



Economic
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LIPSIT
LOCAL INSTITUTIONS,
PRODUCTIVITY, SUSTAINABILITY &
INCLUSIVITY TRADE-OFFS

WEST MIDLANDS COMBINED AUTHORITY PROFILE

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Introduction

This profile of the West Midland Combined Authority (WMCA) provides a detailed account of the area's regional context and devolved structure, performance targets, and key data relating to key aspects of the economy, including: innovation, business, infrastructure, people, place and the environment.

The West Midlands Combined Authority

The West Midlands Combined Authority (WMCA) was formally established in June 2016 as England's second largest functional area outside of London with a population of almost 3 million. It is one of 10 combined authorities (CAs) set up in England as legal entities to enable groups of local councils to collaborate and collectively make decisions across council boundaries. The WMCA covers 3 private sector-led Local Enterprise Partnerships (LEPs), these being Black Country LEP (BCLEP), Coventry and Warwickshire LEP (CWLEP) and Greater Birmingham and Solihull LEP (GBSLEP) that have been in operation since 2011 to facilitate financial planning, regeneration, transport and labour market interventions in the region. Alongside the 3 LEPs, membership of the WMCA also includes 7 constituent local authorities (LAs), 10 non-constituent local authorities (LAs) and 4 observer organisations.

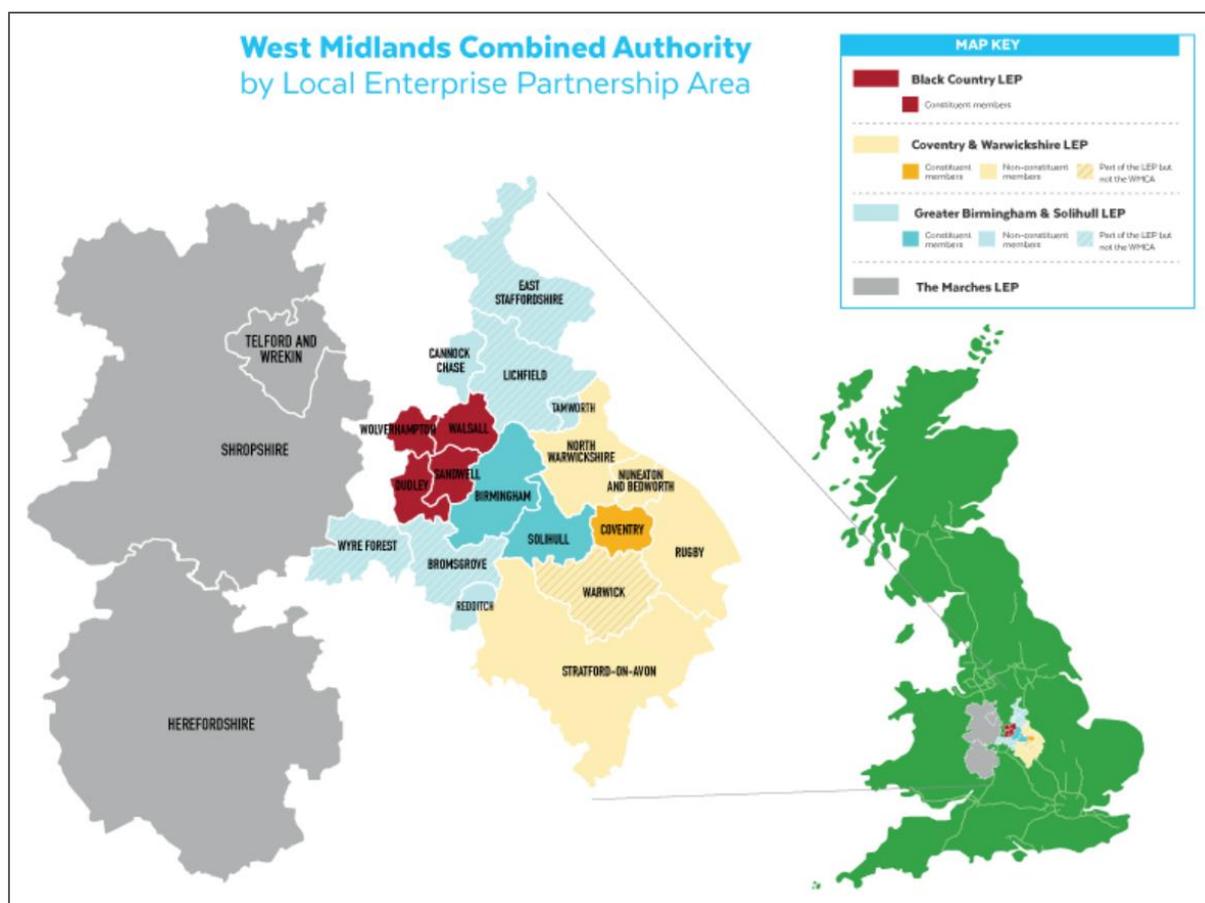


Figure 1: WMCA by Local Enterprise Partnership Area (Source: [BCLEP](#))

LEPs:	LAs (constituent):	LAs (non-constituent):	Observers:
<ul style="list-style-type: none"> • Black Country LEP • Coventry and Warwickshire LEP • Greater Birmingham and Solihull LEP 	<ul style="list-style-type: none"> • Birmingham City Council • City of Wolverhampton • Coventry City Council • Dudley Metropolitan Borough Council • Sandwell Metropolitan Borough Council • Solihull Metropolitan Borough Council • Walsall Council 	<ul style="list-style-type: none"> • Cannock Chase District Council • North Warwickshire Borough Council • Nuneaton and Bedworth Borough Council • Redditch Borough Council • Rugby Borough Council • Shropshire Council • Stratford-on-Avon District Council • Tamworth Borough Council • Telford and Wrekin Council • Warwickshire Country Council 	<ul style="list-style-type: none"> • Herefordshire Council • The Marches LEP • West Midlands Fire and Rescue Authority • West Midlands Police and Crime Commissioner

Table 1: Members of the WMCA

For a full overview of the WMCA's governance structure see **Appendix A**.

The earlier establishment and collaborative work of the three West Midlands LEPs since 2011 provided a strong foundation for the WMCA's development, supporting a shared agenda and joint working between local authorities and business leaders across the region in the following key areas:

- Providing direct support in the areas of **competitiveness, capacity and innovation** to the supply chain, particularly in the areas of aerospace and automotive.
- Providing **finance** to help to fund manufacturing businesses become competitive and innovative and to expand capacity.
- Providing better **connectivity** for trade to flow across the area's manufacturing supply chain through improved transport links.
- The **low carbon** economy
- **Inward investment** support and the visitor economy

Following the government's commitment in 2013 to negotiate Growth Deals with every Local Enterprise Partnership (LEP), LEPs were tasked with developing multi-year strategic economic plans (SEPs) to demonstrate their commitment to the growth agenda and to set out their priorities in return for freedoms, flexibilities and influence over resources from government and a share of the Local Growth Fund.

Through the delivery of SEPs in 2013-14, the [BCLEP](#), [CWLEP](#) and [GBSLEP](#) each set out their growth vision alongside their short- and mid- term strategies for delivery in line with six key themes (see **Appendix B** for a full account of performance targets and proposed strategies for achieving these):

1. Growing business base
2. Building on sector strengths
3. Stimulating innovation
4. Improving skills
5. Improving connectivity
6. Housing and other assets

Following the establishment of the WMCA in 2016, a [WMCA SEP](#) was subsequently developed for the entire region. With input from the three LEPs, this document outlines the following key priority areas:

1. **New manufacturing economy.** Creating the biggest concentrations of high value manufacturing businesses in Europe and their supply chains.
2. **Creative and digital.** Further developing this vibrant and flourishing sector.
3. **Environmental technologies.** Securing transformational environmental improvements.
4. **Medical and life sciences.** Enabling the further growth of the medical and life sciences sector.
5. **HS2 growth.** Maximising the benefits of the largest infrastructure project in Europe.
6. **Skills for growth and employment for all.** Ensuring the skills needs of businesses are met and everybody can benefit from economic growth.
7. **Housing.** Accelerating the delivery of current housing plans to increase the level of house building to support increased level of growth.
8. **Exploiting the economic geography.** Making the most of the scale and diversity of the West Midlands' geography to enable economic growth and community wellbeing throughout urban and rural areas.

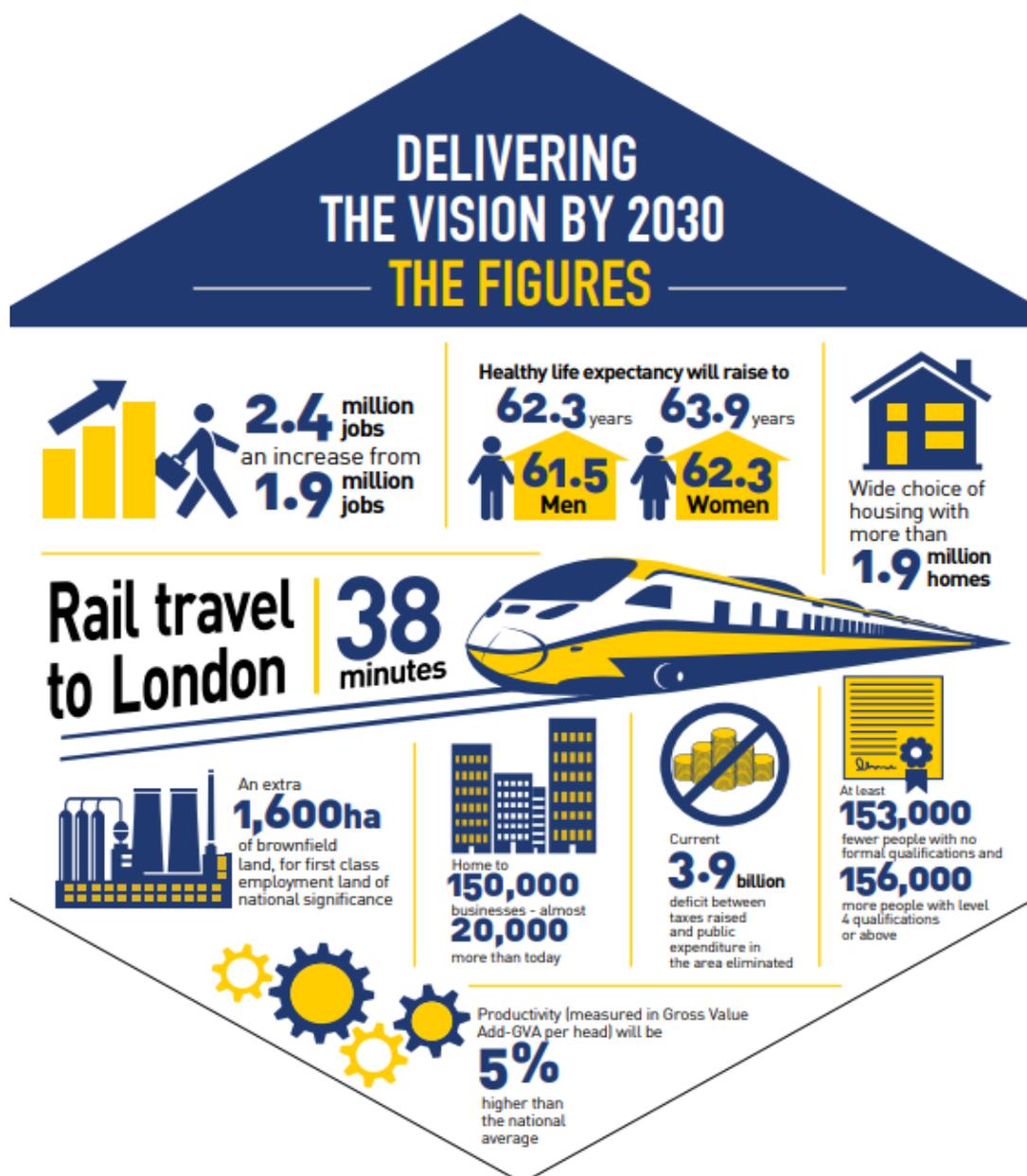


Figure 2: WMCA SEP headline targets by 2030 (Source: [WMCA SEP](#))

In May 2017, the WMCA became a mayoral CA when Andy Street was elected as Mayor. This was followed soon after by the region's second Devolution Deal in late-2017. Powers and funding agreed to date include ([LGA Devolution Register, 2020](#)):

- A West Midlands Investment Fund covering all domestic budgets for devolved functions, accountable to the CA.
- Control of a new additional £36.5 million a year funding allocation over 30 years, to be invested to drive growth
- £250m for transport infrastructure (including the extension of the Midland Metro)
- Establishing a Skills Advisory Panel
- Combining the Police and Crime Commissioner role into the responsibilities of the Mayor
- Creating a digital hub in Birmingham as part of the TechNation programme and a share of a £2m pilot for Coventry and Warwickshire for ultra-fast broadband roll-out
- Approval for the Housing First pilot to take place in the West Midlands to tackle rough sleeping
- A commitment to work alongside government to identify new funding opportunities to deliver high quality cycle infrastructure to achieve the aim of raising levels of cycling across the region to 5% by 2023.
- A commitment to work with the WMCA, Urban Growth Company and HS2 to ensure the maximum benefit from UK Central in Solihull.
- Funding to develop a business case to create a Regional Integrated Control Centre to improve resilience on the road, rail and tram networks.
- Continuing support for the work of the Mental Health Commission Thrive West Midlands.

For a full list of agreed WMCA responsibilities see **Appendix C**.

In May 2019, the [West Midlands Local Industrial Strategy](#) was published. Supporting the WMCA SEP and building on the distinctive sector strengths of the region, this document sets out the West Midlands strategy to (see **Appendix D** for an overview of the strategy's key elements):

- Drive growth by strengthening the foundations of **productivity**
- Ensure all communities can contribute to and benefit from economic prosperity (**inclusivity**) whilst protecting and enhancing the **environment**
- Designing actions using a balanced set of inclusive indicators

Regional/National Policy Context

Home of the first global industrial revolution, the historic development of the West Midlands owes much to the availability of coal and iron ore deposits in the Black Country, and Birmingham, Coventry and Warwickshire's dominance in the manufacturing of wool, cloth and metal between the 18th and 19th Centuries. As industry developed, the population of major towns in the region grew. In the early 20th Century, the region also became an important centre for the automotive industry. The onset of economic restructuring in the late 1970s, however, resulted in the mass exodus of industrial and manufacturing jobs with concerted efforts in the following decades to restructure the region's economic foundation and social composition. This necessitated a reimagining of the region's identity and role in the UK.

Since this time, the major regeneration initiatives designed to assist the region in its recovery have largely been led by national government. In administrative terms, the institutional responsibilities for delivering these in the region over this period are presented in Figure 3 below.

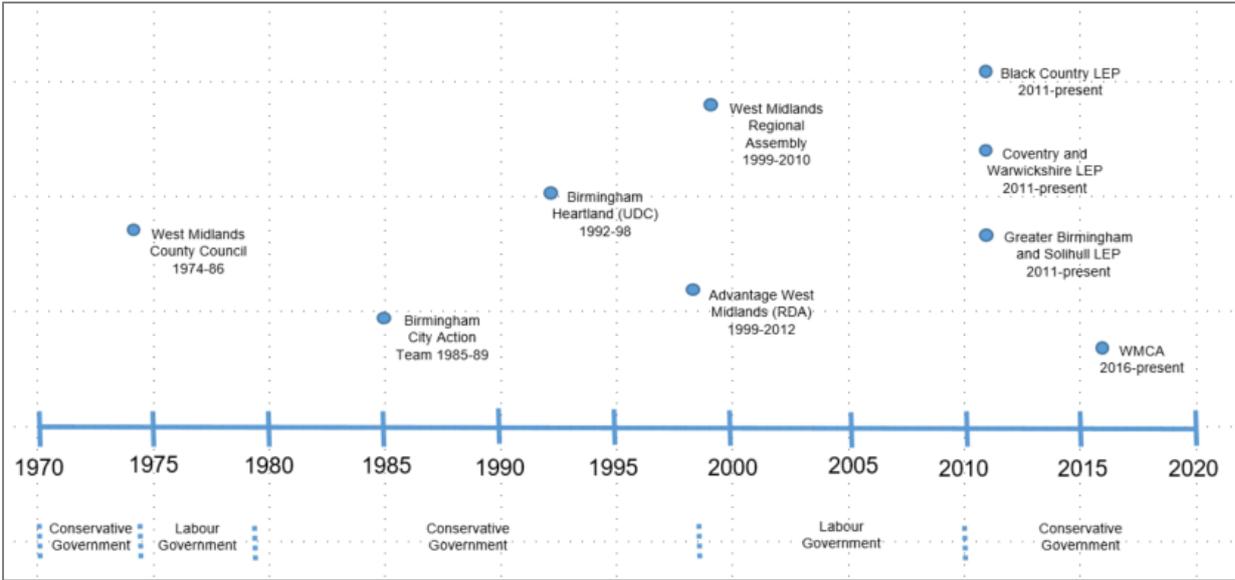


Figure 3: Timeline of institutions for delivering regional growth in the West Midlands

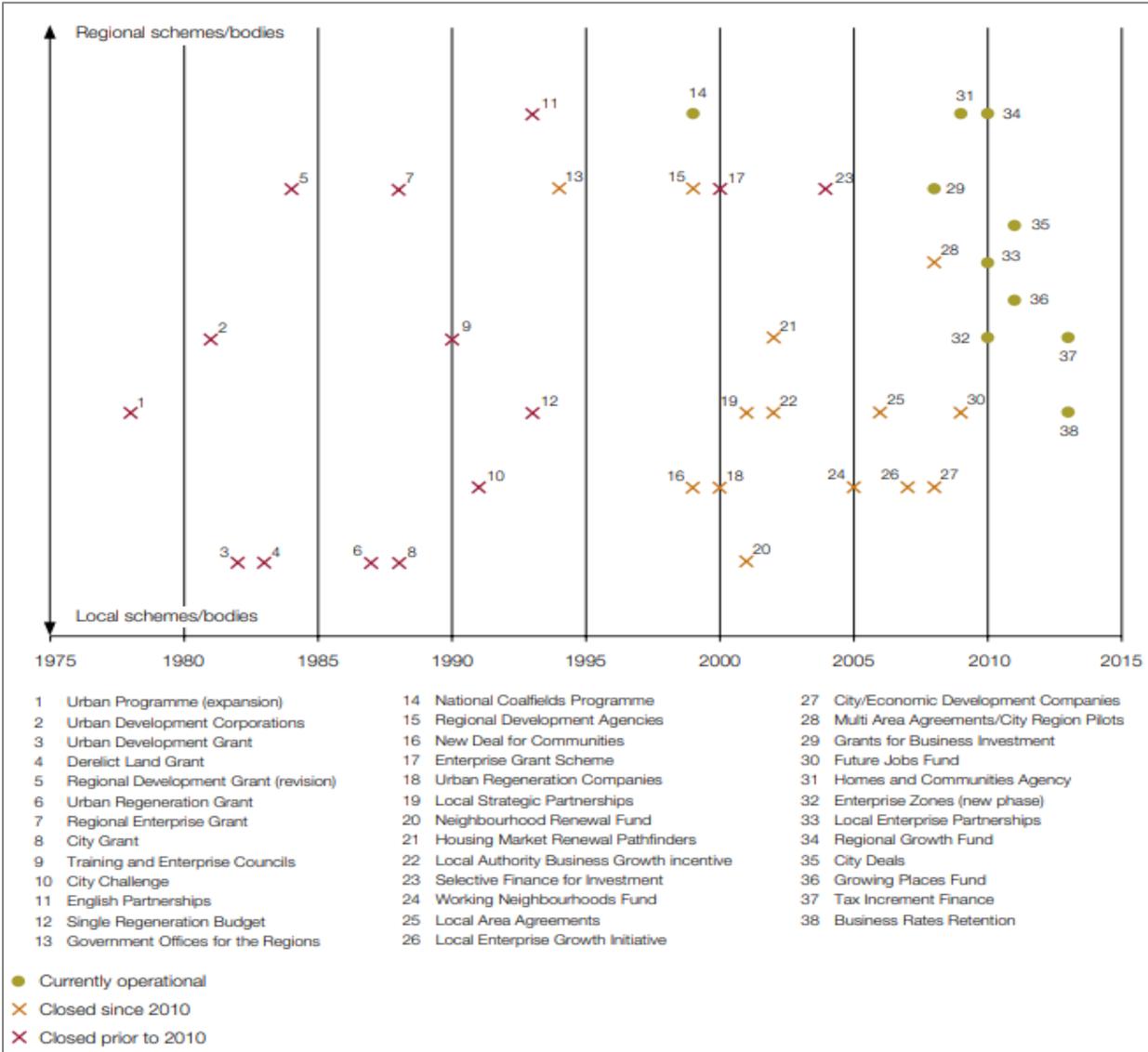


Figure 4: Changes in national initiatives for regional/local growth, 1975-2013 (Source: [NAO, 2013](#))

Figure 4 shows the changes in national initiatives designed to stimulate regional/local growth between 1975 and 2015. Beginning in the late 1970s, the number of area-based initiatives targeting areas in decline increased rapidly and, by the early 1980s, central government passes oversight of these to local authorities. Then in the late 1980s/early 1990s, the focus turned to local stakeholder and community groups as well as the voluntary and private sector to deliver regeneration programmes. In 1998, the New Deal for Communities was launched, a more extensive area-based initiative aimed at reducing the gaps between the poorest areas and the rest of the country. This was followed in the early 2000s by the Neighbourhood Renewal Fund introduced to provide assistance to local authorities to improve public services in the most deprived communities. In the late 2000s, there was then a shift away from social exclusion when the Local Economic Growth Initiative was launched with a focus on increasing local economic growth and reducing worklessness. By the early 2010s, the policy landscape transforms again with the closure of all area-based initiatives in pursuit of a new 'localism' agenda centred on local economic growth, 'community-led' regeneration and the reform of local government. This included the creation and Local Enterprise Partnerships and subsequently Combined Authorities. During this period the focus has been on enterprise zones, the Regional Growth Fund, the Local Growth Fund, City Deals, Growth Deals, Growing Places Fund and Devolution Deals ([Local Trust, 2019](#)).

WMCA Key Statistics

In Table 3 below, figures for the BCLEP, CWLEP, GBSLEP and WMCA are shown for a number of key indicators related to prosperity, inclusivity and sustainability. Figures for the UK are also provided as a baseline to assess regional performance according to latest data and over a 5-year period.

This data was used to develop a regional typology to assess the productivity, inclusivity and sustainability of all GB regions in relation to the nature of their economies and their outcomes over time. Table 2 below shows the results of this typology for the WMCA, indicating the performance of the WMCA and its 3 LEP areas in relation to all other regions in England (LEPs and CAs), Wales and Scotland.

	LEVELS (2018)			CHANGE (2013-2018)		
	PROSPERITY	INCLUSIVITY	SUSTAINABILITY	PROSPERITY	INCLUSIVITY	SUSTAINABILITY
WMCA	LOW	LOW	HIGH	HIGH	LOW	MEDIUM
BCLEP	LOW	LOW	HIGH	MEDIUM	LOW	MEDIUM
CWLEP	HIGH	MEDIUM	LOW	HIGH	LOW	MEDIUM
GBSLEP	MEDIUM	LOW	MEDIUM	HIGH	MEDIUM	MEDIUM

Table 2: WMCA performance on prosperity, inclusivity and sustainability (levels and change)

LOW = Lowest quartiles; MEDIUM = Q2 and Q3; HIGH = Highest quartile

The results indicate the following for the WMCA:

Prosperity - performance low but improving fast compared to other regions

Inclusivity - performance low and improving slow compared to other regions

Sustainability - performance high and improving in line with other regions

Unless otherwise stated, all data for the WMCA refers to the West Midlands Metropolitan area (7 constituent members of the WMCA).

Table 3: Key Statistics	BCLEP		CWLEP		GBSLEP		WMCA (7 Met.)		UK	
	2018	% change 2013-18	2018	% change 2013-18	2018	% change 2013-18	2018	% change 2013-18	2018	% change 2013-18
PROSPERITY										
GVA per/hour	75.5	3.1	104.4	8.3	94.9	8.1	91.6	10.2	100	2.0
Median gross weekly pay for full-time workers	501.3	10.8	588.2	10.8	553.4	10.1	557.7	11.8	568.3	9.8
Employment rate 16-64	68.7	5.7	77.0	6.1	71.0	7.4	68.2	7.6	75.0	5.3
% of total employees in low pay sectors ¹	31.1	-4.0	30.2	-5.3	30.7	-3.9	30.0	-3.5	33.7	-1.7
% of workers in high-skilled occupations (SOCs 1, 2, 3)	12.0	8.9	14.9	1.8	14.7	12.5	13.6	12.8	14.9	5.5
% of working-age population with NVQ Level 2+ quals.	60.7	0.5	74.4	4.1	71.3	9.0	66.3	6.9	74.9	3.7
INCLUSIVITY										
% in-work households with and without children receiving child and/or working tax credits	37.8	-13.1	20.2	-27.0	31.5	-17.7	37.3	-13.0	22.1	-29.1
20:20 ratio of median weekly pay (gross), ft workers	2.07	-1.3	2.4	4.7	2.31	-0.6	2.23	-0.1	2.27	-0.02
Ratio of lq. house price to lq. earnings ²	5.9	7.8	7.3	15.9	7.0	11.7	6.5	12.9	7.3	11.1
Life Expectancy (females)	81.8	-0.5	83.1	0.0	82.7	0.1	82.2	-0.2	82.9	0.2
% of total connections receiving superfast broadband (>= 30 Mbits) (years = 2016-18)	60.8	61.7	57.6	39.1	60.0	51.7	60.4	42.9	55.3	36.5
% of workless households	19.1	-14.7	13.4	-21.6	14.7	-30.0	17.9	-22.8	14.5	-16.2
SUSTAINABILITY										
CO2 per capita emissions (t) (years = 2017, 2013-17)	4.0	-21.9	7.2	-16.4	4.5	-21.8	4.0	-23.6	4.5	-23.7
Total residual fuel consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	0.1	5.1	0.3	-9.3	0.1	2.7	0.1	6.9	0.3	-9.3
Total transport energy consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	0.41	-1.4	0.92	-1.4	0.51	-1.9	0.42	-3.8	0.57	-0.3
Motor vehicle traffic per capita, vehicle miles ³	3410	1.3	7648	1.5	4845	1.3	3562	0.1	5083	4.2
Municipal waste generation, tonnes per capita ⁴	0.44	-3.5	0.42	-3.9	0.42	-2.8	0.44	-3.5	0.66	-4.3
% of household waste sent for recycling/reuse/composting ⁵	37.1	-12.1	44.4	-1.8	30.0	-14.2	31.1	-12.3	43.0	-0.5

¹ UK = Data for Great Britain

² UK = Data for England and Wales

³ UK = Data for Great Britain

⁴ UK = Data for England, 2014-18

⁵ UK = Data for England, 2014-18

PROSPERITY	<p>91.6 GVA per/hour (index) (UK=100)</p> <p>↑ 10.2% 2013-18</p>	<p>£557.7 Median gross weekly pay for full-time workers</p> <p>↑ 11.8% 2013-18</p>	<p>68.2% Employment rate 16-64</p> <p>↑ 7.6% 2013-18</p>	<p>30% of total employees in low pay sectors</p> <p>↓ 3.5% 2013-18</p>	<p>13.6% of workers in managerial, professional and technical occupations</p> <p>↑ 12.8% 2013-18</p>	<p>66.3% of working age population with NVQ2+ quals.</p> <p>↑ 6.9% 2013-18</p>
INCLUSIVITY	<p>37.3% In-work households receiving child and/or working tax credit</p> <p>↓ 13.0% 2013-18</p>	<p>2.23 20:20 ratio of median weekly pay</p> <p>↓ 0.1% 2013-18</p>	<p>6.5 Ratio of lower quartile house price to lower quartile earnings</p> <p>↑ 12.9% 2013-18</p>	<p>82.2 Female life expectancy</p> <p>↓ 0.2% 2013-18</p>	<p>60.4% of premises with access the superfast broadband</p> <p>↑ 42.9% 2016-18</p>	<p>17.9% of workless households</p> <p>↓ 22.8% 2013-18</p>
SUSTAINABILITY	<p>4.0 CO2 per capita emissions</p> <p>↓ 23.6% 2013-17</p>	<p>0.09 Total residual fuel consumption (tonnes of oil equivalent per capita)</p> <p>↑ 6.9% 2013-17</p>	<p>0.42 Total transport energy consumption (tonnes of oil equivalent per capita)</p> <p>↓ 3.8% 2013-17</p>	<p>3562 Motor vehicle traffic (vehicle miles per capita)</p> <p>↑ 0.1% 2013-18</p>	<p>0.44 Municipal waste generation (tonnes per capita)</p> <p>↓ 3.5% 2013-18</p>	<p>31.1% of household waste sent for recycling/reuse/composting</p> <p>↓ 12.3% 2013-18</p>

The WMCA's productivity is considerably less than the national average. Looking at GVA/hour as the best proxy measure of productivity available, Figure 5 shows that GVA/hour worked has been consistently less than the UK average over a 5 year period (2013-18). In 2018, GVA/hour in the WMCA was £32.1 compared to £35.0 for the UK. There is, however, considerable variation across the WMCA LEP areas, with BCLEP having a significantly lower GVA/hour in 2018 (£26.5) than CWLEP that has a GVA/hour above the national average (£36.6). It should be noted that the data used in Figure 5 should not be used to compare GVA/hour between years but rather within years.

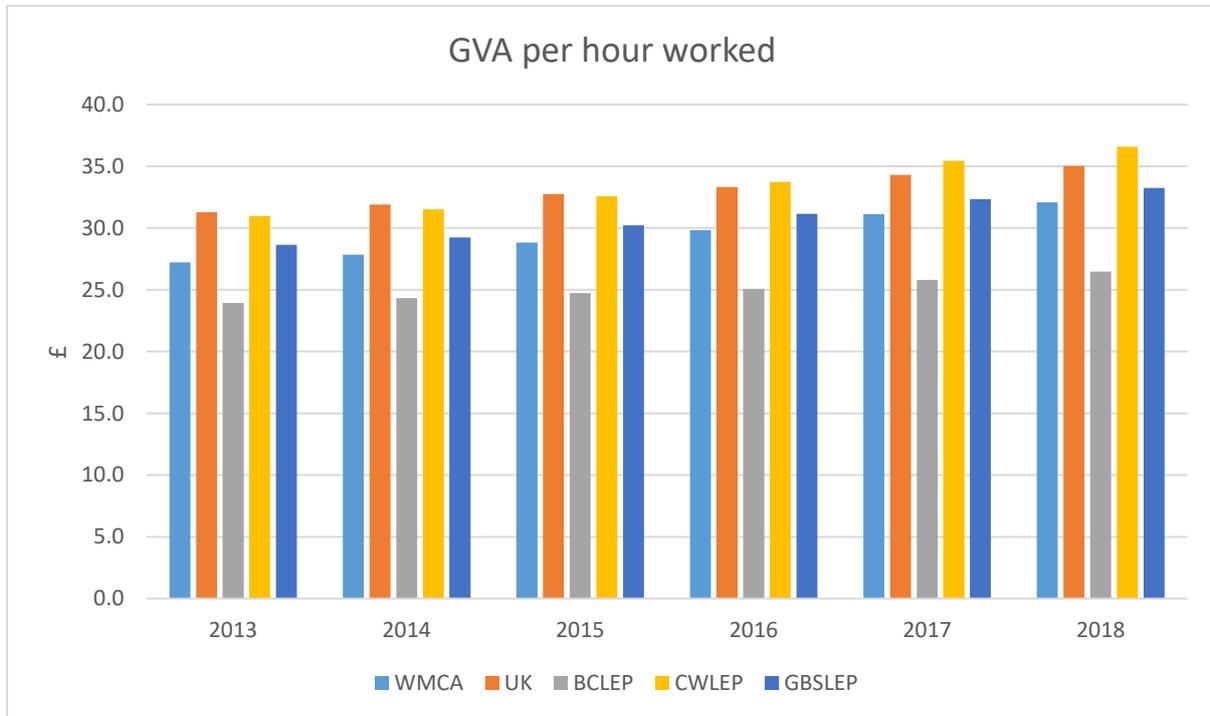


Figure 5: GVA per hour worked (£), nominal (smoothed) (Source: ONS)

While GVA/hour for the WMCA continues to lag behind the UK, Figure 6 shows us that GVA/hour has been increasing at a considerably faster pace than the national average since 2015.

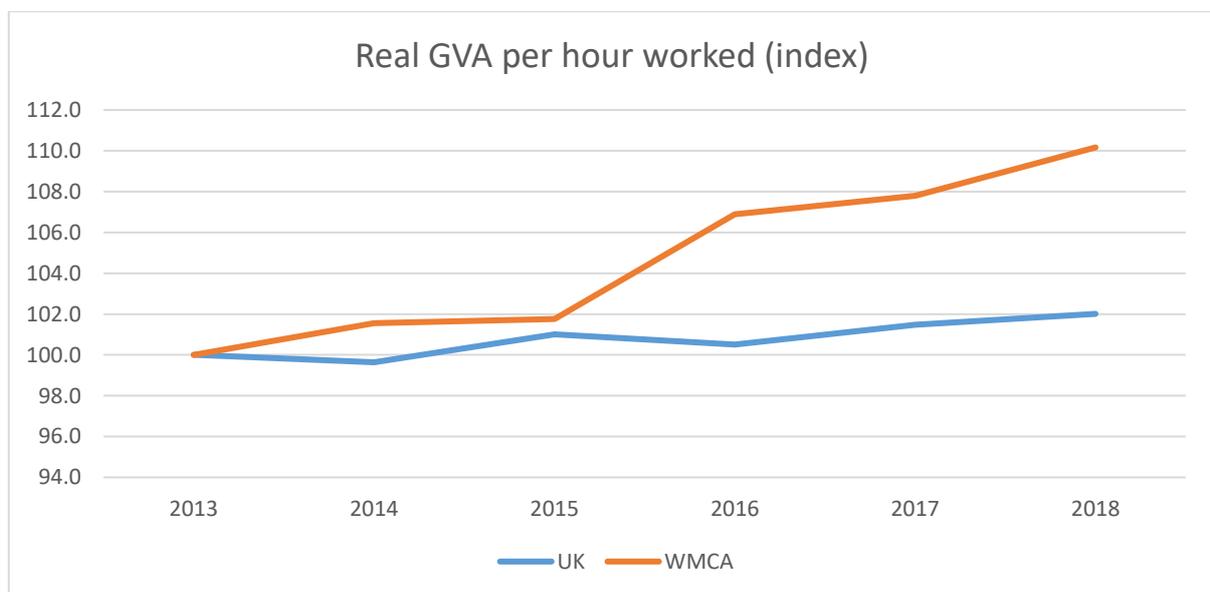


Figure 6: Real GVA per hour worked (index) (Source: ONS)

1. Innovation

It is important that the WMCA leverage science and innovation excellence to increase productivity. Figure 7 and Tables 4-5 below provide an initial indication of the strength of the innovation environment in the WMCA. Figure 4 gives an approximation of the extent to which firms are engaged in different types of innovation activity for each LEP area, including the lowest and highest proportions for each metric of all LEP areas as benchmarks. This data shows that the WMCA performs particularly strongly in innovations related to 'work organisation', 'design', 'collaboration' and 'innovation sales'. The WMCA performs particularly less well in innovations related to 'radical innovation' and 'process innovation'.

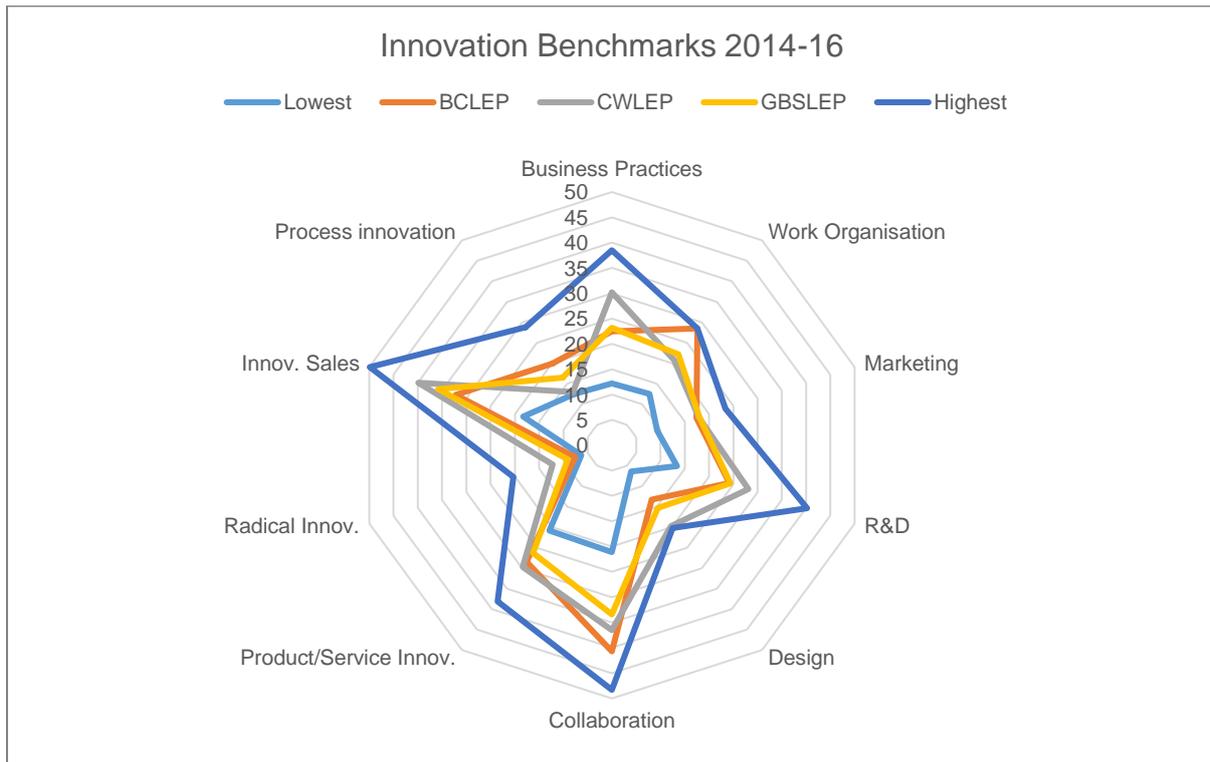


Figure 7: Innovation Benchmarks (Source: Roper and Bonner, 2019)

	Expenditure (£ million)	Expenditure (£ million) per 10,000 adult population	Employment (000s)	Employment per 10,000 adult population
West Midlands	2303	4.9	19	41
England	20237	4.5	186	42
England (exc. London)	17941	4.8	166	44

Table 4: Business Expenditure on R&D (Source: ONS, 2016)

	Patents granted	Patents granted per million adult population
West Midlands	282	60.4
England	2502	55.9
England (exc. London)	2102	55.7

Table 5: Patents (Source: Intellectual Property Office, 2016)

Tables 4 and 5 above show that the West Midlands performs relatively strongly in terms of business expenditure on R&D, with £4.9 million per 10,000 adult population spent by businesses on R&D in 2016

compared to £4.5 million for England. This strong performance is also reflected in the number of patents granted per one million adult population, which in 2016 stood at 60.4 compared to 55.9 for England.

The eight universities present in the region are major assets for driving innovation, with vast opportunity for collaboration and knowledge sharing between HEIs and businesses in the WMCA. They also provide a large pool of highly skilled people for businesses to potentially recruit from (Figure 8).

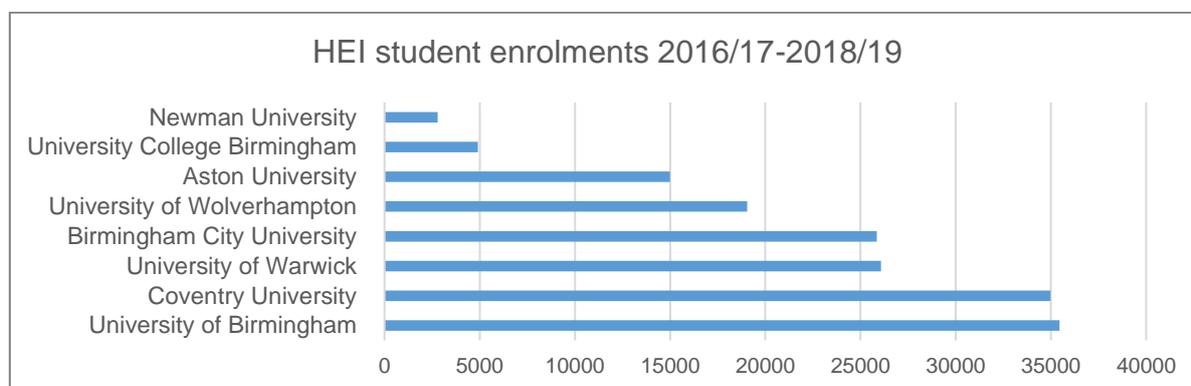


Figure 8: Student Enrolments in the West Midlands (Source: HESA)

Research Council	Active funding (£m)	Proportion of England
AHRC	18.1	8.7%
BBSRC	84.6	8.2%
EPSRC	299.6	7.4%
ESRC	39.3	5.0%
MRC	48.4	4.1%
NERC	23.1	3.9%
STFC	34.0	6.7%

Table 6: Research Council funding for West Midlands HEIs (Source: Gateway for Research, Active in June 2017 taken from the [West Midlands Science and Innovation Audit](#))

Table 6 provides a breakdown of research council funding coming into the region (active in June 2017). The two research intensive universities of University of Birmingham and University of Warwick account for approximately £530 million of this funding. The research power and quality of these two institutions was recognised in the REF 2014 which placed the University of Birmingham and the University of Warwick in the UK's top 10 ranking institutions for a range of research areas (Table 7).

University of Birmingham	University of Warwick
<ul style="list-style-type: none"> • Aeronautical, Mechanical, Chemical & Manufacturing Engineering • Civil and Construction Engineering • Clinical Medicine • Psychology, Psychiatry and Neuroscience • Sport & Exercise Sciences, Leisure & Tourism 	<ul style="list-style-type: none"> • Agriculture, Veterinary and Food Science • Business and Management Studies • Chemistry • Computer Science and Informatics • Economics and Econometrics • General Engineering • Mathematical Sciences • Physics

Table 7: Top 10 rankings on research power/quality in the REF 2014 (Source: SQW analysis of REF taken from the [West Midlands Science and Innovation Audit](#))

Figure 9 below outlines a number of research and innovation assets present in the West Midlands.

Advanced Propulsion Centre (APC) Hub, University of Warwick

- With its Hub at the University of Warwick¹⁴, the APC aims to position the UK as a global centre of excellence for low carbon propulsion development and production. Its mission is to turn new low carbon propulsion technologies into products for the automotive industry by supporting collaborations and providing funding.

Birmingham Institute of Translational Medicine (ITM)

- Located on the University of Birmingham campus between the Medical School and Queen Elizabeth Hospital Birmingham, the ITM acts as a central hub for clinical trials acceleration and stratification, and clinical informatics. The ITM brings together researchers from different disciplines, such as cancer, inflammation, rare diseases and bioengineering to speed up the translation of new discoveries into health applications.

Energy Systems Catapult (ESC)

- Based in Birmingham, the ESC aims to help the UK navigate the transformation of the energy system and capture commercial opportunities this creates. The ESC is focused on electricity, heat and combustible gases. Key activities include the Smart Systems and Heat programme, and the Future Power Systems Architecture project.

European Bioenergy Research Institute (EBRI)

- Based at the University of Aston, EBRI acts as a focus for pan-European activities on scientific and technological aspects of biomass conversion and utilisation of products for renewable power, heat, transport fuels, hydrogen and chemicals.

High Temperature Research Centre (HTRC)

- Based in Coventry, the HTRC is a collaboration between the University of Birmingham and Rolls-Royce, and provides production scale research and experimentation to deliver rapid high quality product and process innovation. The HTRC focuses on the key design and manufacturing aspects of investment casting, and is a self-contained investment casting foundry.

Institute for Advanced Manufacturing and Engineering (IAME)

- A collaboration between Coventry University and Unipart Manufacturing Group, the IAME brings together academia, industry and R&D in a 'live' manufacturing environment. The focus is on R&D in a range of sectors including automotive, aerospace, oil and gas, power generation and rail.

Manufacturing Technology Centre (HVM Catapult)

- Based in Coventry (and founded by Birmingham, Loughborough and Nottingham Universities with TWI¹⁵), the MTC provides manufacturing system solutions in partnership with industry, academia and RTOs. The MTC is focused on three core technology areas: Assembly Systems; Component Manufacturing Systems; and Data Systems for Manufacturing.

National Transport Design Centre (NTDC)

- Opening in May 2017, the NTDC is based at Coventry University focused on exploring new areas of transport design research using technology in new ways, as well as new technology. The vision of the NTDC is to be recognised as a world leader in understanding the factors which influence transport design, and how that understanding is articulated in physical and virtual form.

Warwick Manufacturing Group (HVM Catapult)

- Part of the wider Warwick Manufacturing Group at the University of Warwick, the HVM Catapult at WMG works with business to transfer research to industry. The WMG Catapult is focused on the global challenge of Low Carbon Mobility and in particular two priority areas: Lightweight Technologies; and Energy Storage and Management. WMG also has expertise in digital/data through visualisation team and cyber security centre.

Figure 9: Key research assets in the West Midlands (Source: SQW analysis taken from the [West Midlands Science and Innovation Audit](#))

2. Business

The WMCA business base currently stands at 105,830 (393 per 10,000 population compared to 442 for the UK in 2018). To reach the national average, the WMCA would need to increase its enterprise stock by 13,196. On a more promising note, business births per 10,000 population for the WMCA is higher than the national average at 60 compared to 57 in 2018 (see Table 8). Business births are exceeding business deaths showing that the WMCA is on a positive upwards trajectory for growing its business base and narrowing the gap between the WMCA and the UK (see Figure 10). Figure 11 shows the proportion of start-ups scaling <£500k to £1m+ in 3 years (2014-17) and survivors scaling £1-2m to £3m+ in 3 years (2014-17). On the growth of start-ups, the data shows that the BCLEP is in line with the English average while CWLEP and GBSLEP fall just below. On the growth of existing businesses, GBSLEP exceeds the average for England while BCLEP and CWLEP fall below.

	Business stock (2018)	Business stock per 10,000 population	Start-ups per 10,000 population
UK	2939520	442	57
WMCA	105830	363	60
Birmingham	46675	409	82
Coventry	11625	317	44
Dudley	10740	335	38
Sandwell	10055	307	42
Solihull	9195	428	50
Walsall	8775	310	39
Wolverhampton	8765	335	43

Table 8: Business Stock and Start-ups (Source: ONS Business Demography, 2018)

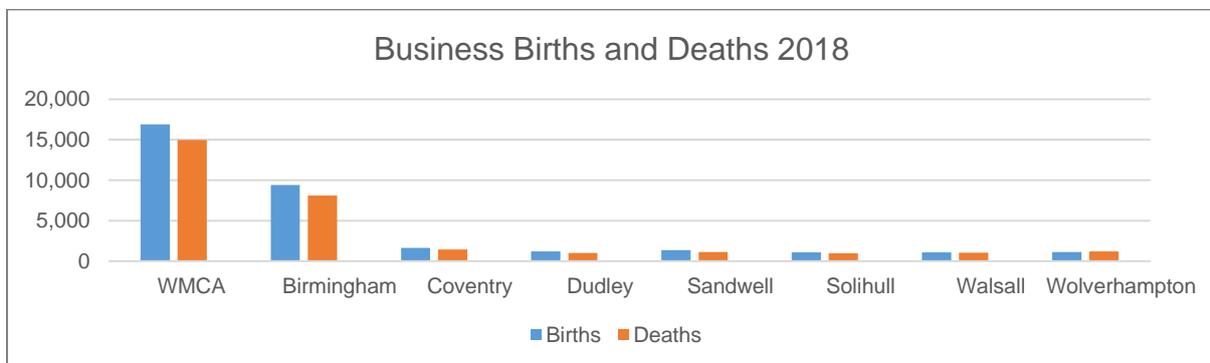


Figure 10: Business Births and Deaths (Source: ONS Business Demography, 2018)

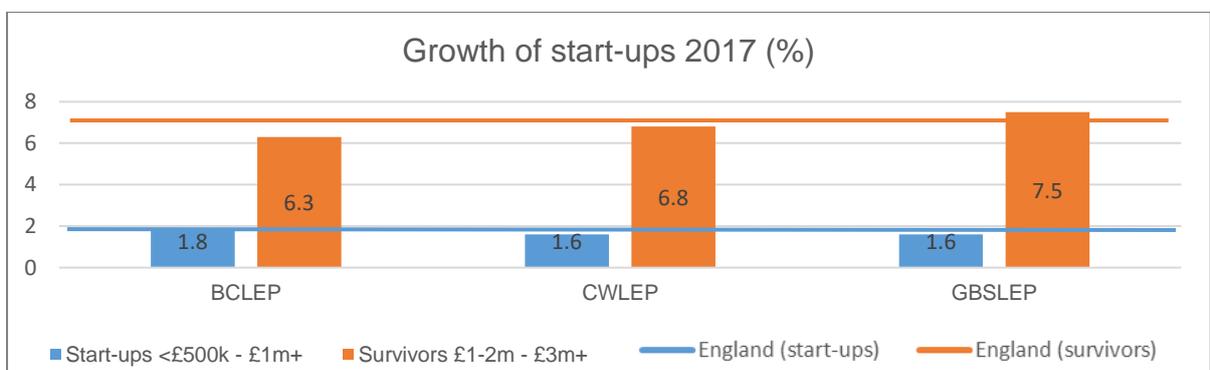


Figure 11: Growth of start-ups (Source: [Enterprise Research Centre, 2018](#))

	WMCA (number)	WMCA (%)
Micro (0 to 9)	78410	88.5
Small (10 to 49)	8275	9.3
Medium (50 to 249)	1530	1.7
Large (250+)	410	0.5
Total	88625	-

Table 9: Business Counts of Enterprises 2019 (Source: ONS)

Table 9 shows that the vast majority of WMCA businesses enterprises (88.5%) are small firms with 0 to 9 employees. Only 0.5% of enterprise firms in the WMCA employ more than 250 people.

Figure 12 shows job by broad sector for the WMCA and Great Britain. The WMCA has a strong business base focused on 'health' (14.0% of total employment), 'education' (10.6% of total employment) and 'manufacturing' (10.6% of total employment). Other sectors the WMCA scores higher than the national average on, include: 'business admin and support services' (9.5%), 'transport and storage' (5.5%), 'wholesale' (4.9%), 'motor trades' (2.1%) and 'property' (1.9%).

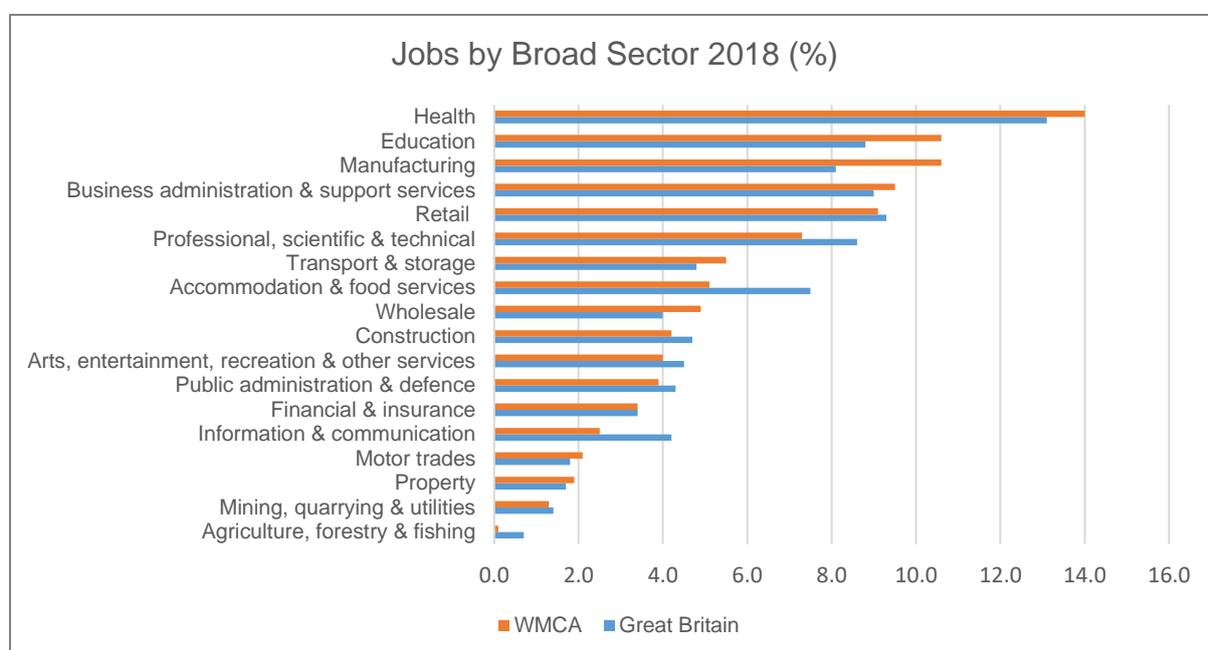


Figure 12: Jobs by broad sector (Source: BRES, 2018)

According to the WMCA Industrial Strategy, the 'low carbon and environmental technologies' sector is the most productive sector in the WMCA, followed by 'digital and creative business', 'professional and financial services' and 'advanced manufacturing and engineering'.

In relation to exports and investment, the WMCA Industrial Strategy states that:

- The West Midlands is the fastest growing UK region for goods and exports (27% growth between 2015 and 2017).
- Outside London and the South East, the West Midlands exports the most by value of any region; over £33bn in 2017.
- Local supply chain firms are competitive in a range of global markets for aerospace, materials, rail, automotive, healthcare devices and marine
- Between 2011 and 2018, 775 Foreign Direct Investment projects created almost 46,000 jobs, and the number of projects per annum has almost doubled.

“The West Midlands is the export capital of the UK. The WMCA exported £17.8bn worth of goods across the world in 2017, £11.1bn of which went outside of the EU. Excluding London, this is the value of exports of any comparative UK area. Unlike most comparator regions, the West Midlands also has a substantial trade surplus in goods with China (+£1.02bn) and the largest trade surplus of all UK areas with the USA (+ £2.7bn)”⁶

[\(WMCA State of the Region Report Summary, 2019\)](#)

3. Infrastructure

“Our strategic road and rail networks, including the M5, the M6 and the West Coast Mainline, are of national importance and crucial in the effective transportation of goods and people, and facilitating supply-chain relationships, across the country. HS2, with its headquarters in Birmingham, and Phase One providing a high-speed link between Birmingham and central London, will strengthen further our offer at the centre of the UK’s strategic transport network. Our excellent international linkages are also at the heart of our offer as a place to invest, work, live and play; Birmingham Airport handles more than 10 million passengers annually, and with HS2, will be the UK’s first and only high-speed rail connected airport.”

[\(Science and Innovation Audit for the West Midlands, 2017\)](#)

Figure 13 provides a map of key infrastructure investments during the period 2017-18 in the WMCA 3-LEP area. The WMCA is well-connected internationally owing to **Birmingham Airport** as one of the fastest growing airports in the UK. The WMCA is also well-connected nationally, with 90% of all UK markets within a 4-hour drive away. The scheduled arrival in the centre of Birmingham of **HS2** in 2028-31 will increase connectivity by reducing journey times to London to 50 minutes. At a regional level, a £1.3 billion investment programme to develop the **West Midlands Metro** system is set to improve connectivity and public transport integration across the region. When complete, the Metro will serve over 80 tram stops, more than 20 transport inter changes and link Wolverhampton, Birmingham, Dudley, Brierley Hill, Digbeth, North Solihull, Birmingham Airport, the NEC and HS2.

Despite growing investments, the WMCA continues to face a number of challenges in relation to its infrastructure (see WMCA Industrial Strategy):

- Growth has put pressure on the transport system, leading to high levels of congestion and poor air quality.
- There is an over-reliance on the road network and private transport
- Only 41% of residents can access three or more strategic centres by public transport within 45 minutes at peak times, making physical access to skills and jobs an issue
- Rural areas face transport challenges. Many communities close to major growth centres and corridors are poorly connected to opportunities for skills and jobs. These communities also face inequality of access to natural space.

⁶ Data referring to 3-LEP WMCA geography – BCLEP, CWLEP and GBSLEP.

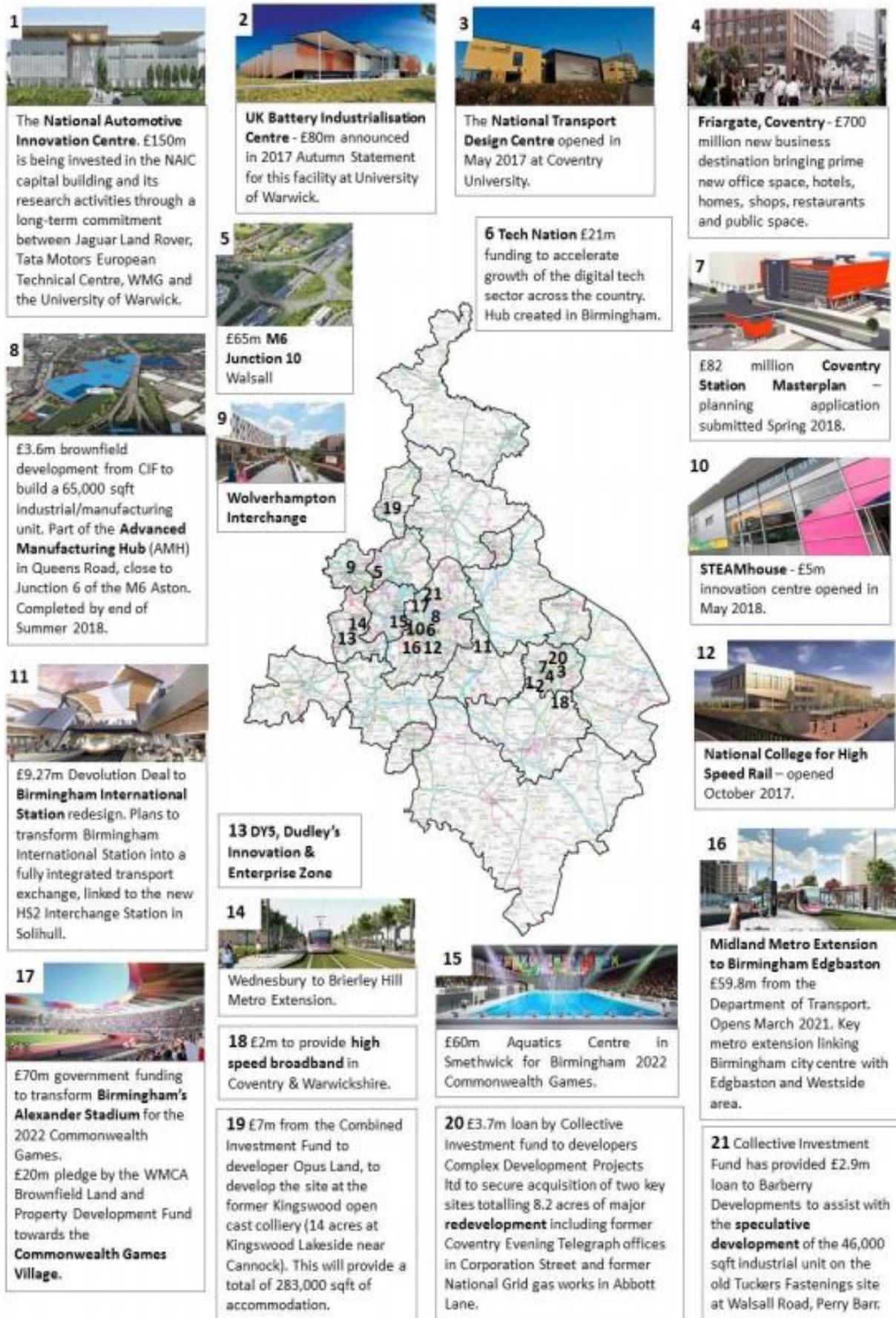


Figure 13: WMCA Infrastructure Investments 2017-18 (Source: [WMCA State of the Region, 2018](#))

Housing stock in the West Midlands has been rising in recent years, as can be seen in Figure 14 below. However, it is rising at a slower pace than the average for England. Between 2017 and 2018, the number of dwellings in the WMCA rose by 0.7% compared to 0.9% for England.

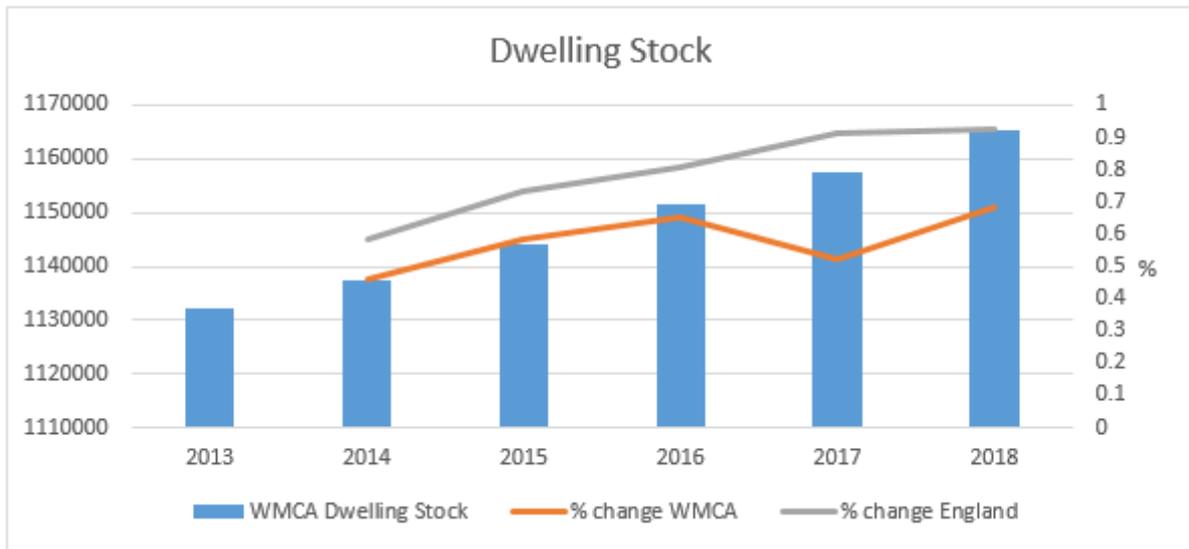


Figure 14: Dwelling Stock (Source: Ministry of Housing, Communities and Local Government, 2018)

The pace of house building is not keeping up with demand. In addition, housing costs in the WMCA have been increasing faster than local salaries (see Figure 15). Most areas in the West Midlands are in the top fifth of house price increases nationally.

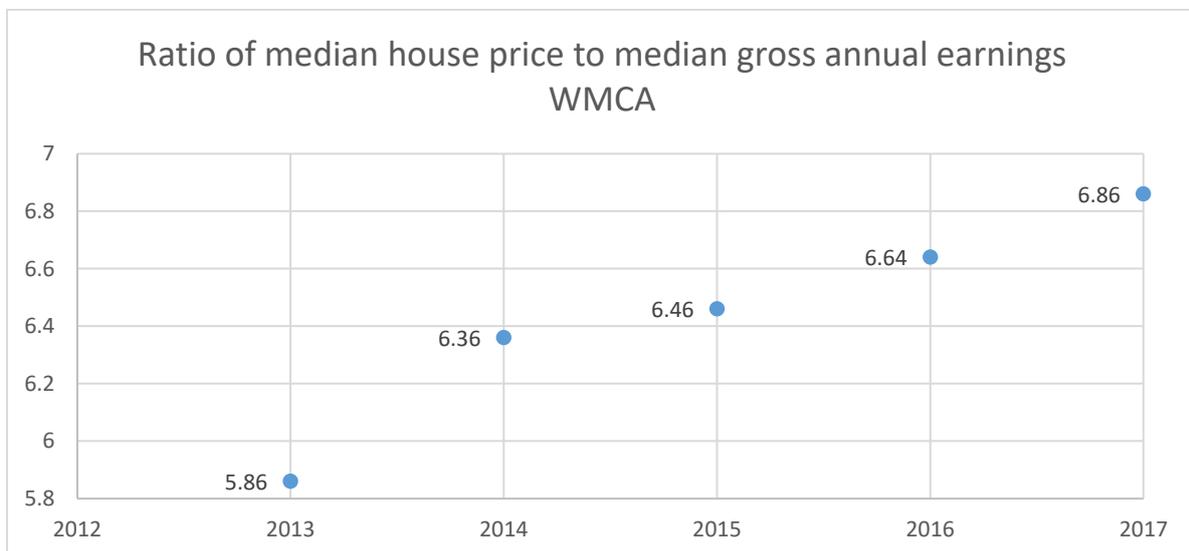


Figure 15: Ratio of median house price to median gross annual earnings in the WMCA

Looking at dwelling stock by tenure, Figure 16 shows that the proportion of dwellings privately rented increased between 2013 and 2018.

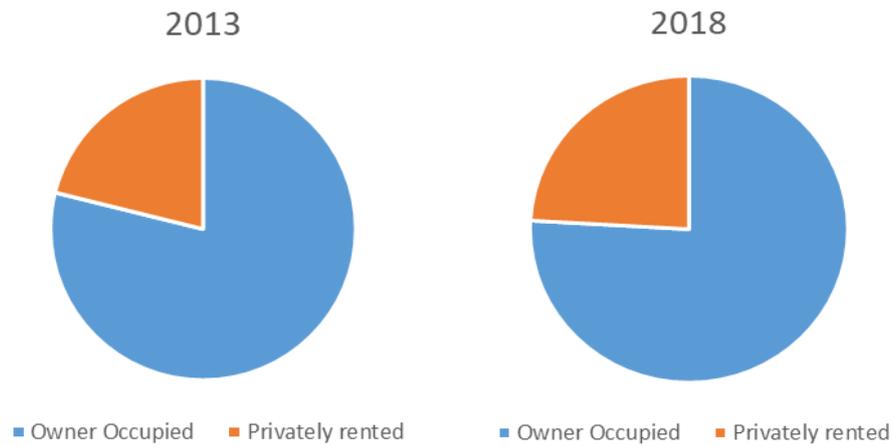


Figure 16: WMCA dwelling stock by tenure (Source: Ministry of Housing, Communities and Local Government, 2018)

The WMCA benefits from good broadband connectivity, with 60.4% of total connections receiving superfast broadband (> 30 Mbps) compared to 55.3% for the UK (Figure 17).

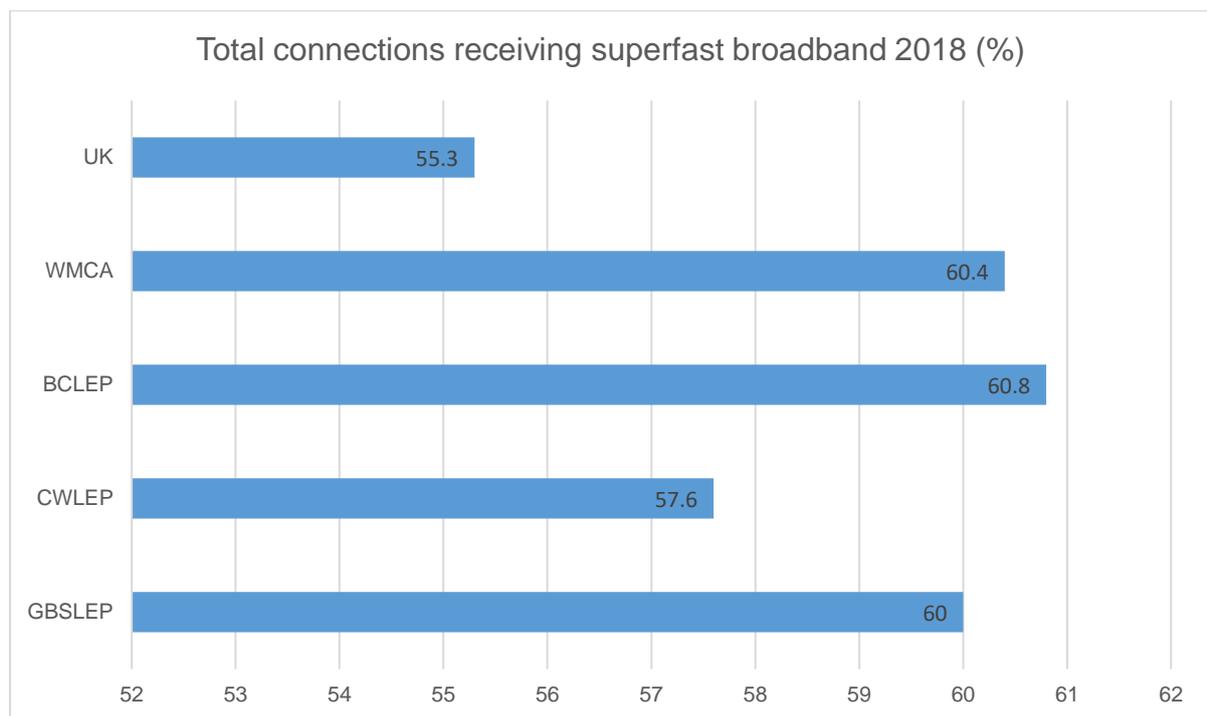


Figure 17: Total connections receiving superfast broadband (Source: OFCOM, Connected Nations 2018)

In September 2018, the WMCA successfully won a competition put out by the Department for Digital, Culture, Media and Sports to accelerate the roll out of 5G and be the lead partner of the 5G Testbeds and Trails Programmes Urban Connected Communities Project. The Project began in 2018 and will run until March 2022.

4. People

	WMCA	WMCA (%)	Great Britain (%)
All people aged 16-64	1839400	63.1	62.7
Economically Active	1387400	73.8	78.9
In Employment	1300900	69.1	75.7
Employees	1132000	60.5	64.7
Self Employed	165500	8.4	10.8
Unemployed	86500	6.2	3.9

Table 10: Working age population, employment and unemployment 2018 (Source: ONS Annual Population Survey)

	WMCA	Great Britain
NVQ4+	30.5	39.3
NVQ3+	48.5	57.8
NVQ2+	66.3	74.9
NVQ1+	78.0	85.4
Other Qualifications	9.1	6.8
No Qualifications	12.8	7.8

Table 11: Qualifications 2018 (Source: ONS Annual Population Survey)

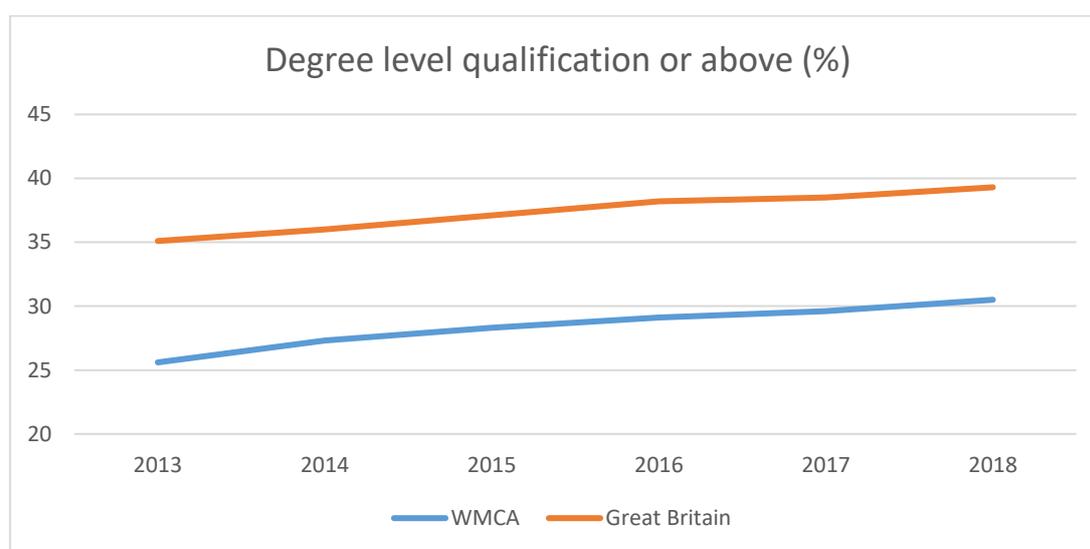


Figure 18: Population aged 16-64 with NVQ4+ qualifications (Source: ONS)

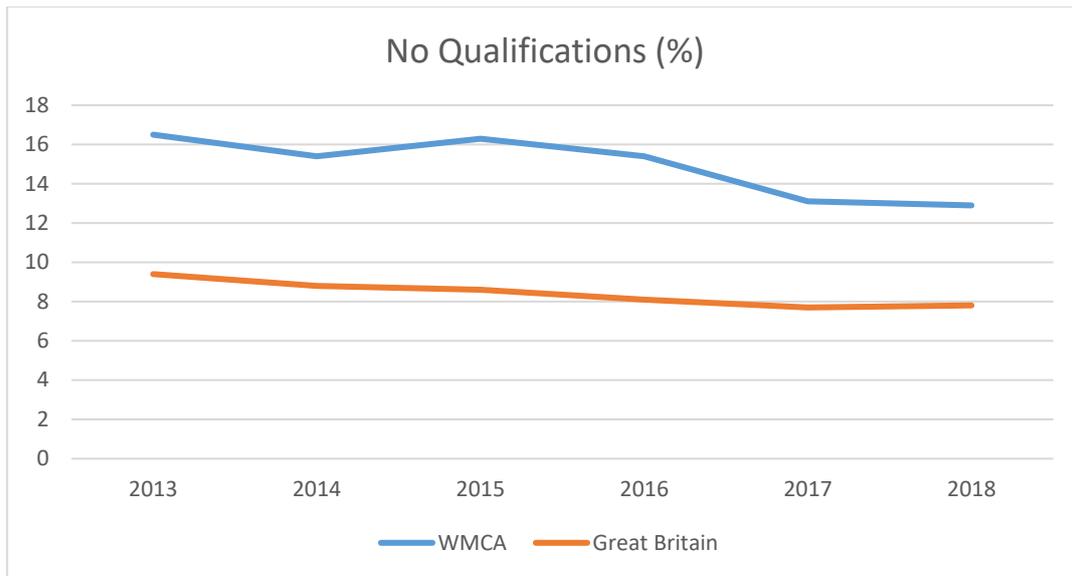


Figure 19: Population aged 16-64 with no qualifications (Source: ONS)

5. Place

As shown in Figure 20, in 2018 the WMCA had 7.7 million day visitors and 20.6 million overnight visitors, and visitor spending in the region stood at £1,327 million. The WMCA is considered to be the largest cultural sector outside of London with 2 million people participating in cultural activity annually (2015 figure). This is owing, for example, to Birmingham’s performance, theatre, dance and music offer and Stratford-Upon-Avon’s theatre offer. Coventry also won a bid to become the UK City of Culture 2021. The region is also set to host the Common Wealth Games 2022.



Figure 20: Day visitors, overnight visitors and visitor spend

The WMCA is an area with high levels of deprivation. According to the 2019 Index of Multiple Deprivation (IMD) for England, 45.4% of the WMCA falls within the 20% more deprived areas nationally. In contrast, only 9.1% of the WMCA falls within the 20% least deprived areas (see Table 12). The

distribution of deprivation in the WMCA is shown in Figure 21. This shows particularly high levels of deprivation in a central band running across the City of Birmingham and in the local authorities of Dudley, Sandwell, Walsall and Wolverhampton in the Black Country.

2019 IMD		
	No.	%
10% most deprived	444 (out of 1680 LSOAs)	26.4%
20% most deprived	757 (out of 1680 LSOAs)	45.4%
10% least deprived	80 (out of 1680 LSOAs)	4.8%
20% least deprived	153 (out of 1680 LSOAs)	9.1%

Table 12: 10% and 20% most and least deprived areas in the WMCA (Source: IMD 2019)

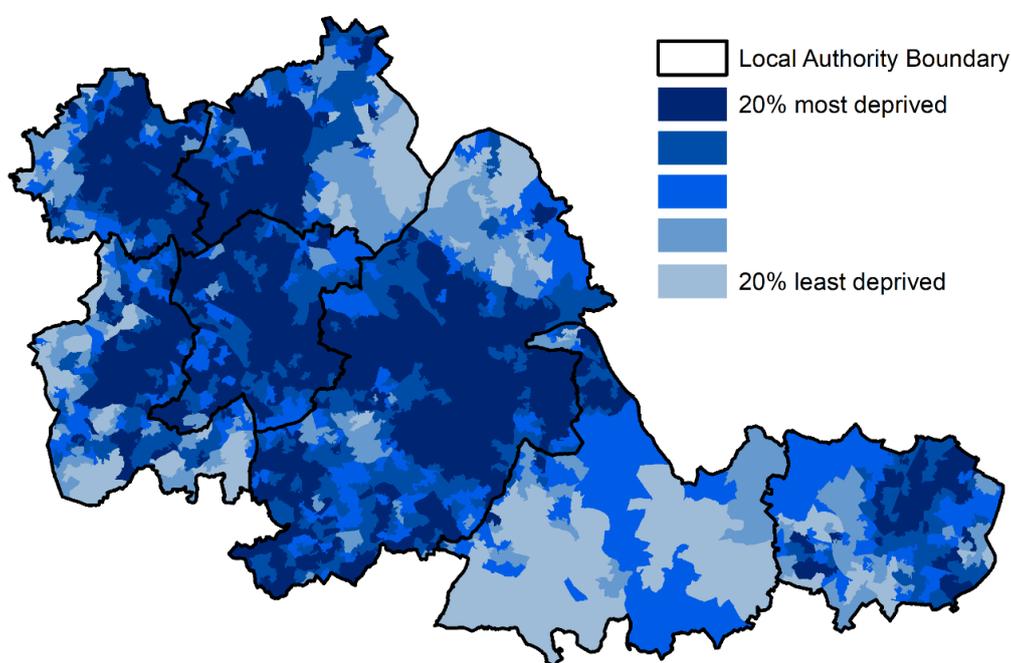


Figure 21: Deprivation in the WMCA (Source: IMD 2019)

Local Wealth Building is a new approach to economic development, providing a practical framework for generating and spreading wealth within communities. This involves ‘anchor institutions’ using their commissioning and procurement spending to bolster the local economy. Figure 22 shows the key anchor institutions identified in a recent [Report](#) for Birmingham, the WMCA’s largest city.

Public	Mutuals	Private	Voluntary & Community
<p>Local Authority</p> <p>Birmingham City Council</p> <p>Universities & HE</p> <p>Birmingham City University Aston University University of Birmingham Birmingham Metropolitan College (BMet) South & City College</p> <p>Schools</p> <p>Primary education Secondary education</p> <p>NHS</p> <p>Birmingham Community Healthcare NHS Trust Queen Elizabeth Hospital Birmingham Birmingham and Solihull Mental Health NHS Foundation Trust Birmingham Women's & Children's Hospital NHS Foundation Trust</p> <p>Police & Probation</p> <p>Staffordshire & West Midlands Community Rehabilitation Company West Midlands Police</p> <p>Housing Groups</p> <p>Longhurst Group Wrekin Housing Trust Orbit Accord West Midlands Housing Group Walsall Housing Group Midland Heart Bromford Trident Social Investment Group Waterloo Housing Group Sanctuary Black Country Housing Group</p>	<p>Co-operatives</p> <p>Midcounties Co-op Central England Co-op</p>	<p>> 1,500 employees</p> <p>NEC Group National Express West Midlands Enterprise Zones Kraft Deutsche Bank Sainsburys Lloyds Bank Accord ASDA Birmingham Airport Mitchells & Butlers Whitbread Royal Bank of Scotland Jaguar Goodrich Corp Specialist Computer Holdings</p> <p>1,000-1,500 employees</p> <p>Tesco Wesleyan Assurance Society Punch Taverns ATS Aston Villa Inspired Gaming (UK) GVA Grimley Co-op Group Eliza Tinsley Group WS Atkins R P L Productions Lloyds Pharmacy</p> <p>< 1,000 employees</p> <p>Birmingham Wholesale Markets Anthony Collins Wing Yip East End Foods Gowling WLG WH Smith</p>	<p>VCS Businesses</p> <p>Acorns Hospice Birmingham Settlement Pioneer Group BVSC Age Concern Birmingham St Mary's Hospice Citysave Credit Union Aston Reinvestment Trust Groundwork West Midlands</p>

Mapping Birmingham's Anchor Institutions

Figure 22: Anchor institutions in Birmingham (Source: [CLES, 2018](#))

Case Study: University of Birmingham

Procurement

- Approx. 15% of the university's spending was with organisations based in the Birmingham boundary (£125.6million) and approx. 44% was in the wider West Midlands (£366.4million);
- The greatest proportion of spend was within the construction sector (42% of total spend)
- 69% of construction spend was with organisations based in the West Midlands;
- 47% of spend was with organisations which can be classified as SMEs.

Workforce

- 5,418 staff live in the West Midlands (including Birmingham), this is 73.3% of all UoB staff;
- 78% of the staff living in the West Midlands live within the Birmingham Local Authority area;
- 57.2% of all UoB staff live within the Birmingham Local Authority area;
- The highest concentrations of staff are in Harborne and Bournville (among the wealthier parts of Birmingham);
- The lowest concentrations of staff are in Hodge Hill and Shard End (among some of the poorest parts of the city).

Economic Impact

- 53.8% of Total Net Salary Spend on all employees is spent in Birmingham;
- 68.5% of Total Net Salary Spend on all employees is spent in the West Midlands (including Birmingham);
- Less than a third of Total Net Salary Spend on all employees is spent outside the West Midlands;
- The average UoB net salary spend in the West Midlands is £20,841;
- The local authority area with the highest average UoB net salary by is £24,965 in Solihull, closely followed by £24,846 in Coventry (Highest paid, fewest employed);
- In contrast, the lowest average UoB net salary spend was £18,053 in Sandwell (Lowest paid but many employed).

Just over 3,000 staff members (43% of all staff) live in areas in the 50% most deprived in the country with an average salary of £29,544. Just over 700 members of staff (just under 10% of all staff) live in the 10% and 1% most deprived parts of Birmingham. On average they are earning an annual salary of £21,470 and £17,952 respectively. Though comparatively few members of staff reside in the 50% least deprived areas in Birmingham, average salaries lie between £30,000 and £38,000 per year.

Figure 23: Procurement spending at the University of Birmingham (Source: City-REDI analysis; [CLES, 2018](#))

6. Environment

Since the Localism Act of 2011, air quality competences have been the responsibility of local authorities.

The WMCA's environmental targets are set out in their '[Environmental Strategy - Think Global: Act Local 2014-2019](#)':

- Minimise our emissions to air and eliminate potential discharges to land and water of any pollutants with regards to service delivery and infrastructure development;
- Reduce consumption of scarce resources through increased energy efficiency, water management and travel;

- Reduce waste by adopting the waste hierarchy of avoidance, reduction, re-use and recycle before disposing of waste;
- Develop and manage infrastructure in a sustainable way and minimise its impact on climate change;
- Ensure compliance to applicable environmental legislation and other regulatory requirements that pertain to operations;
- Act to eliminate, reduce and limit these impacts by adopting best practice and delivering continuous improvement of environmental performance;
- Raise awareness, engage and influence key stakeholders to help achieve sustainable outcomes;
- Monitor, report and benchmark our environmental performance and achievements;
- Adopt sustainable procurement principles to ensure that a balanced consideration of social, ethical, environmental and economic impacts are undertaken throughout the procurement process;
- Expect similar environmental standards from suppliers and contractors, and
- Make Environmental Policy publicly available to interested parties.

	Deaths per year attributable to NO2 pollution: 2011	Deaths per year attributable to NO2 pollution: 2018	Deaths per year attributable to PM2.5 particulate pollution: 2011	Deaths per year attributable to PM2.5 particulate pollution: 2018
WMCA	907	384	1359	1231
Birmingham	371	175	486	441
Coventry	70	21	156	142
Dudley	72	21	158	142
Sandwell	147	71	178	161
Solihull	62	24	103	94
Walsall	107	43	147	133
Wolverhampton	78	29	131	118

Table 13: Deaths attributable to air pollution (Source: [Birmingham Clean Air Zone Report 2018](#))

	AM Peak			Inter Peak			PM Peak		
	Car/Taxi	LGV	HGV	Car/Taxi	LGV	HGV	Car/Taxi	LGV	HGV
WMCA	4.3%	10.7%	3.0%	4.7%	10.7%	3.0%	4.4%	10.7%	3.0%

Table 14: Expected traffic growth 2016-2020 (Source: [Birmingham Clean Air Zone Report 2018](#))

Case Study: Birmingham Clean Air Zone

The BDP forecasts an increase of 30,000 people living in the city centre and 51,000 new jobs, leading to an increase of 30% trips to and within the city centre by 2031. According to the National Air Quality Plan, 5 cities were identified to require urgent action in terms of air quality, Birmingham being one of them, and a Clean Air Zone Framework has been proposed to the local authorities.

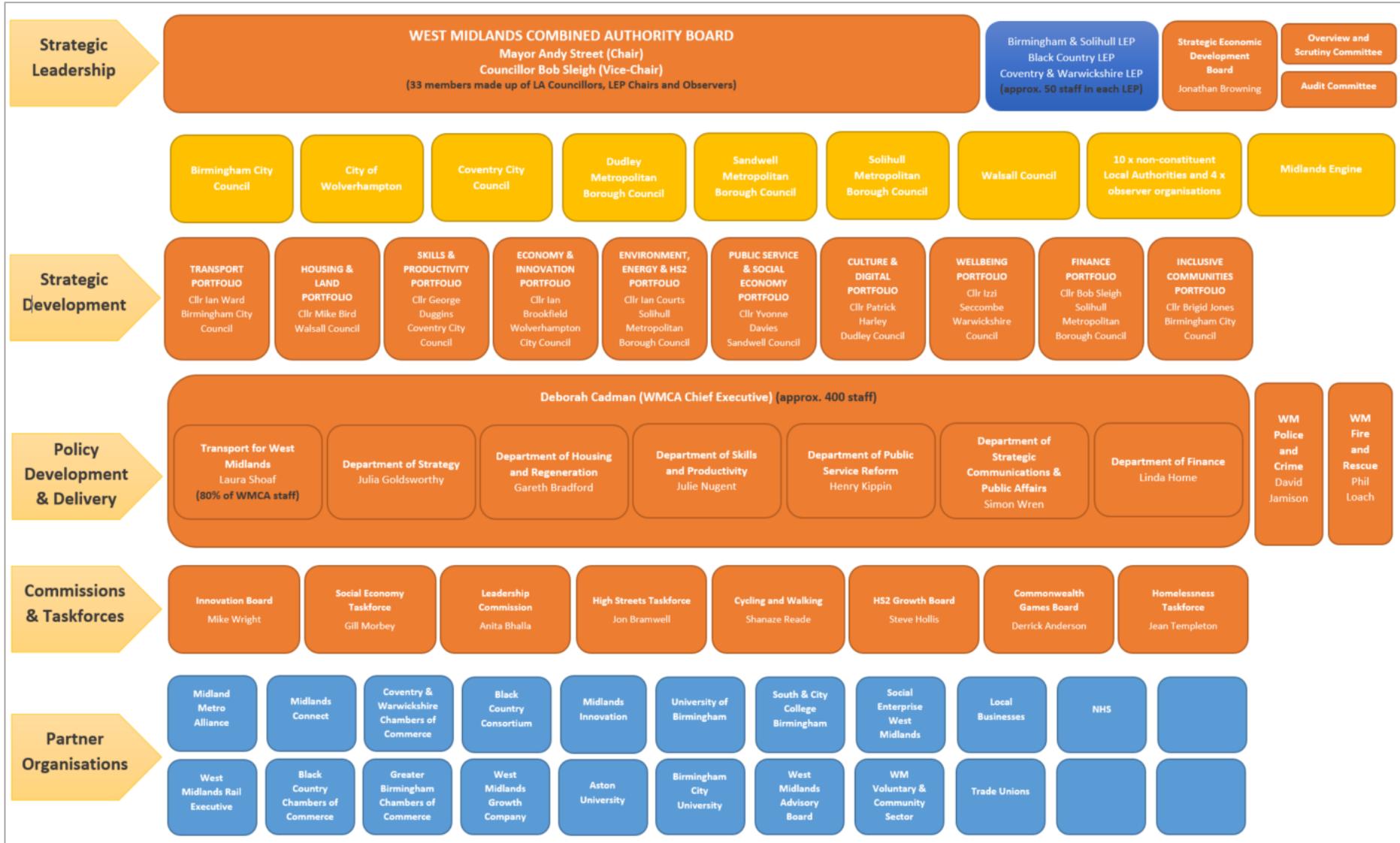
A Clean Air Zone (CAZ) defines an area where targeted action is taken to improve air quality and resources are prioritised in a way that delivers improved health benefits and supports economic growth and the low emission economy. A charging system is defined according to the vehicle emission standards to enter the CAZ area. Compliant vehicles will not be subject to charge.

The main objectives are to improve the vehicle type profile in the city of Birmingham, encouraging people to buy compliant vehicles and drive a model shift diverting demand to public transport or other sustainable modes as an alternative of a charging CAZ.

The expected outcome is to reduce NO₂ levels below the standards within the shortest possible time and accelerating the transition to a low emission economy. Revenues from the Birmingham CAZ will be a source of investment to enhance the development of the city towards a more sustainable environment and will help decoupling growth and pollution.

Figure 24: Birmingham Clean Air Zone Case Study (Source: [Birmingham City Council Clean Air Zone Report 2018](#))

Appendix A – WMCA Governance Structure



Appendix B – Summary of Strategic Economic Plans, 2013-14

	BCLEP	CWLEP	GBSLEP
Overall vision	To grow global supply chain with the world class skills it demands, to maximise the benefits of our location, to exploit our industrial and geological heritage and to provide high quality housing to meet the needs of a balanced growing population.	To become a high-performing economy with innovative businesses competing internationally, growing and providing better paid employment opportunities for residents.	To re-establish Greater Birmingham's role as the major driver of the UK economy outside London. To create jobs and wealth to improve the lives of all of the people who live in the area.
Headline Targets (short-medium term)	<p>By 2021:</p> <ul style="list-style-type: none"> • Increase the number of residents qualified to degree level by 32,000 • Increase employer investment in training from 62% to 66% • Increase % of pupils achieving 5+ A*-C at GCSE level including English and Maths to 59.2% • Reduce number of working age population with no qualifications to 92,656 • An additional 411ha of high quality employment land • An additional 22,000 homes • Increase the number of new business starts per annum to 3,981 	<p>By 2020:</p> <ul style="list-style-type: none"> • Additional jobs 31,820 (gross) 25,456 (net) • Annual net additional GVA 1.216bn • Cumulative net GVA £3.160 • Gross extra floor space 567,873 sqm • Businesses assisted 8,661 • Net additional positive outcomes into employment 4,930 • Net additional skills assists leading to a qualification 10,135 	<p>By 2020:</p> <ul style="list-style-type: none"> • A net increase of at least 100,000 private sector jobs • A net increase of at least £8.25bn GVA • A decrease in unemployment to fall in line with at least the national average • An increase in GVA per-head to meet the national average • An increase in the percentage of the working-age population with NVQ3+ to be above the Core City LEP average
Strategy			
1. Growing business base	<p>Aspiration To enable and expand the availability of high quality employment sites and premises and deliver a portfolio of strategic mixed use development opportunities. To foster a more entrepreneurial culture.</p> <p>Proposal To implement targeted programmes to ensure a continuous supply of competitive sites and buildings for business growth and enhance the quality of strategically important business locations. To implement a programme to develop a more entrepreneurial and dynamic economy by growth existing businesses and providing enterprise support for new business creation.</p>	<p>Aspiration To develop and make available employment sites to attract new investors, retain local businesses and reshore manufacturing. Higher levels of entrepreneurs.</p> <p>Proposal To increase business start-up and sustainability rates through specialist support programmes, funding for a University Enterprise Zone, the provision of grow-on space on Ansty Park and Coventry University Technology Park, the development of a 'growth lounge' in Coventry and the refurbishment of an existing council building in Stratford upon Avon to support new business start-ups. Interventions will be prioritised which; support individuals looking to start and grow a business through capability</p>	<p>Aspiration More businesses to start, grow and succeed. To build accessible systems of business support appropriate for all companies, relevant to local challenges, sectors and opportunities, and reflective of the diversity of business base and population. Business growth fuelled by access to fair and relevant finance. Regulation and procurement that is business friendly.</p> <p>Proposal Overhaul of business support through a new BGS LEP Business Support Solution. Key components to include greater representation, reduced duplication of effort, greater accessibility, utilisation of technology and networks, and the alignment of relevant expertise.</p>

		building; providing small grants to help overcome the hurdle of start-up costs; provide post-start support for those with identifiable growth ambitions or employment potential; specialist support for social enterprise start-up and growth and general business coaching support to SMEs with identifiable growth plans.	
2. Building on sector strengths	<p>Aspiration To capture economic growth arising from a number of growing sectors. To deliver additional jobs in high value manufacturing, focused on Aerospace, Automotive and Building Technologies Sectors. To help companies in target sectors to invest in plant, machinery and property. To maximise visibility of companies to the wider global market.</p> <p>Proposal To identify and proactively target key markets which present the best opportunities for business and investment in Aerospace, Automotive and Construction Technologies. Enable SME's to gain a "first mover advantage" in the UK smart grid market. To grow the capacity of the science park to enable business creation and growth in high value manufacturing. To work with companies to determine smart specialisations, potential new developments in key markets and make sure they are fit to win work leading to world class accreditations.</p> <p>Five transformational sectors identified: advanced manufacturing, building technologies, transport technologies, business services and environmental technologies. Five enabling sector identified: retails, visitor economy, sports, health and the public sector (inc. education and skills).</p>	<p>Aspiration To be recognised as a global hub/UK Centre of Excellence in the advanced manufacturing and engineering sector, with business and research links across the world and strong supply chains. Also focus on Automotive Industry.</p> <p>Proposal Reshoring of activity within Advanced Manufacturing and Engineering and Automotive. Other growth opportunities identified in IT Services/Digital and Creative Industries, Logistics, Culture and Tourism, Healthcare and Assistive Technologies and Business and Professional Services. Support existing and new exporting companies to increase and diversify export base. AME businesses to access dedicated sector specific support on a range of issues including Access to Finance, Skills, Innovation, Employment, International Trade and Process Improvement.</p>	<p>Aspiration Significant growth in high-value, high-potential sectors to help to under-pin long-term prosperity. Capitalising on the concentration of social enterprises and trading third sector organisations which already exist. Address high levels of unemployment by promoting growth where sustainable job creation can be achieved and where significant proportions of workforce are already employed. Attaining the best possible results from FDI by linking FDI strategy to sector opportunities.</p> <p>Proposal Developing a 'triple-track' approach to creating and sustaining growth within areas of biggest opportunity and natural strength. Sectors to be supported via bespoke programmes of activity. Co-ordinated business support, skills support, identification of development land, provision of incubation facilities, grow-on space, clustering and access to finance. Strategic Relationship Management to support the identification and removal of barriers to growth. Inward investment approach supported by set of key 'selling' messages.</p> <p>Focus on the following sectors: High Growth, High Value Add: Advanced manufacturing; Life and Health Sciences; Digital and Creative; Business, Professional and Financial Services; Low Carbon and Environmental Technologies and Services. High Volume, High Job Creation: Tourism and Hospitality; Business, Professional and Financial Services; Food and Drink; Healthcare; Construction. High FDI: ICT;</p>

			Automotive and Manufacturing; Food and Drink; Logistics; Life and Health Science.
3. Stimulating innovation	<p>Aspiration To strengthen innovation capacity and develop the capacity of businesses to innovate and respond to new opportunities.</p> <p>Proposal To build and exploit the local supply chain through innovation support. To exploit 16 growth corridors by supporting the functioning and development of local growth clusters in growth corridors, in particular to exploit innovation and supply chain opportunities. Proposal for the creation of a Centre of Excellence for Light Rail Innovation to; showcase emerging innovation utilising opportunities for a demonstrator track, create opportunities for skills and employment, and develop the capacity in the UK to build rather than import light rail vehicles.</p>	<p>Aspiration Accelerate research and development and innovation particularly within supply chain companies and enhancing access to World Class Research and Development and Innovation Infrastructure. Increasing investment in service innovation – digital technologies, communication tools and software applications.</p> <p>Proposal Interventions will include support for the establishment of business incubation, growth accelerators and technology centre facilities and support programmes linked to priority economic areas; specialist technology support programmes and demonstrator programmes and innovation support programmes for product design and development and systems integration. Support will be provided for the development and strengthening of clusters of innovative companies by investing in research and development and innovation projects which will act as a catalyst to help companies behind the projects to develop their entrepreneurial skills and attract more investment. Development of R&D ‘campus’ facilities at major employment sites such as Coventry & Warwickshire Gateway and Fen End. Creation of an Advanced Propulsion Research Laboratory at WMG with world-leading facilities.</p>	<p>Aspiration Develop a thriving innovation ecosystem and stimulate innovation, building on existing activities of the local Science Parks, Universities, sector support organisations, service businesses Birmingham Science City and other partners and businesses.</p> <p>Proposal Putting in place the key enablers/ infrastructure. Marketing the GBS region as an innovative place. Developing effective business networks, including funders. Stimulating demand for new products and services. Promoting best practice in the management and governance of innovation. Encourage and enable collaborative working between universities and colleges, public sector and innovative business, to align sector strengths and opportunities to the potential created by strong RDI, and encourage the development and adoption of new ideas, technology, design and business practices. Use public drivers, such as procurement and access to public data, to increase innovation and encourage investment in research and innovation. Mobile business support which encourages innovation (e.g. via the transfer and commercialisation of ideas from academia). Ensure the volume and quality of suitable incubation and innovation space with associated business services and access to finance.</p>
4. Improving skills	<p>Aspiration To ensure the Black Country has a labour market with the right levels of skills and qualifications to meet the needs of businesses from the area’s priority growth sectors. To address skills gaps in transformational and enabling sectors. To attract and retain a greater</p>	<p>Aspiration To nurture, attract and retain talented people to meet business needs, leading to higher productivity. To consolidate existing provision and develop new programmes to support skills required for the labour market – critical in creating a real employer-driven, responsive skills system. AME businesses to be able to</p>	<p>Aspiration To create alignment between employers and providers within a partnership that helps create a demand-led skills system. For business to take a full and meaningful role in supporting educational success, and as a result work closely with schools and colleges and universities and help inspire success. Increase</p>

	<p>proportion of higher income households with the skills to drive the knowledge economy.</p> <p>Proposal Working with businesses to increase business investment in skills and training and raise skills of existing workforce. To increase capacity to deliver high quality training to fill skills gaps faced by businesses in our target sectors. To deliver specialist equipment for use in new training provision. To up-skill existing employees through employer led specifications of bite-sized practical training (1-2 day courses). A wage incentive for engineering companies taking on apprentices for the first time and progressing them through to advanced level apprenticeships. Promotion of careers in high value manufacturing / engineering to primary and secondary schools with the aim to change the perception of engineering as low pay / low skill career choice and inform young people of career roles. Targeting master craftsman to be trained as expert trainers in the industry to pass on their skills before retirement.</p>	<p>recruit the right people with the right skills to meet current and future growth needs. Employed residents to have the opportunity to improve and extend their skills throughout their working life. Unemployed residents to be supported to retrain and acquire the skills needed for long term, satisfying and productive employment.</p> <p>Proposal Develop processes to ensure that planning is informed by data on supply and demand and raise the profile of skills and local employment opportunities. Support for skills infrastructure for the renewal, modernisation and rationalisation of skills and education infrastructure. Enable the provision of good quality accommodation and specialist equipment to support education and training, which promotes economic growth and helps learners reach their potential. Delivery of a STEM Centre between two Further Education Colleges to support the delivery of apprenticeships and high quality traineeships.</p>	<p>in aspiration and more opportunities created to reduce inequality and promote inclusion.</p> <p>Proposal Skills for Growth Compact, agreed as part of City Deal, will inspire employers, colleges and schools to build a best-in-class skills service to link pupils and learners with real-world work opportunities. Creating business engagement and support for local schools to ensure employers gain a stake in their potential employee's future and are supporting the success of all schools. Work with local employers to grow number of apprenticeships and access to employment schemes.</p>
5. Improving connectivity	<p>Aspiration To connect goods, services and employees to work and to international markets. To maximise the benefit of its location at the centre of the transport network, ensuring modern, convenient and reliable connectivity. To provide quick, efficient and reliable movements of products and people to the strategic road and rail network. To provide the key infrastructure required to unlock housing and employment sites.</p> <p>Proposal Making the most efficient use of local transport networks by targeting short trips to reduce localised congestion. Maximise benefits of HS2. An initial phase of four transport investments to deliver enhanced, multimodal connectivity to HS2, key sites and the motorway network. To</p>	<p>Aspiration To ensure strong connectivity across the urban north/south spine to improve travel by road and rail and within Coventry and the towns of Warwickshire, and supply chain connectivity across the business base. Infrastructure provision to be consistent with a growing global economy and support reshoring of activity. Infrastructure support for growth in key sectors and to attract inward investment.</p> <p>Proposal To implement a scalable architecture to deliver optimised traffic flows on both the strategic highways surrounding cities and the urban roadways controlled by local authorities. To extend investment for Coventry Station to provide critical passenger capacity, on-going rail growth, connectivity to HS2 and support the</p>	<p>Aspiration Road, rail, air and digital connectivity to work effectively together to better connect people to jobs, and businesses to markets. Cut congestion and uncertainty over travel times, and reduce average time taken for people to get to place of work or to visit for business or leisure.</p> <p>Proposal Create a new Strategic Alliance of local LEPs to ensure wider travel to work area is supported by strong transport governance. Working with Birmingham Airport to increase route development East and West. Develop the means to ensure improved digital connectivity for urban and rural locations. Reducing journey times for employees and businesses. Championing HS2.</p>

	provide capacity and improve reliability of journey times to key centres and sites for growth. To support an integrated network of Corridors and Strategic Centres. To maximise the economic benefits from superfast broadband.	development of Friargate in Coventry City Centre. Additional investment to enable the completion of NUCKLE 1 by securing an additional increase in train service frequency between Coventry-Bedworth-Nuneaton. Additional bay platform at Coventry Station. Broadband investment to narrow the gap between those able and unable to access superfast services and increase broadband speeds.	
6. Housing/other assets	<p>Aspiration To significantly improve the quality of city centre cultural and events offer. To create a high quality environment to make it an attractive place to invest, live, work and visit. To become genuinely inclusive, with citizens who have a sense of belonging and who contribute to the wellbeing of the area. To provide high-quality housing which can meet the needs of a balanced population. To accelerate the housing market.</p> <p>Proposal Create a network of four thriving centres, each offering a distinct mix of shopping, leisure, cultural and commercial facilities. To encourage residential developments in strategic centres. To create an urban park landscape including greenspace, community and heritage assets. To create a greater variety of quality housing environments and broaden housing offer by including a variety of housing types at a range of price points to meet the needs of a mixed market. To encourage the inclusion of alternative tenures such as Mutual Home Ownership and Market Rent. To create a joint land committee to help bring forward sites.</p>	<p>Aspiration To provide significant numbers of new homes to support population growth, demographic change and maintain jobs-housing balance. To promote culture and tourism as a core asset.</p> <p>Proposal To work with its constituent local authorities to identify future investment priorities, freedoms and flexibilities to support our future housing growth. Ensure that the total housing requirement for the Housing Market Area is met; align the location of new housing with the sub-regional growth agenda; identify strategic spatial options for meeting housing needs and identify broad locations for development. Better coordination of marketing activity to advertise culture and tourism offer and attract more visitors. Continue and enhance support for local procurement by public sector organisations.</p>	<p>Aspiration To work collectively and sustainably to optimise the development and deployment of physical, cultural and environmental assets. Housing to meet the needs of future growth, developed in coalition with plans for growth and employment land. All assets utilised (part. In public sector). Grow creative sector economy. Make LEP area a vibrant place to live, work, visit and invest.</p> <p>Proposal Create a stronger pro-growth environment with a new planning offer and LEP spatial plan, created with the consensus of the private and public sector and focussed on sustainable growth achieved through successful urban and rural renaissance. Support the alignment of housing provision to areas of growth and ensure suitable employment land is available to meet priorities. Conduct a thorough audit of all land and assets owned by the public sector. Through the Creative City Partnership encourage participation in the full breadth of the LEP's cultural offer, building a strong shared sense of identity and purpose and increasing engagement in civic life.</p>

Appendix C – WMCA Devolution Register

Public Service	Form	Basic Information
Employment	Partnership commitment	Joint responsibility with the government to co-design employment support for the harder-to-help claimants.
Enterprise and Growth	Partnership commitment	Provide significant closer working with sector specialists in the transport related sectors (Auto, Rail and Aerospace). This will be within a shared governance structure with resources, under UKTI control.
Enterprise and Growth	Policy commitment	Ensure a portion of the GREAT campaign budget for overseas based activity is aligned to appropriate West Midlands sector strengths. This activity should be supported by sector based resource in overseas posts who have been specially briefed to have a strong understanding of Midlands Engine and posts who are Matchmaker partners for West Midlands sector strengths.
Enterprise and Growth	Funding	Ring-fence trade services resource within the Combined Authority area based on an agreed export plan with a dual key approach to activities and reporting on outputs and outcomes to the Combined Authority. Ring fenced resource remains subject to departmental budget changes.
Enterprise and Growth	Partnership commitment	Develop a devolved approach to delivery of business support from 2017 onwards, although what is ultimately devolved will reflect the decisions taken in the Spending Review on the shape of - and level of spending on - business support schemes.
Enterprise and Growth	Partnership commitment	Design a joint approach to enterprise start-up activity
Finance	Funding	The CA will create a West Midlands Investment Fund covering all domestic budgets for devolved functions, accountable to the CA. The Fund will operate as a single programme, bringing together resources for economic growth, skills and employability, regeneration, transport and housing; including future allocations from the Local Growth Fund if agreed locally
Finance	Funding	Government will give the WMCA Mayor the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community through the local enterprise partnership, up to a cap.
Finance	Funding	Control of a new additional £36.5 million a year funding allocation over 30 years, to be invested to drive growth.
Finance	Funding	The government also approves the business case for a significant extension of the Enterprise Zone at Curzon Street in order that the funding raised through these mechanisms will support the delivery of the HS2 Growth Strategy.
Finance	Funding	The government is committed to working with the Combined Authority to achieve Intermediate Body status for European Regional Development Funding and European Social Funding for the Greater Birmingham and Solihull LEP.
Health	Policy commitment	The government will engage with the Combined Authority Shadow Board to discuss the outcomes of their Mental Health Commission.
Planning	Policy commitment	Existing Local Authority functions, which include compulsory purchase powers, will be conferred concurrently on the Combined Authority to be exercised by the Mayor. The government will bring forward further proposals for consultation in the New Year.
Planning	Policy commitment	The Homes and Communities Agency and the Combined Authority will work together to develop a joint approach to strategic plans for housing and growth proposals for the area.
Planning	Policy commitment	The government will work with the Combined Authority to support the West Midlands Land Commission. The West Midlands Land Commission will ensure there is a sufficient, balanced supply of readily available sites for commercial and residential development to meet the demands of a growing West Midlands economy

Skills	Policy commitment	Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements. Recommendations will focus on General FE and Sixth Form Colleges.
Skills	Policy commitment	Responsibility for local commissioning of outcomes to be achieved from the 19+ adult skills budget starting in academic year 2016/17, with fully devolved budgets to WMCA from academic year 2018/19 (subject to readiness conditions). CA will be responsible for allocations to providers and outcomes to be achieved, consistently with statutory entitlements. These arrangements do not cover apprenticeships.
Transport and Infrastructure	Funding	Responsibility (to be exercised by the Mayor) for a consolidated, devolved transport budget, including all relevant local highways funding, with a multi-year settlement to be agreed at the Spending Review.
Transport and Infrastructure	Policy commitment	Responsibility (to be exercised by the Mayor) for franchised bus services, which will support the WMCA's delivery of smart and integrated ticketing across the Combined Authority's constituent councils.
Transport and Infrastructure	Funding	Responsibility for a new Key Route Network of local authority roads that will be managed and maintained at the Metropolitan level by the WMCA on behalf of the Mayor. To support this all relevant local roads maintenance funding will be part of the single local transport settlement and support the delivery of a single asset management plan
Transport and Infrastructure	Policy commitment	To support better integration between local and national networks, the government and the WMCA Shadow Board will enter into joint working with Highways England and Network Rail on operations, maintenance and local investment through a new Memorandum of Understanding, which will be established by 2016
Use of Assets	Partnership commitment	The Government Property Unit has discussed plans for a major public sector locational hub in Birmingham to allow local, regional and national government bodies to co-locate and take advantage of modern integrated working to reduce costs and increase productivity. This will be run as a joint programme between the Combined Authority and GPU and is envisaged to involve the development of a substantial shared office requirement. In addition, the government commits to support community hub proposals in the two other cities of Wolverhampton and Coventry and a series of neighbourhood service integration pilots.
Housing	Funding	To help the West Midlands to deliver the supply of houses needed to meet the ambition of the West Midlands Strategic Economic Plan of 215,000 homes by 2031, the government will provide £6m over three years, beginning in 2017/18, to support a new Mayoral Housing Delivery Team in the WMCA and make an immediate impact on delivery and longer term supply.
Skills	Funding	The government will provide the WMCA with £5m over the next three years for a local construction training programme.
Transport and Infrastructure	Funding	The WMCA will receive £250m over four years from the Transforming Cities Fund to be spent on local transport priorities.
Skills	Policy commitment	The government commits to work with the WMCA as we establish one of the first Skills Advisory Panels (SAP). The SAP will involve a new local partnership between the WMCA, local employers, post-16 skills providers and central government. SAPs will have a key role in bringing together strategic planning for post-16 skills provision based on data and intelligence on local labour market demand, and in influencing post-16 skills provision, including the implementation of T levels in the local area.
Crime	Policy commitment	The government, the WMCA and the PCC will work together to agree a detailed governance model and a legislative timetable for incorporating the role and power of the Police and Crime Commissioner into the mayoralty, with a view to electing the first Mayor with these powers in 2020.

Transport and Infrastructure	Partnership Commitment	The WMCA will work collaboratively with government to identify new local funding opportunities to deliver high quality cycle infrastructure.
Energy and Environment	Funding	The government agrees to support the work of the West Midlands Regional Energy Commission, subject to agreement with government on the terms of reference, with a £120,000 fund for a local energy strategy as part of the local energy programme set out in Clean Growth Strategy, with input from relevant BEIS and Ofgem officials.
Enterprise and Growth	Funding	In response to the innovative proposals it has received from the WMCA for an Office for Data Analytics, government will provide £0.8m over three years for this initiative.
Skills	Partnership Commitment	Government will work with the WMCA to test innovative new approaches to lifelong learning through a career learning pilot in the West Midlands, to help adults upskill and reskill throughout their working lives.
Employment	Partnership Commitment	Government and the WMCA will jointly develop and adopt an Employment Support Framework Agreement to drive the better coordination of employment, skills and health services across the West Midlands in order to increase the number of residents moving into work.
Transport and Infrastructure	Partnership Commitment	Government will work with the Mayor and the WMCA to identify barriers to improving mobility in the region

Source: [LGA Devolution Register, 2020](#)

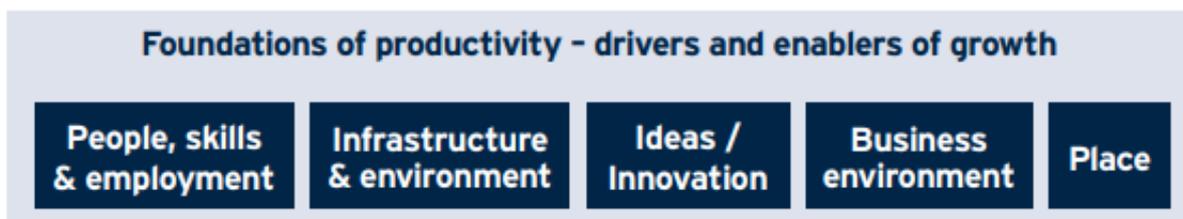
Appendix D – WMCA Industrial Strategy Overview



A distinctive economy - Creative and innovative, with global supply chain strengths a diverse and young population, well connected, trading and entrepreneurial. Unique opportunities ahead in the Commonwealth Games and City of Culture.



Actions to unblock barriers to productivity and growth, integrated in places and communities to drive inclusion



Source: [WMCA Industrial Strategy 2019](#)