

Agenda Item No. 8
WEST MIDLANDS REGIONAL ASSEMBLY
Board of Directors – 9 March 2007

Draft WMRA Response to the West Midlands Economic Strategy
Choices Consultation.

Report of Policy Director

1. Purpose of Report

- 1.1 To provide the Board with a draft response to the West Midlands Economic Strategy Review Choices Consultation and following discussion request that the Board sign off the response for submission subject to any requested amendment.

2. Recommendation

- 2.1 That the Board discuss the draft response and sign it off for submission subject to any amendments.

3. Background

- 3.1 The WMES Review Choices Consultation was launched in November 2006 and closes on the 28th February. Advantage West Midlands has agreed to receive the WMRA response, following discussion and endorsement subject to any amendments, subsequent to the Board Meeting on the 9th March 2007.

- 3.2 The full consultation document can be downloaded from
<http://www.advantagewm.co.uk/consultation-on-policy-choices.pdf>

- 3.3 All of the Assembly's Policy Partnerships, associated partnerships and officer groups have been requested to provide comments on the consultation document.

4. Detail

- 4.1 The draft response from WMRA is attached to this report for the Boards consideration. Subject to any amendments required the Board is asked to sign off the response for immediate submission.

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West Midlands Regional Assembly

Draft Response to the West Midlands Economic Strategy Review 2006/07 Consultation on Policy Choices.

Introduction.

The West Midlands Regional Assembly (WMRA) welcomes this opportunity to respond to the West Midlands Economic Strategy (WMES) Review 2006-07 Consultation on Policy Choices.

In order to develop this response all of the WMRA Policy Partnerships and Officer Groups have been asked to consider both the WMES consultation and the current consultation on the West Midlands Regional Spatial Strategy (WMRSS) Revision, Phase Two, Spatial Options. This process has been developed to ensure that consideration is given to the interrelated impacts of economic, social, environmental and spatial issues when arriving at responses to the two consultations.

The nature of the West Midlands Regional Assembly is such that it represents a wide cross section of stakeholders and interests. This response is in three parts.

Part One - sets out key strategic issues which we expect Advantage WM to take on board in their entirety.

Part Two – provides responses to the questions posed by Advantage WM in the consultation document. These responses draw on the discussion and debate had in the Partnerships and officer groups. It identifies the direction of travel which the new WMES needs to take.

Part Three – includes the detailed submissions from the Partnerships. These have been used to inform Parts One and Two but are included unedited as they include real insight into the issues the Region is facing from different perspectives. We request that the Agency give these detailed responses significant attention and takes note of the areas identified by partners, through which they feel they can make a contribution to developing and delivering the reviewed economic strategy. (separate document)

PART ONE Strategic Issues.

It is vitally important for the future sustainable growth of the West Midlands that the **WMES and the WMRSS form a mutually supportive overarching framework for the Region** alongside the Regional Sustainable Development Framework (RSDF). We would like to reiterate our commitment to ensuring that the two strategies align as far as possible given that the Secretary of State will produce the final revised edition of the WMRSS.

The WMES needs to set a clear and transparent strategic framework for economic development and regeneration, to help central government and regional, sub regional and local partners deliver interventions to meet our aims. It will also need to express the complexity of the region's economy whilst making a clear distinction between strategy and delivery.

The West Midlands Regional Concordat expresses the commitment which its signatories have made to sustainable development and reducing inequalities in the Region based around the vision for the region, as will be explored in more detail later in this response. The regional economic strategy should reflect the commitments to **sustainable development** and the partnership (Team West Midlands) approach as set out in the Concordat.

The profile of the West Midlands region is low and confused both within the region and beyond – we don't have a 'brand image' nor defining characteristics but we are all aware of the **misconceptions and misrepresentations of our Region**. We need an economic strategy which plays to the strengths and addresses the misconceptions of the Region. For example we must build upon our world renowned manufacturing base to ensure its modernisation, innovation and diversification, we have an ethnically diverse regional community which provides opportunities to create economic value from trade and community links, we are at the centre of the UK's transport infrastructure.

The delivery of the final WMES is of great importance to the partners of the WMRA and this response will therefore make some commentary on delivery issues although we understand that delivery is not being consulted upon at this stage. It will be particularly important for the WMES to consider how new sub regional mechanisms such as the City Region Initiatives and Local Area Agreements can be best utilised in the delivery of suitable economic development.

1. A Single Vision for the West Midlands.

The West Midlands must have a single vision - one region – one vision approach – embodied in the new WMES.

All regional organisations in the West Midlands are working towards improving the performance and profile of the Region. **A single vision for the Region** would send out important messages of unity and coherence to Government and other partners.

The WMRSS is a statutory document which represents Government Policy; its vision sets out a sustainable future for the Region and will remain the same for some time.

“The overall vision for the West Midlands is one of an economically successful, outward looking and adaptable Region, which is rich in culture and environment, where all people, working together, are able to meet their aspirations and needs

This vision is also used in the Regional Concordat and would be ideal for **a one region, one vision approach – Team West Midlands**. We **strongly recommend** that the revised WMES includes this vision with suitable objectives for an economic strategy set out beneath it.

2. Climate Change

The WMES must contain clear commitments to addressing climate change.

The impacts of Climate Change have potentially massive implications for the West Midlands Region and its inhabitants and it is therefore vitally important that this is taken into consideration by the revised WMES. National and regional research and policy developments and guidance including the Stern Review and the consultation on the PPS

Supplement on Planning and Climate change provide us with an opportunity to lead by example.

The new WMES should **set out a step by step approach to move towards a low carbon economy** and also **identify the contribution the region can make towards the national target to reduce carbon emissions by 20% by 2010**. If necessary, as the Stern report suggests, sacrifice an element of economic activity (1% GDP) to ensure such activity addresses the impacts of climate change in the short term, so that there is a sustainable economic, social & environmental longer term future.

3. A Transport Infrastructure At The Heart Of The UK – Keeping the UK Moving

The WMES must make the case for investment in transport infrastructure reflecting our regional priorities and national position at the heart of the UK.

Modernising the transport infrastructure of the West Midlands is key not only for this Region but for the UK as a whole. Sustainable economic growth must be underpinned by an effective and efficient transport system which **links communities to employment and services** but also **reflects the regions position at the heart of the UK's transport systems**. The WMES must make the case for transport investment which reflects both of these facets of the Region's requirements. There is a clear case for alignment between the WMES and the WMRSS in relation to transport infrastructure. The work undertaken by WMRA and AWM with partners to develop the Regional Transport Priorities, Regional Funding Allocations and submissions to the Comprehensive Spending Review '07 provides the foundation for this approach.

4. Maintaining the Balance between Urban and Rural Renaissance.

Maintaining the balance between urban and rural renaissance is vital and must be at the heart of the WMES.

Fundamental to the success of the region are the principles of **urban and rural renaissance**. Whilst acknowledging this there is also a distinct need to ensure that **appropriate emphasis is placed on the growth and development of our MUAs** (the two City Regions) given that, arguably, the biggest concentration of population, infrastructure, need and opportunity is located here. The WMRSS expresses this need and the relationship between urban and rural renaissance succinctly;

'The key to the Spatial Strategy is achieving an urban renaissance in the four MUAs of Birmingham/Solihull, the Black Country, Coventry and the North Staffordshire conurbation. Nonetheless, the ultimate aim of the Spatial Strategy is a Region made up of a dynamic network of places, all important in their own right and with distinct characteristics, but with reinforcing economic, cultural and social functions'.

Whilst a large scale focus on our MUAs is vital we must also ensure that sufficient flexibility is built into the WMES to enable **appropriately scaled responses to local rural needs** to be developed. An additional element of maintaining the urban rural balance is identifying and understanding the complexities of **interdependencies** between the two.

5. Maintaining the balance between Housing and Employment Land

The RSS and WMRES must contained shared messages about the use of land for employment and housing purposes.

There has been a great deal of debate and speculation in the Region about the balance between **pressures on the use of land for housing and the use of land for employment**. We need to have a clear and transparent regional dialogue and position in relation to this issue which is informed by a robust evidence base. There are many factors to take into consideration including the costs of reclaiming contaminated and derelict land and the costs of undertaking such work in comparison to building on green field land or the Green Belt. The West Midlands Employment Land Advisory Group is currently working with the WMRA Housing Policy Lead to commission research to inform this evidence base. The revised WMES must consider this work and future dialogue and help to clarify the reality.

6. Equality and Diversity

The WMRES must demonstrate that it has considered the Equality and Diversity agenda in considerable depth and applied equality standards effectively.

The issue of Equality and Diversity is extremely broad and cuts across all aspects of a WMES. Whilst it is inevitable that there will always be priorities and trade-offs within the WMES there is a need for the strategy to demonstrate that it has **considered the Equality and Diversity agenda in depth and applied equality standards** as appropriate.

Equality and Diversity are high on the Region's agenda with the introduction of the new Commission for Equality and Human Rights coming into being in October 2007, both nationally and regionally. The West Midlands Region is one of the largest in Europe and **Birmingham is set to be one of the first ethnic majority cities in the UK by as soon as 2010**. It is therefore important that the WMES demonstrates that these factors have been taken into account and is addressing the needs of more diverse communities in a way which supports integration and cohesion and does not inadvertently lead to segregation, community tension and subsequently less economic input into the Region.

7. Diversifying and Modernising the Region's Economy

WMES will need to clearly express how we can build on the region's positive reputation, existing strengths and new opportunities to diversify and modernise the economy.

The Region's economy is currently diverse in nature with a number of traditional sectors and burgeoning new economies including for example cultural industries. NB a strong construction industry will be required to support the development of land and premises fit for a modern economy, whether it is manufacturing or service sector based – or both.

8. Supporting the Spatial Emphasis of the WMRSS.

The new WMES must clearly demonstrate that it aligns with the RSS – both at a strategic and more detailed policy level.

The current WMRSS and that which will result from the three current phases of revision will be focussed on urban and rural renaissance - **reversing the unsustainable outward**

movement of people and jobs from our urban areas and addressing the challenges facing traditional roles of rural areas and the countryside.

The WMES evidence base identifies an area of economic activity in a belt circling the Birmingham, Black Country and Coventry conurbation. This was identified in the late 1990s when the RSS was being developed. It was recognised that this pattern was a direct result of past planning policies and prevailing market forces. The Region and Secretary of State in June 2004 recognised that this pattern of development was unsustainable – hence our RSS was published with its commitment to secure sustainable growth across the Region. It is **absolutely critical** that the WMES policies support this approach and continue to support large scale development and high level support for the MUAs whilst ensuring flexibility of policies and solutions to meet the local needs of rural areas.

PART TWO Response to the Consultation Questions

This consultation focuses on identifying the future direction of the WMES, the questions posed are therefore somewhat general and have inevitably resulted in general answers. We would be pleased to discuss the response to the questions in more detail with Advantage WM.

The main body of this response provides a headline response plus commentary under each of the questions posed in the consultation. These points have been drawn from responses made by the Regional Planning, Transport, Housing, Rural Affairs, Equality & Diversity, Environment, Health and European & International Partnerships and officer groups.

Question 1: Which of these Enterprise policy choices, or what other choices for Enterprise, should the WMES emphasise?

There will need to be a combination of approaches taken to developing the contribution which enterprise makes to the Region's economy to ensure that support is given to the diverse natures of the enterprises present in the Region.

- The WMES must position the West Midlands in the global economy. The West Midlands must be outward facing, exploit its links with other economies particularly in South Asia. Enterprises which already using these links should be supported.
- Choice one, increasing the number of businesses in high value sectors, will be important for some sectors including the cultural industries which can play a key part of a knowledge-based, high value added economy. It will be necessary to ensure that approaches which advocate ***long-term sustainability of the sectors*** are built in. This cannot however be the sole focus because it would for example disadvantage many forestry related and other land-based industries as these tend to have low GVA and growth, but make a vital contribution to the rural and environmental economy and wider sustainability.
- Choice two, increasing the number of new start businesses, should provide for ***support of diversification*** as well as new business start ups as there will be significant opportunities for the Region linked to the technology supporting climate change mitigation and adaptation and waste management and recycling.
- Choice three, the need to address the under representation of certain groups in enterprise, is seen as significant for the Region; however we must ***understand the links to locations of deprivation and create linkages to the WMRSS***. Given that we have a very ethnically diverse Region, the WMES must have policies that harness the economic value from trade and community links which result from this diversity.
- Choices four and five, encourage positive attitudes towards enterprise in society and embed a culture of enterprise and innovation in all businesses, sectors and locations are clearly vitally important for the Region's future economy. However given the likely constraint on resources it may be more appropriate to focus these activities on under-represented groups and in particular on the Region's young people.
- With all of the policy choices on enterprise and competitiveness it is important that the

services that support business consider the approaches which are being taken. This should include appropriate support for lower value-added sectors and new start-ups and should also give consideration to how health risks such as stress, depression and anxiety can be minimised by business support. ***There is potential for business support infrastructure to discriminate and any barriers to access must also be considered.***

- The WMES should also demonstrate that it recognises that ***there is a role for public procurement***, which is critical for enterprise development, as well as delivering on equality and diversity. The Centre of Excellence based at the Partnership Centre offers a resource which we urge Advantage WM to utilise as it focuses on delivery mechanisms in the next phase of consultation.
- The value and contribution of the ***informal economy*** does not come across strongly in this section yet it demonstrates a great deal of enterprise and innovation. This should be acknowledged and woven in to any policies in support for enterprise and innovation.
- In developing the WMES's enterprise policy, there is a need to recognise the continued importance of locally driven and delivered enterprise initiatives. Whilst there is no doubt that some enterprise initiatives can be effectively delivered at a regional level, local provision is critical for engaging and supporting many under-represented groups. There is a need for more recognition, particularly in value for money assessments, of the greater amount of time and resource required for engaging some under-represented groups. This is often due to the need for a more holistic approach to effectively support individuals. LEGL funding should be taken into account in order to help make the principles of enterprise in deprived communities flow across policy and other funding streams.

Question 2: Which of these Innovation policy choices, or what other choices for Innovation, should the WMES emphasise?

Innovation must be embedded throughout the WMRES. There will need to be a range of policies which can be tailored to support different sectors.

- The evidence base prepared for the WMES review clearly highlighted the importance of improving the Region's position in terms of productivity and R&D investment.
- Choice two, ***embedding a culture of enterprise and innovation in all existing businesses*** to raise their appetite for change, would appear to offer the most potential as it could provide a growth in jobs, provision of a better service or product and could contribute to social inclusion. But the addition of a caveat that allows a focus on those that have demonstrated a willingness and commitment to innovate and compete by investing in new practices, products, processes or markets would assist this approach. This should also be complemented by activities, to promote and support business development and enable businesses to better understand the benefits that R&D activities could bring.
- Choice five, improving the interface between users and providers of R&D/innovation, is important to ensure clear outputs and outcomes and in particular to draw together the generally long-term perspectives of research universities and the shorter-term

needs of businesses. In delivering the WMES, thought needs to be given to how best achieve this beyond the existing cluster and high-technology corridor activities. There is also ***a key role to play here in publicising R&D findings so that more businesses can make use of them and to eliminate duplication.***

- More generally despite the decline of the Region's manufacturing base, it still retains strengths in R&D which we must build upon. The WMES policies needs to understand and reflect the difficulties involved in increasing private sector investment in R&D, improving the commercialisation of academic research, and in effectively ***stimulating business-university collaboration.***
- The WMES should also specifically recognise the designation of ***Birmingham as a Science City*** and the opportunities that this brings to both the city and the wider Region. The progress already made by AWM and partners in exploring the potential of Science City is encouraging, but the WMES needs to set out and actively promote a clear framework for ensuring that this opportunity is strengthened and accelerated.
- ***There is also a desire to see support for innovation for businesses that support and advance the sustainability agenda, linked to a low carbon economy.***

Question 3: Which of the Skills policy choices, or what other choices for increasing Skills should the WMES emphasise?

The poor skills performance of the West Midlands warrants the immediate development of a Regional Skills Strategy to bring coherence and added value to the collective effort of delivery agencies and education institutions. Such a Strategy must address all the policy choices in the consultation document.

- It is clear from the WMES's evidence base that the Region faces significant challenges in terms of skills, ranging from basic skills needs to the retention of graduates. There are however significant local differences in terms of skills performance, with some areas in the Region out-performing national averages. As well ***as raising the Region's average performance, there is a need to close existing gaps.*** In developing the WMES's skills policy, there is a need to consider the findings and recommendations of the Leitch Review of Skills.
- Choice one, focus on basic level skills, there is support for approaches of this nature but it must be pointed out that there is a wealth of knowledge and skills within our current workforce that is not recognised by formal qualifications and a focus on qualifications alone would not be helpful. ***Community based participation in cultural activity can be an effective and accessible pathway to formal learning*** and develops social and employability skills. The WMES should acknowledge the importance of culture in providing learning opportunities for those in our most deprived communities.
- Choice two, knowledge rich workforce, there is a key role for the Region's universities in helping to increase graduate retention levels. Currently the higher education sector is understandably interested in ensuring that their students become as qualified as possible and can access the best jobs possible, regardless of their location. Working with local employers, the Region's universities could play a much stronger role in helping to retain graduates, by better promoting and enabling local employment

opportunities. **Businesses must also offer better packages and compete with businesses outside the Region in order to encourage graduate retention.**

- Choice three, the WMES evidence base and work by the Regional Skills Partnership has highlighted the importance of a demand-led approach to skills interventions. It is critical that the Region continues to increase the engagement of employers in the design and delivery of skills programmes. **Increasing employers' commitment to workforce development is also critical** and will in many cases require a more integrated approach with business support to convince companies of the benefits of such investment.
- Choice four, education and training providers to develop a cohesive skills infrastructure, Regional Economic Strategies have tended to focus on post-16 skills and education because regional development agencies have a stronger influence on the funding of post-16 interventions through the Learning and Skills Councils. However pre-16 education is critical, especially for the development of 'softer skills'. In some cases, post-16 provision is too late to effectively tackle fundamental skills needs. The WMES should also give due consideration to **influencing pre-16 education and skills** needs, working to support Local Education Authorities in improving attainment levels and in ensuring the curriculum responds to regional needs. There is also a clear need for a much better informed **career advice** service for the Region's young people, which can appropriately guide them on the basis of a strong understanding of current and future local and regional job opportunities and the skills demands these will produce.
- Choice five, commitment to continual learning and personal development, it would be more appropriate to embed a commitment to **"life-long" learning** rather than "continual learning", and personal development amongst all learners and businesses.

Question 4: Which Economic activity policy choices, or what other choices for Economic activity, should the WMES emphasise?

The WMES must give emphasis to the broad range of obstacles faced by economically inactive people, with a need for more holistic interventions, encompassing social, cultural, health and transportation factors alongside more traditional unemployment factors.

- Choice one, intensively target people with the most challenging employment prospects focussing on the underlying social and cultural hurdles they face, receives considerable support because addressing worklessness issues is critical to the future of the Region's economy, and is central to a healthy life, providing not only financial rewards but also contributing to physical and psychological well-being. Targeting those furthest from the labour market will also require recognition that **outreach activities** required to engage such groups often need to be locally driven and take longer and more resources to achieve outputs.
- In particular the WMES could do more to work with employers to **encourage greater linkages between disadvantaged communities and major employment opportunities**, sites and growth sectors, building on the work of the existing Regeneration Zones and the Employment Hub model used for major site developments in Birmingham. In targeting disadvantaged groups, it is critical that the

WMES and its delivery mechanisms can effectively work with local partners, in particular to support Local Area Agreement priorities and targets.

- The Regeneration Zones clearly have a key role to play in delivering this policy area. Whilst there have and continue to be concerns about the success of the Zones, it does not appear appropriate to completely revise this approach given the timescales needed for such a community-based approach to bed down. However the new WMES needs to give **clear direction as to how best to address high levels of economic inactivity in those parts of the Region that are not currently within the boundaries of the designated Regeneration Zones.**
- Choice two, creating opportunities, will be beneficial, however this needs to be balanced with sustainability ensuring that resource intensive start-ups are given enough support to become sustainable once they are productive.
- Choice three, ensuring jobs pay for people, will be important but there is a need to ensure that communities identify their barriers to employment and that these are tackled holistically.
- Choice four, **migrants and older workers are currently an integral part of the pool of potential employees and should not be considered as an alternative source of labour.** We must take an approach which realistically considers the projected demographics of the Region.

Question 5: Which Quality of life policy choices, or what other choices for Quality of life, should the WMES emphasise?

Quality of Life issues must be integral to, but not dominate the new WMES. The WMES must have clear statements about quality of life issues but must then provide strong links to other strategies including Housing Strategy, Biodiversity Strategy etc

- It is encouraging that the WMES has sought to engage with the wider quality of life choices which go beyond the sectoral focus of economic prosperity because it is crucial that it recognises the importance of quality of life factors for the Region's ability to attract and retain both individuals and businesses. However given the quality of life challenges and issues raised in the consultation document we find the policy choices expressed somewhat disappointing and limited for example there is little connection between the need for improved access to rural services and the 'rural' option one policy choice.
- Overall there is a clear need to explore the choices further and identify appropriate responses to the challenges identified which can cut across all elements
- of the WMES and can be strongly linked to the key policies in the Regional Spatial Strategy, in particular in terms of green and open spaces and Urban and Rural Renaissance.
- In general cultural activities, places and interests are able to generate both vitality and a sense of well-being which are fundamental to the quality of people's lives. The WMES should seek to **protect and enhance the natural, built and historic environments and the cultural amenities of our rural and urban areas including green and open space, in order to make them more attractive places for living, studying and visiting.**

- A focus on the social aspects of quality of life will be important because of the contribution it can make not only to the economy but also to wider aspects such as health and well being.
- International and national migration into the West Midlands tends to be employment driven. If we are to attract foot loose industries and employees – especially knowledge based industries and workers, due attention must be paid in the WMES to the obvious linkages to the Regional Housing Strategy - ***the location and house chosen by migrants is based on house price, income and perception of quality of life issues.***
- ***Biodiversity is an important dimension of greening and quality of life.*** The natural Environment and Rural Communities Act 2006 places a new duty on public bodies including RDAs to have regard to the purpose of conserving biodiversity.

Question 6: How should the WMES (supported by, and supporting, the Regional Spatial Strategy) tackle the infrastructure challenges and opportunities facing the Region?

The new WMES must provide even stronger integration with the regional housing and transport strategies, in order to provide a more joined-up approach between investments in transport, housing and economic development. The WMES must make the case for investment in infrastructure ahead of new (housing) development or in parallel.

WMRA would like to explore the opportunities for a joint implementation plan/action plan for the two strategies, building on the joint RFA/CSR07 submissions.

- The WMES must make the case for infrastructure to be in place at the outset, to attract people and businesses, and to ensure that it does not create another set of challenged communities by default. This links clearly to understanding the needs of the new communities, people's life choices and life stages.
- There is a need for the WMES to better recognise ***the importance of transport infrastructure to the performance of the regional economy*** and to identify and support key, regionally significant transport projects that are critical for the Region. In particular the WMES should provide ***continued support for the redevelopment of New Street Station and expansion of Birmingham International Airport as key gateways that bring economic benefits for the whole Region.***
- The new WMES will need to recognise the potential of the two City Regions of Birmingham, Coventry and the Black Country and Stoke and North Staffordshire together with the Shire Counties Group as mechanisms to meet the infrastructure challenges.
- Congestion continues to be a challenge for the Region, particularly in the conurbation, with implications for the regional economy. ***The WMES should support the WMRSS in optimising the use of existing transport corridors and investment.*** Full consideration should be given to the implications of options such as congestion charging, that could potentially act as a disincentive to businesses considering locating in the Region. The Region also needs to do more to ***encourage greater use***

of more sustainable modes of transport, including reducing the need to travel which will also encourage active travel with a positive impact on people's health.

- In supporting more sustainable patterns of development the WMES and WMRSS should seek, where possible, to promote development along existing transport networks and to focus large-scale infrastructure developments on the major urban areas in support of Urban Renaissance policies. The role of green infrastructure which provides the functional and environmental services for employment including **drainage, flood management and pollution control should be taken into consideration**.
- The growing demand for housing and significant housing condition problems create opportunities to adopt more **sustainable construction practices** and increase the use of regionally sourced wood, for construction and heat and power. There will also be a need to work with partners to include facilities such as health, including hospitals, and social care.
- The Eddington Report may inform a refreshing of the Transport White Paper and should therefore also inform our thinking on the WMES.
- **A major priority of the infrastructure investment should be to tackle contaminated and brownfield land to accelerate regeneration in the MUAs** and to provide infrastructure to help deliver a lower carbon economy and adaptation to the effects of changing climate. The WMES should support the WMRSS requirements to take the needs of waste management infrastructure into account in the design and delivery employment land and supporting the location of resources recovery parks.
- Accessibility to employment, education and local services continues to be a key issue for the Region, both in rural parts of the Region and for some parts of the Major Urban Areas. There is a role for the WMES in promoting innovative approaches to tackling these issues including considering the equality and diversity aspects of access and in particular in optimising the use of ICT amongst disadvantaged groups and addressing ICT infrastructure issues that may perpetuate the digital divide such as band width, white spots, new technologies including wireless and satellite availability.

Question 7a: How should the WMES (supported by, and supporting, the Regional Spatial Strategy) address the role of different places within the Region?

Question 7b: Should some places be prioritised as a focus for activity?

The WMRES must take its 'sense of place' from the RSS.

- The WMES evidence base identifies that the West Midlands is a polycentric region with a distinctive economic geography related to local specialism. Polycentricity is a concept which was built into the published WMRSS in June 2004 and we are therefore unsurprised that this is a key descriptor of the current economy. The evidence base also identifies a belt of economic activity encircling the Birmingham, Black Country and Coventry conurbation. As outlined earlier in this response the WMES must not be distracted by this and must continue to support the region by focussing on urban and rural renaissance - **reversing the unsustainable outward movement of people and jobs from our urban areas and addressing the challenges facing traditional roles of rural areas and the countryside.**

- Housing growth is a major challenge and will start in the MUA with appropriate phasing and sequencing into the rest of the Region in the Sub regional Foci and Growth Points.
- Given their role in driving the regional economy and the need to stem out-migration from the conurbation, there is clear need to focus activities on the Major Urban Areas in order to promote sustainable patterns of delivery.
- Another issue related to housing and the economy is the role of Key Workers in the Region, particularly in rural areas with high house prices and subsequent affordability problems. Although the assessment of affordability does cover the need for housing for low paid workers, there is a particular concern that Key Workers who are unable to buy on the open market, should be assured access to affordable housing. The WMES needs to promote the need for locally or sub-regionally defined Key Workers within the Region and work with the Regional Spatial Strategy and Regional Housing Strategy in supporting / advocating the need for affordable housing for Key Workers in order to sustain local economies and rural sustainability in particular.
- The WMES must recognise the integral role of Birmingham as the Region's core city as is currently the situation with the WMRSS.
- Whilst highlighting regionally significant issues, the WMES needs to provide the flexibility for partners, including AWM, to respond to locally-specific issues. The roll-out of Local Area Agreements (LAA) poses new challenges and opportunities for the linkages between regional and local priorities. LAAs have a key role to play in the implementation of the WMES' vision and objectives, but there is also a need to ensure the strategy provides the flexibility to respond to local needs and priorities.

Question 8a: To what extent should the WMES seek to prioritise important types of businesses in the Region?

Question 8b: Which business sectors or clusters should receive the most support?

A strong construction industry will be required to support the development of land and premises fit for a modern economy, whether it is manufacturing or service sector based. In this context we support a focus on environmental technologies and building technologies.

- In prioritising types of business, the WMES must achieve a balance between focusing on those businesses and sectors with significant potential for rapid growth in output and those with potential for employment growth. Whilst the regional Clusters and the High-Technology Corridors focus on high-added value, high-growth businesses, the Strategy should also include sufficient provision for enterprise development in lower growth businesses, particularly where these offer valuable employment opportunities for disadvantaged communities.
- It will also be important to identify the needs of the Region's communities and balance the support of different types of businesses not only to match employees to businesses, but also match the business to the employee pool within the Region.

Question 9a: To what extent should the WMES continue to prioritise manufacturing as a distinct challenge facing the Region?

Question 9b: What policy interventions are likely to be most effective in addressing that challenge?

Given the continued importance of the manufacturing sector to the Region's economy it would appear appropriate to continue its prioritisation within the new WMES.

- However the opportunities of the sector for modernisation, innovation and diversification must be more strongly presented, particularly given the sector's poor position in terms of higher productivity and R&D investment.
- At the same time we must acknowledge the evidence base which suggests that employment growth in manufacturing is likely to diminish. In order to capitalise upon growth in other sectors such as health links must be forged via skills and innovation to maintain some of the manufacturing base.
- In addressing the Region's manufacturing needs, it would appear that the WMES should focus on enabling local manufacturers to better understand and perform in global markets and on better showcasing the Region's manufacturing strengths. Similarly there is a need, linked to the strategy's enterprise and skills policies, to encourage greater transfer of manufacturing skills and expertise to new manufacturing sub-sectors that offer future growth opportunities.

Question 10: This document has set out a range of policy choices under six broad themes: Enterprise, Innovation, Skills, Economic activity, Quality of life, and Infrastructure. Are some themes more important than others in improving regional economic performance?

The WMES must address the dependences between each of the broad themes - Enterprise, Innovation, Skills, Economic activity, Quality of life, and Infrastructure.

- It is clear that each of the themes is critically important for the future of the Region's economy. However the evidence base work prepared for the WMES review presents a stark need for the Region in terms of skills in particular; there should be a strong emphasis here.

Question 11: If the WMES is to be specific in setting out choices and focusing attention, which of the strategies described in the framework above – Tackling Need, Spreading the Success or Investing in Success – should it focus on?

Tackling Need, Spreading the Success or Investing in Success provides a helpful framework and should be adopted.

- It is clear that there will need to be elements of all three approaches contained in the WMES, the emphasis for each will depend upon the issue which is to be tackled and there must also be a relationship with the particular need of any location under consideration. In this way the most appropriate solution can be formed from a suite of potential policies.

Question 12: How should the WMES address the challenges and opportunities associated with climate change?

The WMES must commit to a lower carbon economy and lead by example.

- Given that the West Midlands' revised economic strategy is likely to be the first since the publication of the Stern Review on the Economics of Climate Change, there is huge opportunity to lead by example. The latter will provide a range of economic opportunities and threats for business, including the development of a stronger environmental technologies sector which will service the lower carbon approach.
- All of the WMES's policies should be sufficiently 'future proofed' for their impact on climate change, in order to mitigate negative impacts. Throughout the WMES there should be challenges to national, regional, sub regional and local partners to support the aspirations of developing a low carbon economy and managing climate change.
- ***A very strong West Midlands position could be developed through the alignment of the low carbon policy choice with the WMRSS Revision Phase 2 policy options and the new WMES.***
- The WMES needs to demonstrate that it is working to develop and support a low carbon economy. However, there is a need to balance this with ensuring that the Region remains economically viable and able to support its residents. Climate change is a long-term issue: low-carbon economy needs to be worked towards in balanced steps, whilst ensuring a sustainable Region.

IF YOU HAVE ANY OTHER COMMENTS RELATING TO THE REVIEW OF THE WMES THAT YOU HAVE NOT BEEN ABLE TO INCLUDE IN YOUR RESPONSE TO ANY OF THE PREVIOUS QUESTIONS, PLEASE FEEL FREE TO NOTE THEM.

Regional Identity

The policy choices consultation document is very internally focused and does not sufficiently address the needs of the Region in relation to external promotion, i.e. the 'Powerful Voice for the Region' element of the current WMES. The previous strategy provided little in terms of a regional identity or coherence and it is felt that this section needs greater thinking in order to effectively promote the Region nationally and internationally. The new WMES must offer more in terms of helping to define and promote the West Midlands as an entity. A ***one region - one vision*** approach will support these ambitions

The current WMES does not adequately brand local and regional opportunities. As well as setting out long-term aspirations and future opportunities for the Region, the WMES should clearly set out the Region's existing strengths on which we will build, particularly where these distinguish the Region from others. However this should not present an unrealistic picture of the Region, providing an accurate picture of the current positives and highlighting where there are improvements needed.

PART THREE

Detailed responses from the following Partnerships and groups are contained in Part Three. It is in a separate document due to size constraints.

Regional Health Partnership

Regional Equality and Diversity Partnership

Culture West Midlands

West Midlands Woodland and Forestry Forum

Regional Economic Development Officers Group

Regional Environment Group

Regional Technical Advisory Board on Waste