councillor Ian Ward

Mike Wright

Mayor of the West Midlands

Midlands Trades Union Congress

Solihull Metropolitan Borough Council

Coventry & Warwickshire Chamber of
Commerce

Non-Constituent Authorities

West Midlands Growth Company

Sandwell Metropolitan Borough Council

Dudley Metropolitan Borough Council

Portfolio Lead for Finance & Investments

Birmingham City Council

West Midlands Innovation Board

In Attendance

Councillor Cathy Bayton

Overview & Scrutiny Committee

**Item Title
No.**

21. Apologies for Absence

Apologies for absence were received from Councillor Adrian Andrew (Walsall), Anita Bhalla (Greater Birmingham & Solihull LEP), Councillor Ian Brookfield (Wolverhampton), Stuart Croft (Higher Education sector), (Councillor George Duggins (Coventry), Tom Westley (Black Country LEP) and Sarah Windrum (Coventry & Warwickshire LEP).

22. Appointment of Chair

In the absence of the Chair, the board agreed that Andy Street be appointed to chair this specific meeting.

23. Inquorate Meeting

The Chair noted that this was an inquorate meeting and therefore the recommendations agreed would be submitted to the WMCA Board on 16 December 2022 for approval.

24. Minutes - 23 September 2022

The minutes of the meeting held on 23 September 2022 were agreed as a correct record.

25. Economic Conditions in the West Midlands

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities providing a summary of national economic policy developments, long-term economic forecasts for the West Midlands, the latest quantitative economic and regional labour market intelligence, a summary of energy costs, and recent feedback from West Midlands' businesses via the Regional Business Council and the Economic Impact Group.

Councillor Ian Ward stressed that a number of the region-wide statistics were likely to disguise particularly local level issues and it was important to ensure that these local areas of difficulty were not being hidden by more encouraging regional data. Corin Crane noted that this was particularly likely to be the case in respect of unemployment levels, where very localised interventions were likely to be most successful. The Executive Director for Economic Delivery, Skills & Communities reported that localised work with partners was being undertaken and she would bring a report to a future meeting of the board setting this out in more detail.

Recommended to the WMCA Board that:

The current economic conditions in the West Midlands, including insight from the region's businesses, be noted.

26. West Midlands Growth Company Review

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities on the proposed terms of reference for the West Midlands Growth Company review and the status and phasing of this review.

The board commissioned a review of the West Midlands Growth Company at its last meeting. In commissioning the review, members had felt that whilst there was a clear need for the West Midlands Growth Company to exist, there was, simultaneously, a need to review its scope and scale and to develop a sustainable and affordable future funding model for these activities. It had also become apparent that the West Midlands Growth Company needed to secure £4m funds to remain as a going concern for 2023/24. The review would therefore also deal with responding to this short-term pressure.

Matthew Hammond considered this to be an opportune time to carry out a review of the functions, funding and structure of the West Midlands Growth Company to ensure that it was fit for purpose for future challenges. Mike Wright stressed the importance of undertaking a benchmarking exercise with comparable organisations, along with establishing a series of measurable key performance indicators that enabled funding authorities to measure its outputs by.

The Chair indicated that he was keen to ensure that local authorities signed off on the findings of the review. He expected final recommendations to be presented to the WMCA Board at its meeting on 10 February 2023.

Recommended to the WMCA Board that:

The approach to the review of the West Midlands Growth Company, including approving the terms of reference for the review and noting the status of activity and key milestones in early 2023, be endorsed.

[NB. Matthew Hammond and Councillor Ian Ward declared personal interests in this item due to them being board members of the West Midlands Growth Company.]

27. UK Shared Prosperity Fund - Business Support in the West Midlands

The board considered a report from the Executive Director for Economic Delivery, Skills & Communities on the proposed approaches to the local delivery of business support utilising the UK Shared Prosperity Fund and West Midlands-wide commissioned approaches.

Following approval by the WMCA Board of the UK Shared Prosperity Fund allocation, officers from the seven constituent authorities and the WMCA had been working to develop a coherent West Midlands approach to business support, with an initial focus on the UK Shared Prosperity Fund and designing it in such a way that it enabled engagement across a wide range of business support services in both the public and private sectors. As part of this work, at a regional level, there was a need to commission some activity that the task & finish working group recommend commencing in April 2023. In order for this to happen, the commissioning needed to start mobilisation in December 2022 and January 2023 (ie. before the next meeting of this board). The report set out those activities to begin the commissioning process, and the Executive Director for Economic Delivery, Skills & Communities undertook to circulate a list of the chairs and lead officers for these work areas.

Councillor Ian Ward noted that the division of the flat rate 4% administrative allocation to each constituent authority would result in Birmingham being disadvantaged comparable to its size. The Executive Director for Economic Delivery, Skills & Communities noted that this had been a decision of Finance Directors, but she undertook to report Birmingham's concerns back to their next meeting.

Councillor Simon Phipps noted the work being undertaken at pace to provide much needed business support. The Executive Director for Economic Delivery, Skills & Communities indicated that the need for business support had been flagged with the Government. She expected some funding flexibility during this financial year as it was proving difficult to get funding streams in place before 1 April 2023.

Recommended to the WMCA Board that:

- (1) The progress of the task & finish working group since the approval of the UK Shared Prosperity Fund business support funding by WMCA Board on 28 October in beginning the process of mobilising UK Shared Prosperity Fund funded business support activity from April 2023 be noted.

- (2) The proposed headline approach of local authorities in delivering local approaches to business support be approved, and the further development of West Midlands-wide programmes, with a view to commencing commissioning of these activities in Q4 2022 and Q1 2023, be agreed.
- (3) It be noted that commissioning responsibility was delegated by the WMCA Board to the Executive Director for Economic Delivery, Skills & Communities, in consultation with the s151 Monitoring Officer and in discussion with the Portfolio Lead for Economy & Innovation.

28. West Midlands Plan for Growth Update - including a focus on the Creative Content & Production Growth Cluster

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on an update on progress around the Plan for Growth, with a particular focus on cluster leadership, success measures and reporting, and how the Plan for Growth cluster-based activity would dock with the wider business support activity.

As part of the work on LEP integration, the recently appointed Head of Economic Development & Delivery was currently determining how interventions that drove cluster development were best taken forward. This built on and developed work undertaken by partners, including the Local Enterprise Partnerships, West Midlands Growth Company, the private sector and membership-led organisations. In working with clusters and, where appropriate, organisations that represented those clusters locally, the Head of Economic Development & Delivery was focusing on clear short-term success measures aimed at boosting the growth of the West Midlands economy. As part of this, he was developing a regular reporting structure focused on opportunities for cluster growth, risk analysis and quarterly action reporting.

The West Midlands Plan for Growth had access to finance and investment as a key cross-cutting intervention. Access to finance had been a concern across the wider economy in the West Midlands for some time, and to address this, the WMCA and its partners were seeking to create a forum to address issues within the market. The Chair noted the importance of access to finance within the Plan for Growth and requested a specific item on this at a future meeting of the board.

Ed Shedd and Suzie Norton from Create Central gave a presentation on the activity of the Creative Content & Production growth cluster, which was formed in late 2019 as a response to the comparative lack of a functioning creative content cluster as identified in a WMCA-commissioned report following the region's failed bid to host Channel 4's national HQ. As a cluster organisation model, Create Central had been hugely successful. Core funding from WMCA was currently around £100,000 per year to support the cluster, and in the last three years that initial investment had leveraged significant outcomes for the West Midlands economy. Work was now being undertaken by Create Central members to develop a commercial income model to secure the long term future of the cluster.

Recommended to the WMCA Board that:

- (1) Progress on the monitoring of the Plan for Growth, with the Creative Content & Production growth cluster (led by Create Central) as a proposed model for future reporting into the Economic Growth Board, be noted.
- (2) The opportunity for the West Midlands provided by the Government's changes to the Investment Zone programme be noted.

29. Trailblazer Devolution Deal Update & West Midlands International Strategy

The board considered a report of the Executive Director for Strategy, Integration & Net Zero on progress with the Trailblazer Devolution Deal, the latest timeline following the Government's Autumn Statement and the status of negotiations. The report also highlighted an associated opportunity to capitalise on potential for a West Midlands International Strategy.

Working in conjunction with partners and the political oversight arrangements put in place across the region, the WMCA continued to drive negotiations forward at pace, and the Department of Levelling Up Housing & Communities had recently confirmed its preferred timeline and process to conclude the deal. The Secretary of State for Levelling Up, Housing & Communities was prioritising a growth-focused set of policy areas for the Trailblazer Devolution Deal focussed around housing, transport, skills, fiscal devolution and funding simplification, net zero and retrofit, and international trade.

With international trade a priority of ministers and partners within the region, there was an opportunity to capitalise on the direction of discussions on the region's trade, tourism and investment ambitions to rewire the existing relationship between Whitehall and the West Midlands across these key functions in order to secure more foreign direct investment, exports and major international conferences and events. Shehzad Chaudhry, Department for International Trade, stressed the value to the Government of working closely with the WMCA and the West Midlands Growth Company on international strategy. In respect of working with small businesses, he indicated that the Department for International Trade was seeking to build the expertise within this sector to enable it to grow into international markets.

Recommended to the WMCA Board that:

- (1) The progress made to date and the revised commitment and timeline arising from the Government's Autumn Budget Statement be noted.
- (2) The development of a West Midlands International Strategy be agreed, with the West Midlands Growth Company to develop the strategy in partnership with local and national stakeholders.

30. West Midlands Innovation Accelerator

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities seeking endorsement of the progress made on the £33m West Midlands Innovation Accelerator, announced in the Levelling-Up White Paper and being co-designed with Innovate UK.

The aim of the West Midlands Innovation Accelerator was to accelerate growth of clusters of excellence in health/medical technologies and cleantech, and to increase commercial benefits of cross-sectoral innovation capacity and capability. The Innovation Accelerator programme was overseen by the Innovation Board, which itself reported into this board.

Councillor Ian Courts noted that Solihull was not listed as an area of high concentration of health/medical technologies, which he considered a mistake. He also drew attention to the importance of demonstrating the innovation linked to HS2 construction within the region. Mike Wright highlighted the benefit of there being a single narrative that the region could use to demonstrate its innovation opportunities. The Executive Director for Economic Delivery, Skills & Communities confirmed that work was currently being undertaken on a narrative and this would be submitted to a future meeting of the board.

Recommended to the WMCA Board that:

- (1) The status of the West Midlands Innovation Accelerator project selection, following the deadline for final project proposals and ahead of the project selection process, be noted.
- (2) The final details on the project selection decision-making, consistent with the criteria agreed by the Economic Growth Board on 23 September 2022, be endorsed.
- (3) The steps to exploit the wider strategic power of the Innovation Accelerator, including connections with business support, skills, inward investment and land development, be agreed.

31. Economic Growth Board Work Programme

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on updates to the board's future work programme.

Recommended to the WMCA Board that:

The updated work programme was noted.

32. Exclusion of the Press and Public

Recommended to the WMCA Board that:

In accordance with s100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business as it was likely to involve the disclosure of exempt information as specified in paragraph 2 of the Act.

33. LEP Integration Update

The board considered a report of the Executive Director for Economic Delivery, Skills & Communities on progress in developing the LEP Integration Plan ahead of its submission to the Department of Business, Energy & Industrial Strategy early next year.

On 31 March, the departments for Levelling Up, Housing & Communities and Business, Energy & Industrial Strategy issued a joint letter and accompanying guidance to the chairs of the LEPs in England and to the mayors of combined authorities setting out their proposals for the roles and functions of LEPs to be integrated into local democratic institutions. The Government's intention was that specific functions of the three LEPs in the West Midlands were integrated into the WMCA, which would receive the 'core' funding made available to LEPs and their Growth Hubs from 1 April 2023 to ensure the discharge of key functions. The report set out the latest position in respect of this transitional work.

The Executive Director for Economic Delivery, Skills & Communities stressed that the immediate priority was to address the implications for staff affected by these changes, along with ensuring that the WMCA did not take on additional functional responsibilities without funding being provided for this. Further detailed information was expected to be provided to LEPs early next week, which should address many of the concerns currently being expressed.

Recommended to the WMCA Board that:

- (1) Progress in developing the LEP Integration Plan ahead of submission to the Department of Business, Energy & Industrial Strategy by 27 January 2023 be noted.
- (2) It be noted that the report had been prepared in advance of the receipt of written legal guidance, and was therefore presented subject to that guidance and without prejudice.
- (3) Progress against the following key areas be noted:
 - Embedding a strong, independent and diverse local business voice;
 - Transfer of key functions and the potential TUPE implications thereof;
 - Key risks.
- (4) Authority be delegated to the Executive Director of Economic Delivery, Skills & Communities to develop the formal plan ahead of submission to the WMCA Board on 13 January 2023.

34. Date of Next Meeting

Friday 27 January 2023 at 10.00am.

The meeting ended at 12.00 pm.