

Sarah Middleton
Chief Executive
Black Country Consortium

Strategy

- Strategy into delivery
- Functional Economic Market Area
- Brexit & economic resilience
- Economy focus
- WM LIS
- Economic snapshot
- Integrated delivery approach
- BC LIP
- Energy Capital

Delivery

- Early actions for implementation
- WM LIS Foundations funding summary
- BC & Sandwell funding summaries & fund tracker
- Future of Mobility
- Sector actions plans
- Sandwell companies
- Next steps

Strategy

Strategy into Delivery – An Evidence Based Approach

Black Country LEP

Our Ambitions - Black Country Strategic Economic Plan – Black Country PMF

Annual Economic Review Report – sets out our key measures of success in the Black Country Performance Management Framework

Delivering the Ambitions

12 Strategic Programmes covering 3 themes of People, Place and Business

Thematic & Sectoral Approach – Black Country Propositions

* 4 priorities areas for proposition development: High Value Manufacturing City; Black Country as Garden City; Fit for Purpose Skills System; Transport Infrastructure

- Sector Plans - 5 Transformational & 5
- ❖ 5 Enabling Sectors

Spatial Approach – Spatial Opportunities

In depth analysis of pipeline opportunities in 11 identified spatial zones and the areas that are outside and serving with an integrated cross boundary BC Core Strategy.

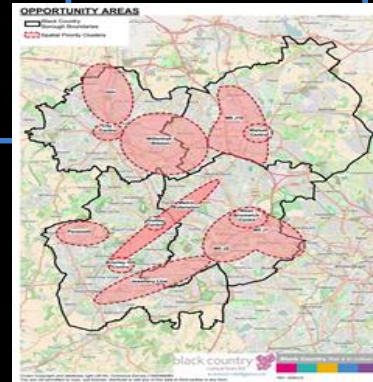
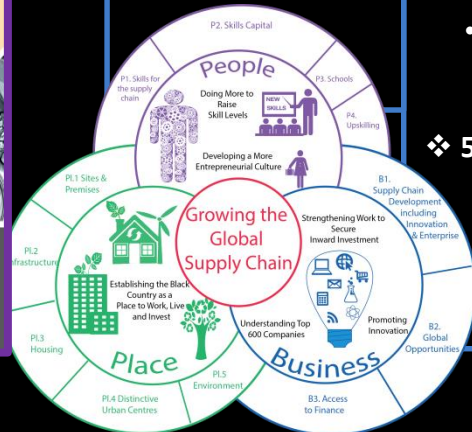
Programme Dashboards

Detailed programme dashboards including:

- ❖ Overall Priority Pipeline
- ❖ Growth Funds
- ❖ Land Remediation Fund (WMCA)
- ❖ Broadband

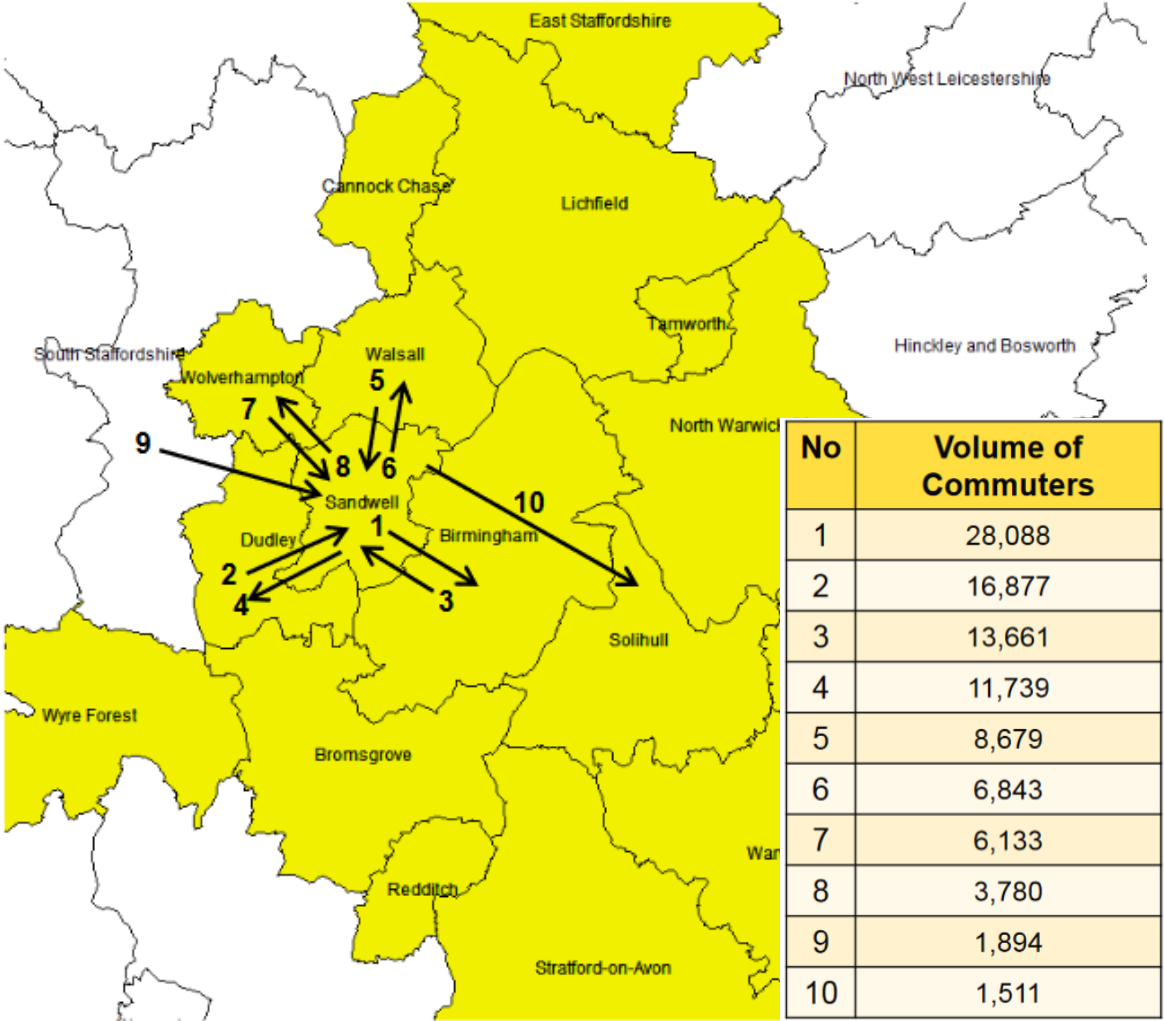
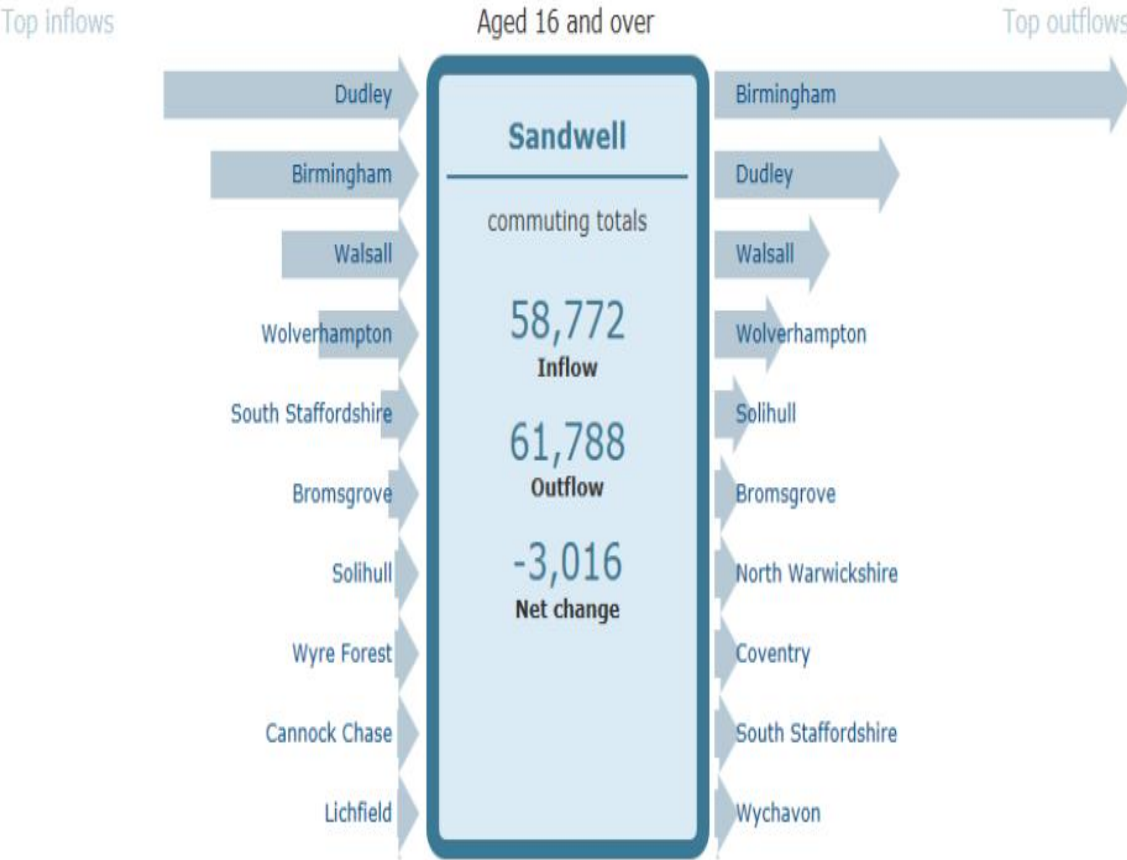
Sites Details

‘Estate Agent’ details are available for each of our pipeline sites, accessible via our online mapping tool, linking to Midlands Engine and WMCA Investment Prospectuses



Functional Economic Market Area

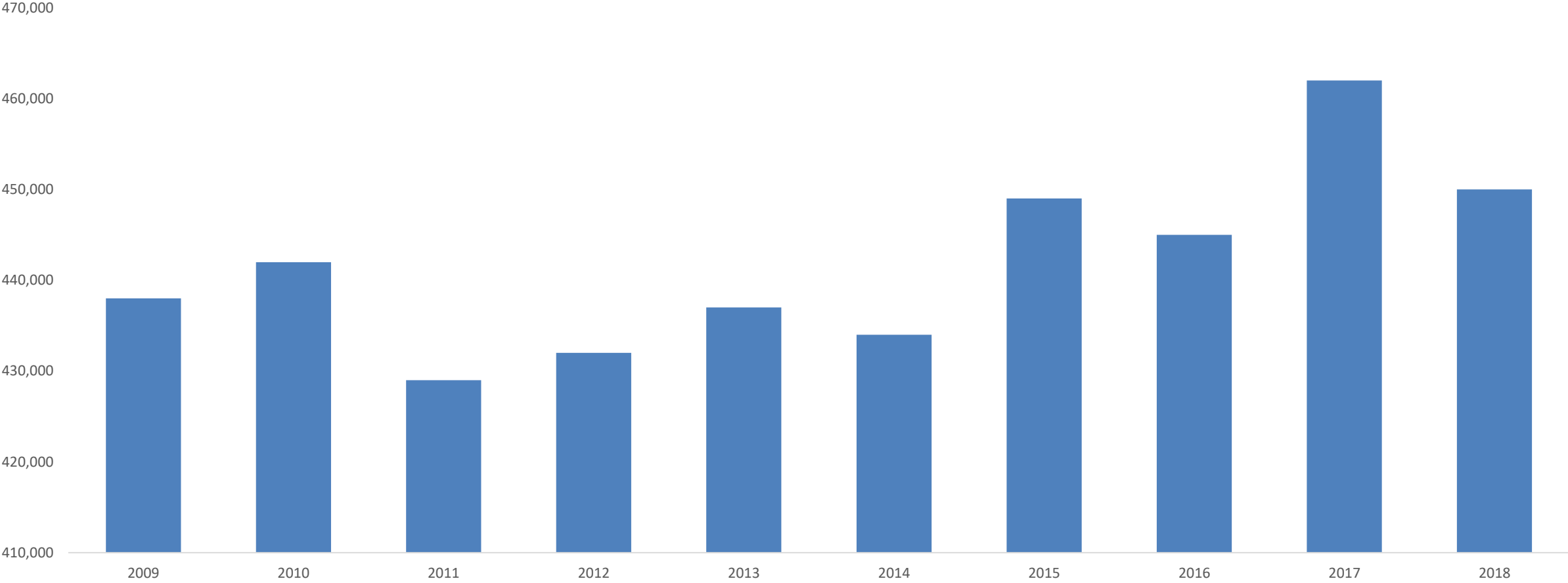
Travel to Work Flows -Sandwell



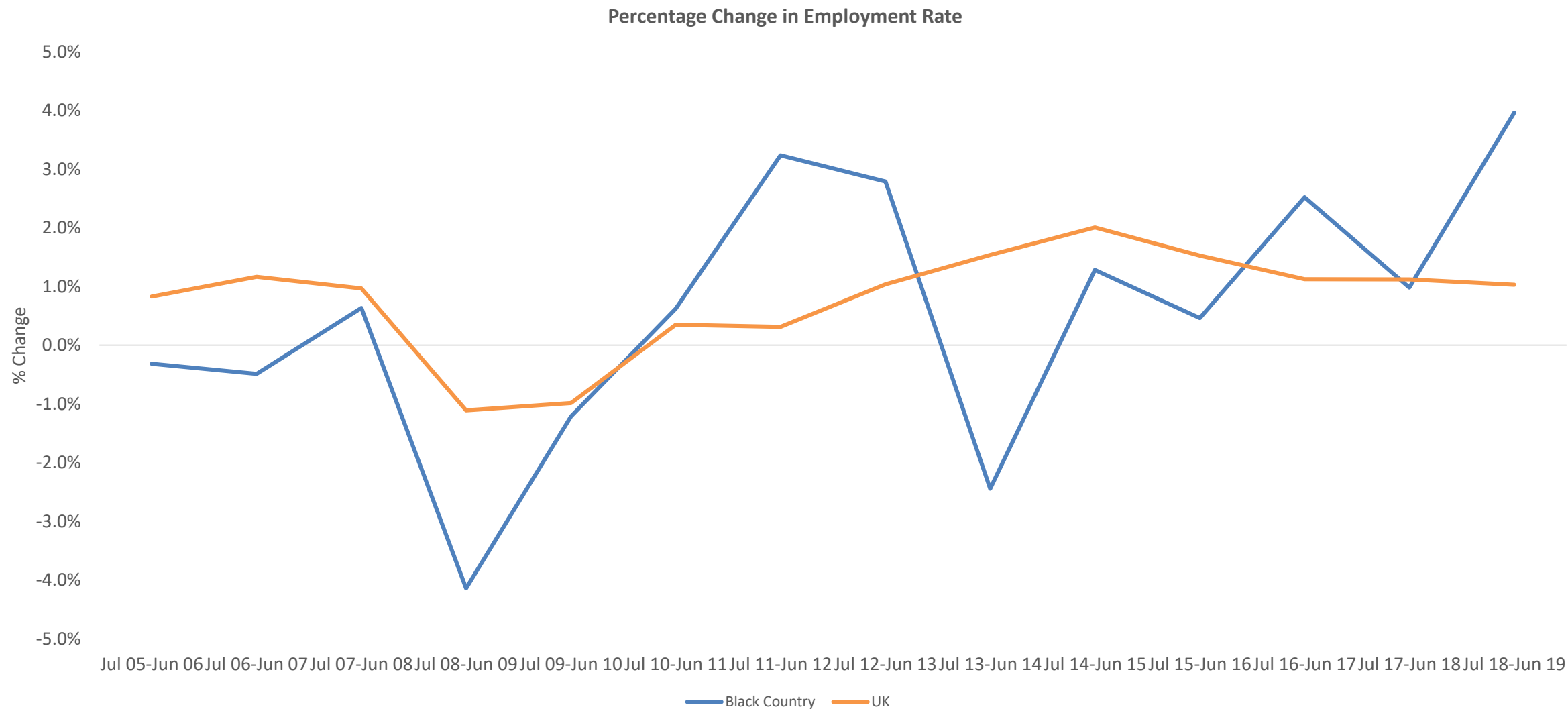
Business Register and Employment Survey



Number of Jobs in the Black Country between 2009 to 2018



Annual Population Survey



Jobs at Risk – West Midlands Met:

Scenario:	Total Jobs at Risk:
No Deal:	169,180 – 10.2%
Customs Union:	60,622 – 3.9%

Black Country Economy



GVA is increasing and stands at **£21.7bn**
+4.3% growth compared to **+3.5% nationally** (2016 – 2017)



GVA per Head is **£18,294**
+3.5% growth compared to **2.9% nationally** (2016-2017)
But with a **shortfall of £9,802** to national average



Resident **Wages** are increasing and stand on average at **£25,505** in 2018
+2.8% growth compared to **2.7% nationally** (2017-2018)
But with a **shortfall of £4,342** to national average



The **Employment Rate** is **68.7%** (Jan- Dec 2018)
+49,066 people required to be employed to reach
national average



Population is increasing and stands at **1.19m**
Matching the national growth rate of **+0.6%**

Black Country Economy

Black Country Consortium

Economic Intelligence Unit



The proportion of Working Age Population with **NVQ4+ Qualifications** has increased but at a slower rate than England
105,669 people still require upskilling



495,840 **Dwellings** in 2018
+2,950 (+0.6%) dwelling since 2017



5,240 **Enterprise Births**
- 655 enterprise births compared to 2016
1,997 enterprise births P.A required to reach national level



The number of **Apprenticeships** is decreasing in the Black Country
Additional 13,580 apprenticeships required to reach 2033 target



The number of **Jobs** has decreased to 450,000
-2.6% compared to +0.6% nationally
+129,280 jobs required to reach target

Sandwell Economy



The **Employment Rate** is 69.0% (Jan-Dec 2018)
+12,883 people required to be employed to reach national average



Resident **Wages** are increasing and stand at £24,573 in 2018
+3.1% growth compared to 2.7% nationally (2017-2018)
But with a shortfall of £5,296 to national average



Population is increasing and stands at 327,378
Matching the national growth rate of +0.6%



The proportion of Working Age Population with **NVQ4+ Qualifications** has remained the same from 2017
36,219 people still require upskilling



GVA is increasing and stands at £6.3bn
+1.9% growth compared to +3.5% nationally (2016 – 2017)

Sandwell Economy

Black Country LEP



GVA per Head is £19,365

+1.0% growth compared to 2.9% nationally (2016 - 2017)



131,820 Dwellings in 2018

+670 (+0.5%) net new homes built from 2017



The number of **Jobs** has decreased to 126,000

-4.5% compared to +0.6% nationally

+34,080 jobs required to reach target



1,490 Enterprise Births in 2017

-150 enterprise births compared to 2016

+496 enterprise births P.A required to reach national level



The number of **Apprenticeships** is decreasing in Sandwell

-1,310 apprenticeships starts compared to 2016/17

West Midlands Local Industrial Strategy

Black Country LEP



Major new market opportunities

Future of mobility

Data driven health and life sciences

Creative content, techniques and technologies

Modern services

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.

Sector strengths

Low carbon technology
Energy and clean growth

Aerospace
Precision component manufacturing

Logistics / transport technology
Future mobility

Metals & materials
Innovative supply chains

Life sciences
Devices
Diagnostics, real life testing

Professional skills
Skills and a full services sector

Rail
Digital rail
High Speed 2

Construction
Offsite modern manufacturing
Land remediation

Creative
Games, Next Gen content, process and product design and designer maker

Food & drink
Machinery, food & fluid control tech, Photonics R&D

Automotive
Battery development
Drive train
CAV

Tourism
Shakespeare's England
Commonwealth Games
Business
City of Culture

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

Foundations of productivity – drivers and enablers of growth

People, skills & employment

Infrastructure & environment

Ideas / Innovation

Business environment

Place

Economic Snapshot

- Home to over **165,000 businesses** employing 1,846,000 people
- **Economic output** is up 27% in the last five years, and our £99bn economy represents 5% of UK output
- Number of **homes** built since 2010 has doubled and increased by over 2000 in the last year alone to an annual figure of 14,500 in 2017/18
- **Foreign investment** has trebled since 2011 and we are a region in trade surplus with both China and the USA
- **Employment levels** continue to rise
- **Carbon emissions** are down by 18% in the last year



West Midlands
Combined Authority



Greater Birmingham
& Solihull
Local Enterprise Partnership



Coventry & Warwickshire
Local Enterprise Partnership



Economic Snapshot

- **Output gap:** The difference between current economic output and the output if we performed at the national average was £15.1bn in 2018 and it grew by £0.8bn in 2017-18.
- **Uncertain economic outlook:** FDI has weakened following the Referendum. Regional analysis from HMT of trade only impacts on a range of Brexit scenarios suggests a -10% change in GVA over the next 15 years, making the WM one of the most exposed regions
- **Tackling persistent inequalities:** Healthy life expectancy was 3.7 years lower for females in the WM and 3.4 years lower for males compared to the national average in 2017.
- **Income and expenditure imbalance:** the gap between what we pay in taxes and what we spend on public services is £1bn.
- **Opportunities for young people:** the youth unemployment claimant count continues to rise and reached 21,020 in the WM in August 2019.
- **Affordability:** our house price to income ratio is growing faster than anywhere else



West Midlands
Combined Authority



Coventry & Warwickshire
Local Enterprise Partnership



Principles for implementation

- Create a single pipeline of significant, strategic projects and programmes
- Be proactive – biased towards action
- Be collaborative and complement existing activity
- Projects and programmes integrate commitment to a balanced and a more inclusive economy, engaging with communities and employees



West Midlands
Combined Authority



**Greater Birmingham
& Solihull**
Local Enterprise Partnership



Coventry & Warwickshire
Local Enterprise Partnership



Black Country LEP

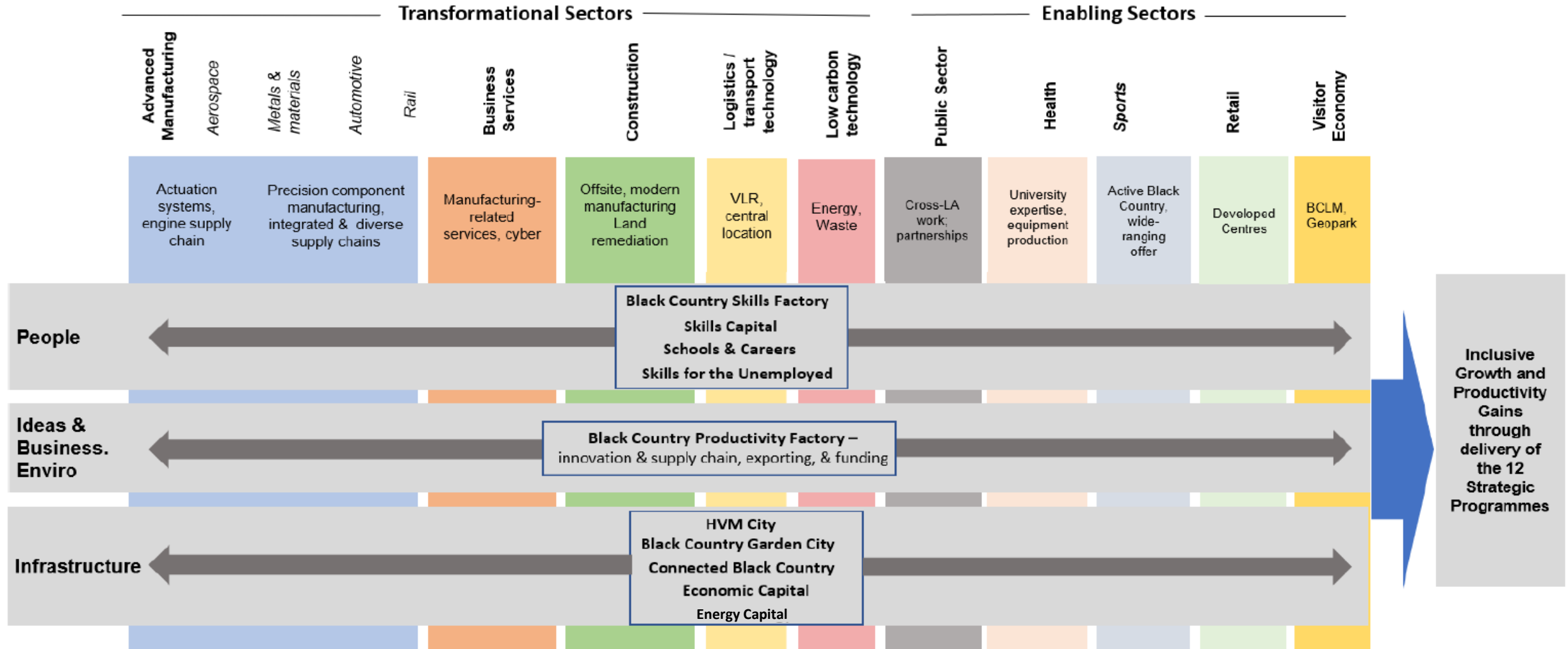
Integrated delivery approach

1. Existing portfolios, LEPs and boards, including the Strategic Economic Delivery Board, will be responsible for delivering the majority of actions
2. Task and finish groups, led by businesses and clinicians / academics and supported by the CA and LEPs, to drive forward the four new strategic opportunities
3. Each LEP to lead on a number of the sector plans, on behalf of the whole region, working with businesses from across the area
4. The inclusion portfolio and WMCA SED Board take an overview to ensure inclusion impacts are maximised and to monitor progress against our economic and social goals



Black Country Local Implementation Plan

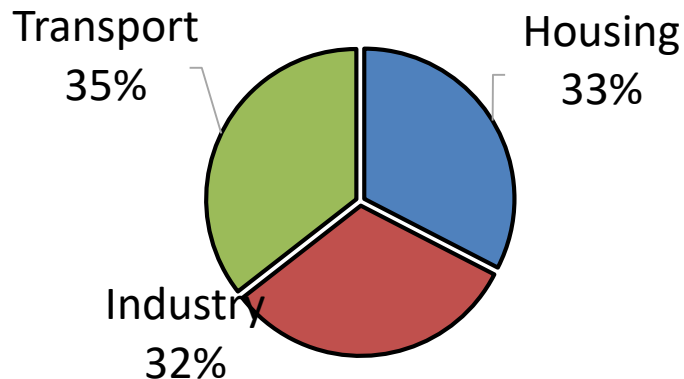
Black Country LEP



Securing appropriate energy infrastructure for the West Midlands

Without greater control over local energy infrastructure investment, we cannot deliver our local industrial strategy either meaningfully or cost-effectively

Percentage of West Midlands energy used by sector today

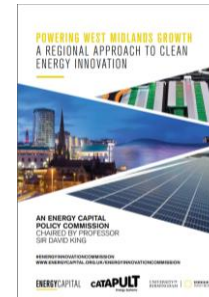
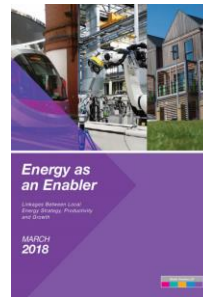
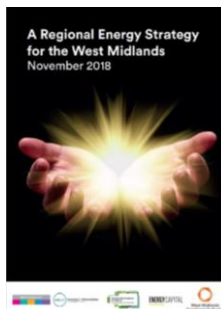


- Critical short-term issues for strategic sectors such as automotive manufacturing and established supply chains
- Virtually no existing resource (at any level of public sector governance) competent to deal with energy network and infrastructure providers in a strategic and value-creating way
- Totally centralised UK energy infrastructure planning
- This means:
 - **energy costs for industry are 41% higher than competitors**
 - **energy costs for consumers are 25% higher than necessary**
 - **grid connection charges are often twice (and can be up to 20 times higher) than sensibly-informed, locally-planned options**
- Multiple independent reports show that 'do nothing' will hold back economic growth and cost the region at least £1bn p.a. in GVA
- Risk of falling behind other devolved authorities in an area where we have potentially significant competitive advantage in our academic institutions

Energy Capital

We have the evidence, local political support and industrial partners we need to make a compelling case in London

- Board meeting 11 January – unanimous resolution proposed by BCC and supported by Coventry and Warwickshire and the Black Country LAs
- Very strong Energy Capital public-private regional partnership (including all LEPs, 6 universities and all the regional infrastructure providers, BEIS and Ofgem) – together controlling £7bn of regional assets and annual investment flows of ~£1bn.
- Consensus that this is a critical area needing priority regional attention. Also that any WMCA role should be institutionalised and focus on finance, powers and shared specialist technical resources
- Clear strategic framework and clarity of roles and responsibilities between WMCA, LEPs and LAs with clear with LA leadership



Carbon Emissions (ktCO₂)

	2010	2011	2012	2013	2014	2015	2016	2017	% reduction since 2010	% reduction since last year
Dudley	1,619	1,479	1,534	1,490	1,316	1,279	1,221	1,188	-26.6%	-2.6%
Sandwell	1,900	1,758	1,846	1,810	1,629	1,594	1,482	1,486	-21.8%	0.3%
Walsall	1,444	1,346	1,391	1,368	1,239	1,189	1,136	1,119	-22.5%	-1.5%
Wolverhampton	1,347	1,257	1,294	1,259	1,112	1,078	1,015	973	-27.8%	-4.2%
BC total	6,310	5,839	6,065	5,926	5,295	5,140	4,854	4,766	-24.5%	-1.8%

Source: BEIS, Local Authority CO₂ emissions estimates 2005-2017 (kt CO₂)

Delivery

Early actions to support implementation

























- Existing funding streams and delivery have been mapped to the WM LIS
- Highlighted current and future gaps that will impact on successful delivery
- Provides evidence for future “asks” of Government
- Detailed delivery plans that outline short, medium and long term actions needed for major new market opportunities, foundations and sectors are now being developed























LIS Foundations - Current Funding Summary Table

Foundations of Productivity	Sub Area	# Actions	BC LEP Total Funding (£m)	WM Total Funding (£m)	Total (3 LEP) (£m)
Ideas	Innovation	16	84	89	227
Business Environment	Trade & Export	2	27	-	70
	Business Support	4	58	-	107
People	Skills for the Supply Chain	10	30	5	50
	Skills Capital	1	25	126	180
	Careers & Schools	3	11	5	16
	Skills for the Unemployed	4	9	69	101
Infrastructure	Transport	5	462	2,074	2,771
	Land	4	112	260	936
	Housing	5	38	350	419
	Digital	2	-	1	1
	Energy	2	183	-	291
Places	Total	4	14	20	102
TOTAL		62	1,052	2,999	5,270

Funding Summary: Black Country

	Example Streams	Funding	Total Leverage	Total Investment
2.1 Funded – BC LEP Direct Funds (Awarded to Date)	<ul style="list-style-type: none"> Growth Deal Growing Places Enterprise Zones 	 £0.3bn	 £2bn	 £2.3bn
2.2 (a) LEP Influenced Funds (2018/19 – 2021/22)	<ul style="list-style-type: none"> EUSIF Transport 	 £0.3bn	 £0.5bn	 £0.8bn
2.2 (b) WMCA Funds (2018/19 – 2021/22)	<ul style="list-style-type: none"> WMCA Collective Investment Fund Productivity & Skills 	 £0.06bn	 £0.13bn	 £0.19bn
2.3 Pipeline – Funding Stream Identified	<ul style="list-style-type: none"> Growth Deal LPIF 5G 	 £1.4bn	 £2.8bn	 £4.2bn
<u>Identified Funds Total</u>		 <u>£2.1bn</u>	 <u>£5.4bn</u>	 <u>£7.5bn</u>
2.4 Pipeline – No Funding Stream Identified		 £1bn	 £6.0bn	 £7.0bn
2.5 Market- Led		 £0.03bn	 £0.9bn	 £0.9bn
<u>Funded & Pipeline Total</u>		 <u>£3.1bn</u>	 <u>£12.3bn</u>	 <u>£15.4bn</u>

Funding Summary: Sandwell

	Example Streams	Funding	Total Leverage	Total Investment
2.1 Funded – BC LEP Direct Funds (Awarded to Date)	<ul style="list-style-type: none"> Growth Deal Growing Places Enterprise Zones 	 £31m	 £60m	 £91m
2.2 (a) LEP Influenced Funds (2018/19 – 2021/22)	<ul style="list-style-type: none"> EUSIF Transport 	 £1.5m		 £1.5m
2.2 (b) WMCA Funds (2018/19 – 2021/22)	<ul style="list-style-type: none"> WMCA Collective Investment Fund Productivity & Skills 			
2.3 Pipeline – Funding Stream Identified	<ul style="list-style-type: none"> Growth Deal LPIF 5G 	 £161m	 £119m	 £280m
<u>Identified Funds Total</u>		 <u>£193m</u>	 <u>£179m</u>	 <u>£372m</u>
2.4 Pipeline – No Funding Stream Identified		 £258m	 £1.9bn	 £2.2bn
2.5 Market- Led		 £4.9m	 £183m	 £187m
<u>Funded & Pipeline Total</u>		 <u>£0.4bn</u>	 <u>£2.3bn</u>	 <u>£2.7bn</u>

Fund Tracker – Sandwell LA

Black Country LEP

Ward

Town

ConsistENCY

Local Authority

LA Priority

Funding Status

All

All

All

Sandwell

All

All

Corridor Centre

Super Corridor

Funding stream

All

All

All

Project/Site Name

SEP Programme

All

All



Funded & Pipeline Total		
£466.4M	£2.4bn	£2.8bn
Funding	Leverage	Total Investment

Identified Funds		
£203.1M	£271.5M	£474.6M
Funding	Leverage	Total Investment
+ Click here to Expand the detail +		

Pipeline - No Funding Stream Identified		
£258.4M	£1.9bn	£2.2bn
Funding	Leverage	Total Investment

No Funding Required		
£4.9M	£182.5M	£187.4M
Funding	Leverage	Total Investment

Outputs			
	Forecast Outturn	Target	% of Target
Homes	20.4K	16.2K	126%
Land Remediated (Ha)	52.0	268	19%
Jobs	14.4K	35.9K	40%
GVA	£4.0bn	4.8bn	83%

[Click Here for Output Details](#)[Click Here for Project Details](#)

Fund Tracker – West Bromwich

Black Country LEP

Ward

Town

Consistency

Local Authority

LA Priority

Funding Status

All

West Bromwich

All

All

All

All

Corridor Centre

Super Corridor

Funding stream

All

All

All

Project/Site Name

SEP Programme

All

All

Black Country Consortium

Economic Intelligence Unit

CLEAR

FILTERS

Home

Funded & Pipeline Total		
£104.2M	£599.2M	£703.4M
Funding	Leverage	Total Investment

Identified Funds		
£15.2M	£28.5M	£43.7M
Funding	Leverage	Total Investment
+ Click here to Expand the detail +		

Pipeline - No Funding Stream Identified		
£85.1M	£521.2M	£606.3M
Funding	Leverage	Total Investment

No Funding Required		
£3.9M	£49.4M	£53.3M
Funding	Leverage	Total Investment

Outputs			
	Forecast Outturn	Target	% of Target
Homes	4,414	2,188	202%
Land Remediated (Ha)	24.4	55	44%
Jobs	3,903	9,865	40%
GVA	£1.3bn	1.3bn	102%

[Click Here for Output Details](#)

[Click Here for Project Details](#)

Major New Market Opportunities : Future of Mobility

Black Country LEP

**Wednesbury to
Brierley Hill
Metro
Extension**



Future of Mobility

Recognised centre of transport innovation in the UK with the global competitive advantage needed to lead the way.

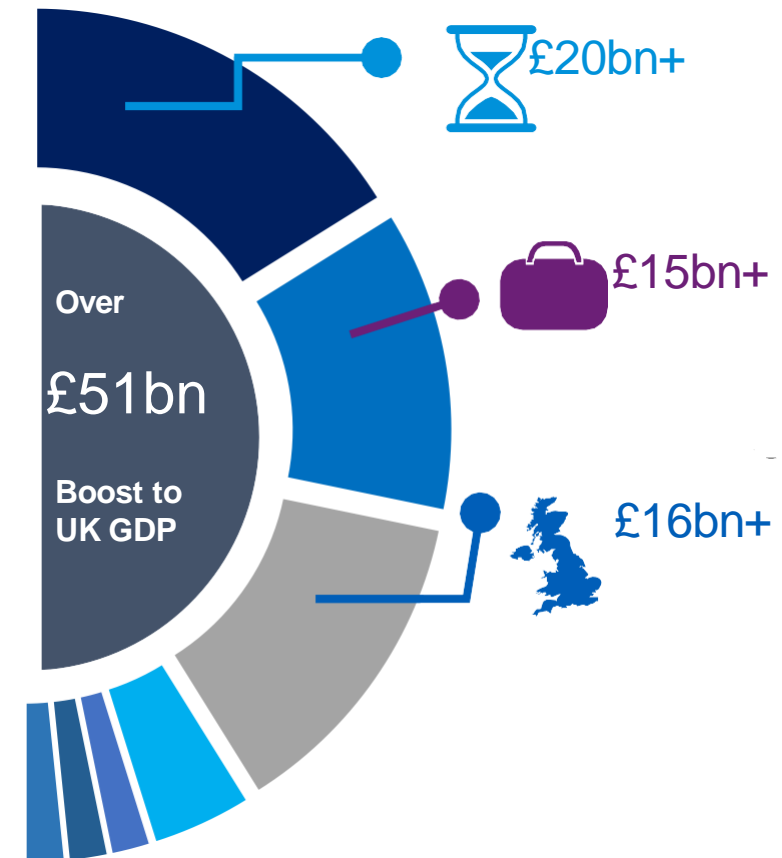
- ❑ Global research and business strengths in digital rail, the largest CAV testbed 'Midlands Future Mobility' and leading specialist CAV vehicle manufacturers Westfield and RDM.
- ❑ New facilities like the UK Battery Industrialisation Centre (UKBIC) and the Advanced Propulsion Centre will further existing expertise.
- ❑ Huge transport investment and building an integrated, multi modal system linked to HS2. This is the ideal platform for testing and developing UK and global solutions for the future of mobility.

Future of Mobility - Size of the prize

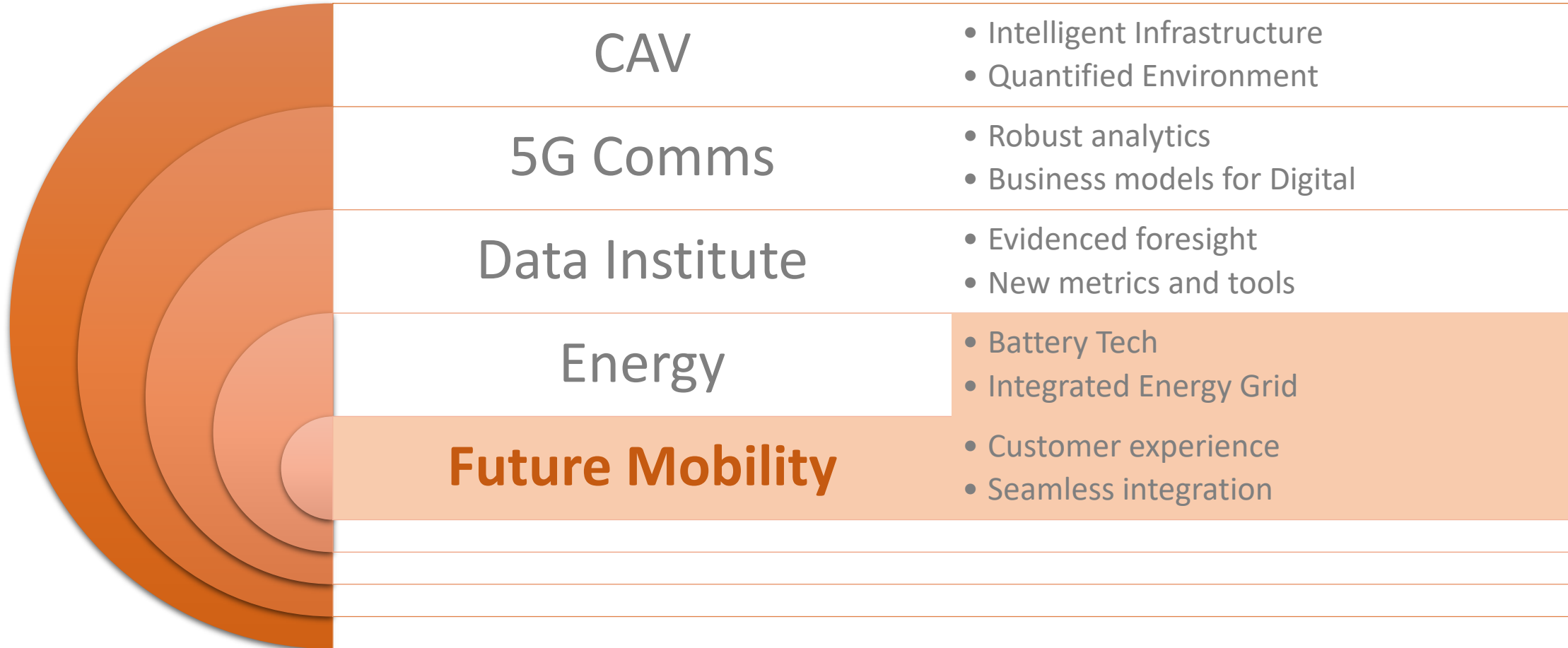
Assets and future markets come together to build long term additional growth and productivity impact for the UK and a game changing region

For £1 of productivity gained within the West Midlands automotive industry, up to £2.20 in GDP is likely to be generated for the UK economy through supply chain efficiencies

If a Distributed Factory approach increases WM GVA by £500m, there is a national GDP impact of £1.1bn achievable



Future of Mobility - A Critical Mass of Activity



Sector Action Plans

Black Country LEP



1. Advanced Manufacturing & Engineering



1.1 Automotive



1.2 Aerospace



1.3 Rail



1.4 Metals & Materials



2. Business, Professional & Financial Services



3. Energy & Environment



4. Logistics & Transport Technologies



5. Construction



6. Visitor Economy



7. Sports



8. Public Sector



9. Health



10. Retail

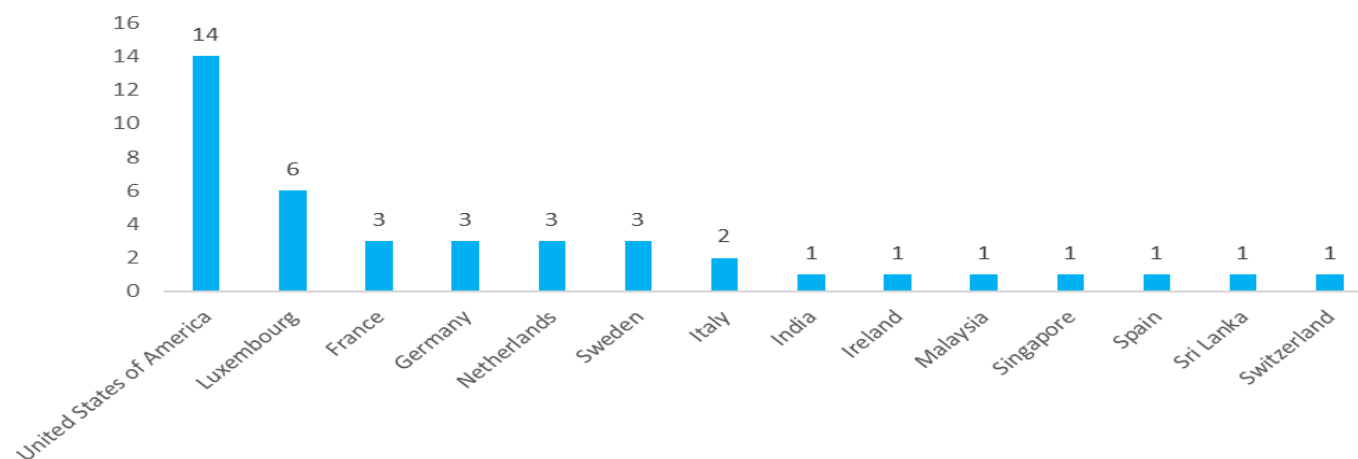
Sandwell Companies

Black Country LEP

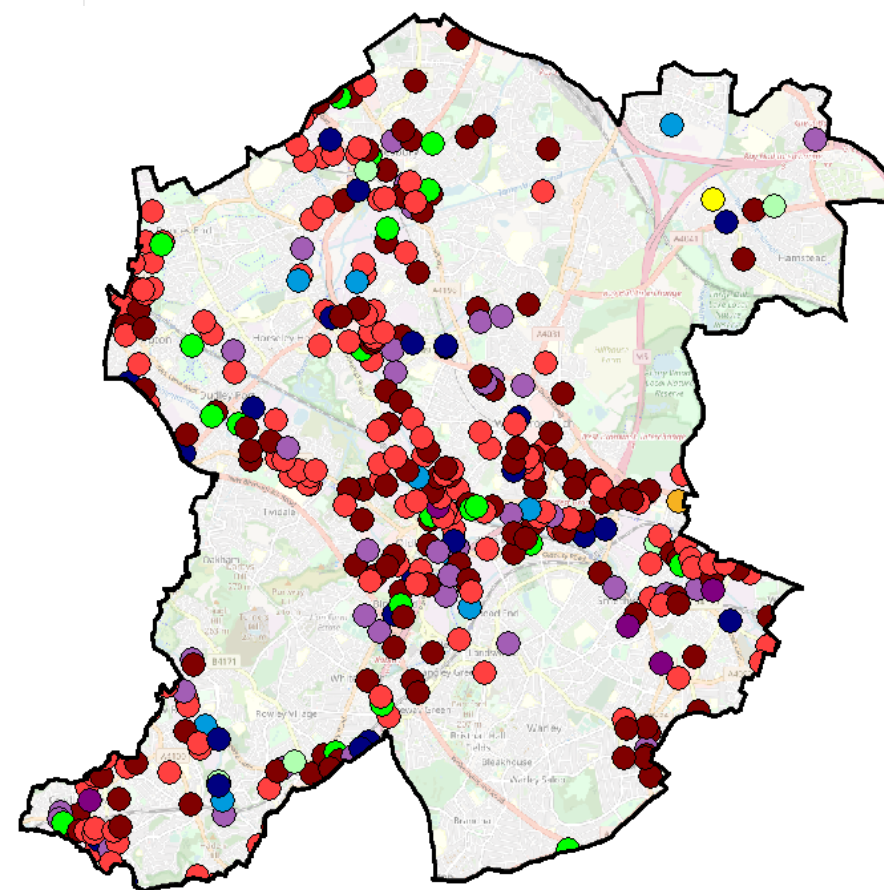
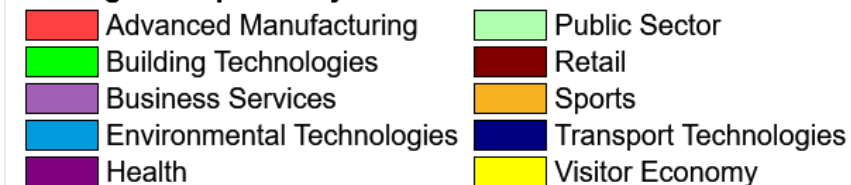
Sandwell Strategic Companies

Sector	Number of Strategic Companies	% of Sandwell Strategic Companies
Retail	173	35%
Advanced Manufacturing	170	34%
Business Services	55	11%
Transport Technologies	34	7%
Building Technologies	33	7%
Environmental Technologies	12	3%
Public Sector	9	2%
Health	6	1%
Visitor Economy	2	0%
Sports	1	0%
Total	495	100%

Black Country Strategic Companies - Foreign Owned Companies



Strategic Companies by Sector :



Next Steps

- Funding baseline, fiscal asks, new funding streams e.g. UK shared prosperity fund
- Ongoing pipeline development
- Cross LEP collaboration
- Policy development in Brexit context
- Provides evidence and intelligence for future “asks” of Government
- Detailed delivery plans that outline short, medium and long term actions needed for major new market opportunities, foundations and sectors are now being developed

Questions?