

State of the Region Executive Summary

Building a healthier, happier, better connected
and more prosperous West Midlands



West Midlands
Combined Authority

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Introduction

Welcome to the State of the Region 2018 – the second annual review of economic performance across the West Midlands. This is an important moment for the West Midlands Combined Authority (WMCA) and its partners in the region to take stock: to celebrate evidence of sustained economic success and cast a spotlight where the region's performance still falls short of fulfilling its potential as a driving force in the UK economy.

The headline metrics show welcome evidence of economic renaissance for the West Midlands. GVA per head is growing, record numbers of jobs are being created, exports are on the rise and skills are improving. Looking ahead, many economic fundamentals are expected to stay strong – with growth in other sectors expected beyond manufacturing, including real estate and Business, Professional and Financial Services. HS2 will improve productivity, connectivity, skills

and job opportunities. Coventry City of Culture in 2021 and the Commonwealth Games in 2022 will bring investment in venues, transport, housing, jobs and tourism, as the region's profile on the global stage is boosted.

Yet our optimism for the future must be tempered by headwinds that we know are ahead. Manufacturing looks most vulnerable to the impacts of Brexit, and the West Midlands is particularly exposed. Although headline productivity is moving in the right direction, it still lags behind the rest of the UK, as does the proportion of WMCA residents with qualifications and their healthy life expectancy. Without effective investment in productivity and skills, the region risks losing the ability to attract future investment. On many key metrics there is still a long way to go to meet our ambitions. Too many people remain left behind, unable to access or feel the full benefits of sustained economic growth.

This summary, and the technical report that sits behind it, provide a consistent reference point back to the headline goals set out in the WMCA Strategic Economic Plan (SEP), using the performance indicators it developed to ensure we are pursuing economic success in balanced economic and social terms that feel real to the people living and working in the region. But it is also a place to highlight new areas of emerging thinking, where new data is available and where we are developing new methodologies to enrich our understanding and inform new policy approaches to help us deliver our goals. Combined it forms a set of metrics that will build over time, laying new building blocks on the foundations of the SEP, and creating a robust evidence base that will continue to evolve to inform the approach of the WMCA and its partners across the region.

WMCA Board

“

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Consistent with the WMCA Strategic Economic Plan the data related to 'WMCA' in this report, unless otherwise stated, relates to the 3 LEP geography (Black Country LEP, GBSLEP and CWLEP).

Key Trends

Growth Areas



The proportion of Working Age Population with No Qualifications (2016-2017) is falling faster than UK average but 86,036 people need to be upskilled to close the gap

▲ -1.7pp WMCA
▲ -0.3pp UK



2m

Jobs across the WMCA in 2016

▲ 1.8% WMCA
▲ 1.7% UK

Since last year (2015- 2016)



West Midlands is the fastest growing region in the UK for goods exports

▲ 27% WM (2015-17)



£4,178

GVA per Head is £4,178 lower than the UK but increasing at a faster rate

▲ 11.5% WMCA
▲ 9.1% UK

Between 2013-2016



67

67 business births per 10,000 population (=14,000 new business starts) compared to UK average of 63 per 10,000 population in 2016



11,500

11,500 net new homes in the WMCA area between 2016- 2017



15

15 day reduction in poor air quality days across the West Midlands (2016-2017)



9,424

9,424 new jobs created from 171 FDI projects in the West Midlands region - highest created outside London in 2017/18



West Midlands Region has had the highest increase in workforce jobs outside London

▲ +84,000 WM
(March 2017 - March 2018)



£3,137

Gross Disposal Household Income per Person is £3,137 lower than the UK but increasing at the same rate (2015-2016)

▲ +0.7% WMCA
▲ +0.7% UK

Challenges



Shorter Healthy Life Expectancy (2014-2016) than UK

▼ **Males: 59.6**
-3.7 years

▼ **Females: 60.3**
-3.6 years



43.8%

The five- year Business Survival Rate is 43.8% across the WMCA vs 44.1% UK (2011-2016)



42,470

2016/17 the number of Apprenticeships increased (+1%). However, latest trends predict decline in 2017/18



41%

Congestion is increasing meaning only 41% of the population can access 3 centres within 45mins by public transport.



16,265

Youth Claimants in the WMCA is remaining high at 16,265 (May 2018)



£16.9bn

The Output Gap is increasing, £16.9bn Unmet economic potential in 2016

Balance Outcomes

The WMCA is committed to pursuing and defining success in social and economic terms that feel real to citizens and bring benefits to all who live and work here. These principles are set out in the SEP and developed further in the performance management framework (as set out on page 24). For the purposes of this report we have separated key metrics into the following five pillars, that recognise the importance not only of growth and productivity improvements, but also the contribution of vibrant communities and resilient citizens in creating economic success and places that people want to live and work in. The full technical report is available online^{1,2}.



The report is based on five sections, with each section exploring the following:

Economic Growth

Developing the regional economy underpins our ambitions. As the export centre of the UK, our economic success is vital to Britain's future.

✓ Improved GVA in line with the UK Average

Business Competitiveness & Productivity

Britain's businesses are facing considerable uncertainties because of Brexit, but in the West Midlands we are steadily rebooting our reputation.

✓ Improved the productivity of our businesses focusing on our growth sectors;

✓ Improved competitiveness through energy and resource efficiency and stimulated new technology and business

Skills

Building the right skills is key to delivering improved productivity and prosperity - enabling all groups to access jobs.

✓ Improved skills levels so that people have the skills and qualifications to access jobs

People

We want improved life chances for all residents, including those facing particular disadvantages or difficulties.

✓ Improved life chances for all;

✓ To reduce our health inequalities and improve the health and wellbeing of our population including physical activity and mental health;

✓ To reduce offending and re-offending

Place

We will improve the connectivity of people and businesses to jobs, markets and housing - developing local places and communities.

✓ Improved the connectivity of people and businesses to jobs and markets;

✓ Improved the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs

¹ www.wmca.org.uk/state-of-the-region

² The sources for the data are set out in the full technical report.

Economic growth

Developing the regional economy underpins our ambitions – not only to deliver growth that all citizens benefit from, but also, as the export centre of the UK, that will power the UK economy after Brexit. Economic growth, as measured by GVA has seen strong growth (4% in 2016 compared to 3.7% nationally), however the region is still falling well short of fulfilling its economic potential. The output gap, which measures the difference between per head economic output and potential stands at nearly £17bn across the 3 LEP geography.

- Total GVA in the WMCA continues to increase and in 2016 was £92bn (4% growth compared to 3.7% nationally). However, the gap between the GVA per head in the WMCA (£22,443) compared to the UK average (£26,621) is not closing, leading to a £16.9bn output gap. GVA growth is fundamental in delivering inclusive growth.
- The output gap is impacted by skills levels, employment levels and the productivity of our business base. In terms of productivity, GVA per hour has increased by more than double the rate of the UK over the past year and is currently £28.9 per hour worked. However,

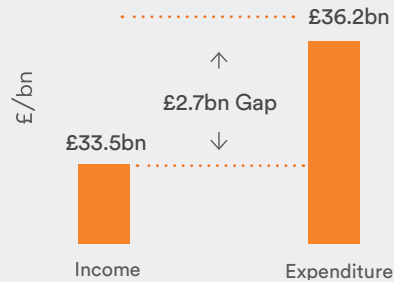
GVA per hour needs to increase by £3.70 to reach the UK level.

- The WMCA has received 775 Foreign Direct Investment (FDI) projects from 44 different countries across the world. This has led to the creation of nearly 46,000 new jobs from 2011/12 to 2017/18.
- In 2017/2018 the West Midlands region created over 9,424 new jobs from FDI projects – the highest level for any region outside London.
- There have been challenges in calculating the fiscal balance for the WMCA and we will continue to work with ONS to refine and enhance this methodology. The latest methodology estimates a £2.7bn gap between the Income generated by the WMCA and Expenditure – a decrease of £.5bn from the comparable figures for last year due to the identification of additional incomes streams. The tax generated from WMCA residents is estimated at £33.5bn based on the main contributors of Income Tax (22.5%); VAT (18%) and NI Contributions (17%). Public expenditure is estimated at £36.2bn with 45% arising from social protection (which includes sickness and disability, old age, survivors, family and children, unemployment, housing and social exclusion); health (25%) and education with 15%.

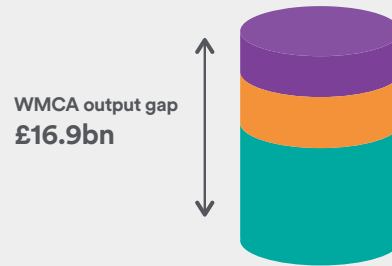


Key Indicators

Income and Expenditure Balance



Output Gap



Skills Levels Insufficient

% with NVQ4+ (WMCA = 30.7%, UK = 38%)

£3.2bn



Too Few in Employment

Employment Rate (WMCA = 68.8%, UK = 73.8%)

£1.8bn



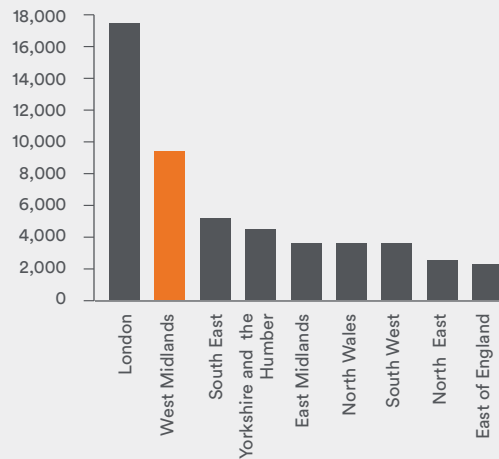
Economy Lacking in Dynamism

Business Stock per 10,000 population (WMCA = 390, UK = 432)

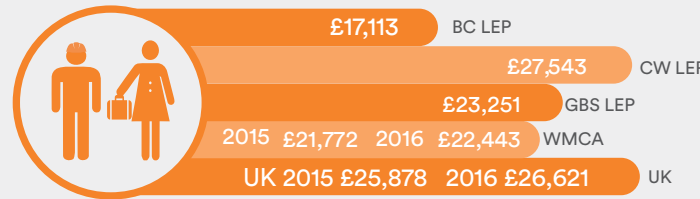
% of innovative business (WM = 55%, UK = 53%)

£11.9bn

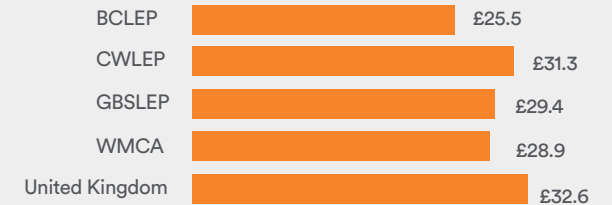
FDI Projects by UK Region New Jobs (2017/18)



Current GVA Per Head



GVA Per Hour Worked



Deepening our Evidence Base

Qualitative measures can also provide important insight on economic success, especially in pursuing inclusive economic growth. We will work with partners to understand business perceptions and confidence. The quality and accessibility of jobs is central to delivering inclusive growth, therefore we will investigate developing metrics that identify better work in terms of pay, progression and security.

We continue to work closely with the Office of National Statistics (ONS) on a range of data enhancement projects including refinement of the income and expenditure methodology to develop robust procedures for sub-regional measures which currently are not in place.

Business Competitiveness & Productivity

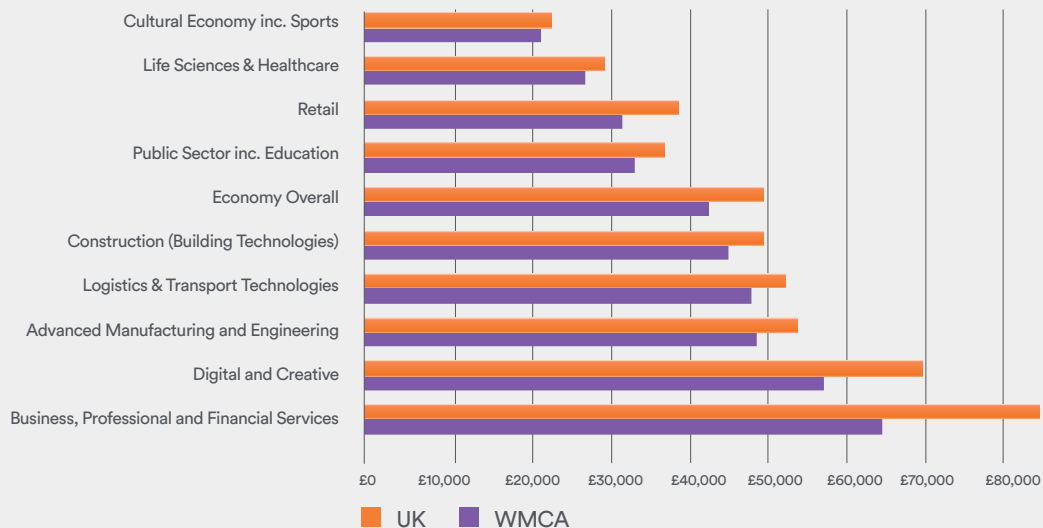


The West Midlands economy is undergoing a renaissance. Outside London and the South East, we are the strongest performing region for business births, FDI and exports. While productivity is growing, it still lags behind the UK average in absolute terms.

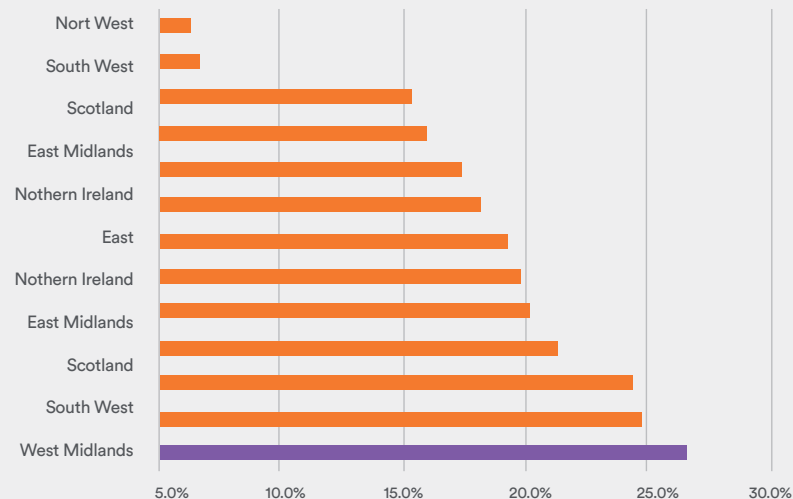
- The WMCA business base is growing and there are currently 159,355 active companies (390 per 10,000 population compared to 432 for UK) in the WMCA. There were 27,550 new businesses started across the WMCA in 2016 – double the UK growth rate.
- Out of 13,975 business births in 2011, 93.1% survived their first year, the same as the UK. Their five-year survival rate across WMCA was 43.8% compared to 44.1% across the UK.
- GVA per employee varies significantly across sectors in the WMCA. Our high productivity sectors are Business, Professional and Financial Services (£64,194), Advanced Manufacturing and Engineering (£48,728), and Digital and Creative (£57,112). While the enabling sectors have low productivity, this includes Retail (£31,952) and Cultural Economy (£21,997).
- In the WMCA 9.6% of businesses have a turnover of over £1m while there are 42.6% with a turnover of less than £100k.
- West Midlands is the fastest growing UK region for goods exports (27% growth between 2015 and 2017) and is the export capital of the UK: outside of London & the South East it exports the most by value (over £33bn in 2017). Recent Centre for Cities research suggests that to raise regional productivity there needs to be a sharper focus on improving the performance of already highly-productive businesses. With 94% of UK businesses in the bottom third for productivity only serving local markets, the research identifies exporting firms as vital for productivity enhancement.
- Findings from the WMCA Leadership Commission report that organisations with diverse workforces perform better. Companies in the top quartile for gender and ethnic diversity are more likely to have higher financial returns than their industry average. Organisations with a more diverse board or governing body also tend to attract top talent, have greater employee satisfaction and are better at problem solving, decision making and innovation.

Key Indicators

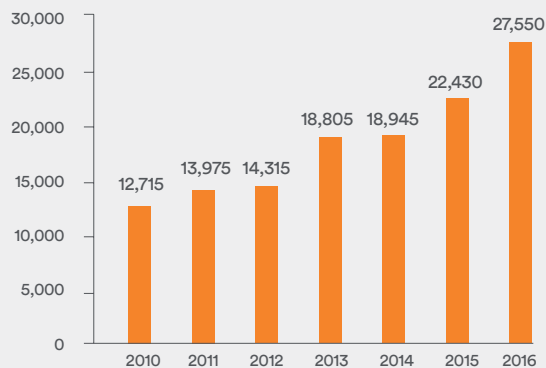
GVA per employee across Sectors in WMCA & UK



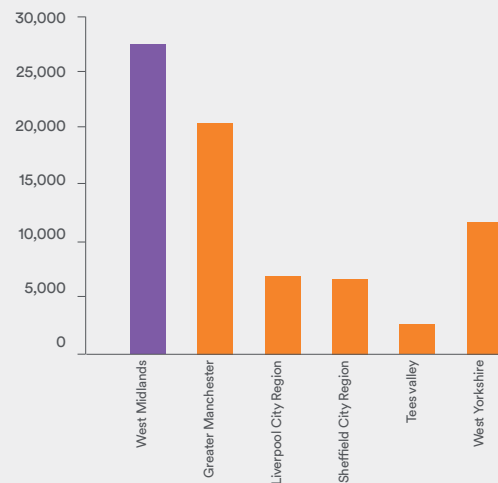
% Export Growth by Region (2015 - 2017)



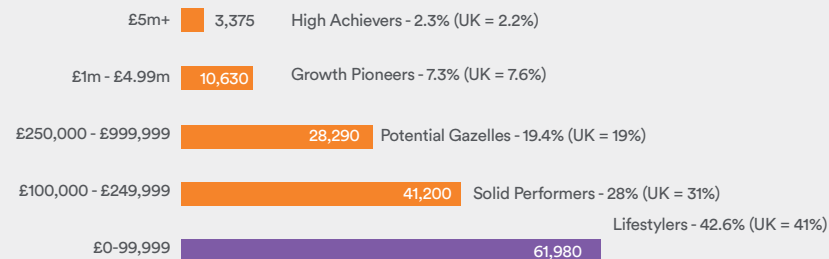
WMCA Business Births 2010 - 2016



Business Births by Combined Authorities 2016

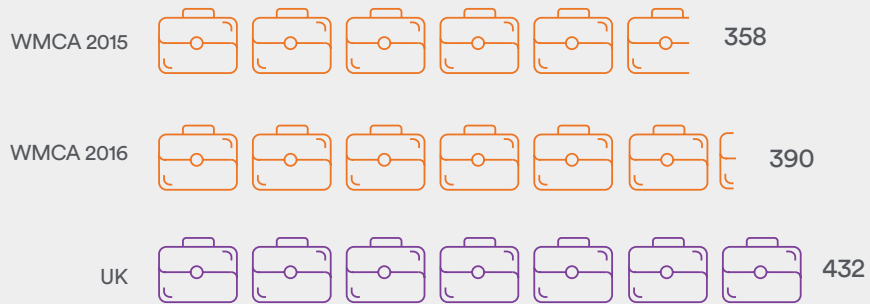


WMCA Business Base by Turnover Band 2016

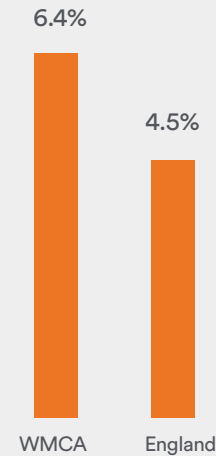


Key Indicators

Business Stock per 10,000 Population



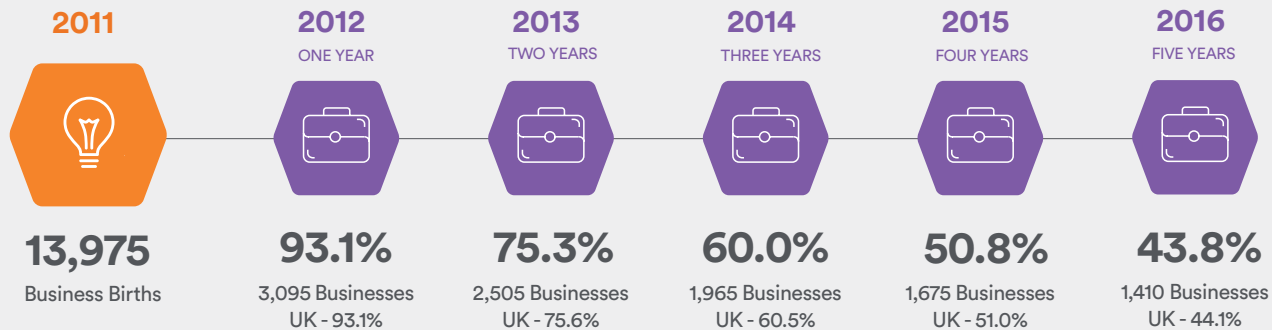
GVA per Employee % growth (2013 - 2016)



Deepening our Evidence Base

The West Midlands is one of three trailblazer areas starting to develop a Local Industrial Strategy (LIS), co-designed with government and underpinned by a strong evidence base. A partnership approach to evidence gathering has resulted in a large in-depth intelligence base across our LIS sectors, which will inform a suite of WMCA sector action plans. Beyond the headline data, we want to truly understand the nature of these sectors in the WMCA and their productivity challenges. Identifying our competitive advantages and genuine strength is key to unlocking the activities required that will catalyse growth productivity in the region.

WMCA Business Survival Rates



Skills



Building the right skills in our workforce is key to delivering improved productivity and prosperity - enabling all groups to access jobs. While qualifications levels are improving, significant shortfalls remain in certain levels and geography, holding back growth and productivity. Youth unemployment remains stubbornly high - as a growing, young and hyper diverse region, tackling poor social mobility and outcomes is crucial to unlocking inclusive growth.

- There are 790,800 people qualified to NVQ Level 4 in the WMCA area. This is an increase of 1.9% on the previous year or 14,600 people, comparable to the national growth rate of 1.4%. Longer-term since 2012 the WMCA area has also performed better than the national average with an increase in the number of people with higher level skills by 113,000 (16.7%) compared to 14.7% nationally. Despite this positive trend just 31.1% of the population are qualified to NVQ Level 4 compared to 38.4% nationally - a shortfall of 184,864 people. Qualifications are key to progression, with people qualified to NVQ4+ estimated to earn significantly more than those with lower qualifications.
- The proportion of WMCA residents with no qualifications decreased from 13% (329,800) in 2016 to 11.4% (289,300) in 2017 (a reduction of 40,500 people). The number of women with no qualifications reduced from 166,100 to 145,300 (-14.3%) while men fell from 163,000 to 144,100 (-13.1%). 9.1% of 16-24 year olds have no qualifications compared to the WMCA average (11.4%). To reach the current UK average (8%) requires a further upskilling of 86,036 people.
- There were 42,470 apprenticeships in 2016/17 where 22,890 were Intermediate level, 16,480 Advanced and 3,100 were Higher. Overall, the gender split was reflective of the wider population, but females were poorly represented in STEM subjects accounting for just 3.7% of apprenticeships. Bucking national trends in 2016/17 the WMCA increased the number of Apprenticeship starts by 1% compared to a national fall of -2.9%. However, the latest provisional 2017/18 data shows a fall of -28% nationally since the introduction of the Apprenticeship Levy in April 2017.
- Most young people (aged 18-24) in the WMCA are either in work or economically “inactive” (for example as full-time students), but 9.7% were counted as “unemployed” at the end of 2017.
- There were 16,265 youth claimants in the WMCA in May 2018, a decrease a 1.1% from the previous month.

Key Indicators

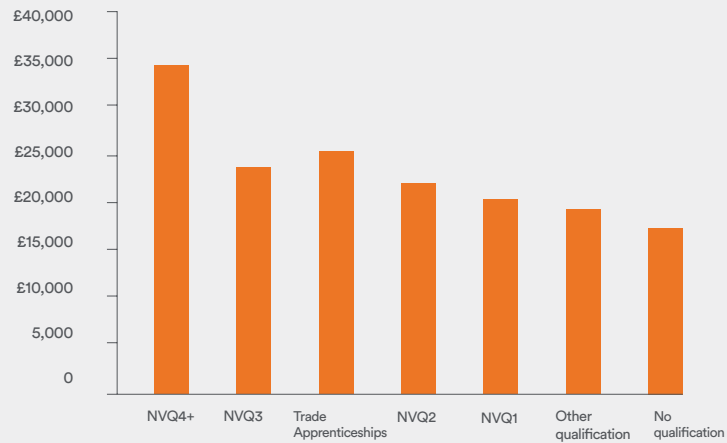
Apprenticeships



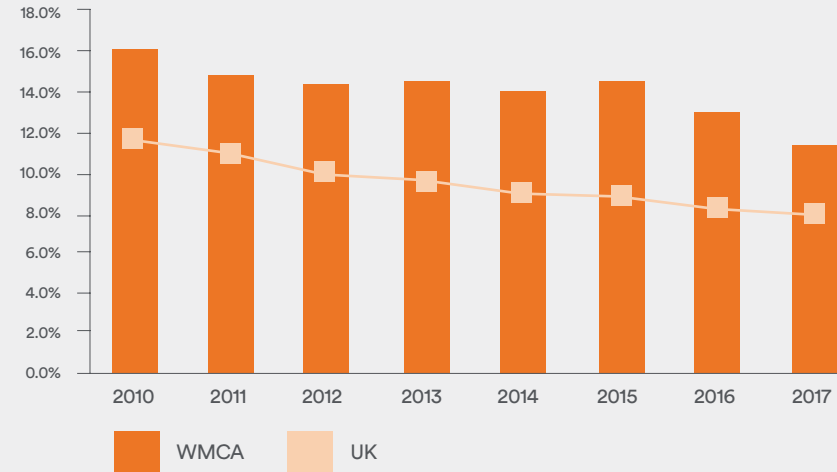
■ Intermediate
 ■ Advanced
 ■ Higher

Intermediate 22,890 | Advanced 16,480 | Higher 3,100

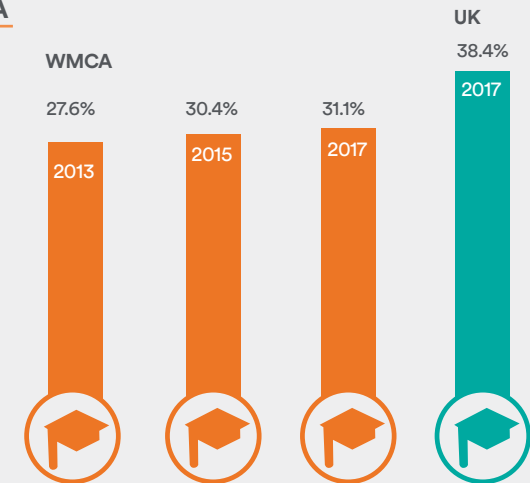
Earnings by Qualification



Percentage of people with no qualifications (2010-2017)



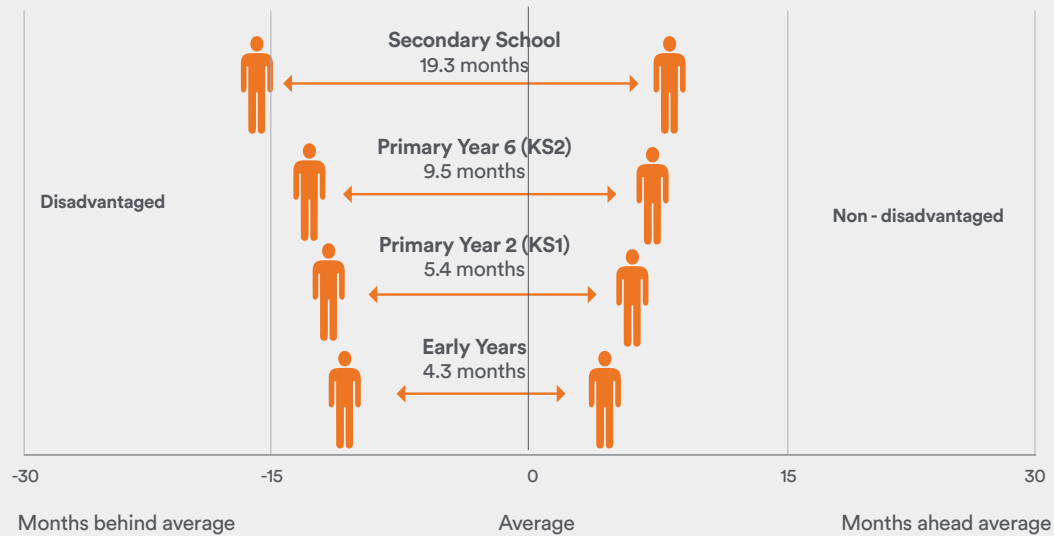
Percentage of people with NVQ Level 4 and above in WMCA



Key Indicators

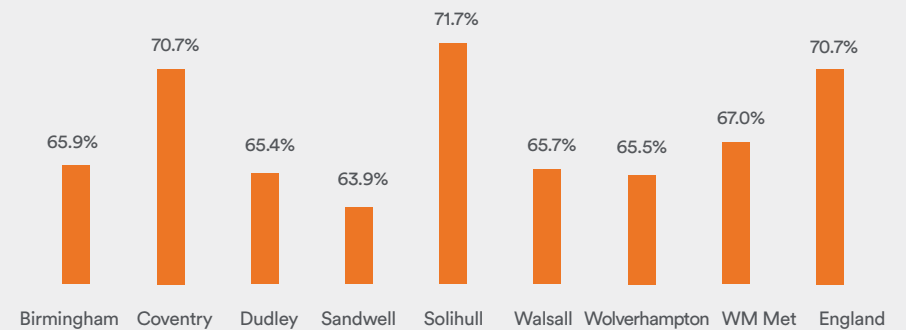
Social Mobility

All disadvantaged pupils

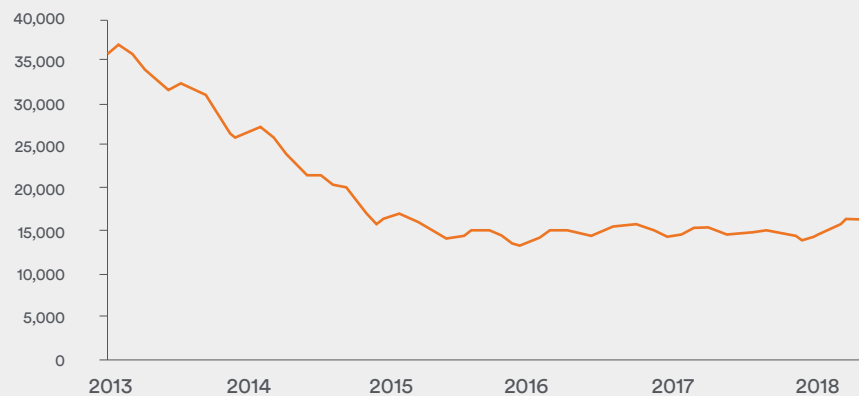


School Readiness

% of Children Achieving a Good Level of Development of End of Reception



WMCA youth (aged 18-24) Claimants



Deepening our Evidence Base

Building on the evidence work from the WMCA Productivity and Skills Commission we will continue to develop a detailed understanding of the priority skills needs and gaps of key sectors such as digital, construction and automotive companies to continue to inform the delivery of our skills plan.

We will examine the risk factors for youth unemployment and develop approaches to address these.

We will analyse the take up of apprenticeships to test progress in improving access.

People



The benefits of economic growth need to be shared by all, including those currently left behind, and facing big barriers to participation. Strong headline jobs growth masks real inequalities within the region, and across different communities.

- All of our residents need to be able to touch, taste and feel the benefits of the rising prosperity that they help to create within the region. This is the basis of inclusive growth, and in the West Midlands we are working to ensure that our residents develop the skills, aspirations and capabilities they need to access and create opportunities in our future economy. To do this, we need to have a sense of the ‘whole person’, and the lives they want to live. Collaboration is key to getting this right: by working with our citizens and partners, we can deliver long, healthy, purposeful lives in comfortable homes, as part of safe, clean, well-connected neighbourhoods.
- The healthy life expectancy gap within the region is significant for men and women alike and is holding back our productivity. In 2015, 20% of the WMCA population lived in the top 10% most deprived areas. For both males and females in the most deprived communities

there is a shorter healthy life expectancy at birth and a longer period expected to be spent in 'not healthy' health. The healthy inequality gap between the most and least deprived areas across the WMCA geography has increased among males to 7.4 years in 2015, whereas for females the gap has decreased to 9 years.

- The determinants of these shorter, unhealthier lives can be found in childhood. 30% of children in the region still grow up in poverty. Mental health disorders for children are at a high level, within the top 20% for England. Almost 25% of children are obese in Year 6. Worse still, our most vulnerable children and young people are heading for the worst outcomes. West Midlands Police and the Prince's Trust ran a successful programme aimed at 16-25 year-olds in the region at most risk of social exclusion. 66% of participants had experienced four or more of the ten adverse childhood experiences, making them more likely to live with low mental wellbeing, to struggle with relationships, relaxation, clarity of thought, or to feel positive about the future. We continue to delve into this data as part of our work on radical prevention

– better intelligence on the needs of our young people will enable all of our partners to design better programmes, and to use their resources in the most effective way.

- In 2016, only 6.7% of adults in contact with secondary mental health services were in paid employment across England, a lower gap than the national average (58.9 vs 67.2) but in the West Midlands it is estimated that 70,000 people cannot work due to mental health problems and its estimated to cost the WMCA £12.6bn in mental ill health.
- Jobs are increasing and there are currently 2 million people working in the WMCA area, with 1.2m employed in the transformational sectors and 808,365 in the enabling sectors in 2016. 75.7% of employees are earning above the UK living wage.
- Gross Disposable Household Income (GDHI) per person in 2016 was £16,295 and has grown by 8.6% since 2013. The UK GDHI per person is £19,430 and has increased by 8.5%. GDHI per person needs to increase by £3,137 in the WMCA to be in line with the UK.

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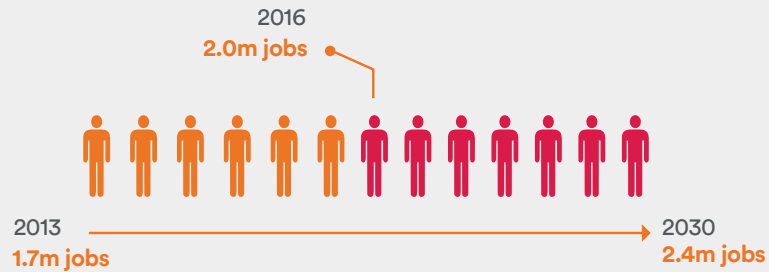
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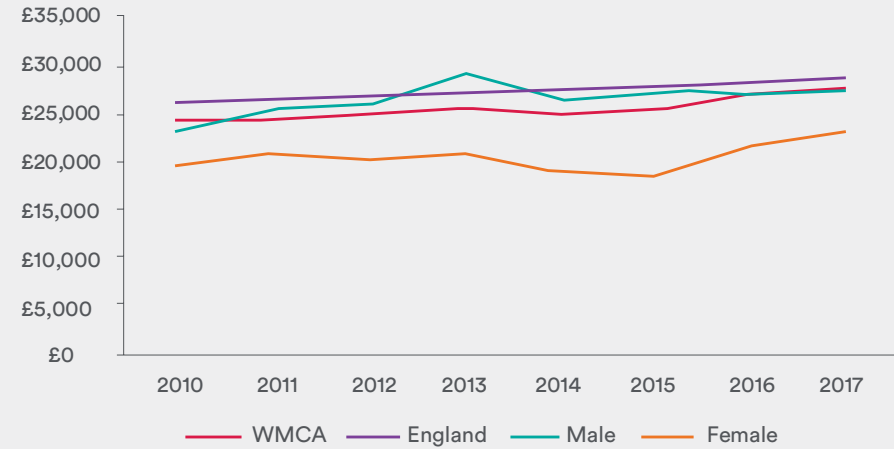


Key Indicators

Jobs



Average Annual Earnings per Resident Employed Full Time (2010 - 2017)



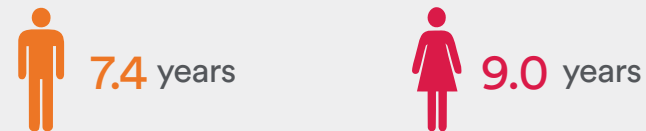
Healthy Life Expectancy

Healthy life expectancy will rise to:

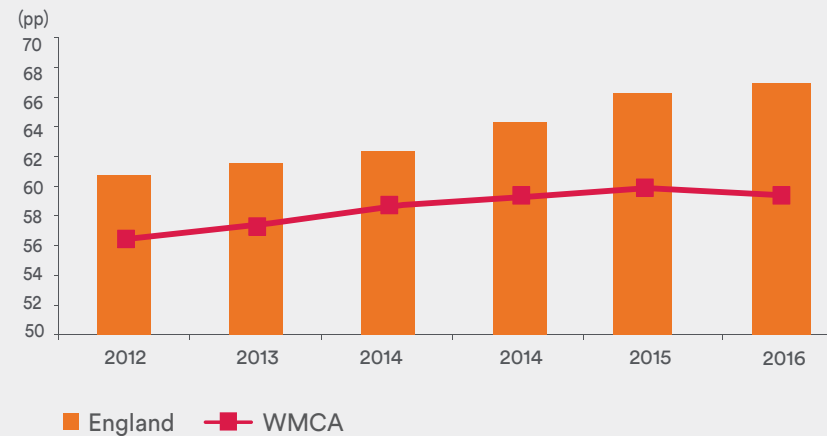
Ambition 63.3 years (men) 63.9 years (women)



The overall life expectancy health inequality gap in years between the most and least deprived in the West Midlands

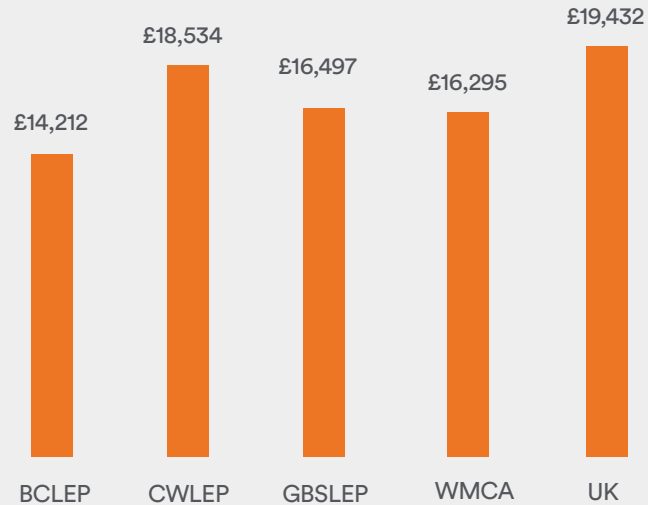


Employment Rate Gap between those in contact with secondary mental health services and overall employment rate



Key Indicators

Gross Disposable Household Income per Person



Deepening our Evidence Base

Building a shared definition of inclusive growth is a collaborative process and we are establishing an Inclusive Growth Unit to be the engine that drives this ambition. Blending analysis, policy advice and practical action, the unit will promote inclusive growth outcomes with our Industrial Strategy and Public Service Reform programme across the range of our activities. The unit is a collaboration across different sectors of the economy and society blending academic rigour and citizen insight.

From the findings of the Leadership Commission we are building a Youth WMCA Board, to ensure that young citizens can influence how things work in the region. We are learning from the existing TfWM Youth Forum and local initiatives such as Birmingham City Council's Children in Care Council, to ensure we create the right spaces and the right opportunities for influence.

Place

Major investments in transport, housing and business locations must be used to transform not only growth and productivity but also make places where people want to live, work and invest. We are building more homes with an ambition of 215,000 new homes by 2031. We are working on the identification of opportunity areas to drive the supply of high-quality new homes and then create and capture the value created from these to invest in transport, health, education and other facilities within existing communities in these areas to enable growth for all and ensure that communities can participate in growth and benefit from the growth.

- More houses are being built resulting in housing stock continuing to rise to 1,704,600 homes – a net increase of 11,480 homes from the previous year.
- More affordable homes are being built – 2,850 affordable homes in total (520 more than the previous year). However, there is a need to ensure we are delivering all types of housing to accommodate and attract employees for our growing economy.
- Completions by tenure mix is changing – housing associations and local authorities account for 20% of all completions (down 3% since previous year) whilst private enterprises are increasing their share of completions with 80% (an increase of 3% compared with the previous year). There is evidence of growing demand in the housing market with 56,007 residential sales were recorded in 2016/17 – an increase of 1,202 from the previous year; and likewise, in the private rental market – in 2017-2018 there were 27,460 residential properties privately rented; an increase of 2,760 rentals since the previous year.
- Alongside economic growth, will be an impact on infrastructure and as anticipated congestion is getting worse; only 41% of WM residents were able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak – some 34 percentage points lower than the WMCA ambition of 75%.
- Visitor economy has continued to perform well with hotel occupancy rates in the WMCA area matching or exceeding 2016 figures for most of the year. However, since autumn 2017 it is likely that domestic rather than overseas tourists have been the principal driver of growth.
- Issues with Britain's high street have been widely reported in recent times; just this year



there has been store closure announcements by House of Fraser, Marks and Spencer and Mothercare. Much of these are put down to tough trading conditions, rising costs and the formidable rise of online shopping. In 2017, the number of high street retail outlets fell by 1,772 in the UK, 144 of which were in the West Midlands region. Despite the problems experienced by the high street, retail plays a vital role in West Midlands society – it's a large employer and a key enabling sector. In order to reverse the fortunes of retail, stakeholders need to be innovative in their response to the situation, particularly given changing trends and the digital age.

- Air quality within the WMCA is improving as there are currently 25 days poor air quality per year (rated 4 or higher on the Daily Air Quality Index); an improvement of 15 days less than the previous year. CO₂ emitted in 2015 was 21,696 ktCO₂, a reduction of 924 ktCO₂ since the previous year. The WMCA ambition is a 40% reduction in carbon by 2030 requiring a further reduction of 5,756ktCO₂. Transport is a major source of poor air quality and improvements likely to be attributable to improved vehicle technology continuing to enter the fleet.
- The total number of recorded crime (excluding fraud) in the West Midlands was 227,865 in 2017;

79.4 per 1,000 resident population. This is an increase of 27,353 more crimes recorded than the previous year.

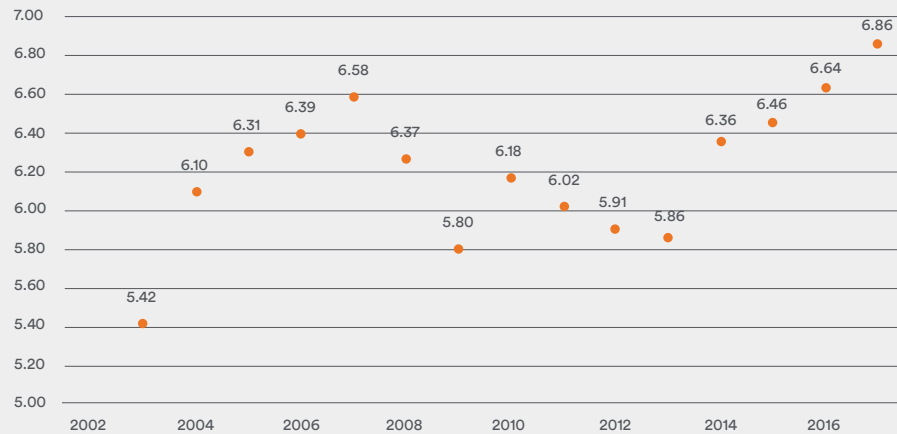




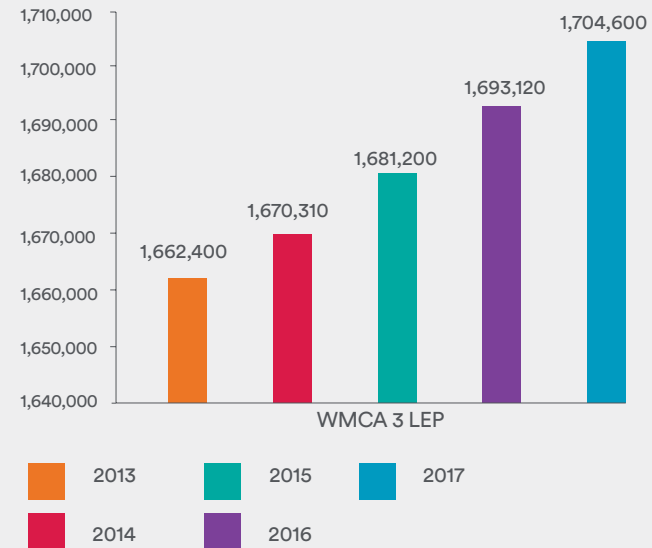
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Key Indicators

Ratio of median house price to median gross annual earnings across the WMCA

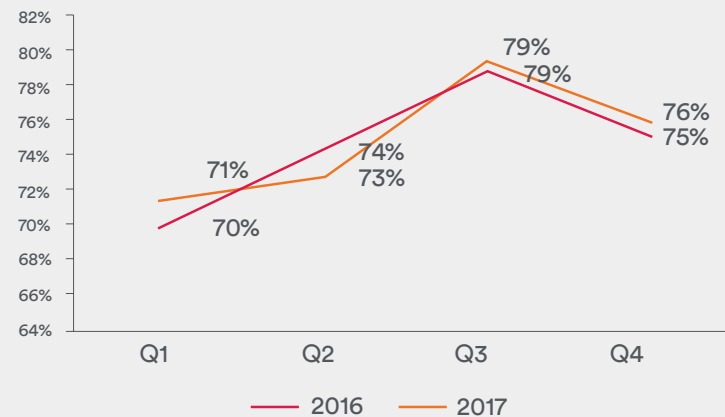


Dwelling Stock Estimates

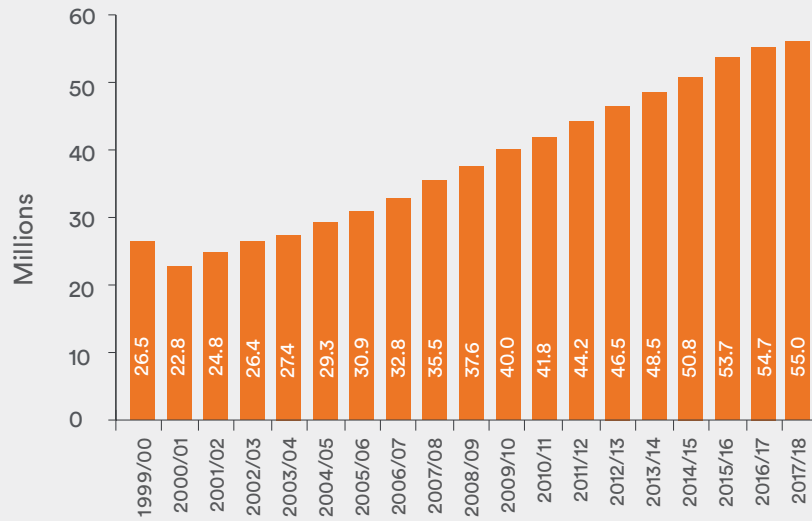


Source: MHCLG Live Table 125 - Dwelling Stock Estimates by Local Authority District

Hotel occupancy rates in the WMCA are - quarterly averages



Rail passengers in the West Midlands



Congestion in the West Midlands



Air Quality



Offending Rates in the West Midlands



32,008

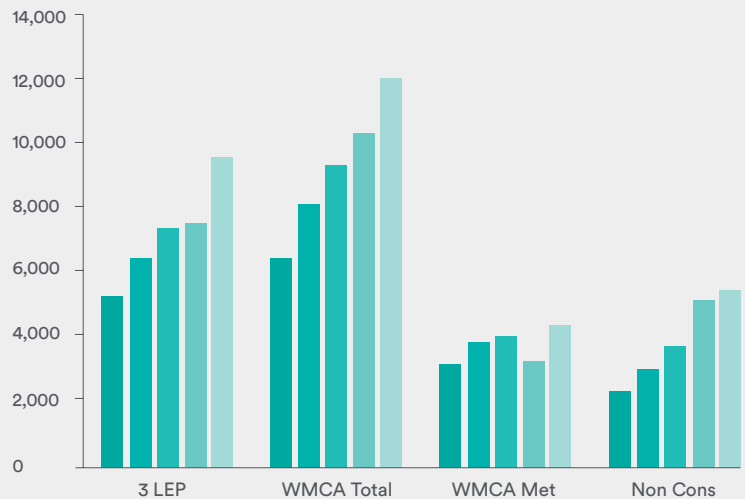
offenders (2014), 7.9 per 1,000 residents.

-1,364

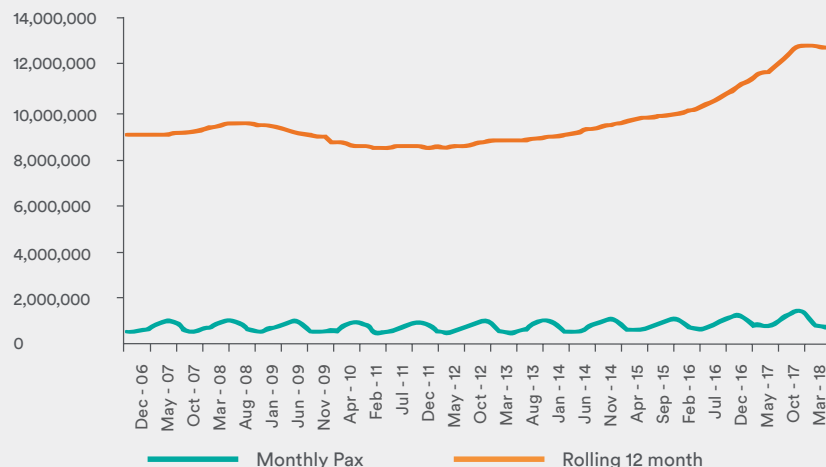
offenders since previous years

Key Indicators

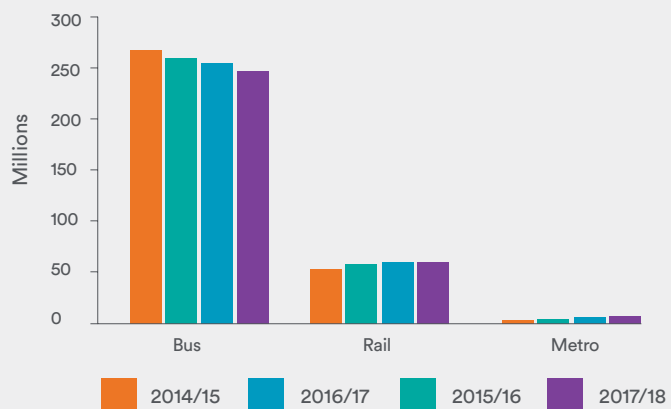
Home started in the West Midlands (2012 - 17)



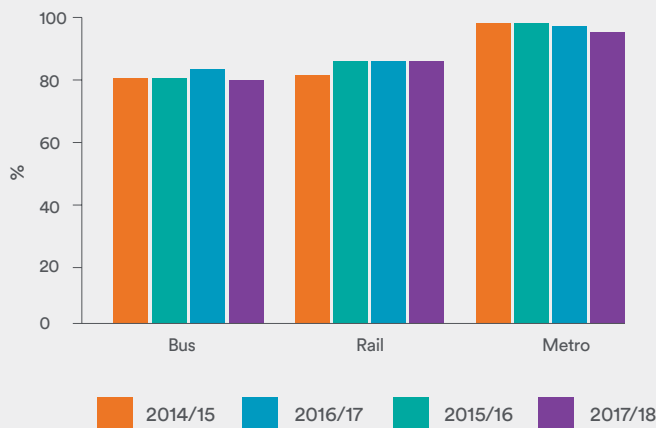
Birmingham Airport Passenger Numbers



Public Transport Usage



Public Transport Punctuality



Deepening our Evidence Base

We are focusing on some key development ‘corridors’ around HS2 and the associated connectivity package. This is to ensure that the investment made into hard infrastructure is connected to the assets in the places it touches. The work on building the data picture of these places has started, as have discussions around alignment of existing activities.

We will establish rigorous assessment and evaluation of our investments and interventions to understand the impacts on local places and people, including disadvantaged groups, for example around access to employment and housing.

We will work with partners to understand peoples and business perceptions to make a place where people want to live, work and invest.

We will not only measure the quantity of housing but also the quality.

The WMCA Performance Management Framework Indicators

3 LEP Geography consistent with WMCA SEP
unless otherwise stated³

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
ECONOMIC GROWTH - Improved GVA for the region in line with the UK average	O1. GVA per Head	£22,443	+£671	+£2,308 +11.5% WMCA +9.1% UK	GVA per head £26,621 +£4,178 GVA per head
	O2. GVA per Hour ⁴	£28.90	+£1.10	+£2.10 +7.4% WMCA +6.0% UK	GVA per hour £32.60 +£3.70 per Hour
	O3. GDHI per Person*	£16,295	+£115	+£1,287 +8.6% WMCA +8.5% UK	£19,432 GDHI per Person +£3,137 GDHI per Person

³ The green shading illustrates indicators which have moved in a positive direction compared to the UK average or national (England) where UK averages are not available. The red shading indicates the reverse and orange indicates a growth rate in the right direction but less than the UK or national average.

⁴ New PMF Indicator for 2018

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
<p>BUSINESS - Improved the productivity of our businesses focussing on our growth sectors</p> <p>FISCAL - Secure better for less from our public services</p>	B1. GVA per employee	£49,937	+£1,077	+£3,022 +6.4% WMCA +4.5% Eng	GVA per employee = £56,783 +£6,846 GVA per employee
	B2. GVA in transformational sectors	£66bn	+£2.6bn	+£9bn +15.9% WMCA +11.8% UK	£147bn WMCA SEP Ambition +£80.8bn GVA
	B3. No. of Business Births	27,550 business births 67 per 10,000 population	+5,120 business births	+8,745 business births +46.5% WMCA +19% UK	Ahead of UK 63 per 10k population +1,618 births per annum
	B4. Five - year Business Survival Rate of businesses born in 2011*	43.8%	-6.9pp	-31.48pp WMCA -31.5pp UK	44.1%
	B5. Jobs in Transformational Sectors	1.2m	+24,646 jobs	+106,979 jobs +9.5% WMCA +8.1% Eng	1.5m WMCA Transformational SEP Ambition + 236,120 transformational jobs
	B6. Total Jobs	2m	+36,178 jobs	+131,457 Jobs +6.9% WMCA + 7% Eng	2.4m WMCA SEP Total Jobs Ambition +364,165 Jobs
	B7. Employment Rate	71%	+2.2 pp	+3.7 pp WMCA +3.5 pp UK	Employment rate = 74.7% +3.7pp
	F1. Income & Exp. Balance	-£2.7bn	-5 bn	NA	To achieve no fiscal gap +£2.7 bn

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
PEOPLE - Improved Life Chances for all	P1 – Reduce % of people in top 10% most deprived areas	£49,937	£49,937	£49,937	£49,937
	P2. – Better employment, health and wider outcomes for people with complex needs	Under development			
	P3. (i) Annual average earnings of full-time working residents	£27,574	+ £472	+£1,695 +6.55% WMCA +6.47% Eng	+1.1pp
	(ii) % of employees earning above UK living wage	75.7%	NA	NA	+1.1pp
SKILLS - Improved skill levels at all ages so that people have the skills and qualifications to access jobs. Ignite / Retune /Accelerate	P4. % of Working Age Population (WAP) with No Qualifications	11.4% 289,300 people	, - 1.7 pp - 40,500 people	- 3.2 pp - 73,900 people - 1.6pp UK	- 3.4pp - 86,036 people
	P5. % of WAP with NVQ1	11.4% 288,800 people	-0.6 pp - 14,200 people	- 1.1 pp - 22,900 people - 1.2pp UK	Ahead of UK % by + 0.7pp + 16,934 people
	P6. % of WAP with NVQ2	16.9% 428,300 people	+ 0.1pp + 4,800 people	- 0.4 pp WMCA - 2,300 people - 0.8pp UK	Ahead of UK % by + 0.9 pp + 21,772 people
	P7. % of WAP with NVQ3	17.5% 445,800 people	+ 1.3 pp + 34,600 people	+ 0.1 pp + 9,800 people +No change UK	Ahead of UK % by + 0.5 pp + 13,864 people
	P8. % of WAP with NVQ4+	31.1% 790,800 people	+ 0.4 pp + 14,600 people	+3.55 pp + 103,000 people +3.5pp UK	+ 7.3 pp + 184,867 people
	P9. No. of Apprenticeships starts	42,470	+ 400 + 1%	+ 6,460 + 17.9% WMCA +12.5 % Eng.	84,000 + 42,219 apprenticeships
	P10. Progress 8 Score	- 0.12 (Below Average)	NA	NA	-0.03 (National average) + 0.09 points
	P11. NEETs aged 16-17	5,040 (7.8%) (WM Met)	NA	NA	6% - 1,143 NEETs
	P12. % of children achieving a good level of development at the end of reception*	67.0%	+1.7%	+10.0% WM Met +10.3% England	+3.7%
	P13. Social Mobility*	191 st out of 326 LA's	+15 places		WMCA in the Top Quarter Ranking

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
HEALTH - Better quality of life for all: improved health (inc. Mental health) and well being	P12. Healthy Life Expectancy (HLE) at Births – Males & Females	Males (M) = 59.6 years	+ 0.32 years	- 0.3 years WM Met + 0.1 years Eng.	63.3 years
		Females (F) = 60.3 years	- 0.6 years	- 0.9 years WM Met - 0.05 years Eng.	63.9 years
	P13. Reduced Inequality in HLE for Males & Females	Under development			
	P14. Health inequality gap by years between the most and least deprived areas	M = 7.4 years F = 9 years (WM Met)	M = + 1.2 F = - 0.9	M = + 1.3 F = - 1.3	No gap Reduce gap by 7.4 years for males and 9 years for females
	P15. Gap in employment rate for those in contact with secondary mental health services and the overall employment rate	58.9 %	- 0.6 pp	+ 1.5 pp WMCA + 5 pp Eng.	Ahead of England % by + 8.3pp (67.2%)
	P16 – Rates of suicide (per 100,000)	58.9 %	- 0.3	+ 1.5 WMCA + 0.3 Eng.	No suicides - 401 suicides - 401 suicides
	P17 - % Physically Active Adults*	57.0%	-23,400	NA	61.8%

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
			-23,400 1.2%		+ 156,701 active people ⁵
CRIME - Reduced offending and re-offending	P18 – No. of offenders per year	32,008 7.9 offenders per 1,000 population (2014)	- 1,364 - 4.1%	- 7,170 - 18.3% ⁶	Below the national average
	P19 - Re-offending rates (per 100,000)	24.9% (2014)	+ 0.3 pp	- 0.1 pp WMCA - 1.2 pp Eng. ⁷	Ahead of England - 0.5pp
	P20 – No. of first time entrants to Youth Justice System	443	- 2.5%	- 10.4% WM Met - 27% Eng.	-116 first-time entrants
	P21. Youth Claimants aged 18 - 24	16,265	+1,155 +7.6%	- 17,140 - 51.3% WMCA - 55.1% UK	- 34% - 5,499 youth claimants
	P22. Claimant Count aged 18 - 64	83,485	+ 10,310 + 14.1%	- 42,145 - 33.5% WMCA - 39.5% UK	- 41% - 34,018 claimants
PLACE ACCESSIBILITY- Improved the connectivity of people to businesses to jobs and markets	P11. Broadband Connectivity	95.6% 1.15m premises	+ 1.9 pp	+ 4.3 pp WM Met + 16 pp UK ⁸	100% +53,339 premises
	P12. % residents able to access 3 or more strategic centres including Birmingham City Centre, accessible by public transport within 45 mins travel time in the am peak	41% (WM Met)	- 0.4 pp	- 3.6 pp	75% + 34pp
	P13. Journey time reliability	Under development ⁹			

⁵ First Active Lives Survey was issued in 2017, therefore baseline data is unavailable.

⁶ Baseline is 2011.

⁷ Baseline is 2011.

⁸ Baseline is 2014.

⁹ Transport for West Midlands is in the process of developing an effective monitoring approach for journey time reliability.

Outcomes	Measures of Success	Where we are now	Change over the last year	Direction of Travel Relative to UK average since 2013	Scale of the Challenge
INFRASTRUCTURE - Improved the quantity of high quality readily available development sites	PI4. Mode Share of all Journeys: i). Mode Share of all journeys by car, public transport, cycling & walking ii). Percentage of car journeys single occupancy	i) Non-sustainable: Car (67%) Sustainable: Public Transport (10%) Walk (20%) Cycle (1%) Taxi (2%) ii) 82% (2014-2016)	NA	i) Non-Sustainable: Car +3% Sustainable: Public Transport -1% Walk - 2% Cycle No change Taxi No change ii) No change (2013 to 2015 – 2014 to 2016)	45% car mode share Car (- 22%)
	PI5. Total Dwelling Stock Estimates*	1,704,600	+11,480	+42,200 WMCA	+215,000 (by 2031)
	PI6. Total Additional Affordable Dwellings*	2,850 (2016/17)	+520	+15,550 WMCA (2012/13 – 2016/17)	
	PI7. Number of Additional Affordable Rented Dwellings*	1,590 (2016/17)	+320	5,830 WMCA (2014/15 – 2016/17)	
	PL8. Ratio of median house price to median gross annual residence-based earnings*	6.86 (2017)	+0.20	+1.00 WMCA +1.15 England	
	SUSTAINABILITY - Resource efficient economy to stimulate new technology and business	E1. CO2 emitted within SEP area by transport, businesses and homes	21,696ktCO2 (2015)	-924ktCO2 -4.1%	-12.8% WMCA -12.7% UK
E2. No. of days poor air quality per year (rated 4 or higher on the Daily Air Quality Index) ¹⁰		25 days	-15 days	-55.4% WMCA ¹¹ -38.1% UK	WMCA target: 1 day by 2030 -24 days

¹⁰ Number of days is measured by region

¹¹ Baseline data is 2011

This report is produced by:



Economic Intelligence Unit