

Report to Council

12 October 2021

Subject:	West Midlands Combined Authority - Update
Director:	Director Regeneration & Growth Tony McGovern
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1 Recommendations

- 1.1 Consider opportunities for the Borough arising from the West Midlands Combined Authority.

2 Reasons for Recommendations

- 2.1 Being a constituent member of the West Midlands Combined Authority offers Sandwell Council access to funding and initiatives that positively impact the borough and the people of Sandwell.

3 How does this deliver objectives of the Corporate Plan?

 	 	<p>Participation as a constituent member of the West Midlands Combined Authority offers opportunity to contribute positively to all strategic outcomes contained in the Corporate Plan.</p>
 		



4 Context and Key Issues

Governance

- 4.1 At its Board meeting on 25 June 2021 appointments were made to Combined Authority Portfolio Areas:

Portfolio	Lead Member
Deputy Mayor	Cllr Bob Sleigh (Solihull)
Culture & Digital	Cllr Patrick Harley (Dudley)
Economy & Innovation	Cllr Ian Brookfield (Wolverhampton)
Environment, Energy & HS2	Cllr Ian Courts (Solihull)
Finance	Cllr Bob Sleigh (Solihull)
Housing & Land	Cllr Mike Bird (Walsall)
Inclusive Communities	Cllr Brigid Jones (Birmingham)
Public Service Reform & Social Economy	Cllr Rajbir Singh (Sandwell)
Skills & Productivity	Cllr George Duggins (Coventry)
Transport	Cllr Ian Ward (Birmingham)
Wellbeing	Cllr Izzi Seccombe (Warwickshire)

- 4.2 Sandwell Council, at its annual meeting on 25 May 2021, appointed the following members to represent the Council on WMCA fora:-

Committee	Member/s
WMCA Board	Councillor R Singh Councillor M Crompton
WMCA Overview & Scrutiny Committee	Councillor C Padda
WMCA Audit & Risk Assurance Committee	Councillor C Padda
WMCA Environment Committee	Councillor M Crompton
WMCA Investment Board	Councillor M Crompton
WMCA Strategic Economic Delivery Board	Councillor C Padda
WMCA Growth Company	Councillor R Singh
City Deal, Growth Deal and WMCA Advisory Board	Councillor C Padda
WMCA Housing & Land Delivery Board	Councillor Z Ahmed
WMCA Public Service Reform Board	Councillor R Singh
WMCA Wellbeing Board	Councillor Hartwell



4.3 The council is committed to maximise Sandwell influence, funding and wider benefits through working collaboratively and positively with the WMCA.

State of the Region Report 2021

4.4 5 Regional Challenges were endorsed by the WMCA Board in March 2021.

1. Delivering good jobs
2. Supporting thriving places and communities
3. Embedding our green ambitions
4. Tackling inequality and levelling up
5. Preventing a lost generation

4.5 The WMCA State of the Region report was agreed in June 2021. This analysis directly influences and reflects the region's shared priorities, which in turn are informing the development of the Combined Authority's Corporate Strategy and response to the 5 Challenges. The headlines are as follows:

4.6 Economic forecasts consistently showed through 2020/21 that the West Midlands was to be one of the UK regions hit hardest by the economic crisis, Oxford Economics have produced initial baseline forecasts which show that pre-pandemic levels of employment will not return until 2023 and GVA after a drop back to 97bn in 2020 will not return until 2022. This reflects our industrial and demographic mix, with some local economies among the most vulnerable in the UK in terms of their sectoral composition and health vulnerability. Those same forecasting models also show relatively strong regional growth in 2021, and latest forecasts have been revised up with the success of the vaccine rollout, but this growth depends on assumptions about future market demand and international trade agreements.

4.7 In the first part of 2020 the economic impact of the Covid-19 pandemic was initially severe. In the second quarter UK GDP fell 20% compared to the previous year, manufacturing PMI hit an all-time low and by May 2020 496,000 people across the 3 LEP area were on furlough, the equivalent of all jobs in Birmingham. Now many sectors have returned and the number furloughed has dramatically reduced to 230k people, predominately in retail, hospitality and cultural sectors. Despite the general stasis felt at the time by the economy through furlough and lockdown, the overall claimant count had nearly doubled overall and was most acute for young people. What is now known is that globally there is



a twin track economy: some sectors are largely unaffected and some consumers are still active. By contrast, some sectors are essentially closed and still in stasis - mainly because of the direct impact of lockdown. The impact of easing lockdown has yet to be fully understood, and what it means in the short, medium- and longer-term.

- 4.8 Sectors where the region had previously seen growth and expansion were hard hit, such as construction which back in June 2020 was hardest hit but has seen some recovery as the lockdowns have eased. Evidence in the Weekly Economic Impact Monitors that the lockdowns in November 2020 and from January 2021 have had an ongoing sustained impact on the same sectors. The expanding higher education sector in the three cities - Birmingham, Coventry and Wolverhampton - have switched to online and distance learning. This has contributed to leaving cities empty for much of the last year. Our largest employment and GVA sector (professional, businesses and financial services) is still resilient, but has sustained job losses and workers are unlikely to return to the workplace in the same way as in the pre-Covid era. This will have a significant effect on our three city centres, especially Birmingham. The sectors hardest hit through furlough and lockdown (retail, hospitality and tourism) could bounce back providing consumer demand returns and certainty in a future where people feel safe and able to return to the leisure activities they once had. The Commonwealth Games will rely heavily on these sectors and demand will increase so it is important that the jobs are protected to ensure the games can be delivered.
- 4.9 The success of the region is vital to the success of the UK, ensuring strong recovery, especially in sectors of national importance such as advanced manufacturing, automotive and the business and professional services sector, will support the wider growth of the nation. The upcoming Commonwealth Games in 2022 is an opportunity to show the world the resilience and capacity of the people of the West Midlands to bounce back. Hence investment in the jobs and sectors which have been hardest hit in pandemic but are of greatest importance to the Games is essential to ensure the ongoing strengths in attracting international visitors and trade.
- 4.10 However, the region has demonstrated amazing resilience in the face of the pandemic, through business innovation and redesign and adoption of technology, as seen by some of our most successful support programmes which have enabled businesses to adapt, pivot and prosper. Recently there has been very positive signs of recovery, in June



the Purchasing Managers Index (PMI) is still at a record high (65.5) for the region, the West Midlands is the second highest region for business activity and future activity index is at 83.6 reaching levels not seen since 2021. There is also a continued increase in vacancies being advertised and manufacturing has rebounded. The pandemic has also highlighted the role, importance and response of the social economy, through a galvanised voluntary and community sector addressing key issues such as food poverty, mental health and community support.

- 4.11 There is also an emerging trend towards 'north shoring'. This can be seen in large relocations and expansions such as Goldman Sachs announcing setting up an office in Birmingham and moves of Civil Service jobs to the region. Investments are holding up and the housing market is growing, especially at the top end. But these are not mirrored at the bottom of the market in the rented sector, and data suggests that the risks of homelessness are growing.
- 4.12 The report focuses on understanding the current state of the 5 Challenges, and the longer-term vision of the improving the Sustainable Development Goals. Over the past year partners have mobilised plans and programmes to address the challenges from the pandemic and end of the transition period associated with the UK leaving the EU. This is a fast-moving environment and WMCA plans and priorities have reflected this.

Regional Environment and Energy Programme

- 4.13 In June 2019, the WMCA declared a climate emergency and the Combined Authority Board agreed a target for the region to reach net zero carbon emissions by 2041. The unfolding events of the pandemic resulted in 'WM2041: a programme for implementing an environmental recovery' which was approved by the CA Board in June 2020, outlining the priority actions for a 'green recovery' from Covid-19 including broader environment and energy work on natural capital and the circular economy.
- 4.14 This was then followed by the production of a Net Zero Five Year Plan which set out 15 Goals and provides a clear overview of the scale of delivery and collaborative action required over the next five years to stay on track for net zero by 2041. This was approved by the WMCA Board in March 2021.



- 4.15 The plans and activities of the WMCA are only a small part of the collaborative action required in order to maximise the economic opportunities presented by the 'green industrial revolution' and to reduce the impacts of damaging climate change.
- 4.16 Sandwell's Climate Change Strategy has the same goal as that of the WMCA, in that we have stated that the borough will be carbon neutral by 2041. The areas listed below which WMCA have decided to focus on, closely align with our own action plans.

The Environment and Energy Programme: Key Priorities

- 4.17 The Environment and Energy Programme has developed into the following areas, with corresponding plans or strategies that shape the delivery:
1. **Climate change** – decarbonising our economy and society to net zero by 2041.
 2. **Energy** – leading on energy devolution, retrofit and energy infrastructure.
 3. **Natural environment** – protecting, restoring and enhancing our green spaces, and improving our air and water quality
 4. **Circular economy** – designing out waste from our economy and keeping products and materials at their highest value

Climate change

- 4.18 The region's first Net Zero Five Year Plan focuses on five main areas of delivery:
1. Domestic heat and energy efficiency
 2. Commercial heat and energy efficiency
 3. Industrial decarbonisation
 4. Transport and mobility
 5. Strategic land use (including large-scale renewables and natural capital)
- 4.19 It also identifies the high-level cost of implementing the necessary programmes over the next five years (£4.3bn) as well as the potential jobs that could be created from the net zero transition (21,000 over the next five years and 92,000 by 2041). The WMCA committed £5.1m to support the implementation of the recommendations, including £2.1m for a Net Zero Neighbourhood Demonstrator and £1m for a Natural Capital programme incorporating Community Green Grants.



Energy

- 4.20 This activity is being led by Energy Capital, drawing on both the Regional Energy Strategy and the Five Year Plan. There are several areas of work that are moving forward:
- Energy infrastructure, which is the focus of our work on energy devolution. This is brought together in the **Net Zero Pathfinder**, reflecting that we want to be the region that experiments in this space.
 - **Smart Local Energy Systems** looking at how energy infrastructure works in particular places
 - **Industrial Decarbonisation**. There is a UKRI funded project in the Black Country (Repowering the Black Country) demonstrating how energy-intensive industries can reduce their use of high-carbon energy and change their energy usage and supplies.
 - **Retrofit**. This is mainly the responsibility of local authorities but WMCA are increasingly playing a co-ordinating role to put in joint funding bids to government through what they call the 'SMART Hub'.
 - The **Net Zero Neighbourhood demonstrator** received funding with the approval of the Five Year plan. The aim of this will be to show how a scalable finance model could work in terms of delivery of retrofit at a neighbourhood level, whilst also aligning with other elements of a net zero community.
 - **Infrastructure for Zero Emission Vehicles** will provide an overarching strategy on things like EV Transit Hubs and inter-operability, whilst recognising that delivery is largely a local authority responsibility. The aim is to attract some co-ordinated regional funding.
 - **Commercial green energy**, which has two principal aims: a) develop large-scale energy generation schemes to provide a revenue stream for the wider net zero agenda; and, b) work with businesses to support them to do the same.

Natural environment.

- 4.21 The first Natural Environment Plan was launched in September 2021. The Plan covers four priority areas:
- Widening access to green and blue spaces for all communities across the West Midlands, initially focusing on places where there is a deficit of access.
 - Increasing tree and hedgerow planting, but with an emphasis on 'right tree, right place', to support climate mitigation and adaptation.



- Promoting wildlife corridors and working with natural corridors (both green and blue) as well as those linked to infrastructure projects, e.g. along cycle ways.
- Recognising the importance of the enablers of change and supporting activity around financing and behaviour change that will enable the roll out, impact and scalability of the initiatives in this plan.

Circular economy.

4.22 A Circular Economy Routemap was published in September 2021. The vision of the routemap is: ‘The West Midlands circular economy will support the green industrial revolution. It will support sustainable growth and contribute to the social economy as well as to green recovery. Our circular economy will make better use of our resources, generating more value and creating new jobs’. In particular, the Routemap aims to kickstart the circular economy in the West Midlands by building on existing projects and expertise across the public, private and third sectors to:

- Generate economic advantage and innovation, safeguard existing jobs and create new ones. Although difficult to quantify, similar approaches in London have been predicted to create 40,000 additional jobs by 2036.
- Complement broader environmental recovery activity, significantly reduce material and resource consumption
- Support wider social outcomes and the creation of a social economy
- Accelerate green and just recovery from COVID-19 and maximise post Brexit opportunities
- Build on existing circular economy activity, expertise and best practice in the region.

Home of the Green Industrial Revolution

4.23 In July 2021, the WMCA hosted a local leaders’ event and international conference, in conjunction with UK100 (an organisation bringing all levels of local government together around their climate ambitions). As part of this event, the WMCA produced its Home of the Green Industrial Revolution prospectus, which outlines the specific opportunities linked to the environment and energy programme described above.

Key points to note from the prospectus include:

- Low carbon and environmental goods is the fastest growing sector in the West Midlands, worth £12bn to the regional economy with 5100 companies.



- There are 97,000 people currently employed in the low carbon and environmental goods sector.
- The West Midlands is a global leader in three key areas: Future Mobility, Smart Energy Systems and Energy Storage and Resource Management. This comes with significant economic opportunity.

COP26

4.24 WMCA is working closely with the West Midlands Growth Company (WMGC) to align the 'Home of the Green Industrial Revolution' prospectus, with the latter's Low Carbon Sector 'pitchbook', which underpinned much of the prospectus, and WMGC's investment activity. This collaboration will result in low carbon investment opportunities in the West Midlands being presented to government departments and ministers, as well as being showcased at key events such as the UK's 'Global Investment Summit' at Windsor Castle in October and COP26 in November 21.

Bike Share Scheme

4.25 Serco was announced as the successful bidder to operate the West Midlands cycle hire scheme. Testing of the payment platform and hire processes has taken place in Sutton Coldfield in advance of a full public launch in March 2021.

4.26 Initially 1,080 bikes will be supplied across the seven districts rising to 1500 within a few months. The aim is to have around 2,500 bikes in operation by year 4/5 of the scheme.

4.27 Sandwell will receive 108 bikes across 18 docking stations in the first instance. It is anticipated that the first bikes in Sandwell will be available to hire in June. On reaching the full figure of 2,500 bikes overall, it is anticipated that Sandwell would receive 250 although this will be kept under review depending on the take-up. The number of bikes allocated to Sandwell is broadly in line with Sandwell's % age of the West Midlands population.

4.28 Work is underway to identify the location of the docking stations. These are initially likely to be concentrated in the West Bromwich and Oldbury areas, typically at railway stations, town centres and major trip attractors such as hospitals, leisure centres etc.



4.29 Other than the docking stations, the scheme does not involve the provision of cycle infrastructure but complements the programme of works included in the Local Cycle & Walking Infrastructure Plan.

eScooter Hire Trial

4.30 The Government announced its intention to trial the use of eScooters on public highways in early summer 2020. Following a WMCA procurement process, Swedish firm Voi was announced as the West Midlands operator for eScooter trials in August 2020. The first trials began in Birmingham and Coventry in September 2020.

4.31 A Sandwell trial based in West Bromwich town centre began in September 2020. 50 scooters are available for hire to anyone 18 years old or over with a valid driving licence. The scooters are dockless, using GPS tracking both to enable hirers to locate a scooter, and to ensure that the scooters do not leave the trial zone.

4.32 The trial will run until September 2021 with the experience gained feeding into the Department for Transport's deliberations around the full legalisation of eScooters for use on the public highway.

Active Travel (Walking & Cycling)

4.33 As part of the Governments Active Travel Fund (ATF), WMCA has coordinated the planning and delivery of an extensive programme schemes across all seven districts in conjunction with local Transportation and highways teams. The projects consist of infrastructure and improvements to facilitate cycling and make it easier for pedestrians to circulate safely in our town centres.

4.34 In Sandwell schemes were introduced during 2020 in Oldbury and Smethwick, whilst further projects will be delivered during 2021 in Bearwood, Blackheath, Wednesbury and on the A4123 in Tipton.

4.35 In addition to the ATF, WMCA's Transforming Cities Fund (TCF) will fund the development of further projects on the A34 in Great Barr and links between local neighbourhoods and the new stops along the Wednesbury to Brierley Hill metro extension.



Employment and skills

- 4.36 Sandwell MBC plays an active role in the WMCA Employment and Skills officers group; the meeting includes representatives from all local authorities and local enterprise partnerships. This group also considers regional approaches and best practise sharing across the local area, with each local authority having their own Employment and Skills partnership to feed information to and from. Meetings have been also held at a regional level to consider West Midlands wide approaches for the new Kickstart initiative alongside the Department for Work and Pensions (DWP). WMCA have very helpfully facilitated direct links between senior officials from the DWP and local authorities which is proving a great assistance to the Kickstart initiative.
- 4.37 The Sandwell Skills Strategy has been developed and is an overarching document which sets out the borough's skills challenges and key priorities. The strategy is aligned to the WMCA Regional Skills plan which similarly sets out the region's skills challenges and key priorities. The Skills strategy includes an action plan for Reset and Recovery which is aligned to recovery measures proposed over the WMCA geography. A Covid-19 jobs and skills delivery board has been established to assist economic recovery in the region. A jobs and skills academy has also been established alongside strategic partners to maximise opportunities from the Commonwealth Games (CWG) including volunteering and job opportunities. This programme is working alongside Sandwell MBC activities and the legacy programme for the CWG Aquatics centre. This is especially beneficial to Sandwell, ensuring links to wider job and training opportunities associated with the CWG.
- 4.38 WMCA has been revising the role of local authorities in influencing decision making and increasing collaboration. This is having a positive effect of increasing the influence and contribution that local authorities can have on WMCA activity. WMCA officers have also been actively participating in Sandwell's meetings to support our activity.
- 4.39 In 2021/22 the WMCA made an investment of £21.6m in the direct delivery of community learning with five local authority areas. In Sandwell, community learning takes place at a range of community settings including outreach centres, Sandwell College, schools and wider Council community settings like our children's centres and libraries.



4.40 At Sandwell Adult and Family Learning Service (SAFL) those adults who attend our centres voluntarily typically have clear ideas about their short term and longer-term goals and use our offer to improve their skills. We found that although learners' motives for joining our classes are diverse, they are often related to the practicalities of improving job performance and/or employment prospects, supporting their children's learning, improving their confidence and moving on to study at a higher level.

SAFL AEB Funding:

The maximum contract value for the funding year of 2022/21 is £1,330,000.

4.41 For adults of all ages, but particularly older ones, computer literacy provides a strong motivation for improving their literacy skills, digital inclusion is a key focus for our delivery model moving into 2022 with the expansion of the Ron Davis centre. Our main strategy to increase engagement and participation of adults in Sandwell is based on the following factors: -

- i. enabling as many learners to study with full or part fee remission
- ii. using outreach venues to provide localised delivery in the heart of communities
- iii. increasing the opportunities to engage with digital and ICT skills
- iv. expanding the choice of online courses to include more health and wellbeing
- v. offering courses in family learning which increase literacy skills and support the green agenda
- vi. the ability to create individualised programmes of learning
- vii. the ability to develop bespoke learning programmes to meet the needs of local employers and community groups in upskilling/retraining their workforce and volunteers
- viii. sector specific learning opportunities to help learners get closer to the job market
- ix. focussing our subcontracting specification to broaden our offer and increase opportunities for hard to reach learners.

Homelessness

4.42 Sandwell Council has been working over the last 6 months to develop a new operating model to help people who are homeless and at risk of homelessness and to ensure that we continue the excellent work of Housing First beyond the initial pilot period. The council has helped an



average of 80 people per week presenting as at risk of or already homeless and continues to support 69 rough sleepers, many of whom now have their own tenancies within the Housing First model.

4.43 The council has been an active partner within the WMCA on the Members Advisory Group, Homelessness Taskforce Steering Group, Rough Sleeper Task Group and Housing First Steering Group. The collaborative working through these groups has helped shape how we work and has allowed the sharing of best practice. This was particularly evidenced in the approach to supporting people who have no recourse to public funds (NRPF). The Homelessness and Rough Sleeping groups have maintained a continual focus on the NRPF agenda and the group members have worked together to ensure that we have consistent approaches to accommodating people with NRPF and can adapt to the changing policy environment.

4.44 WMCA's Housing First pilot programme ran from April 2019 to June 2021. Sandwell successfully met its Housing First target of 49 people housed by the end of June 2021 and has taken forward some of the key principles from Housing First as part of the design for our Complex Hub, which supports people who are rough sleeping or at risk of rough sleeping. The council joined the WMCA Change into Action model in early 2021 (an approach to alternative giving to support rough sleepers) which brings together key partners and is chaired by Sandwell Community Voluntary Organisation. The model has been set up to receive donations from the public to be made available to people and organisations who can bid for funding to support people sleeping rough in Sandwell. Change into Action will be further promoted around World Homeless Day on 10th October.

West Bromwich Town Centre Regeneration and Bull Street MSCP Demolition

4.45 Demolition works of the MSCP at Bull Street are complete, with an outline business case being prepared to determine how the cleared site can come forward for mixed use redevelopment.

Friar Park Housing Development

4.46 An initial public consultation exercise was conducted in May and complex Ground Investigations are underway. The results will inform the next stage of the masterplan optioneering for a second round of public consultation in due course.



4.47 The Council and WMCA will further progress the provisional delivery strategies as the results of the Ground Investigations are confirmed and the masterplan options become more developed.

One Public Estate

4.48 One Public Estate (OPE) is a national programme, started in 2013 delivered by the Cabinet office and the LGA, now administered by the West Midlands Combined Authority.

4.49 The OPE programme is to offer technical support to deliver property focused programmes across the public sector. OPE is looking to promote a strategic asset approach to get more from public assets.

4.50 SMBC has been successful with the OPE eight bid, that is the 2021/22 financial year. The total Sandwell bid is £150,000 of which the Council contribution would be £30,000. This element is currently being appraised by capital finance.

4.51 The proposal centres around West Bromwich Town Hall and central library, as we can demonstrate strategic links to the recent West Bromwich Town Fund (town investment plan) application, our own transforming local services programme and the collaborative working plans and arrangements being progressed with the NHS.

5 Alternative Options

5.1 Become a non-constituent member of WMCA - Participation as a constituent member of the WMCA enables Sandwell to deliver improvements to the locality that would otherwise be more difficult to achieve. In addition, through WMCA activity, we can ensure that Sandwell residents have the skills to access new employment opportunities both here in Sandwell and across the region, with excellent public transport available connecting the whole of the West Midlands. These benefits would be lost if Sandwell became a non-constituent member.



6 Implications

Resources:	The contribution to the Combined Authority from Sandwell Council for 2021/22 is £0.611 million.
Legal and Governance:	Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions of a local authority under sections 104 and 105 of the 2009 Act, and power to exercise specified functions of any other public authority under section 105A of the 2009 Act.
Risk:	Section 21 of the West Midlands Combined Authority (Functions and Amendments) Order 2017 has the effect that where costs are incurred by the Combined Authority and are not met from other sources of income, then they fall to be met by the seven constituent councils, including Sandwell.
Equality:	The priorities of the West Midlands Combined Authority reflect the equality and diversity of the West Midlands, including striving to create prosperity through a strong and collective economic strategy and the policy aspiration to champion all that makes the West Midlands a Great Place to Live. The equality impact of any specific proposals will need to be addressed in reports to the WMCA Board or the appropriate decision-making body.
Health and Wellbeing:	All constituent members of the WMCA are be better placed to contribute and influence the Health and Social Care offer for local residents and create: <ul style="list-style-type: none"> • A more sustainable local health and care economy; • Improved quality and experience of care; • Improved population health.
Social Value	There is potential in all schemes and initiatives, particularly those delivered directly in Sandwell, to have a positive impact on Social Value.



7. Appendices

None

8. Background Papers

None

