



GOVERNMENT OFFICE  
FOR THE WEST MIDLANDS

# Building a West Midlands of prosperity and fairness

Presented to Cabinet by Liam Byrne, Regional Minister West Midlands  
Birmingham, 8<sup>th</sup> September 2008



# West Midlands

- A microcosm of the UK
- Rural and urban
  - 2.6 million live in WM conurbation and 300K in Stoke & North Staffs
  - Over 2 million live in the shires: 70% of land is agricultural
- Diverse economy:
  - Manufacturing base remains important
  - Growing and vibrant service sector
  - Overheating and under-developed local economies
- Young and diverse:
  - Most ethnically diverse region outside London
  - Relatively youthful cities



# Since 1997, we have delivered a new foundation for prosperity and fairness in the West Midlands

## Stability and investment...

- WM economy £30 billion bigger

### Education

- £175m extra schools capital funding
- 16% boost to five good GCSEs
- Six-fold reduction in skills gap

### Health

- £3.1 billion extra since 2003-04
- 1,272 more consultants, 518 more GPs
- 8,851 more nurses

### Crime and safety

- 1,704 more police
- Crime down 25% since 2003-04

## ... have delivered new prosperity and a new fairness

- 100,000 extra in work
- 200,000 extra homeowners
- Jobseeker's Allowance claimants down by 33,000
- 280,000 pensioners benefiting from pension credit
- 100,000 benefiting from the National Minimum Wage



# We have plans and investment for a fairer future for the West Midlands

## Medium Term Targets

- Close the £10 billion output gap - £2bn due to economic exclusion
- get 44,000 more people into work
- create 1,900 new businesses each year
- get 110,000 more workers in training
- get 75,000 more up to level 2+ qualifications
- get 70,000 more graduate jobs
- spend £420m more on R&D
- cut our carbon emissions by 23 million tonnes by 2050

Using new wealth to renew communities:

- a new home every half an hour
- more affordable homes where they're needed most
- link new homes to new jobs

Backed by record public investment:

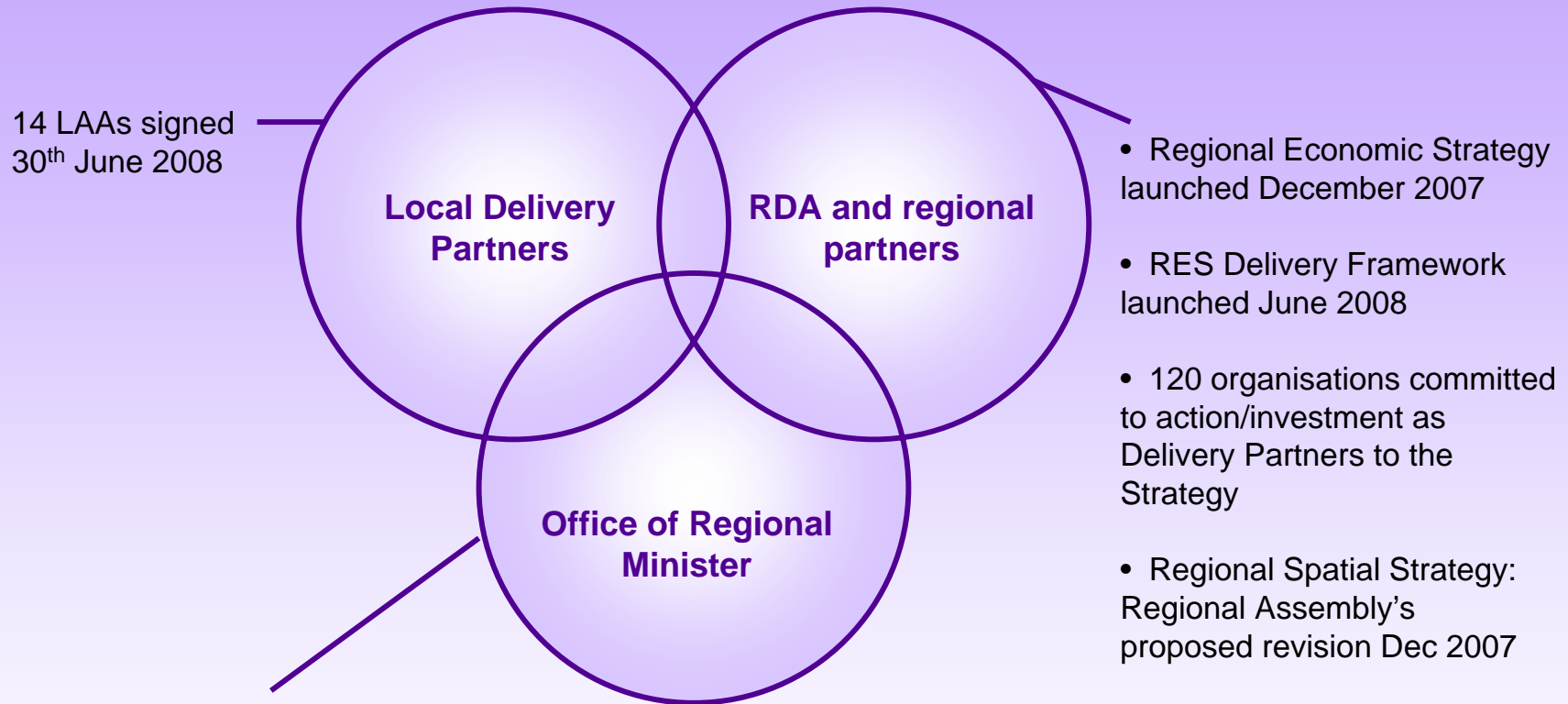
- £120 billion over next 5 years (2007-12)

## Short Term Actions Needed

- Help businesses and families through today's tougher economic times
  - JSA claims up over last 4 months
  - Hardest hit are lower skilled
  - Business orders at lowest point for 7 years
  - First qtr housing stats down 17%
  - Some parts of region v. tough eg Stoke
- Build on the confidence in place - locally...
  - £15.3 billion in exports last year
  - Strong forward order books
- ... and globally
  - 2,300 foreign-owned firms
  - 112 foreign investments last year created and safeguarded 30,120 jobs - England's best performing region.



# We are co-ordinating Government action to drive this agenda forward



14 LAAs signed  
30<sup>th</sup> June 2008

**Local Delivery  
Partners**

**RDA and regional  
partners**

**Office of Regional  
Minister**

- Regional Economic Strategy launched December 2007
- RES Delivery Framework launched June 2008
- 120 organisations committed to action/investment as Delivery Partners to the Strategy
- Regional Spatial Strategy: Regional Assembly's proposed revision Dec 2007

- Work plan published 30<sup>th</sup> June 2008
- Co-ordinates action through Government Office West Midlands, Strategic Health Authority, West Mids LGA/Regional Assembly, Jobcentre Plus, Advantage West Midlands, Learning and Skills Council and the new Homes and Communities Agency.



# Our Public Service Agreements, supported by Local Area Agreements have put prosperity and fairness at the heart of £120 billion of Government investment in the West Midlands

## Key Challenges

- New jobs
- New businesses
- New skills
- A greener region
- A healthier, safer region

## Targets Negotiated

- Get 30,000 people off benefits and into work in next 3 years
- New business start-up programme in every authority
- Get nearly 250,000 more people to 5 good GCSEs by 2011
- Cut carbon emissions by 4.3m tonnes by 2011
- Tackle childhood obesity in each LAA – unique to the West Mids



# Our Regional Economic Strategy and Regional Spatial Strategy – our plans for new jobs and homes – put prosperity and fairness centre-stage

## Regional Economic Strategy (RES)

RES shapes £25bn of public sector resources 2007-12:

- £16bn for new homes, communities, housing renewal and transport links
- 
- £7.9bn for upskilling our workforce and getting people off benefits into work
- £1.3bn for business support

## Regional Spatial Strategy

- More housing and economic growth through regenerating our towns and cities
- Supporting rural communities to achieve their economic and social potential
- Different approaches in difficult areas – e.g. addressing poor housing markets in North Staffordshire and Birmingham/Sandwell
- Planning for the growth of smaller urban areas
- Eco-towns and New Growth Points



# The Regional Minister's work-plan building on the success of last year to accelerate change

## Plans in place – wins in the bank

- Skills
  - First ever Regional Skills Action Plan and best performing apprenticeship programme
- Science
  - Plans to link the NHS and universities:
  - £14.5m Government boost to University Hospital Birmingham and University of Birmingham for clinical research academy
- Transport
  - The region's first ever consensus on major projects
  - £0.5 billion for new New Street station
- Trade
  - India business engagement action plan
  - Largest number of jobs safeguarded by foreign investment
- Homes
  - First consensus on housing numbers across the region

## Regional Minister's 10 Point Plan

- Drive to establish new universities for the West Midlands
- Acceleration of Regional Skills Partnership to get 30,000 off benefits
- Creation of a £130 million regional Manufacturing Technology Centre at Ansty, near Coventry
- Acceleration of National Low Carbon Vehicle programme
- New region-wide Digital Media Group, chaired by the Regional Minister
- Green business programme to ensure regional businesses understand opportunities in the new low-carbon marketplace.
- New Regional International Business Forum, co-led by Regional Minister
- Final blueprint for regional transport; priority for airport, road and rail, and Black Country Transport Spine
- New homes driven by new Homes and Communities Agency
- Kick start for Stoke and N Staffordshire regeneration plans



# Short term extra help: Today's £64 million regional economic statement is the largest yet announced

- **Property development:** encouragement of property development opportunities through the £48 million “gap funding” initiative and the £12.9 million Regional Infrastructure Fund
- **Business finance:** extension of the Selective Finance for Investment in England grant scheme to give more support to SMEs with capital projects outside the main Assisted Areas; additional lending capacity available from the region's Community Development Finance Institutions
- **Exports:** Improved support from UK Trade and Investment to assist new exporters and help existing exporters to target new markets
- **Business advice:** advice through Business Link West Midlands and the Manufacturing Advisory Service on dealing with tighter credit and rising costs
- **Skills:** a Graduate Recruitment Scheme to place 2,000 graduates into jobs in SMEs as part of the Regional Skills Action Plan; Integrated Employment and Skills initiative by the LSC and JC+ to enhance support for skills in employment



# How does the Cabinet accelerate delivery of prosperity and fairness in the West Midlands?

- Keep the focus on regions
  - A strong regional focus could be instrumental in delivering our agenda
  - Ignoring regions is a recipe for failure
  - Regions are a great platform to build partnerships with business, third sector and local areas
- Funding
  - Continued, sustained investment – not cuts – is vital to delivery of prosperity and fairness in our region
  - Critical investments are skills, science, transport, trade and housing
- Freedoms
  - Delivering on flexibilities in Public Service Agreements is key
  - Driving new freedoms through Sub-National Review – especially planning – is vital
- Fast decisions from top to bottom
  - We need faster, integrated decision-making that spans local authorities, regional bodies and several government departments
  - Regional Ministers – and regional select committees – can help

