

Agenda Item No. 8

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Meeting – 5 April 2006

HELP SHAPE YOUR FUTURE - WEST MIDLANDS ECONOMIC STRATEGY REVIEW 2006-07

Report from the Chairman of Advantage West Midlands Board

Objective

To update Assembly Members on the launch of the work to review the West Midlands Economic Strategy (WMES).

1. Background

- 1.1 At the time this paper is being circulated, plans are well-advanced to launch the work of updating the West Midlands Economic Strategy, work which will continue through 2006 and 2007.
- 1.2 This work is being launched jointly by Advantage West Midlands and the West Midlands Regional Assembly. We believe that by doing this we will be signaling strongly to partners that the WMES review needs to be undertaken and owned by partners across the region and not solely by Advantage West Midlands.
- 1.3 A leaflet explaining the WMES review and the role of partners across the region has been produced. Headlined: Help Shape Your Future – The West Midlands Economic Strategy Review 2006-07, it carries both AWM and Regional Assembly logos. The copy contained in the leaflet is reproduced as an appendix and has been informed by the discussion at the January Assembly meeting and further meetings with the Assembly Management Team.
- 1.4 Copies of this leaflet are being sent in the week commencing 27th March to c 700 partners around the region with a covering letter from Nick Paul, Chairman, Advantage West Midlands and Councillor David Smith, Chairman, West Midlands Regional Assembly. The letter asks partners to play a full part in the process of updating the Strategy and to indicate their willingness to be involved.
- 1.5 A joint press release is also being issued on Wednesday 29th March.

- 1.6 A new section of Advantage West Midlands' website, dedicated to the Strategy Review, will also go live in the week commencing 27th March.
- 1.7 The leaflet refers to the creation of a WMES Regional Reference Group of public, private and voluntary sector organisations which will provide advice to the Advantage West Midlands' Board (which has statutory responsibility for the Strategy) as the review progresses. Letters of invitation have now gone to the people/organizations listed in Annex 1.
- 1.8 The Chairman of the AWM Board and the Chairman of the Assembly together with the two Chief Executives will continue to meet on a quarterly basis; progress and issues arising from the RES review will be a standing item.

Roger Sumpton (AWM)

Corporate Director

Tel no: 0121 380 3647

email: genihall@advantagewm.co.uk

Rose Poulter

Director of Policy

Tel No: 0121 678 1024

e-mail: r.poulter@wmlga.gov.uk

Appendix

2. Help Shape Your Future West Midlands Economic Strategy Review 2006-07 Leaflet copy

Introduction

- 2.1 The West Midlands Economic Strategy sets out what the West Midlands region needs to do to improve our economic performance by both building on our strengths and addressing the market failures that hold our economy back.
- 2.2 To reflect the changes that occur in our region over time, it is important to review our Regional Economic Strategy in full every three years to ensure that it remains relevant and continues to provide the right solutions.
- 2.3 Firstly, economic changes need to be considered. These include: impact of rapid technological change; the growing influence of emerging economies in countries such as India and China; the changing age, profile, ethnicity and location of the region's workforce; and the impact of economic activity on natural resources and climate change. There are also new European Union programmes and the Government's forthcoming Comprehensive Spending Review 2007.
- 2.4 Secondly, there have been changes to how the region delivers economic improvements through, for example, Local Area Agreements, Local Strategic Partnerships, the emerging City Regions agenda and the cross-regional initiative '*Smart Growth - the Midlands Way*'.
- 2.5 The review will also need to influence and support the revision of the Regional Spatial Strategy.
- 2.6 The process of updating the West Midlands Economic Strategy will need to look at how we respond to these changes.
- 2.7 Should we focus on a smaller number of priority areas – more like five rather than the 13 we have now – and be more specific about the actions we will take to address these?
- 2.8 Are the delivery vehicles for the Regional Economic Strategy – namely Regeneration Zones, High Technology Corridors and Business – still the best models for improving our economic performance? Are they still relevant in a changing region?
- 2.9 Finally, the updated West Midlands Economic Strategy, published in 2007, will also be the first time we look beyond the original milestone of 2010. The Strategy will once again set out the agreed actions required for the region to be recognised as world class by 2010. However, it will also take a longer-term look forward to 2020 and

establish what more our region needs to do to continue to improve its economic performance.

Roles and Responsibilities of Partners

- 2.10 The Government asks Advantage West Midlands, together with the West Midlands Regional Assembly, to lead the development of the West Midlands Economic Strategy and subsequent updates. However it is the region's Strategy, not Advantage West Midlands'. What goes into the Strategy and how it is delivered is up to the region.
- 2.11 As stated, the updated West Midlands Economic Strategy will be published in 2007. So as a region we need to begin work now to ensure that it is right for the West Midlands and commands the wide support of all partners in the region on the key economic issues that require action. That action needs to take place at a regional, sub-regional and local level, or we will not improve our economic performance.
- 2.12 To ensure full regional engagement:
- Partners will be asked to assist throughout the key phases of the work - the development of the evidence base, consultation on policy options developed against the evidence base, and on the draft of the Strategy itself. In addition a Regional Reference Group of public, private and voluntary sector organisations will provide advice on emerging issues and messages as the work of the review progresses; and
 - A new section of Advantage West Midlands' website, <http://www.advantagemw.co.uk/wmesreview.html>, will be dedicated to the Strategy review. This will allow partners across the region to stay abreast of the progress being made and to contribute to the individual phases of the work.

Phasing and Timing of the Work

- 2.13 The overall phasing and timing of the work required to review and update the Strategy through 2006 and into 2007 are as follows:
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|-------------------------------------|---------------------------|
| • <i>March to July 2006</i> | Build evidence base |
| • <i>May to September 2006</i> | Develop policy options |
| • <i>October 2006 to March 2007</i> | Consult on policy options |
| • <i>May to July 2007</i> | Consult on draft Strategy |
| • <i>April and September 2007</i> | Publication |

2.14 *Building the Evidence Base*

After seven years, we are in a position to begin to judge the progress we have made to date in closing the gap between the economic performance of the West Midlands and other regions across Europe. We have amassed a substantial body of evidence which will need to be analysed, which already gives a picture of regional strengths and weaknesses in key areas such as enterprise, innovation, and skills.

Through the implementation of the current Strategy, we have an idea of where we are making progress and where we are not - for example, productivity remains below the national average but it is improving quicker than for the UK as a whole. Skill levels are rising but not quickly enough. We need to build on this information to gain a better understanding. In the first instance, partners will be asked to assist with the development of the evidence base – both as members of the Project Groups which are being established for each strand of work, and as providers of other key banks of evidence which have been established through their own work.

2.15 *Developing Policy Options*

We will consider the market failures which will prevent us from delivering our projected vision for 2020. With the help of 'expert panels' – groups of individuals who can offer expertise and ideas - we will develop options for intervention and appraise these.

2.16 *Consulting on Policy Options*

We will share our appraisals of the options for intervention widely with partners across the region and use this to arrive at a set of preferred options and priorities.

2.17 *Consulting on the Draft Strategy*

Once preferred policy options and priorities have been identified we will begin to draft the final text of the Strategy and its associated Action Plan, taking into account the outcome of Comprehensive Spending Review.

The Consultation documents will have an accompanying assessment of the potential environmental impacts of the proposals. We will issue separately a full statement on how we will meet our obligations under the Strategic Environmental Assessment Directive, as agreed with the statutory environmental agencies.

2.18 Publication

The Comprehensive Spending Review (CSR) is likely to report in June 2007. To ensure that the Strategy can properly take into account the CSR, we will publish the updated Strategy in two stages:

In April 2007 key partners will sign up to a statement of regional strategy for 2020 (including the chosen policy options). This comprehensive statement will not be published for distribution beyond these partners at this stage, but will be acknowledged by partners as drawing the line under the policy work; and

In September 2007 we will publish in all formats the statement of strategy previously agreed in April, alongside a full Action Plan in the knowledge of key Comprehensive Spending Review outcomes.

- 2.19 The West Midlands Economic Strategy Team may be contacted in a number of ways:
Web-Site address: <http://www.advantagewm.co.uk/wmesreview.html>
E-mail: wmes@advantagewm.co.uk
Telephone: Gerald LaTouche on 0121 503 3347 or Rumana Begum on 0121 503 3503
Facsimile: 0121 503 3673 or 0121 503 3292
Postal address: Advantage West Midlands, 3 Priestley Wharf, Holt Street, Aston Science Park, Birmingham B7 4BN

Annex 1

WMES Review - External Partners Reference Group
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Title	Forename	Surname	Position	Organisation
Mr	John	Edwards (Chair of Group)	Chief Executive	Advantage West Midlands
Mr	Roger	Sumpton	Corporate Director	Advantage West Midlands
Ms	Rose	Poulter	Policy Director	WMRA / WMLGA
Ms	Katherine	Kerswell	Chief Executive	Solihull MBC
	Nomination from LA CEOs		Chief Executive	Shire County
Ms	Trudi	Elliot	Regional Director	Government Office for the West Midlands
Mr	John	Hart	Chairman	West Midlands Business Council
Mr	Gerard	Coyne	Chair	Regional TUC
Mr	David	Cragg	Chief Executive	LSC
Mr	Michael	Wright	Chair	WMHEA
Mr	Richard	Quallington	Chair	Regional Action West Midlands
Mr	Bernard	Doyle	Chair	Sustainability West Midlands
Mr	Brian	Woods-Scawen	Chair	Culture West Midlands
Mr	Chris	Clifford	Regional Director	CBI
Mr	Mike	Beesley	Chair	Regional Skills Partnership
Mr	Norman	Price	Chair	Enterprise Board
Dr	Clive	Hickman	Chair	Innovation and Technology Council
Rev	Nick	Reed	Chair	Rural Affairs Forum
Mr	Brian	Summers	Chair	Tourism West Midlands
Mr	Norman	Price	Chair	Regional Finance Forum
Mr	Mohammed	Nazir	Chair	Ethnic Minority Business Forum
Cllr	Roger	Philips	Chair	Regional Transport Partnership
	Partnership not yet formed		Chair	Regional Equality + Diversity Partnership
Cllr	Rex	Roberts	Chair	Regional Planning Partnerships
Ms	Margaret	Morgan	Chair	Association of Colleges