

Economy, Skills, Transport and Environment Scrutiny Board

Thursday 7 November, 2019 at 5.30 pm in Committee Room 1 at the Sandwell Council House, Oldbury

Agenda

(Open to Public and Press)

- 1. Apologies for absence.
- 2. Members to declare:-
 - (a) any interest in matters to be discussed at the meeting;
 - (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.
- 3. To confirm the minutes of the meeting held on 10 October, 2019 as a correct record.
- 4. WMCA Industrial Strategy and the Local Industrial Strategy.
- 5. Brexit Update.

Date of next meeting: 6 February 2020, 2019

D Stevens
Interim Chief Executive

Sandwell Council House Freeth Street Oldbury West Midlands

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Distribution:

Councillors Allcock, Crumpton, Eaves, L Giles, Hackett, M Hussain, Padda, Rollins, Sandars, Singh and Worsey.

Agenda prepared by Deb Breedon Democratic Services Unit - Tel: 0121 569 3896 E-mail: deborah_breedon@sandwell.gov.uk

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Economy, Skills, Transport and Environment Scrutiny Board

Apologies for Absence

The Board will receive any apologies for absence from the members of the Board.



Economy, Skills, Transport and Environment Scrutiny Board

Declaration of Interests

Members to declare:-

- (a) any interest in matters to be discussed at the meeting;
- (b) the existence and nature of any political Party Whip on any matter to be considered at the meeting.



Minutes of the Economy, Skills, Transport and Environment Scrutiny Board

10th October, 2019 at 5.30 pm at Sandwell Council House, Oldbury

Present: Councillor Rollins (Chair);

Councillors Allcock, Eaves, M Hussain and

Padda.

Apologies: Councillors Crumpton, L Giles, Hackett, Sandars

and Singh.

In attendance: Dr Alison Knight, Executive Director -

Neighbourhoods;

Lesley Hagger, Executive Director Children's

Services and Education;

Chris Ward, Director of Education, Skills and

Employment:

Max Cookson, Waste & Transport Manager Adele Smith, Programmes Manager- Strategy

and Partnerships;

Errol Blackwood, Post 16 Manager;

Andy Miller, Strategic Planning & Transportation

Manager

Talvinder Sandhu, Transportation Team Leader;

Consultant

14/19 **Minutes**

Resolved that the minutes of the meeting held on 18th July, 2019 be approved as a correct record.

15/19 Our Waste, Our Resources – A Strategy for England

The Board received the update report from the Waste and Transport Manager and was advised that the council was awaiting

further Government guidance before a full response could be developed.

The Board was advised that the Council was working with other members of the West Midlands Combined Authority waste and resources group and local partnerships to consider best practice and be ready to progress when guidance was published. Several options were being looked at in relation to food waste recycling, a mapping exercise had been carried out and the Council continued to work with WRAP and local partnerships to prepare for further information from government.

The Board discussed the proposals in the report and noted the following comments and responses to questions: -

- Representation had been made to the Government to move forward on the guidance;
- There was a risk if the Council made a decision without the updated guidance and ceased collections, as other Authorities had, it could be the wrong decision and the Council could incur costs if the guidance required that collections were to be restarted;
- WRAP was providing advice to the Council on the way forward, financial support had not been provided but it was considered important to work with WRAP;
- the Board was assured that there were potential savings to be made in the future if the Council take into consideration the economies of scale and timescales
- the Board was advised that an update could be circulated following a meeting of the WMCA Waste and Resource work group the following week and a further report prepared once all the information was available.

Resolved

(1) that a further report relating to the future options for Food Waste Recycling in Sandwell be requested following publication of Government guidance.

16/19 **Sandwell Guarantee**

The Board received a progress report from the Director – Education Skills and Employment and Programmes Manager, Strategy and Partnerships about the Sandwell Guarantee.

The Sandwell Guarantee began in September 2014 to respond to high youth unemployment in the area and limited external support for this age group. The funding for the programme came from Council reserves and funded wage subsidies for local employers to employ an apprentice or provide a job opportunity.

The Sandwell Guarantee was an 'ethos' and represented access routes for Sandwell residents to Employment support including Work Experience, the Connexions Service, Youth Services and Sandwell College

The Board received a summary of the current position, the challenges and performance of the programme. The Sandwell Guarantee had been successful and had helped fund 700 young people in the Borough to find training opportunities and work, with 368 organisations being supported by the programme.

The Board noted the following responses to questions and comments: -

- during the programme the number of unemployed people decreased and there was a decrease in NEET figures. The Board was advised that this was a good outcome because the national trend for number of unemployed was increasing during the same period;
- it was not possible to show a direct correlation between delivery of the programme and the reduction in unemployment figures or NEET figures. The statistical trends within the 5 years of delivery had seen an improving picture.
- £1.7 million had been invested by the Council in this programme for young people, the unit price was £3000, half the price of going through the DWP Future Jobs Fund wage subsidy programme, which averaged £6000 per job and for only a 6-month opportunity. The Sandwell Guarantee performed well on a value for money basis;
- the exit strategy was in progress, the programme was due to end 31st March 2020;

- the Board raised concerns that once the programme ceased there would be a rise in the youth unemployment trend and that the figures could not prove that the decrease was entirely attributable to the Sandwell Guarantee;
- the Board was advised that work with young people could continue if funding was identified. The service model was in place, but it would cost £300,000 per annum to keep it going;
- the Council could use its apprenticeship levy and draw down for training, but not for wage subsidy, which was what was provided in the Sandwell Guarantee;

The Board suggested that at the end of the programme the performance data should be reviewed to establish if there was evidence to prove the impact of the Sandwell Guarantee and requested clarification if there was potential to continue specific services, such as work with disabled young people and young people in care. It was confirmed that there was potential but that the costs would have to be investigated.

The Board was proud of the Sandwell Guarantee and all that it had achieved to reduce youth unemployment in Sandwell.

Resolved

- (1) That the Director of Education Skills and Employment calculate the cost analysis to continue the work with young people focus on disabled and young people in care;
- (2) The Director of Education, Skills and Environment provide an update report to the Board to advise of the costs and revised budget to continue the Sandwell Guarantee once the Government settlement figure is confirmed in March 2020.

17/19 Unified Careers Offer for 15-29 year olds

The Board received a report from the Director of Education Skills and Environment and the Post 16 Manager to consider how the Council's unified 15-29 careers and employment 'offer' and

supported young people more effectively during their transition to adulthood.

The Board was advised that the Council commissioned Cambridge Education to carry out a review of education which included Connexions and the Employment and Skills team's two services that identified a range of possible options to deliver a preferred model of provision.

In April 2019 services were co-located in the same office to bring together the Connexions service, tracking and NEET engagement services with the services offered by the Employment and Skills service, to provide a coherent integrated offer to young people and adults.

The Board was provided with an update of the current position in relation to:

- Challenge for schools
- Support for NEETs / unemployed aged 15-29
- Black Country Impact
- Progress to higher education
- Preparing for the world of work/ events
- Working with employers
- Jobs of the future
- Online platforms

The Board welcomed the approach taken and the success of the integration of services, unified offer for 16-25 year olds and the joined up delivery of services.

The Chair highlighted the importance of the joined-up approach for young people and was advised that further work being carried out to reach into schools. She thanked officers for the work so far and indicated that the Board would maintain oversight of this work and assess progress in 12 months' time.

Resolved:

 that the Director of Education Skills and Employment be requested to submit a progress report relating to the Unified Careers Offer for 15-29 year in 12 months.

18/19 Sandwell Cycling & Walking Infrastructure Plan SCWIP

The Board received a report from the Director Regeneration and Growth and a presentation to provide an overview of the development of Sandwell's Cycling and Walking Infrastructure Plan (SCWIP). The comments and recommendations of the Scrutiny Board would be referred to Cabinet to be taken into consideration when the SCWIP was considered in December 2019.

The Strategic Planning & Transportation Manager, Transportation Team Leader and consultant appointed by the Council were in attendance to provide a presentation and respond to members questions.

The presentation outlined the following:

- The process undertaken
- An overview including Government requirements
- The network map
- Indicative costs
- The Matrix
- Next steps

The Board considered the draft SCWIP and presentation. The main messages were noted: -

- Sandwell Council was ahead of other Authorities in developing the SCWIP to meet Government requirements;
- the data gathering aligned to the vision 2030 ambitions for health, air quality and transport and took into consideration other major projects and ongoing work in Sandwell;
- the data gathered highlighted the demand for cycling and walking, the need for access to rail and metro stops now and, in the future, the connectivity and access to work and attractions;
- from the evidence gathered 15 cycle routes were identified and 6 walking zones. The mapped routes and zones highlighted air quality hotspots, congestion hotspots, transport hubs, regeneration areas, large trip attractors and other matters, such as quiet and segregated cycling were flagged up showing proposed interventions. Department for Transport (DfT) guidance was expected later this year to

- show what good cycle provision looked like and these would be taken into consideration as proposals within the SCWIP are developed;
- cross boundary working has identified where routes span over one or more area, and also includes improvements to canal access points and routes along the canal network.
 The more detailed interventions, such as junction improvements, footway widening, dropped kerbs etc would be identified in the plan on a thematic basis for each area, including several interventions that would be place led;
- the costing for the implementation of the SCWIP would be around £12 million following an initial costing exercise based on proposed interventions, but this was not a precise figure because interventions and implementation were difficult to cost at this stage without detailed designs being undertaken and then costed and this has been an issue for most Local Authorities in developing their LCWIP; this has been reported back to the DfT;
- prioritising which of the 15 cycling schemes should be first had meant that a scoring process had to be developed, so that the policy objectives were given points and the highest score against the relevant policy objective would be the next scheme to progress once funding was available;
- the stakeholder engagement already undertaken informed the draft SCWIP and Cabinet would consider the final draft in December 2019.

The Chair welcomed the detailed work undertaken and thanked the presenters for an excellent report. The Board noted the following comments in response to questions:

- the prioritisation planning tool would be regularly updated and the data collected puts Sandwell in a good place for bid submissions, to get the 15 cycle projects and 6 walking projects moving;
- there were many funding initiatives that have short deadlines, the prioritisation planning tool enables timely submission of bids for a range of objectives;
- the SCWIP would improve the journey to work and leisure for approximately 34% adults in the Borough with no access to a car;
- Government announced that Local Authorities with Local Cycling and Walking Infrastructure Plans (LCWIP) would be

prioritised for funding and Sandwell will be of advantage when bidding for funding with the development of the SCWIP:

- the proposed West Midlands Cycle Hire Scheme, which was to be implemented across the seven districts, was not currently operating because the contractual arrangements had failed. The re-procurement process had commenced, and the West Midlands Combined Authority was planning to provide the infrastructure and procure a refreshed scheme;
- the benefits of cycling to health and wellbeing of residents was a driver for the cycle hire scheme. The Council, working with the West Midlands Combined Authority was aiming to get more people cycling and is considering sponsorship to procure bikes to develop a low-income cycle hire scheme;
- the Cycle Network consists of three tiers; the National Cycle Network (NCN), the Metropolitan Cycle Network as identified in the West Midlands Strategic Transport Plan – Movement for Growth, and a local Sandwell Network identified in the Sandwell Cycling Strategy
- the Sprint Project would sit more in the second tier, as part of the West Midlands Cycling and Walking Infrastructure Plan (WMLCWIP) rather than the Sandwell plan, however it was noted that the A34 corridor and Hagley Road would be part of the Sprint project and that major group network funding was being investigated for sections of the Wolverhampton Road. It was noted that this would not be delivered in one stretch and that Government funding was being applied for.

The Chair thanked everyone involved for the report, the development of the SCWIP had been under the Scrutiny Boards watch for the last two years and she was very pleased with the draft report before the Board, which would put Sandwell in a good place to submit bids, to get projects going and to develop the cycle and walking routes in the plan.

Resolved:

 that the Economy Skills Transport and Environment Scrutiny Board recommend to Cabinet that the draft Sandwell Cycling and Walking Infrastructure Plan be approved.

(Meeting ended at 6.25 pm)

Contact Officer: Deb Breedon Democratic Services Unit 0121 569 3896



REPORT TO

ECONOMY, SKILLS, TRANSPORT AND ENVIRONMENT SCRUTINY BOARD

7 November 2019

Subject: Director:	West Midlands Combined Authority Industrial Strategy and Local Industrial Strategy Executive Director - Neighbourhoods	
Director.	Dr Alison Knight	
Contribution towards Vision 2030:		
Contact Officer(s):	scrutiny_unit@sandwell.gov.uk	

DECISION RECOMMENDATIONS

That the Economy, Skills, Transport and Environment Scrutiny Board:

- 1. consider the information contained within the report provided by the Black Country Local Enterprise Partnership;
- 2. identify any recommendations it may wish to make.

1 PURPOSE OF THE REPORT

1.1 The attached briefing note from the Black Country Local Enterprise Partnership provides an overview of the Industrial Strategy at a subregional level. The Chief Executive of the Partnership will attend the meeting to present to the Scrutiny Board, providing further information from a Sandwell perspective.

2 IMPLICATIONS FOR VISION 2030

2.1 Industrial Strategies at regional, sub-regional and local levels help support the ambitions contained within Vision 2030, including:-

Ambition 3 – Out workforce and young people are skilled and talented, geared up to respond to changing business needs and to win rewarding jobs in a growing economy;

Ambition 6 – We have excellent and affordable public transport that connects us to all local centres and to jobs in Birmingham, Wolverhampton, the airport and the wider West Midlands;

Ambition 7 – We now have many new homes to meet a full range of housing needs in attractive neighbourhoods and close to key transport routes;

Ambition 8 – Our distinctive towns and neighbourhoods are successful centres of community life, leisure and entertainment where people increasingly choose to bring up their families;

Ambition 9 – Sandwell has become a location of choice for industries of the future where the local economy and high performing companies continue to grow;

Ambition 10 – Sandwell now has a national reputation for getting things done, where all local partners are focused on what really matters in people's lives and communities.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 The Chief Executive of the Black Country Local Enterprise Partnership has been invited to attend the meeting to present to the Scrutiny Board on the Industrial Strategy.

4 THE CURRENT POSITION

4.1 A briefing paper from the Black Country Local Enterprise Partnership is attached at Appendix 1.

5 **APPENDICES**

Appendix 1 - Briefing Paper from Black Country Enterprise Partnership

Dr Alison Knight Executive Director - Neighbourhoods



Black Country Local Enterprise Partnership Board Information Report to Sandwell MBC Economy Skills Transport and Environment Scrutiny Board

7th November 2019

West Midlands Local Industrial Strategy – Implementation

1. Purpose of Report

- 1.1 The report summarises the approach to the implementation of the West Midlands Industrial Strategy and the integral role of the Black Country LEP in providing and coordinating the evidence base that underpins the strategy.
- 1.2 The report will be accompanied by a Presentation from the Black Country Consortium.

2. Recommendations

2.1 That the Sandwell MBC Economy Skills Transport and Environment Scrutiny Board receive and note the report.

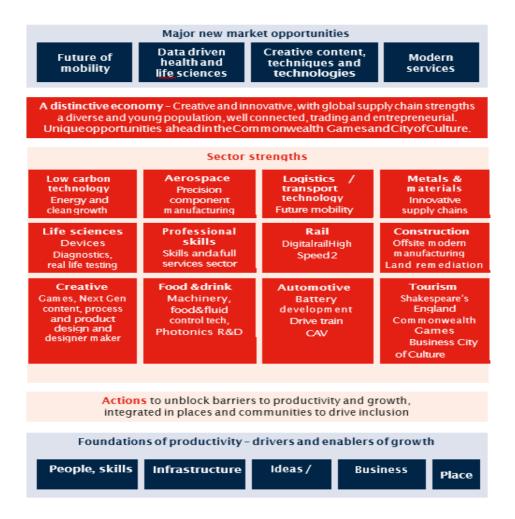
3. Report Detail

- 3.1 The West Midlands Industrial Strategy was published on 16 May 2019, jointly with Government. It builds on 2016 Strategic Economic Plan, setting out our shared intent to continue recent growth and success, whilst tackling the issues of economic inclusion that remain too embedded in our economy and communities.
- 3.2 The Black Country Consortium's Economic Intelligence Unit provided the economic evidence base that underpins the WM LIS and continues to work under contract with the Combined Authority to keep this evidence base current.
- Over the last year the Combined Authority and 3 LEPs have worked together, overseen by the SED Board, to put together a best in class evidence base, engage with a wide range of businesses and representative organisations, work with all the region's Universities and develop a set of specific actions and opportunities.
- 3.4 The Government stipulated that local industrial strategies should be co-designed and published as Government documents. The strategy development process was a further opportunity to ensure that Government acknowledges and buys in to the distinctive and major contribution we, as a region and specifically the Black Country's Supply Chain, make to the future of the UK.
- 3.5 The CA Board agreed to taking a "trailblazer" role, as the first place to develop and publish a local industrial strategy, showing that the WM is both open for business and addressing the need to ensure all our communities benefited from a resilient economy. Major changes in technology, data and services have accelerated since 2016 and will continue

to do so; our strategy sets out how we can help individuals and companies succeed. Clarity on the region's distinctive characteristics, opportunities and actions will help ensure we fulfil our potential and navigate funding and economic uncertainty successfully.

Summary of the Industrial Strategy

- The industrial strategy integrates previously agreed priorities, for example the £350m Housing Deal, Regional Skills Plan, Skills Deal and the 2026 Delivery Plan for Transport, to ensure that our overall effort to drive a more inclusive, successful, economy continues to be successful. The strategy reinforces our previously agreed targets on earnings, health outcomes, jobs, productivity and skills, and looks ahead to 2030, but focusses on the actions that are required now. The plan is, therefore, to use existing delivery mechanisms and portfolios wherever possible, whilst boosting delivery to meet the challenges and opportunities ahead.
- 3.7 Our strategy sets our four major new economic opportunities, where the West Midlands has existing business and research strengths which will provide future opportunities for all our communities and firms:
 - The UK's centre for innovation in all forms of transport and mobility, as we lead the transition to electric and autonomous vehicles of all kinds and build an integrated transport system
 - A leader in data driven healthcare, working with patients to develop and implement new therapies and devices, improving health outcomes and commercial opportunities and skilled jobs.
 - A global centre for modern services, with total GVA forecast to double to £50bn between 2015-2030.
 - A centre for creative content, techniques and technologies, bringing our design and industrial know how to the factories and products of the future.
- 3.8 It also identifies current and future sector strengths that will be important in taking these four opportunities forward alongside others. Sector action plans have been developed by businesses themselves showing what firms need to do to take advantage of the opportunities and to tackle the barriers that exist to growth and productivity.
- 3.9 The strategy then sets out the actions that will be needed to help businesses deliver the opportunities we have identified and overcome the barriers that remain, organised by each of the 5 foundations of productivity defined by Government: Place, Ideas, Infrastructure, Business Environment and People. Businesses sectors will play a central role in delivery.
- 3.10 The diagram below shows the relationship between the new opportunities, sectors and foundations of productivity.



Implementation

3.11 With the CA and other WM LEPs we are determined to push ahead with implementation, particularly given current political and funding uncertainty nationally. The aim is to align both existing funding streams and delivery to the strategy, and to position the West Midlands well for future Government investment. A wide range of existing funding streams come to an end between now and 2021. These include ERDF, ESIF and local growth funds. So to ensure the region's future success we need to secure long term replacement funding, both through any future spending review (including the future local Government settlement), Innovate UK and UKRI research funding, and through securing the right deal for the West Midlands from any future replacement for existing EU funding.

An integrated approach

- 3.12 The approach adopted is based on 4 principles, to ensure that the West Midlands:
 - 1. Creates a single pipeline of significant, strategic projects and programmes.
 - 2. Is proactive biased towards action
 - 3. Is collaborative and complements existing activity
 - 4. Insists and ensures that projects and programmes integrate our commitment to a balanced and a more inclusive economy, engaging with communities and employees.

3.13 The integrated delivery approach has four interconnected elements and builds on existing structures.

It is summarised below and then explained in more detail in the following paragraphs. Activities across each of the 4 elements are connected to ensure an integrated approach.

- Existing portfolios, LEPs and boards, including the Strategic Economic Delivery Board, will be responsible for delivering the majority of actions (those set out under each of the Foundations) in the strategy
- Senior task and finish groups supported by the CA and LEPs will drive forward the four new strategic opportunities. They will be led by businesses and clinicians / academics as relevant and will include representation from a broad cross section of industries across the region. The actions set out in the strategy and in the sector action plans will inform their approach.
- Individual business sectors, supported by individual LEPs working on behalf of the whole region will be represented on the task and finish groups, and will maintain sector action plans to inform the broader approach.
- The inclusion portfolio and SED Board take an overview to ensure inclusion impacts are maximised and to monitor progress against our economic and social goals.
- 3.14 Delivery and future funding bids will be supported by a detailed delivery plan that will capture both existing and agreed strategic projects and programmes (e.g. the Digital Skills Partnership, specific transport projects) and new programmes subject to future funding availability (e.g. Innovation Programme, High growth scale up support programme, further science park development). This is being developed in order to be ready for any potential funding opportunities.

Existing delivery mechanisms in the West Midlands

- 3.15 The SED board has overall responsibility for monitoring progress across the economy and for reporting to the CA Board. It is proposed that monitoring and reporting on WMLIS is aligned with this approach. A major strength of the strategy is that it integrates and strengthens existing plans, which means that individual "foundations" in the strategy in large part will be delivered and overseen through existing delivery mechanisms, as below:
 - Ideas Innovation Board
 - People Skills Board
 - Housing and Employment Land Housing and Land Delivery Board
 - Transport TfWM
 - Digital / 5G WM5g and Digital Board
 - Energy Energy Capital
 - Environment Environment Board
 - Business Support Strategic Economic Development Board
 - Growth Company inward investment and relevant marketing
- 3.16 Coverage of both the foundations and opportunities across existing delivery mechanisms and portfolios will be reviewed as part of this phase of implementation. This process will identify potential gaps in current activity and will ensure they are addressed in future plans. All LEPs and CA Portfolios will inform this work.

3.17 The CA and LEP teams leading specific delivery work for portfolios and Boards will continue to ensure that they engage with the right groups and people in the West Midlands, including the young people and employees whose future opportunities are framed by the Local Industrial Strategy, and the business and sectors who will deliver the growth and economic activity needed.

Integrated Investment and a more inclusive economy

- 3.18 Avoiding silo delivery is vital to the West Midlands, as is ensuring that all programmes and projects maximise the impact they have on making our economy as inclusive as possible. The strategy commits the West Midlands to further strengthening its impact on wage levels, access to opportunities for local firms and people and improving the design and sustainability of new communities and developments.
- 3.19 The Inclusion portfolio will therefore have a key role, working with the SED Board and across the different elements of the strategy, supported by the CA senior leadership team and Chief Executives, to ensure that project and programme design across all portfolios is achieving these goals. The strategy makes a clear commitment that the inclusive growth unit and framework will be central to this.

Strategic New Opportunities

In addition to these thematic portfolios the CA has established short term, task and finish groups of senior business and academic leaders to make the most of the 4 strategic opportunities. They are industry led across a broad cross section of sectors, and will draw on existing sector action plans to inform their proposals. For example, on Data driven healthcare and life sciences a group of business and clinical leaders will drive forward the capital investment needed and the next steps in speeding up commercialisation of new products and techniques.

Sectors

- 3.21 Businesses will deliver the growth and wealth needed for the West Midlands to succeed and its communities' benefit. Each LEP continues to lead across the region on working with specific sectors and sector groups, to avoid duplication and maximise linkages between supply chain firms and opportunities across the region. These groups and the action plans they have already developed will continue to play an integral role in delivery of the strategy.
- 3.22 The Black Country leads on Aerospace, Construction, Metals & Materials and Rail and, through the EIU, continues to provide data that supports the overall LIS across the region.

Sarah Middleton Chief Executive Black Country Consortium Ltd

Source Documents: West Midlands Local Industrial Strategy (link in report)



Sarah Middleton Chief Executive Black Country Consortium

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Strategy

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- BC LIP
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Delivery

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- 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

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.

Detailed

Programme Dashboards

programme dashboards including:

- Overall PriorityPipeline
- Growth Funds
- Land Remediation Fund (WMCA)
- Broadband

Sites Details

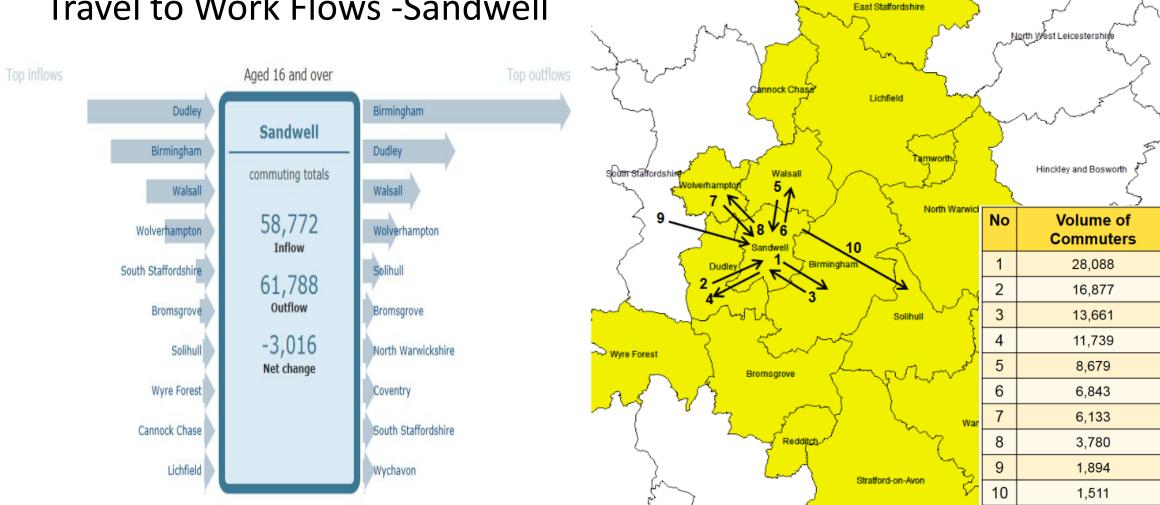
'Estate Agent'
details are
available for each
of our pipeline
sites, accessible
via our online
mapping tool,
linking to
Midlands Engine
and WMCA
Investment
Prospectuses





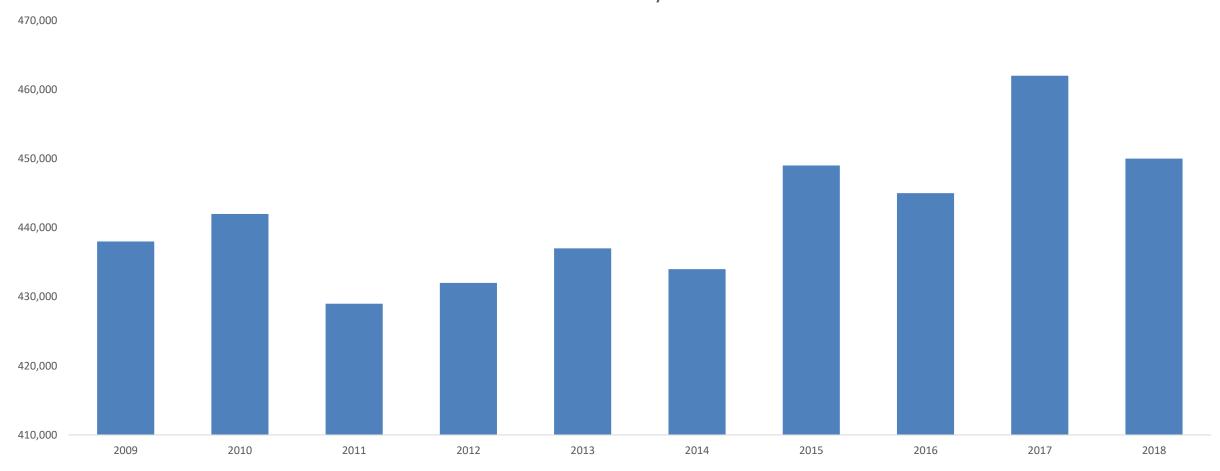
Functional Economic Market Area

Travel to Work Flows -Sandwell

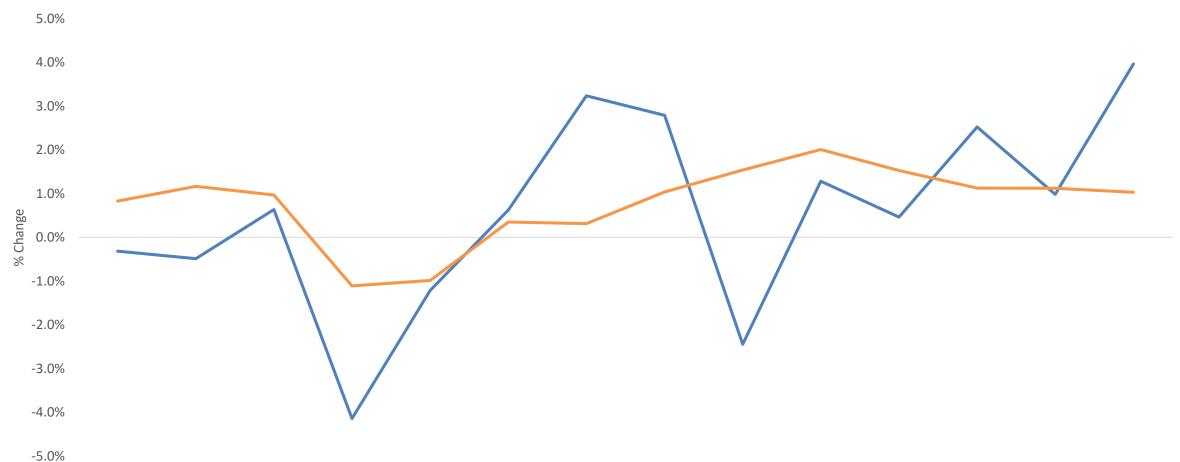




Number of Jobs in the Black Country between 2009 to 2018



Percentage Change in Employment Rate



Jul 05-Jun 06Jul 06-Jun 07Jul 07-Jun 08Jul 08-Jun 09Jul 09-Jun 10Jul 10-Jun 11Jul 11-Jun 12Jul 12-Jun 13Jul 13-Jun 14Jul 14-Jun 15Jul 15-Jun 16Jul 16-Jun 17Jul 17-Jun 18Jul 18-Jun 19





Jobs at Risk – West Midlands Met:

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



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



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**





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



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

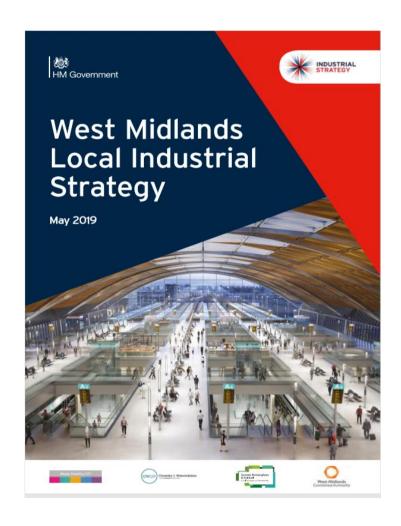
+496 enterprise births P.A required to reach national level



The number of Apprenticeships is decreasing in Sandwell

-1,310 apprenticeships starts compared to 2016/17

West Midlands Local Industrial Strategy





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

Life sciences Devices Diagnostics. real life testing

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

Aerospace Precision

component manufacturing

Professional skills Skills and a full services sector

Food & drink Machinery, food & fluid control tech. Photonics R&D Logistics / transport

Rail

technology Future mobility

Digital rail High Speed 2

Automotive

Batterv development Drive train CAV

Metals & materials

Innovative supply chains

Construction

Offsite modern manufacturing Land remediation

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









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









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









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

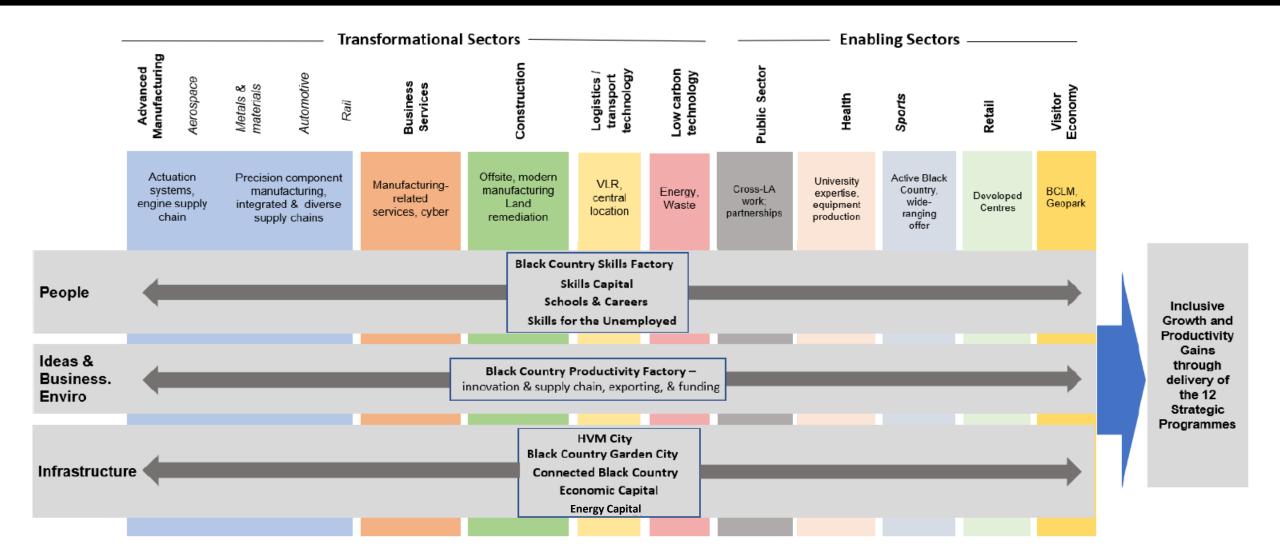








Black Country Local Implementation Plan



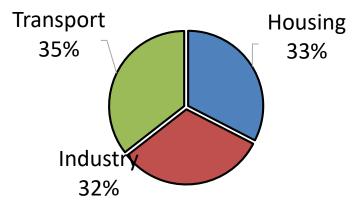
Energy Capital



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



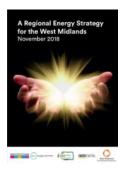
- Critical short-term issues for strategic sectors such as automotive manufacturing and established supply chains
- Virtually no existing resource (at any level of public sector governance) competent to deal with energy network and infrastructure providers in a strategic and value-creating way
- Totally 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

Black Country LEP

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









Black Country LEP

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 Environment	Business Support	4	58	-	107
	Skills for the Supply Chain	10	30	5	50
	Skills Capital	1	25	126	180
People	Careers & Schools	3	11	5	16
	Skills for the Unemployed	4	9	69	101
	Transport	5	462	2,074	2,771
	Land	4	112	260	936
Infrastructure	Housing	5	38	350	419
iiiiastiuctuie	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



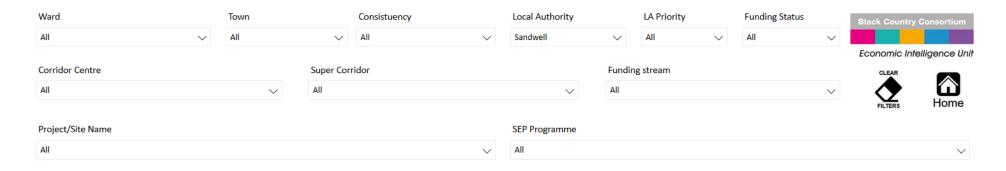
	Example Streams	Funding	Total Leverage	Total Investment
2.1 Funded – BC LEP DirectFunds (Awarded to Date)	 Growth Deal Growing Places Enterprise Zones	£0.3bn	£2bn	£2.3bn
2.2 (a) LEP Influenced Funds (2018/19 – 2021/22)	• EUSIF • Transport	£0.3bn	£0.5bn	£0.8bn
<u>2.2 (b)</u> WMCA Funds (2018/19 – 2021/22)	 WMCA Collective Investment Fund Productivity & Skills 	£0.06bn	£0.13bn	£0.19bn
2.3 Pipeline – Funding Stream Identified	Growth DealLPIF5G	£1.4bn	£2.8bn	£4.2bn
<u>Identified Funds Total</u>		<u>£2.1bn</u>	£5.4bn	£7.5bn
2.4 Pipeline – No Funding Stream Identified		£1bn	£6.0bn	£7.0bn
2.5 Market- Led		£0.03bn	£0.9bn	£0.9bn
Funded & Pipeline Total		£3.1bn	£12.3bn	£15.4bn

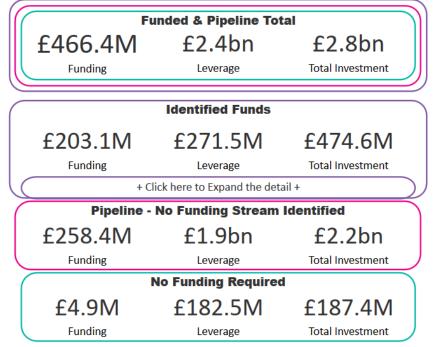
Funding Summary: Sandwell

1	PROGRAMMEN	240-0-0	CONTRACTOR (VG)
1	Black	Count	rv LEP

	Example Streams	F	unding	Tota	l Leverage	Total In	vestment
2.1 Funded – BC LEP DirectFunds (Awarded to Date)	 Growth Deal Growing Places Enterprise Zones	£	£31m	£	£60m	£	£91m
<u>2.2 (a)</u> LEP Influenced Funds (2018/19 – 2021/22)	• EUSIF • Transport	£	£1.5m			£	£1.5m
<u>2.2 (b)</u> WMCA Funds (2018/19 – 2021/22)	 WMCA Collective Investment Fund Productivity & Skills 						
2.3 Pipeline – Funding Stream Identified	 Growth Deal LPIF 5G	£	£161m	£	£119m	£	£280m
Identified Funds Total		£	<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
Funded & Pipeline Total		£	<u>£0.4bn</u>	Ĕ	£2.3bn	£	£2.7bn

Fund Tracker – Sandwell LA



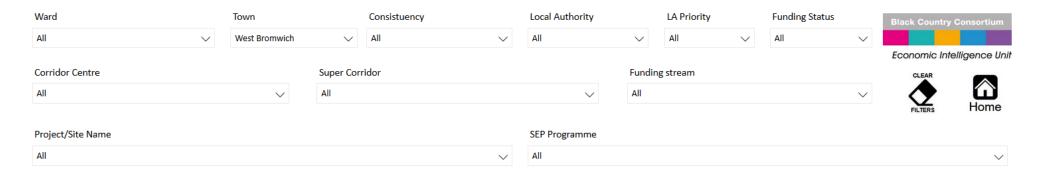


Outputs					
	Forecast Outturn	Target	% of Target		
Homes	20.4K	16.2K	126%		
Land Remediated (Ha)	52.0	268	19%		
Jobs	14.4K	35.9K	40%		
GVA	£4.0bn	4.8bn	83%		

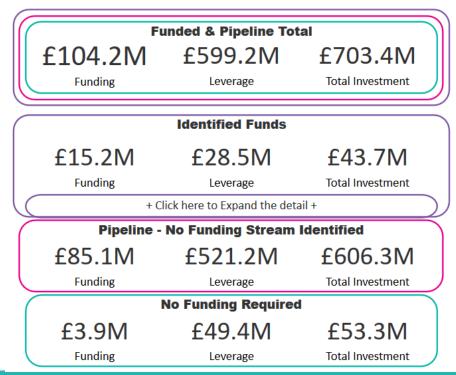
Click Here for Output Details

Click Here for Project Details

Fund Tracker – West Bromwich



Click Here for Output Details



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 Project Details

Major New Market Opportunities: Future of Mobility

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.

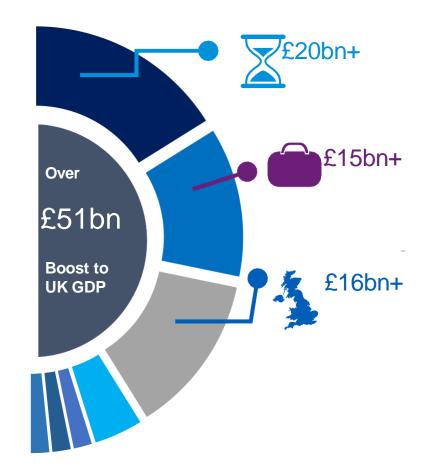
- □Global research and business strengths in digital rail, the largest CAV testbed 'Midlands Future Mobility' and leading specialist CAV vehicle manufacturers Westfield and RDM.
- □ New facilities like the UK Battery Industrialisation Centre (UKBIC) and the Advanced Propulsion Centre will further existing 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

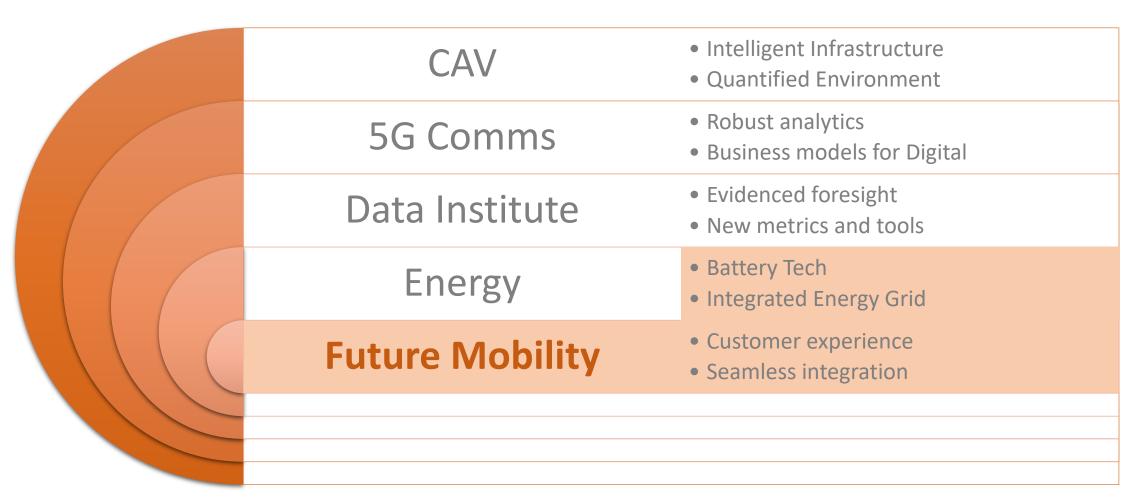
Assets and future markets come together to build long term additional growth and productivity impact for the UK and a game changing region

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







2. Business, Professional & Financial Services



3. Energy & Environment



4. Logistics & Transport Technologies



5. Construction



6. Visitor Economy



7. Sports



8. Public Sector



Health



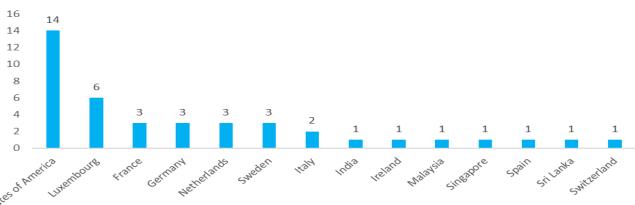
10. Retail

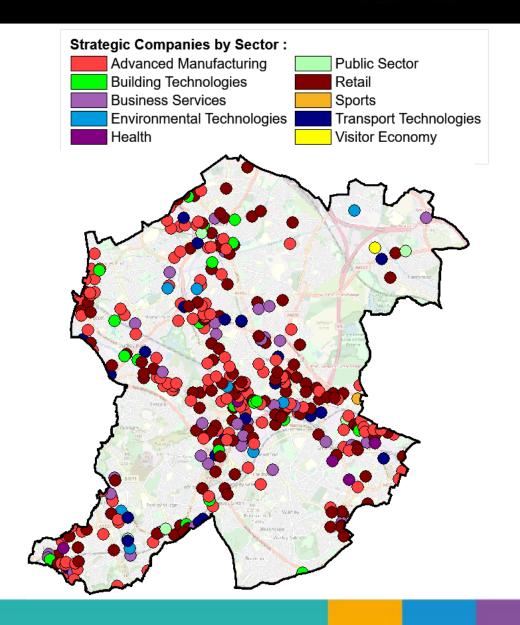
Sandwell Companies

Sandwell Strategic Companies

Sector	Number of Strategic Companies	% of Sandwell Strategic Companies
Retail	173	•
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





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?



REPORT TO

ECONOMY, SKILLS, TRANSPORT AND ENVIRONMENT SCRUTINY BOARD

7 November 2019

Subject:	Brexit Update		
Director:	Executive Director - Neighbourhoods		
	Dr Alison Knight		
Contribution towards Vision 2030:			
Contact:	Alison Knight - Executive Director Neighbourhoods alison_knight@sandwell.gov.uk		

DECISION RECOMMENDATIONS

That the Economy, Skills, Transport and Environment Scrutiny Board:

- 1. Members are asked to note the contents of this report;
- 2. Members are invited to ask further questions if clarification is required.

1 PURPOSE OF THE REPORT

1.1 The purpose of this paper is to provide a brief overview of the plans that have been put in place in regarding Brexit and any mitigations than can be actioned.

2 IMPLICATIONS FOR VISION 2030

2.1 Non-directly arising from this report, however, Brexit has the potential to impact on all of the ambitions of the Vision 2030.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 On the 6th August 2019, we received a letter from the Ministry for Housing, Communities and Local Government (MHCLG) advising us that the UK will be leaving the European Union on 31 October. The letter explained that although it was preferable to leave with a deal, that the necessary preparations to leave without a deal needed to be taken. As part of these preparations, the council was asked to designate a senior officer as Brexit Lead Officer. Alison Knight, Executive Director of Neighbourhoods had previously been taking a lead role with regards to Brexit, so it was agreed that she would take on this role.

The role of Brexit Lead Officer includes:

- Ensuring the council has taken all reasonable steps, in line with relevant guidance and messaging coming from Government and its agencies, to prepare for our exit from the EU on 31 October. This should include clear communication to local residents and businesses to support their own preparations for Brexit and a plan for how the council would communicate important messages to stakeholders;
- Ensuring the council has a team in place which is equipped to support the delivery of Brexit, ready for the period around 31 October;
- Overseeing the expenditure of the specific Brexit funding allocated to the council and ensuring it is effectively contributing to local preparations;
- Playing a full part in the Local Resilience Forum (LRF) to ensure that
 its plans for No Deal take account of relevant local circumstances and
 potential impacts on local communities. MHCLG is writing separately to
 all LRF chairs to set out how it proposes to work with them to prepare
 for Brexit and to ask that they liaise with the council's Brexit lead officer
 to assess relevant impacts;
- Bringing together local public service providers, the voluntary and community sector, community groups and businesses to effectively prepare for the potential local impacts of leaving the EU without a deal;
- Acting as the principal contact point for our regional lead chief executive (Nick Page from Solihull MBC) and central Government; and
- Proactively raising with central Government or our regional chief executive representative any emerging trends, issues and other local intelligence that might assist in No Deal preparations.

Following this letter, a Brexit Working Group was set up with officers from the following areas:

- Neighbourhoods (including the representative on the Local Resilience Forum)
- Finance
- Communications
- Adult Services
- Children's Services
- HR
- Public Health
- Risk management

A number of meetings have taken place and a Risk Register has been developed which includes the following risk areas:

- EU Residency Staff
- Sandwell Residents (EU status)
- EU funding
- Local Economy and Businesses
- Supply of medicines
- Fuel Shortages
- Food Supplies
- Adult Services
- Children's Services and Schools
- Financial Impact
- Community Cohesion
- Data sharing and data protection
- Schools preparations for Brexit
- Cost, supply, availability and quality of goods and services

In addition, a Communications Plan has been drawn up which sets out our plan to ensure residents are up to date with Brexit preparation, particularly those who may need to apply for EU Settled Status.

<u>Update</u>

At the time of writing (29th October 2019) the European Union has agreed that it will accept the UK's request for a Brexit extension until 31 January 2020. In light of this development, the "Get Ready for Brexit" public information campaign is being paused but SMBC will continue to provide information to local people regarding the EU Settlement Scheme as well signpost individuals to gov.uk/brexit

4 Strategic Resource Implications

- 4.1 Finance Funding has been received from government to the council to assist with Brexit. 50% of the total has been placed with the WMCA to ensure there is a regional response and task force in place.
- 4.2 Fluctuations in interest rates and inflation are being regularly monitored to assess how any changes impact cost of goods and services and thereby impacting on the budgetary and medium term financial position.
- 4.2 Human resources Details are included in the Risk Register and implications for staff not currently classed as UK residents

5 **Equality Implications**

5.1 The Communications plan will take into account issues relating to equality to ensure that all residents have chance to access information.

6 Risk Implications

- 6.1 The council has reviewed its strategic, directorate, operational and project risks in light of Brexit and where appropriate, has updated the assessment of these risks and identified further mitigating actions.
- 6.2 The Brexit risk register is reviewed and monitored by the Brexit Working Group to ensure that all local, regional and national risks and issues identified are considered for inclusion in the register and that agreed actions are being implemented in order to mitigate any risks.

Dr Alison Knight Executive Director - Neighbourhoods