WEST MIDLANDS
COMBINED AUTHORITY

STRATEGIC ECONOMIC PLAN

Technical appendix
VISION SETTING

WEST MIDLANDS COMBINED AUTHORITY

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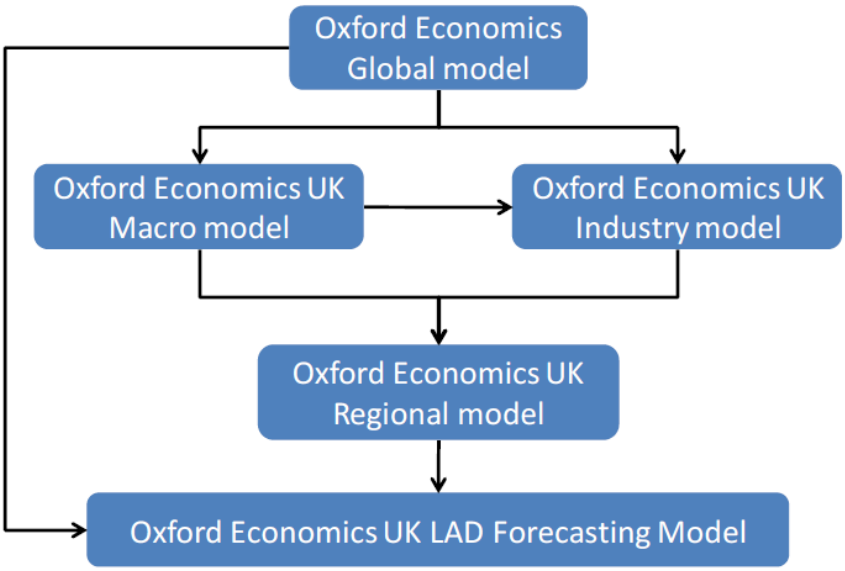
Background

In the development of the LEP Strategic Economic plans a variety of approaches and economic models were utilised by the WM LEP areas in order to set ambitions and clear targets for growth. In order to support the development of the SEP for the WMCA the LEP and LA's agreed to commission Oxford Economics to produce an Economic model covering the WMCA area providing consistent datasets across all geographical areas.

An Introduction to the Oxford Economic Model

Oxford Economics Local Authority District Forecasting Model sits within the Oxford suite of forecasting models. This structure ensures that global and national factors (such as developments in the Eurozone and UK Government fiscal policy) have an appropriate impact on the forecasts at a local authority level. This empirical framework (or set of 'controls') is critical in ensuring that the forecasts are much more than just an extrapolation of historical trends. Rather, the trends in our global, national and sectoral forecasts (all models are given equal weight) have an impact on the local area forecasts. In the current economic climate this means most, if not all, local areas will face challenges in the short-term, irrespective of how they have performed over the past 15 years.

Figure 1.1: Hierarchal structure of Oxford Economics' suite of models



The local forecasting model depends essentially upon three factors:

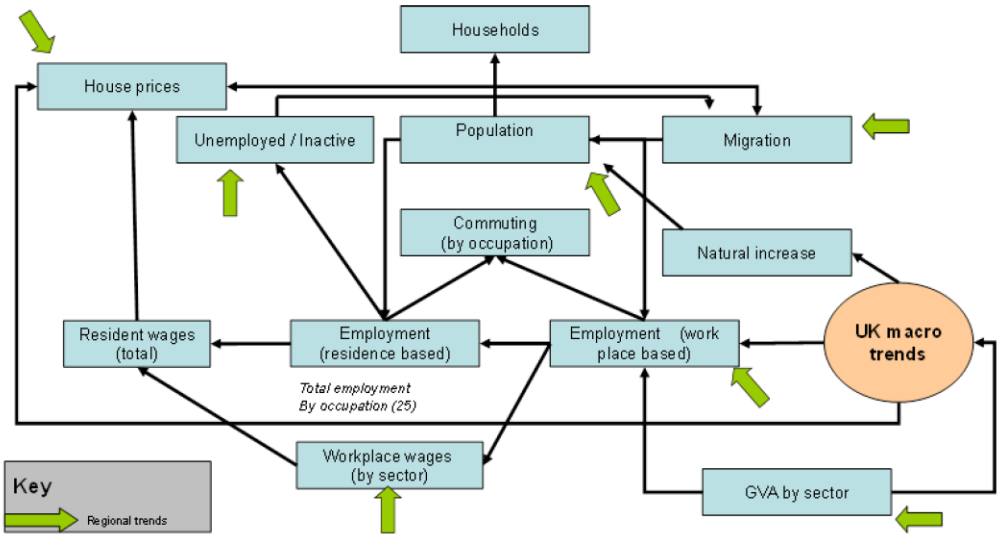
- National/regional outlooks – all the forecasting models are fully consistent with the broader global and national forecasts which are updated on a monthly basis.
- Historical trends in an area (which implicitly factor in supply side factors impinging on demand), augmented where appropriate by local knowledge and understanding of patterns of economic development built up over decades of expertise, and
- Fundamental economic relationships which interlink the various elements of the outlook.

The main internal relationships between variables are summarised in Figure 1.2. Each variable is related to others within the models. Key variables are also related to variables in the other Oxford Economics models.

The forecasts are produced within a fully-integrated system, which makes assumptions about migration, commuting and activity rates when producing employment and population forecasts.

The overall approach is based around modelling the interdependence of the economy and demographic developments at a local level, as well as reflecting the impact of broader economic developments on West Midlands Combined Authority. The forecasts are predominately 'economics led' in so much that our view of employment growth shapes population through the mechanism of migration. The rationale being that migratory labour tends to be attracted to locations which provide the best perceived job opportunities. The methodology also takes account of the fact that jobs in local area will also be filled by existing non-employed local residents and commuters, as well as migrants.

Figure 1.2: Main Relationships

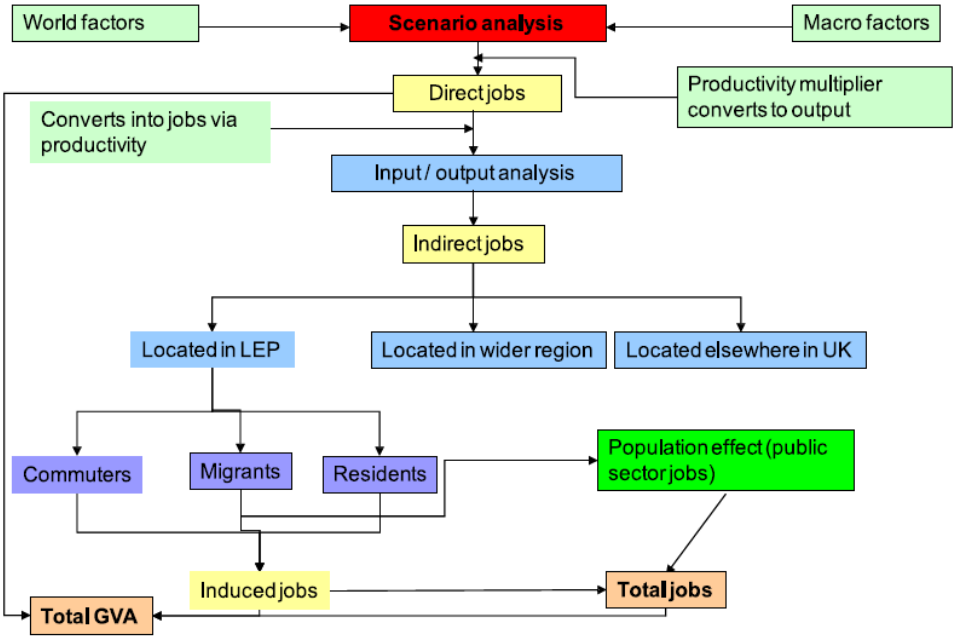


The variables available from the model and the various geographies covered at listed in Appendix 1.
The model covers the timeframe from 1991 – 2030.
This model produces the 'trend' scenario.

Scenario Model

Oxford Economics were also commissioned to provide a be-spoke Excel based impact model. This model is capable of running ad-hoc scenarios, sensitivity testing and economic impacts. The bespoke model is based upon an input-output framework. This is essentially a table showing who buys what from whom in the economy. The model shows the major spending flows from "final demand" (consumer spending, government spending, investment and exports to the rest of the world); intermediate spending patterns (the supply chain - what each sector buys from every other sector); how much spending stays within the economy; and the distribution of income between employment income and other income (mainly profits).

Figure 1.3: Scenario modelling – direct, indirect and induced impacts



When the user produces a scenario in the model, they will begin with the initial assumptions to estimate a 'direct' change in the number of jobs. The model estimates how many further jobs will be created or lost through the supply chain (the 'indirect' change in employment and output). The model also builds in a process to determine where the indirect (or supply chain) impacts are sourced from (within particular districts of the WMCA, within the West Midlands or elsewhere in the UK). With estimates of the direct and indirect employment effects within the economy the model estimates 'induced' employment creation (mainly in the retail, hospitality and other personal services sectors).

Given an increase in jobs, the model estimates where the required labour is sourced from (commuters, residents or migrants). This has an impact on unemployment and resident employment rates. Using commuting patterns and sectoral profiles the model then estimates the likely number of commuters that will be attracted to take up some of the new jobs. Those remaining will be taken by new migrants coming to the area, which will impact on population and the demand for public services (and further jobs).

The proposed model will allow users to change the following parameters:

- the rate of employment growth (or decline) to assess the impact of an alternative pattern of growth or a rebalancing of the local economy
- employment by sector to estimate the impact of a new development or firm closures
- productivity/skills assumptions to represent an improved skills mix

The model allows the user to make changes to each of the 3 LEP areas - Black Country, Greater Birmingham and Solihull LEP and Coventry and Warwickshire or at a local authority level. The results are available for West Midlands Combined Authority, its 3 LEP's and their local authorities, rest of West Midlands region, West Midlands and the UK.

Section B: Results of WMCA Scenario analysis:

Utilising the models from Oxford Economics a variety of scenarios were run and analysed. The following table sets out the assumptions behind these scenarios:

Scenario:	Assumptions:	Summary Outcomes:	Scenario Ambition
Scenario A – 'Trend' Scenario	These forecasts are policy neutral - they do not account for future changes in policy. They are based upon historical data and trends	• GVA per head increases from **£19,423** for WMCA in 2013 to **£26,422** in 2030 but a lower growth rate than nationally resulting in only 83% of UK average (**£32,016)** compared to current 85% - a £5,594 shortfall per person (-£3,427 currently). • Jobs forecast to rise by only 168,000 from 1.9m in 2013 to 2m in 2030 – a modest .35% annual growth rate from 2015-2030. • The population is forecast to continue to increase with a rise of 369,000 people by 2030 to 4.37m people compared to current population of 4m people.	• The 'Trend' Scenario forecasts a rising population (+369k people) and the creation of an additional 168,000 jobs leading to a rise in GVA per head to £26,422 by 2030 but a widening of the output gap with the national average.
Scenario B – 'Jobs 'Growth' Scenario	This scenario combines the three 2014 LEP SEP job growth scenarios to produce a consistent WMCA forecast figure. Jobs	• The impact of increased jobs via the SEP scenario results in a higher GVA per head of	• The 'Jobs' Scenario forecasts a jobs growth of 459k in line with the 3 LEP SEP jobs targets. The increased jobs

Scenario:	Assumptions:	Summary Outcomes:	Scenario Ambition
	growth of 91,000 net new jobs from 2013 to 2030 was forecast under the Black Country Vision Scenario. The GBSLEP forecasts 150,000 jobs by 2020. CWLEP forecasts 94,500 jobs. The model scenarios forecasts cover the period 2015-2030. The jobs figures were apportioned to sectors that were forecast to achieve positive growth in the trend scenario from 2015-2030. The percentage of 'positive growth' by sector was apportioned to the total increase in employment by each LEP area in order to get a total jobs figure for each sector that was achieving growth under the trend scenario. No additional productivity increases were incorporated.	£29,388 in 2030 – up to 92% of the national average and a shortfall of £2,628 per person (-£3,427 currently) • Jobs are forecast to rise as per the SEP scenarios from 1.9m in 2013 to 2.3 million in 2030, a rise of 459,000 jobs. • The population increases more than under the trend scenario to accommodate the increase in growth with a rise of 465,000 people compared to 369,000 in the trend scenario.	leads to a rise in GVA of £53bn resulting in a greater GVA per head of the rising population (+469k people) to £29,388 by 2030 – 92% of the national average.
Scenario C1 – 'Jobs and Increased Productivity (SEP)' Scenario	This SEP scenario is based on the WMCA annual growth rate in employment figure of 1.17 per annum (2015-2030) – as determined via the Jobs Growth scenario (scenario B). Jobs by sector have been apportioned to the 50 sectors based on the % of total jobs in the UK for the year 2030 (under the trend scenario).	• The jobs forecast is the same as per the Jobs scenario (scenario B). • The increase in productivity in sectors drives the GVA per head up to the national average by 2029.	• The 'SEP C1' Scenario forecasts a jobs growth of 455k in line with the 3 LEP SEP jobs targets. The increased jobs leads to a rise in GVA of £68bn resulting in a greater GVA per head of the rising population (+510k people) to £32,256 by 2030 – 101% of the national average and reaching the national average by 2029.

Scenario:	Assumptions:	Summary Outcomes:	Scenario Ambition
	The productivity figures used are based on the growth rates (2015-2030) in GVA per employee across the 50 sectors in the UK (under the trend scenario - these are set out in appendix 5). The growth rate was then applied to each of the 50 sectors and scaled upwards by 3.5 times in transformational sectors and UK trend growth applied to the enabling sectors.	• The population increases more than under the trend and jobs scenario to accommodate the increase in growth with a rise of 510,000 people compared to 2013.	
Scenario C2 – 'Jobs and High Productivity (SEP)' Scenario	This SEP scenario is based on the WMCA annual growth rate in employment figure of 1.17 per annum (2015-2030) – as determined via the Jobs scenario. Jobs by sector have been apportioned to the 50 sectors based on the % of total jobs in the UK for the year 2030 (under the trend scenario). The productivity figures used are based on the growth rates (2015-2030) in GVA per employee across the 50 sectors in the UK (under the trend scenario - these are set out in appendix 5). The growth rate was then applied to each of the 50 sectors and scaled upwards by 5 times in transformational sectors and UK trend growth applied to the enabling sectors.	• The jobs forecast is the same as per the Jobs scenario. • The higher productivity increases compared to the SEP C1 scenario drives the GVA per head up to the national average by 2026. • The population increases more than under the trend and jobs scenario to accommodate the increase in growth with a rise of 510,000 people compared to 201 as per Scenario C1.	• The 'SEP C2' Scenario forecasts a jobs growth of 455k in line with the 3 LEP SEP jobs targets. The increased jobs and increased productivity leads to a rise in GVA of £73bn resulting in a greater GVA per head of the rising population (+510k people) to £33,421 by 2030 – 104% of the national average and reaching the national average by 2026.

Scenario:	Assumptions:	Summary Outcomes:	Scenario Ambition
Scenario D1- 'Super SEP Economy +' Scenario –Higher Productivity	A range of alternative scenarios have been tested to look at increased employment and increased productivity in sectors in order to accelerate the time in year the WMCA reaches the national average. This scenario looks at a 1.17% average annual employment rate in all sectors except the public sector and a 7.5 times increase in productivity growth rates in all transformational sectors and normal growth rates in enabling sectors.	• The jobs growth rate is the same as under the SEP and Jobs Scenario. • This scenario would result in the WMCA reaching UK GVA per head by 2024. • Population growth is in line with the SEP Scenario.	• The 'SEP D1' Scenario forecasts a jobs growth of 455k in line with the 3 LEP SEP jobs targets. The high productivity increases lead to a rise in GVA of £80nn resulting in a greater GVA per head £35,041 by 2030 – 109% of the national average and an eradication of the output gap and GVA per head surpassing the national average by 2024.
Scenario D2- 'Super SEP Economy +' Scenario –Higher Jobs & Increased Productivity	This scenario looks at a 1.3% average annual employment rate in all sectors except the public sector and a 4 times the increase in productivity growth rates in all transformational sectors and normal growth rates in enabling sectors.	• The jobs growth rate is higher than under the SEP and Jobs Scenario. • This scenario would result in the WMCA reaching UK GVA per head by 2026. • Population growth is 32k higher than SEP Scenario.	• The 'SEP D2' Scenario forecasts a jobs growth of 504k – 49,000 greater than the original 3 LEP SEP jobs targets. The higher jobs and increased productivity increases lead to a rise in GVA of £75bn resulting in a greater GVA per head £33,604 by 2030 – 105% of the national average and an eradication of the output gap and GVA per head surpassing the national average by 2026.
Scenario E - 'Super SEP Economy ++' Scenario –Higher Jobs & Higher Productivity	This scenario looks at a 1.3% average annual employment rate in all sectors except the public sector and an 8 times the increase in productivity growth rates in all transformational sectors and normal growth rates in enabling sectors.	• The increased jobs growth rate would result in 49,000 additional jobs compared to the SEP Scenario. • This scenario would result in the WMCA surpassing the UK	• This scenario forecasts a jobs growth of 504k – 49,000 more jobs than the SEP scenario. The increased jobs and productivity results in eradication of the output gap and GVA per head

Scenario:	Assumptions:	Summary Outcomes:	Scenario Ambition
		on the basis of GVA per head by 2021. • The population increases more than under the SEP scenario – an additional 32,000 people.	surpassing the national average by 2021.
Scenario F - 'Super SEP Economy +++' Scenario – Significantly Higher Jobs and Higher Productivity	This scenario looked at a 1.5% average annual employment rate in all sectors except the public sector and 8 times the increase in productivity growth rates in all transformational sectors and normal growth rates in enabling sectors.	• This scenario would result in the WMCA surpassing UK on the basis of GVA per head by 2020. • The population increases more than under the SEP scenario – an additional 88,000 people.	• An eradication of the output gap and GVA per head surpassing the national average by 2020. The WMCA will nearly treble the total GVA generated in the area by 2030 and generate an additional 581,000 jobs - 126k greater than the SEP scenario and home to an additional 597k people.

Summary Scenario Assumptions:

	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario D1	Scenario D2	Scenario E	Scenario F
	Trend	**Jobs**	**NEW SEP 30th[1] Sept**	**SEP**	**Super SEP+**	**NEW Super SEP+ 30th Sept**	**Super SEP++**	**Super SEP+++**
Jobs Assumptions	.35% annual avg emp rate	SEP jobs target	SEP jobs target = 1.17% avg annual emp rate	SEP jobs target = 1.17% avg annual emp rate	SEP jobs target = 1.17% avg annual emp rate	Additional jobs over SEP target, 1.3% avg annual emp rate	Additional jobs over SEP target, 1.3% avg annual emp rate	Additional jobs over SEP target, 1.5% avg annual emp rate
Productivity Assumptions	Trend	Trend	3.5* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling	5* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling	7.5* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling	4* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling	8* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling	8* UK Trend annual growth in GVA employee per transformational sector 2015-2030, same growth as UK in enabling

[1]In August 2015 a variety of vision based scenarios were produced and debated with the WMCA SEP Board. In September C1 and D2 were added to the range of scenarios for consideration.

GVA per head – time to reach national average

The sequencing in terms of each LEP and the WMCA reaching national average in terms of GVA per had varies with each scenario – the timing of each is set out in the following table:

	Current		GVA per head	NEW			NEW		
	2014	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario D1	Scenario D2	Scenario E	Scenario F
UK	100%	Trend	Jobs	NEW SEP 30th Sept	SEP	Super SEP+	NEW Super SEP+ 30th Sept	Super SEP++	Super SEP+++
UK Minus London	89%								
BCLEP	73%	2030 -29%	2030 -21%	2030 -13%	2030 -11%	2030 -7%	2030 -10%	2029	2026
GBSLEP	88%	2030 -16%	2030 -7%	2027	2024	2022	2024	2020	2019
CWLEP	94%	2030 -6%	2022	2018	2019	2017	2017	2016	2016
WMCA	85%	2030 -17%	2030 -8%	2029	2026	2024	2026	2021	2020

Jobs Ambitions

The jobs targets under each scenario are set out in the following table:

					Additional Jobs				
	Total Jobs	Scenario A	Scenario B	Scenario C1	Scenario C2	Scenario D1	Scenario D2	Scenario E	Scenario F
	2013	Trend	Jobs	NEW SEP 30th Sept	SEP	Super SEP+	NEW Super SEP+ 30th Sept	Super SEP++	Super SEP+++
BCLEP	495k	+23k	+91k	+92k	+92k	+91k	+103k	+103k	+122k
CWLEP	459k	+48k	+121k	+119k	+119k	+122k	+131k	+131k	+150k
GBSLEP	945k	+97k	+246k	+244k	+244k	+243k	+269k	+269k	+309k
WMCA	1,899k	+168k	+453k	+455k	+455k	+455k	+504k	+504k	+581k
								Difference to Original SEP	
								+49k	+126k

Transforming the West Midlands Economy – the WMCA SEP Vision

The three scenarios highlighted in grey in the main table form the 3 scenarios agree by the WMCA SEP board, in summary:

1. **Trend Scenario**

The WMCA economy is on trend to grow, but by less than the national average meaning the output gap (the difference between the GVA per person in the area compared to the national average) will continue to widen from £14bn currently to £24bn in 2030.

But transformation is possible, the WMCA is outperforming the national average – from 2010-2013 the average annual growth rate for the WMCA was higher than the UK average.

2. **A WMCA SEP Scenario (C1)**

Delivery of the **3 LEP individual Strategic Economic Plans** will strengthen and transform the WMCA economy and result in:

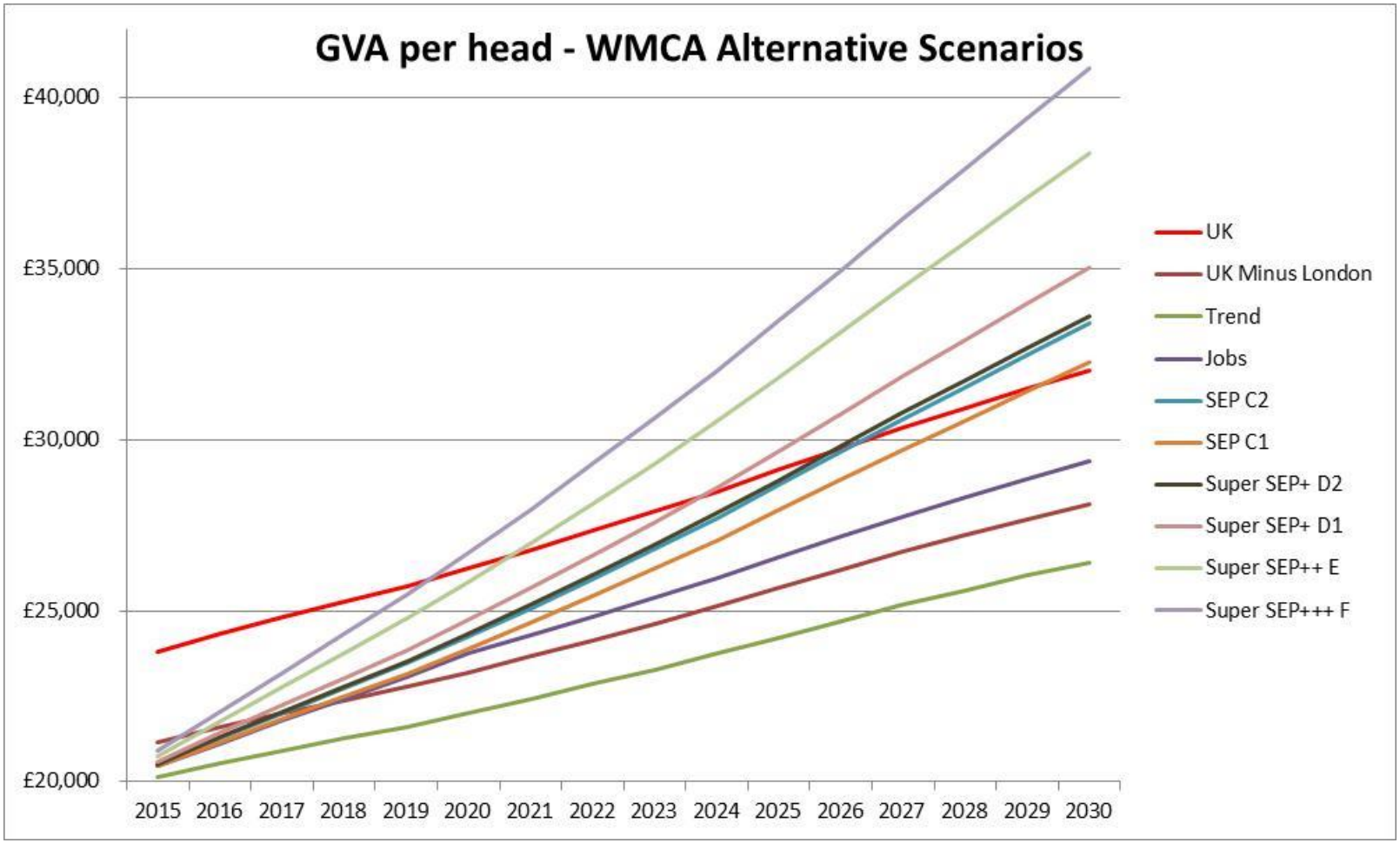
- ✓ an additional 455,000 jobs in the area by 2030
- ✓ an additional £68bn GVA (on top of the current £77bn produced)
- ✓ eradication of the output gap by 2029
- ✓ Population growth of 510k people (current population base of 4m people).

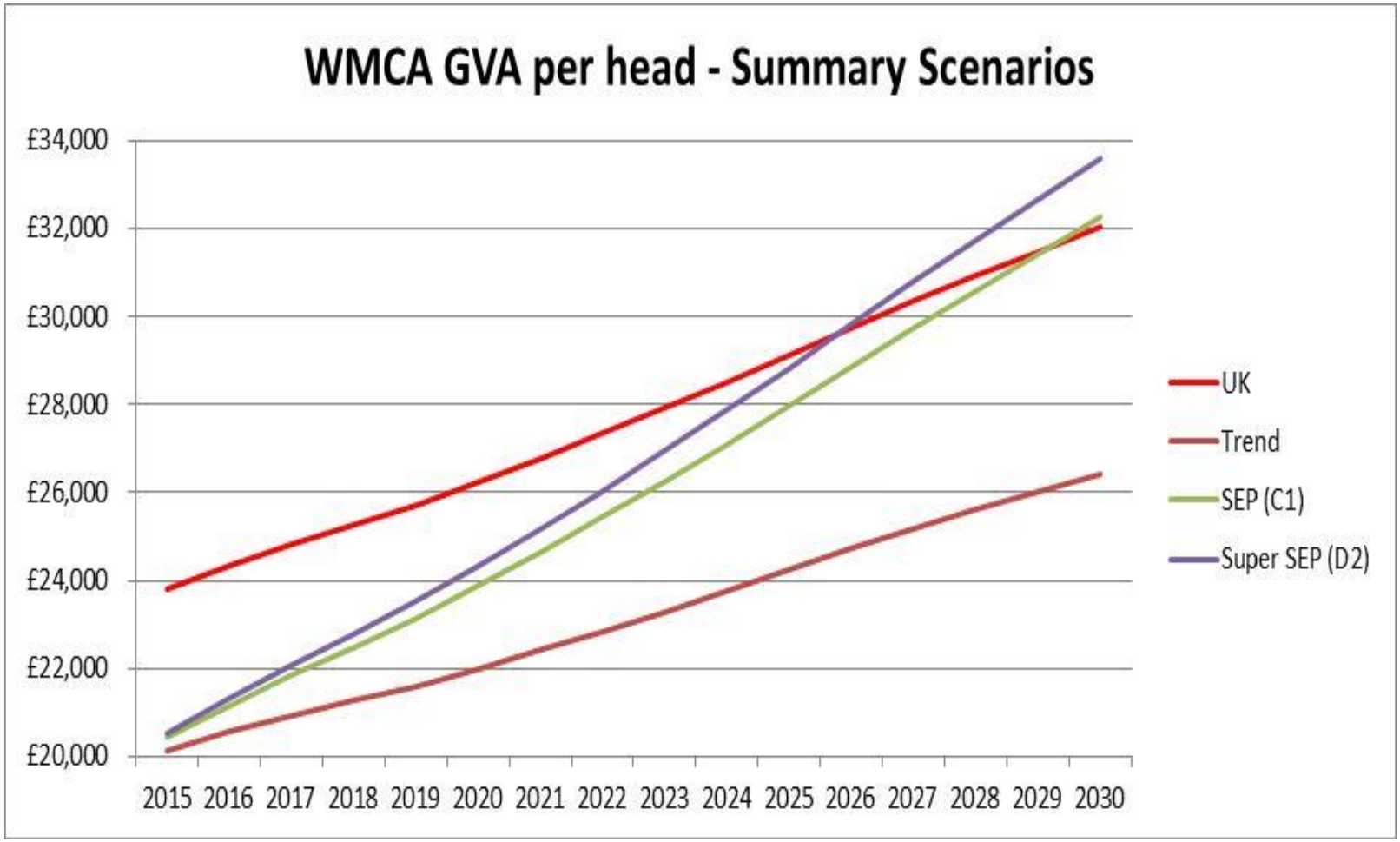
3. **An WMCA SEP Economy+ Scenario (D2)**

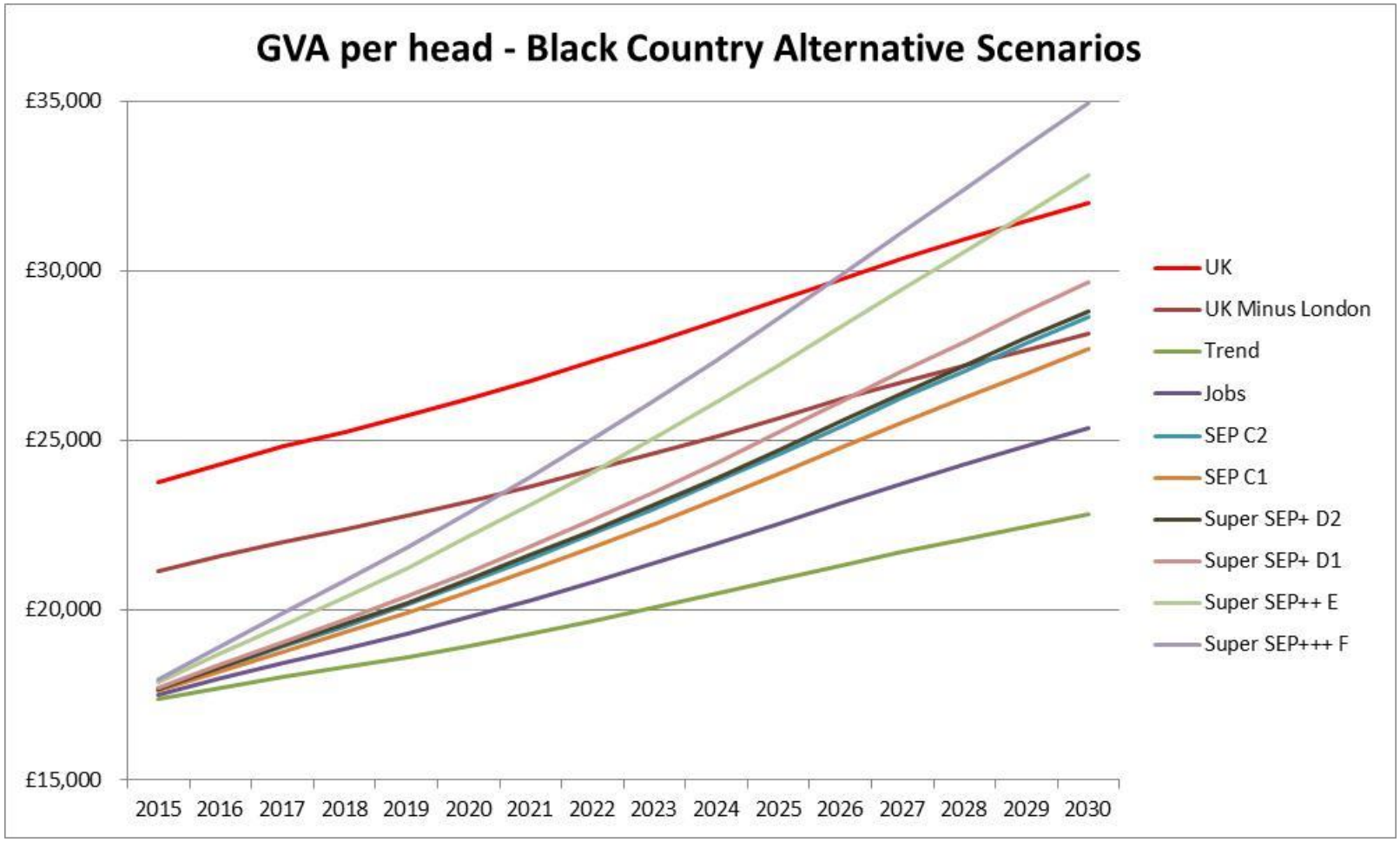
The **Vision for the WMCA SEP** is to deliver the individual SEP's and drive activity over and above this in order to achieve an even greater acceleration of growth. Our ambition it to deliver:

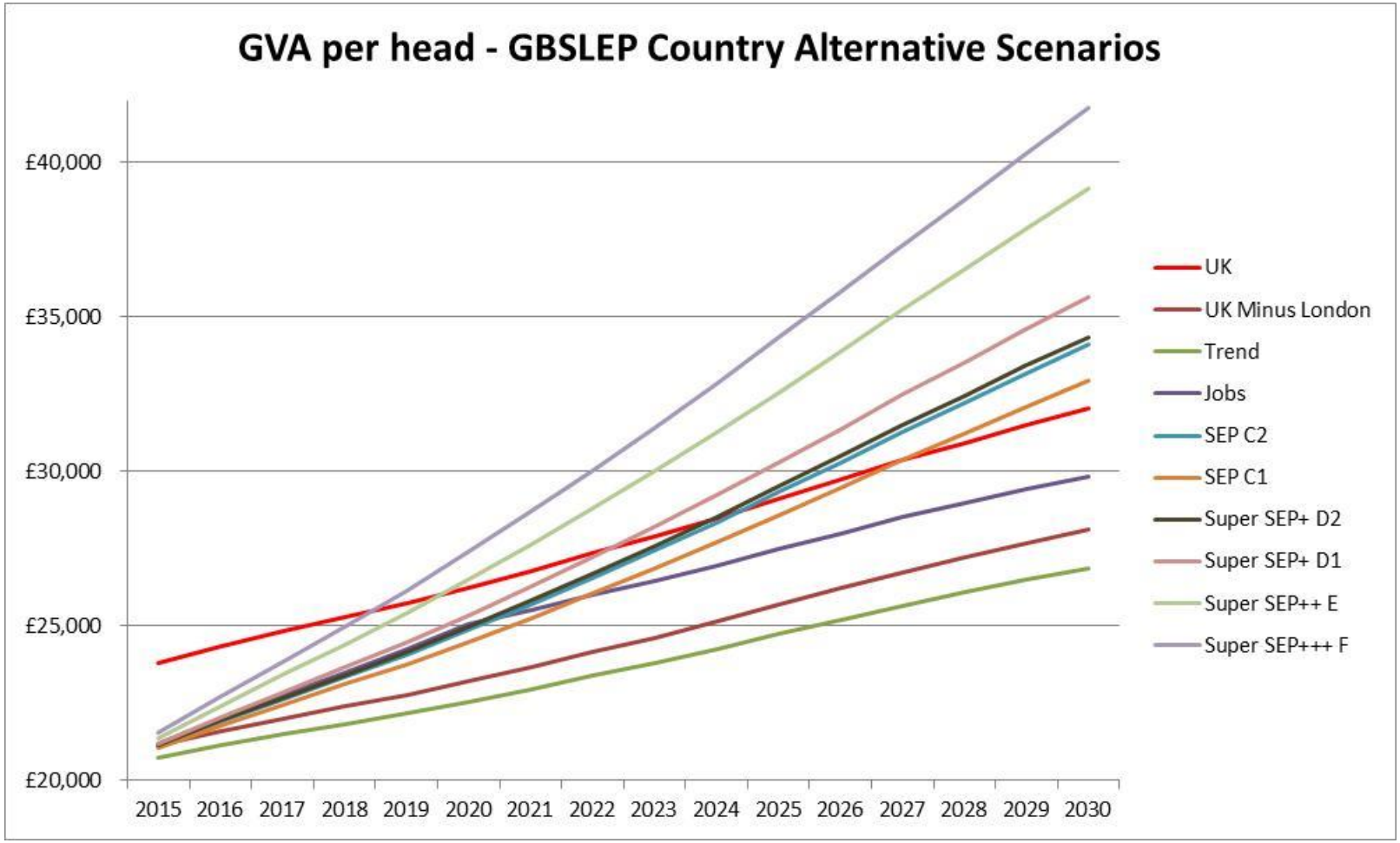
- ✓ over half a million jobs (49k jobs on top of individual SEP targets of 455k)
- ✓ a doubling of total GVA - an additional £75bn GVA (£7bn over SEP)
- ✓ eradication of the output gap by 2026
- ✓ population growth of 542k people (32k over 3 LEP SEP ambition)

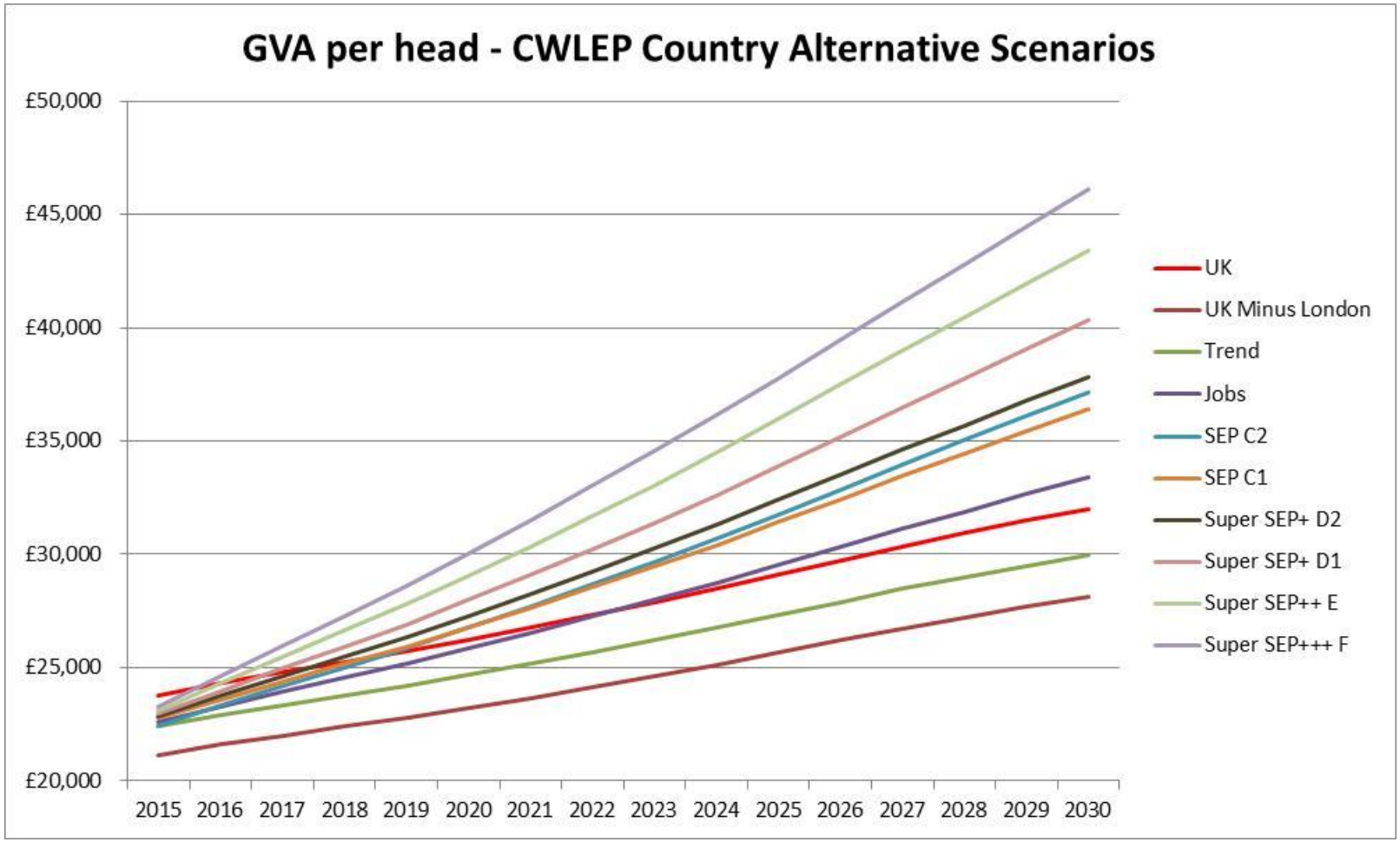
- This additional growth identified in WMCA 3 LEP SEP Vision will be underpinned by the Devolution deal and the WMCA SEP Programme of activity.


GVA per head - WMCA Alternative Scenarios
£40,000
£35,000
£30,000
£25,000
£20,000
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
UK
UK Minus London
Trend
Jobs
SEP C2
SEP C1
Super SEP+ D2
Super SEP+ D1
Super SEP++ E
Super SEP+++ F


WMCA GVA per head - Summary Scenarios
£34,000
£32,000
£30,000
£28,000
£26,000
£24,000
£22,000
£20,000
2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030
UK
Trend
SEP (C1)
Super SEP (D2)


GVA per head - Black Country Alternative Scenarios
£35,000
£30,000
£25,000
£20,000
£15,000
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
UK
UK Minus London
Trend
Jobs
SEP C2
SEP C1
Super SEP+ D2
Super SEP+ D1
Super SEP++ E
Super SEP+++ F


GVA per head - GBSLEP Country Alternative Scenarios
£40,000
£35,000
£30,000
£25,000
£20,000
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
UK
UK Minus London
Trend
Jobs
SEP C2
SEP C1
Super SEP+ D2
Super SEP+ D1
Super SEP++ E
Super SEP+++ F


GVA per head - CWLEP Country Alternative Scenarios
£50,000
£45,000
£40,000
£35,000
£30,000
£25,000
£20,000
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
UK
UK Minus London
Trend
Jobs
SEP C2
SEP C1
Super SEP+ D2
Super SEP+ D1
Super SEP++ E
Super SEP+++ F

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Scenario A - Trend Scenario

			Trend Scenario A			
Outcome:	**2013**	**UK=100**	**Difference UK Average**	**2030 – "Trend" Scenario**	**UK=100**	**Difference UK Average**
GVA per head growth - Current Prices						
BCLEP:	£ 16,682	73%	-£ 6,169	£ 22,816	71%	-£ 9,199
CWLEP:	£ 21,461	94%	-£ 1,390	£ 29,968	94%	-£ 2,048
GBSLEP:	£ 20,117	88%	-£ 2,734	£ 26,862	84%	-£ 5,154
CA – 3 LEP:	**£ 19,423**	85%	-£ 3,427	**£ 26,422**	83%	-£ 5,594
UK Average	£ 22,850			£ 32,016		
UK Average (without London)	£ 20,378	89%		£ 28,131		
WM METs	£ 19,501	85%	-£ 3,350	£ 26,240	82%	-£ 5,775
		Total GVA growth (£m) – based on Current Prices				
Outcome:	2013	**2030 Trend Scenario**	Change	%		
Total GVA growth (£m) – based on Current Prices						
BCLEP:	£ 19,217	£ 27,679	£ 8,462	44%		
CWLEP:	£ 18,866	£ 28,790	£ 9,924	53%		
GBSLEP:	£ 39,644	£ 59,026	£ 19,382	49%		
CA – 3 LEP:	£ 77,727	£ 115,495	£ 37,768	49%		
		Work Based Jobs				
Outcomes	**2013 (000's)**	**2030 Trend Scenario**	**Change (000's)**	**%**		
Work Based Jobs						
BCLEP:	495	518	23	5%		
CWLEP:	459	507	48	10%		
GBSLEP:	945	1,042	97	10%		
CA – 3 LEP:	1,899	2,068	168	9%		
		Population Growth				
Outcomes	**2013 (000's)**	**2030 Trend Scenario**	**Change**	**%**		
Population Growth						
BCLEP:	1,152	1,213	61	5%		
CWLEP:	879	961	82	9%		
GBSLEP:	1,971	2,197	227	12%		
CA – 3 LEP:	4,002	4,371	369	9%		

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Scenario B - Jobs Scenario

		JOBS Scenario B		
Outcome:	**2013**	**2030 – "Jobs" Scenario**	**UK=100**	**Difference UK Average**
GVA per head growth - Current Prices				
BCLEP:	£ 16,682	£ 25,367	79%	-£ 6,649
CWLEP:	£ 21,461	£ 33,386	104%	£ 1,371
GBSLEP:	£ 20,117	£ 29,827	93%	-£ 2,189
CA – 3 LEP:	£ 19,423	£ 29,388	92%	-£ 2,628
UK Average	£ 22,850			
Uk Average (without London)	£ 20,378			
Outcome:	**2013**	**2030 "Jobs Scenario"**	**Change**	**% change**
Total GVA growth (£m) – based on Current Prices				
BCLEP:	£ 19,217	£ 31,149	£ 11,932	62%
CWLEP:	£ 18,866	£ 32,960	£ 14,094	75%
GBSLEP:	£ 39,644	£ 67,270	£ 27,627	70%
CA – 3 LEP:	£ 77,727	£ 131,379	£ 53,653	69%
Outcomes	**2013 (000's)**	**2030 "Jobs Scenario"**	**Change**	**% change**
Work Based Jobs				
BCLEP:	495	586	91	18%
CWLEP:	459	581	121	26%
GBSLEP:	945	1191	246	26%
CA – 3 LEP:	1,899	2,358	459	24%
Outcomes	**2013 (000's)**	**2030 "Jobs Scenario"**	**Change**	**% change**
Population Growth				
BCLEP:	1,152	1,228	76	7%
CWLEP:	879	987	108	12%
GBSLEP:	1,971	2,255	285	14%
CA – 3 LEP:	4,002	4,471	469	12%

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Scenario C1 – Jobs + Increased Productivity – SEP Scenario

SEP Scenario C1- 1.17% annual employment growth rate, 3.5 times the UK Trend growth rate 2015-2030 in GVA per employee across all transformational sectors and same growth as UK in enabling sectors				
Outcome:	**2013**	**2030 – "SEP C1" Scenario**	**UK=100**	**Difference Jobs Scenario**
GVA per head growth - Current Prices				
BCLEP:	£ 16,682	£ 27,698	87%	£ 11,017
CWLEP:	£ 21,461	£ 36,392	114%	£ 14,932
GBSLEP:	£ 20,117	£ 32,919	103%	£ 12,802
CA – 3 LEP:	£ 19,423	£ 32,256	101%	£ 12,833
UK Average	£ 22,850			
Uk Average (without London)	£ 20,378			
WM METs	£ 19,501			
Outcome:	**2013**	**2030 – "SEP C1" Scenario**	**Change**	**% change**
Total GVA growth (£m) – based o				
BCLEP:	£ 19,217	£ 34,382	£ 15,165	79%
CWLEP:	£ 18,866	£ 36,567	£ 17,701	94%
GBSLEP:	£ 39,644	£ 74,574	£ 34,930	88%
CA – 3 LEP:	£ 77,727	£ 145,522	£ 67,796	87%
Outcomes	**2013 (000's)**	**2030 – "SEP C1" Scenario**	**Change**	**% change**
Work Based Jobs				
BCLEP:	495	587	92	19%
CWLEP:	459	578	119	26%
GBSLEP:	945	1,189	244	26%
CA – 3 LEP:	1,899	2,354	455	24%
Outcomes	**2013 (000's)**	**2030 – "SEP C1" Scenario**	**Change**	**% change**
Population Growth				
BCLEP:	**1,152**	1,241	89	8%
CWLEP:	**879**	1,005	126	14%
GBSLEP:	**1,971**	2,265	295	15%
CA – 3 LEP:	**4,002**	4,512	510	13%

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Scenario C2 – Jobs and High Productivity - SEP Scenario

SEP Scenario C2 - 1.17% annual employment growth rate, no growth public sector emp rate, 5 times growth rates for all sectors based on GVA per employee growth rates 2015-2030				
Outcome:	**2013**	**2030 – "SEP C2" Scenario**	**UK=100**	**Difference Jobs Scenario**
GVA per head growth - Current Prices				
BCLEP:	£ 16,682	£ 28,637	89%	£ 3,270
CWLEP:	£ 21,461	£ 37,788	118%	£ 4,402
GBSLEP:	£ 20,117	£ 34,098	107%	£ 4,271
CA – 3 LEP:	£ 19,423	£ 33,421	104%	£ 4,033
UK Average	£ 22,850			
Uk Average (without London)	£ 20,378			
WM METs	£ 19,501			
Outcome:	**2013**	**2030 – "SEP C2" Scenario**	**Change**	**% change**
Total GVA growth (£m) – based o				
BCLEP:	£ 19,217	£ 35,547	£ 16,331	85%
CWLEP:	£ 18,866	£ 37,969	£ 19,103	101%
GBSLEP:	£ 39,644	£ 77,246	£ 37,602	95%
CA – 3 LEP:	£ 77,727	£ 150,777	£ 73,051	94%
Outcomes	**2013 (000's)**	**2030 – "SEP C2" Scenario**	**Change**	**% change**
Work Based Jobs				
BCLEP:	495	587	92	19%
CWLEP:	459	578	119	26%
GBSLEP:	945	1,189	244	26%
CA – 3 LEP:	1,899	2,354	455	24%
Outcomes	**2013 (000's)**	**2030 – "SEP C2" Scenario**	**Change**	**% change**
Population Growth				
BCLEP:	**1,152**	1,241	89	8%
CWLEP:	**879**	1,005	126	14%
GBSLEP:	**1,971**	2,265	295	15%
CA – 3 LEP:	**4,002**	4,512	510	13%

WEST MIDLANDS COMBINED AUTHORITY

Scenario D1 –Super SEP Economy +

Scenario D1 Super SEP Economy+	1.17% average annual employment rate, no growth public setor emp rate, 7.5x average growth rates in all transformational sectors and normal growth rates in enabling sectors				
Outcome:	**2013**	**2030 – " Super SEP Economy+" Scenario D1**	**UK=100**	**Difference SEP C1 Scenario**	
GVA per head growth - Current P					
BCLEP:	£ 16,682	£ 29,666	93%	£ 1,968	
CWLEP:	£ 21,461	£ 40,325	126%	£ 3,933	
GBSLEP:	£ 20,117	£ 35,639	111%	£ 2,721	
CA – 3 LEP:	£ 19,423	£ 35,040	109%	£ 2,784	
UK Average	£ 22,850				
Uk Average (without London)	£ 20.378				
WM METs	£ 19,501				
Outcome:	**2013**	**2030 – " Super SEP Economy+" Scenario D1**	**Change**	**% change**	**Difference SEP C1 Scena**
Total GVA growth (£m) – based o					
BCLEP:	£ 19,217	£ 36,806	£ 17,589	92%	£ 2,424
CWLEP:	£ 18,866	£ 40,512	£ 21,646	115%	£ 3,946
GBSLEP:	£ 39,644	£ 80,709	£ 41,065	104%	£ 6,135
CA – 3 LEP:	£ 77,727	£ 158,027	£ 80,301	103%	£ 12,505
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy+" Scenario D1**	**Change**	**% change**	**Difference SEP C1 Scena**
Work Based Jobs					
BCLEP:	495	586	91	18%	-1
CWLEP:	459	581	122	26%	3
GBSLEP:	945	1,188	243	26%	-1
CA – 3 LEP:	1,899	2,354	455	24%	0
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy+" Scenario D1**	**Change**	**% change**	**Difference SEP C1 Scena**
Population Growth					
BCLEP:	**1,152**	1,241	89	8%	-1
CWLEP:	**879**	1,005	126	14%	0
GBSLEP:	**1,971**	2,265	294	15%	-1
CA – 3 LEP:	**4,002**	4,510	508	13%	-2

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Scenario D2 –Super SEP Economy +

Scenario D2 Super SEP Economy+ - 1.3% annual employment growth rate, 4 times the UK Trend growth rate 2015-2030 in GVA per employee across all transformational sectors and same growth as UK in enabling sectors					
Outcome:	**2013**	**2030 – " Super SEP Economy+" Scenario D2**	**UK=100**	**Difference SEP C1 Scenario**	
GVA per head growth - Current Prices					
BCLEP:	£ 16,682	£ 28,819	90%	£ 1,121	
CWLEP:	£ 21,461	£ 37,811	118%	£ 1,419	
GBSLEP:	£ 20,117	£ 34,349	107%	£ 1,430	
CA – 3 LEP:	£ 19,423	£ 33,604	105%	£ 1,349	
UK Average	£ 22,850				
Uk Average (without London)	£ 20,378				
WM METs	£ 19,501				
Outcome:	**2013**	**2030 – " Super SEP Economy+" Scenario D2**	**Change**	**% change**	**Difference SEP C1 Scena**
Total GVA growth (£m) – based o					
BCLEP:	£ 19,217	£ 35,970	£ 16,754	87%	£ 1,588
CWLEP:	£ 18,866	£ 38,436	£ 19,570	104%	£ 1,869
GBSLEP:	£ 39,644	£ 78,272	£ 38,629	97%	£ 3,699
CA – 3 LEP:	£ 77,727	£ 152,679	£ 74,953	96%	£ 7,157
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy+" Scenario D2**	**Change**	**% change**	**Difference SEP C1 Scena**
Work Based Jobs					
BCLEP:	495	598	103	21%	12
CWLEP:	459	590	131	29%	12
GBSLEP:	945	1,214	269	29%	25
CA – 3 LEP:	1,899	2,403	504	27%	49
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy+" Scenario D2**	**Change**	**% change**	**Difference SEP C1 Scena**
Population Growth					
BCLEP:	**1,152**	1,248	96	8%	7
CWLEP:	**879**	1,017	137	16%	12
GBSLEP:	**1,971**	2,279	308	16%	13
CA – 3 LEP:	**4,002**	4,543	542	14%	32

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Scenario E –Super SEP Economy ++

Scenarion E SUPER SEP Economy++ Scenario	1.3% average annual employment rate, no growth public setor emp rate, 8x average growth rates in all transformational sectors and normal growth rates in enabling sectors			
Outcome:	**2013**	**2030 – " Super SEP Economy ++" Scenar**	**UK=100**	**Difference SEP C1 Scena**
GVA per head growth - Current Prices				
BCLEP:	£ 16,682	£ 32,800	102%	£ 4,162
CWLEP:	£ 21,461	£ 43,432	136%	£ 5,644
GBSLEP:	£ 20,117	£ 39,156	122%	£ 5,058
CA – 3 LEP:	£ 19,423	£ 38,366	120%	£ 4,946
UK Average	£ 22,850			
Uk Average (without London)	£ 20.378			
WM METs	£ 19,501			
Outcome:	**2013**	**2030 – " Super SEP Economy ++" Scenar**	**Change**	**% change**
Total GVA growth (£m) – based on Cur				
BCLEP:	£ 19,217	£ 40,943	£ 21,726	113%
CWLEP:	£ 18,866	£ 44,151	£ 25,285	134%
GBSLEP:	£ 39,644	£ 89,231	£ 49,587	125%
CA – 3 LEP:	£ 77,727	£ 174,325	£ 96,598	124%
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy ++" Scenar**	**Change**	**% change**
Work Based Jobs				
BCLEP:	495	599	103.40	21%
CWLEP:	459	590	131	29%
GBSLEP:	945	1,214	269	29%
CA – 3 LEP:	1,899	2,403	504	27%
			49	
Outcomes	**2013 (000's)**	**2030 – " Super SEP Economy ++" Scenar**	**Change**	**% change**
Population Growth				
BCLEP:	**1,152**	1,248	96	8%
CWLEP:	**879**	1,017	137	16%
GBSLEP:	**1,971**	2,279	308	16%
CA – 3 LEP:	**4,002**	4,544	542	14%

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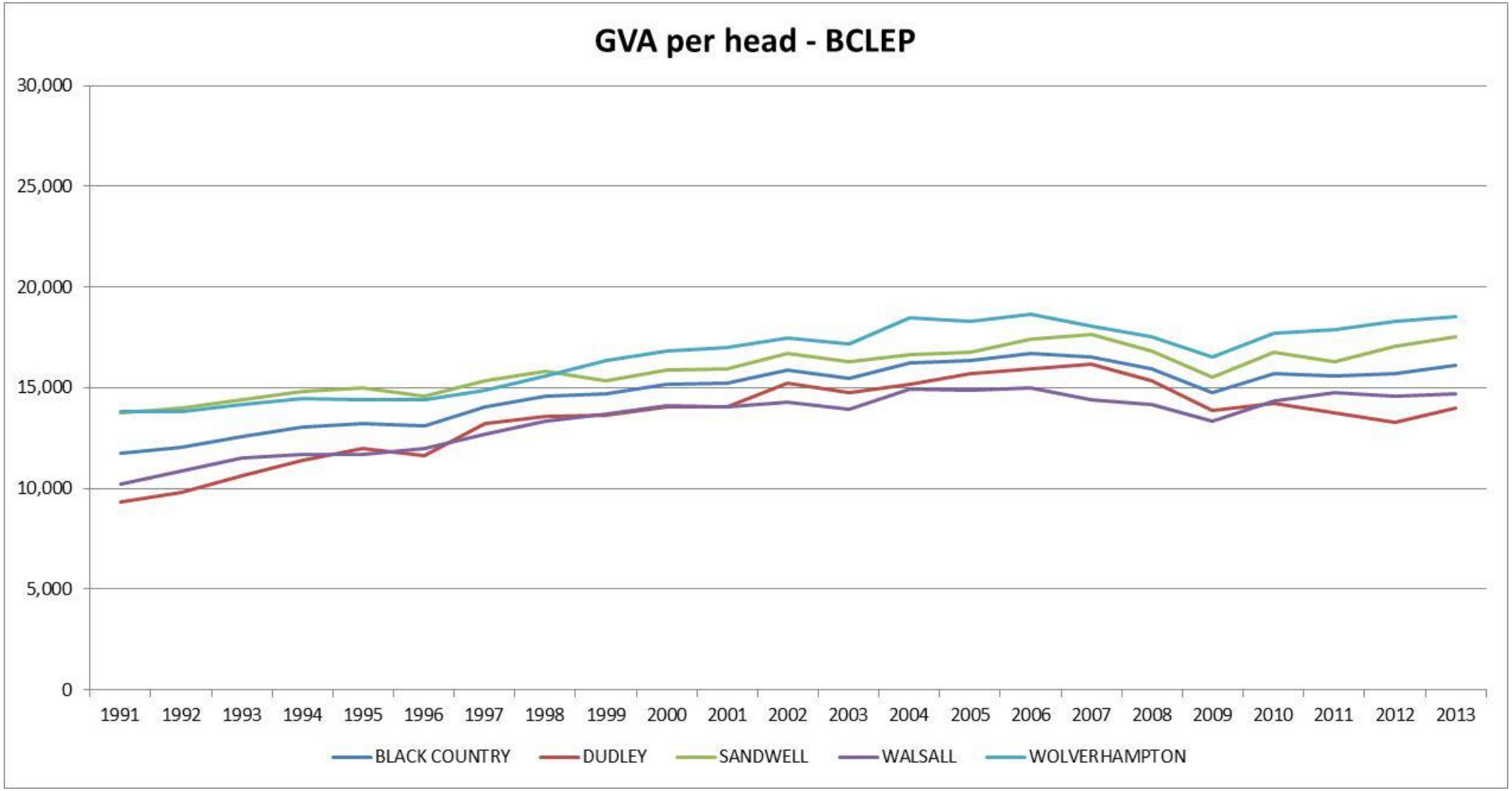
Scenario F –Super SEP Economy +++

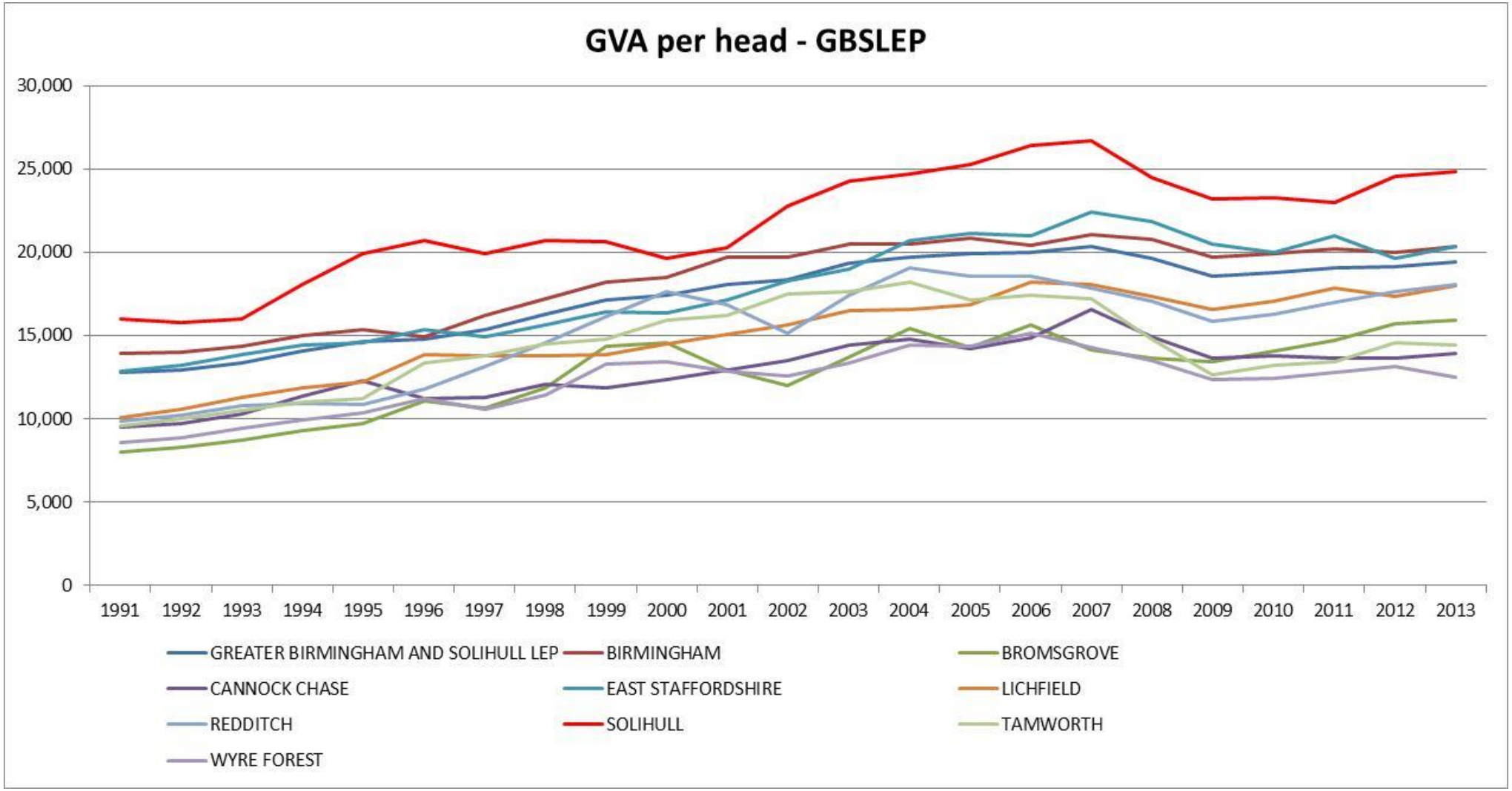
SUPER SEP Economy+++ Scenario F	1.5% average annual employment rate, no growth public setor emp rate, 8x average growth rates in all transformational sectors and normal growth rates in enabling sectors			
Outcome:	**2013**	**2030 – "Super SEP Economy+++" Scenario**	**UK=100**	**Difference SEP C1 Scenario**
GVA per head growth - Current Prices				
BCLEP:	£ 16,682	£ 34,946	109%	£ 6,309
CWLEP:	£ 21,461	£ 46,136	144%	£ 8,348
GBSLEP:	£ 20,117	£ 41,766	130%	£ 7,668
CA – 3 LEP:	£ 19,423	£ 40,856	128%	£ 7,435
UK Average	£ 22,850			
Uk Average (without London)	£ 20.378			
WM METs	£ 19,501			
Outcome:	**2013**	**2030 – "Super SEP Economy+++" Scenario**	**Change**	**% change**
Total GVA growth (£m) – based on Cu				
BCLEP:	£ 19,217	£ 43,995	£ 24,778	129%
CWLEP:	£ 18,866	£ 47,742	£ 28,876	153%
GBSLEP:	£ 39,644	£ 96,292	£ 56,648	143%
CA – 3 LEP:	£ 77,727	£ 187,907	£ 110,180	142%
Outcomes	**2013 (000's)**	**2030 – "Super SEP Economy+++" Scenario**	**Change**	**% change**
Work Based Jobs				
BCLEP:	495	617	121.60	25%
CWLEP:	459	609	150	33%
GBSLEP:	945	1,254	309	33%
CA – 3 LEP:	1,899	2,480	581	31%
			126	
Outcomes	**2013 (000's)**	**2030 – "Super SEP Economy+++" Scenario**	**Change**	**% change**
Population Growth				
BCLEP:	**1,152**	1,259	107	9%
CWLEP:	**879**	1,035	156	18%
GBSLEP:	**1,971**	2,305	335	17%
CA – 3 LEP:	**4,002**	4,599	597	15%

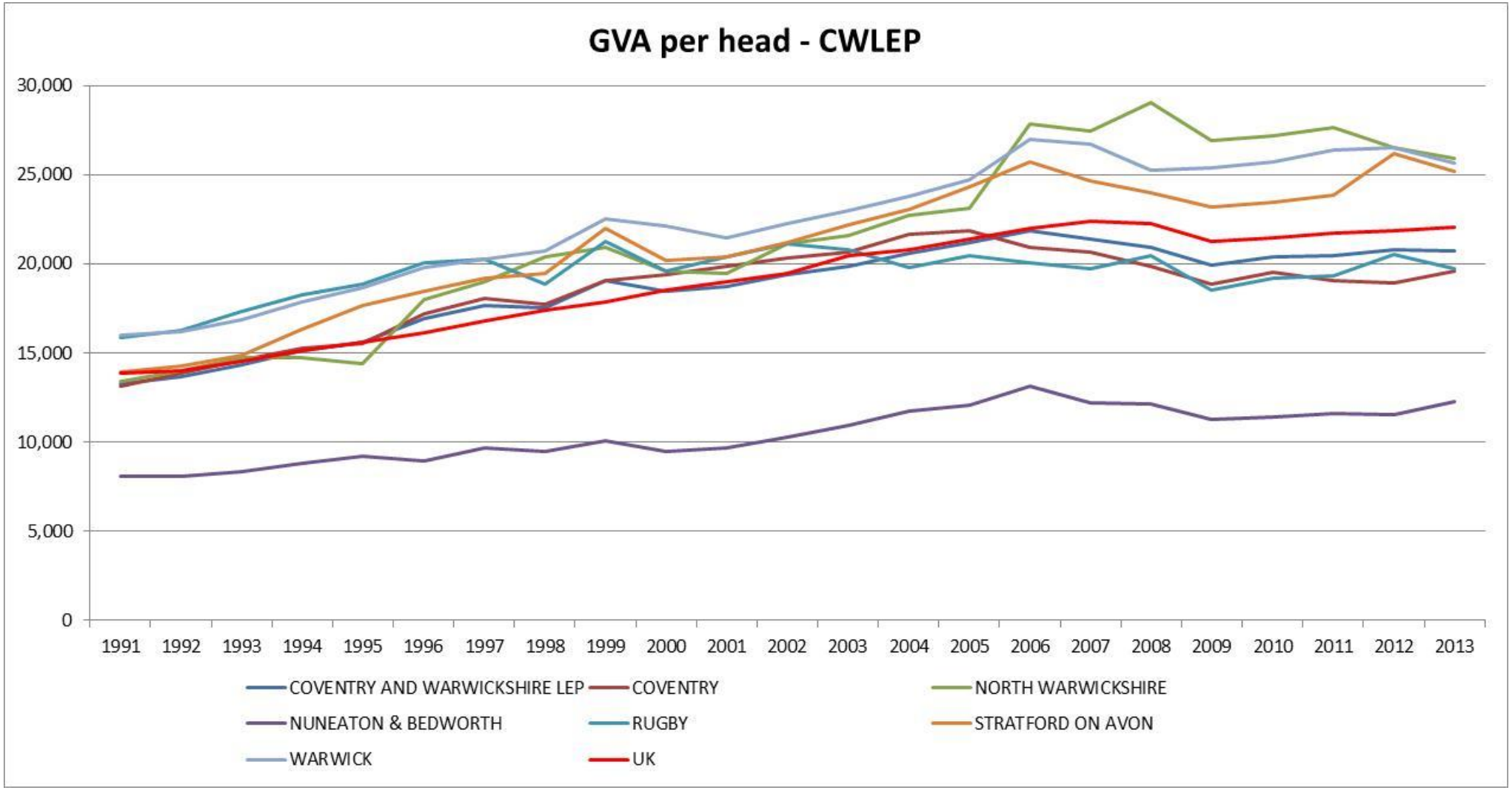
Section D. Historic Trends

The following tables set out the performance of the WMCA and the 3 LEP areas in terms of some summary indicators since 1991:

WEST MIDLANDS COMBINED AUTHORITY						
	1991	**1995**	**2000**	**2005**	**2010**	**2013**
Population (000s)	3714	3714	3698	3778	3918	4002
Working age population (000s)	2371	2337	2330	2410	2497	2521
Migration (000s)	-	-9	-13	15	10	5
Employment (000s)	1849	1823	1865	1924	1845	1899
Unemployment rate (%)	7%	7%	4%	3%	5%	5%
GVA - total (£m, 2011 prices)	46706	53562	62777	72345	71455	75116
Black Country						
Population (000s)	1110	1101	1084	1097	1133	1152
Working age population (000s)	709	691	677	690	713	718
Migration (000s)	-	-5	-4	2	4	1
Employment (000s)	533	519	518	510	493	495
Unemployment rate (%)	8%	7%	4%	4%	6%	6%
GVA - total (£m, 2011 prices)	13017	14595	16429	17965	17788	18571
GSBLEP						
Population (000s)	1814	1815	1809	1859	1929	1971
Working age population (000s)	1154	1140	1139	1188	1233	1245
Migration (000s)	-	-6	-9	9	3	0
Employment (000s)	923	915	941	979	906	945
Unemployment rate (%)	8%	7%	4%	4%	5%	5%
GVA - total (£m, 2011 prices)	23206	26523	31474	36968	36188	38312
CWLEP						
Population (000s)	791	797	804	822	856	879
Working age population (000s)	508	506	514	532	552	559
Migration (000s)	-	2	0	4	3	4
Employment (000s)	393	389	406	436	446	459
Unemployment rate (%)	6%	5%	2%	2%	4%	3%
GVA - total (£m, 2011 prices)	10484	12443	14874	17412	17479	18232


GVA per head - BCLEP
30,000
25,000
20,000
15,000
10,000
5,000
0
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
BLACK COUNTRY
DUDLEY
SANDWELL
WALSALL
WOLVERHAMPTON


GVA per head - GBSLEP
30,000
25,000
20,000
15,000
10,000
5,000
0
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
GREATER BIRMINGHAM AND SOLIHULL LEP
BIRMINGHAM
BROMSGROVE
CANNOCK CHASE
EAST STAFFORDSHIRE
LICHFIELD
REDDITCH
SOLIHULL
TAMWORTH
WYRE FOREST


GVA per head - CWLEP
30,000
25,000
20,000
15,000
10,000
5,000
0
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
COVENTRY AND WARWICKSHIRE LEP
COVENTRY
NORTH WARWICKSHIRE
NUNEATON & BEDWORTH
RUGBY
STRATFORD ON AVON
WARWICK
UK

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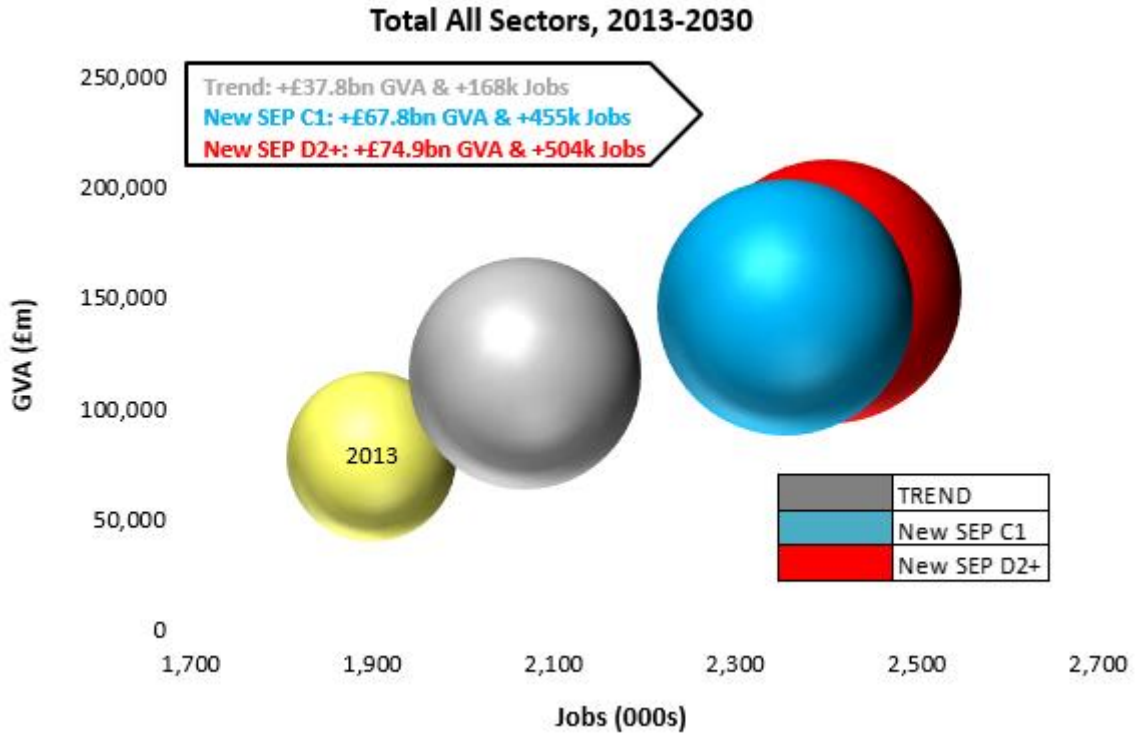
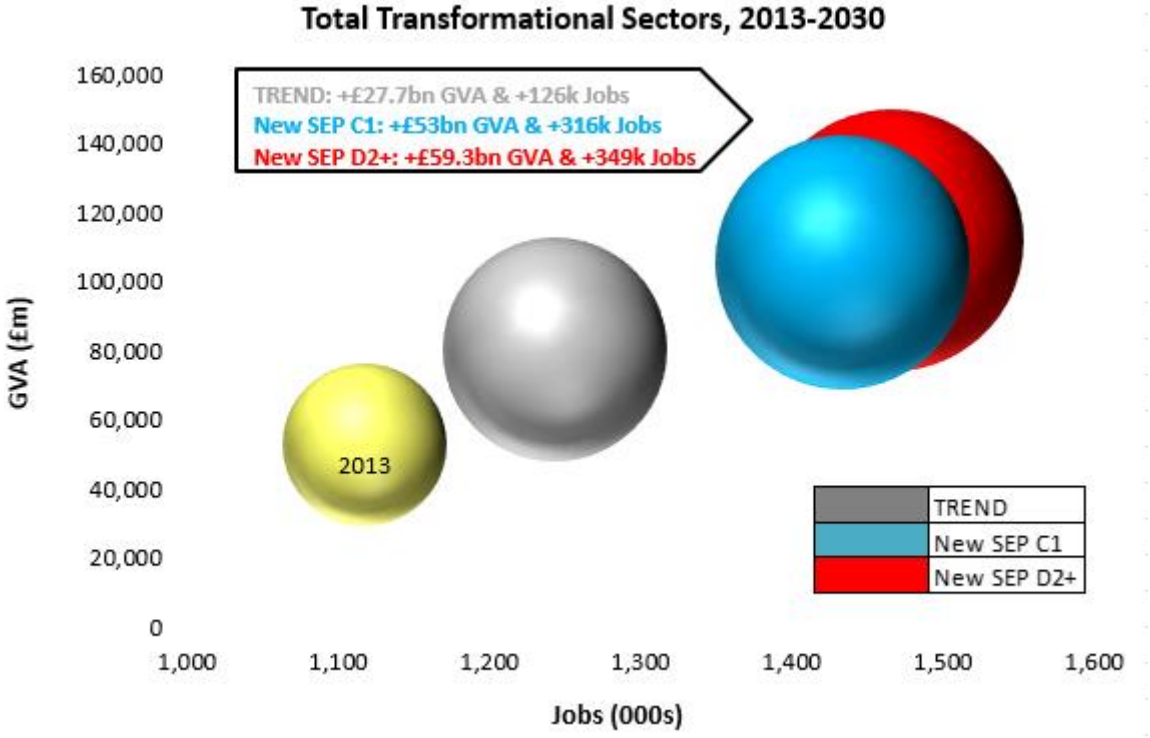
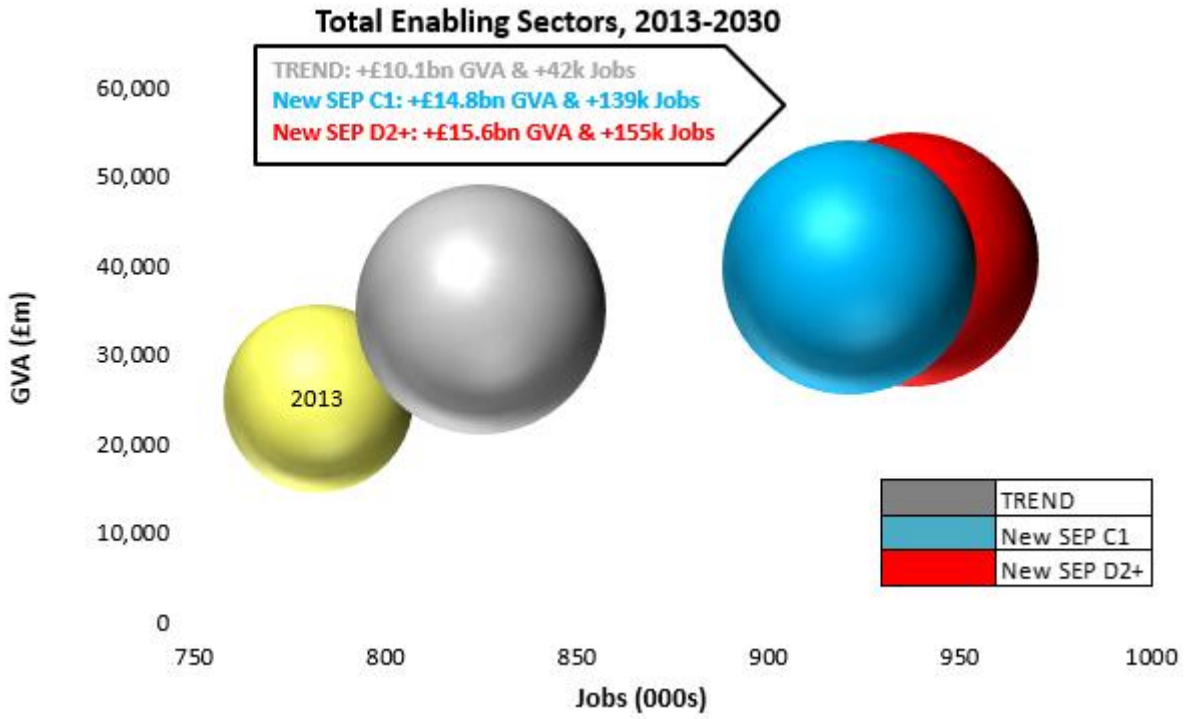
Section E: Sectoral Analysis[2]

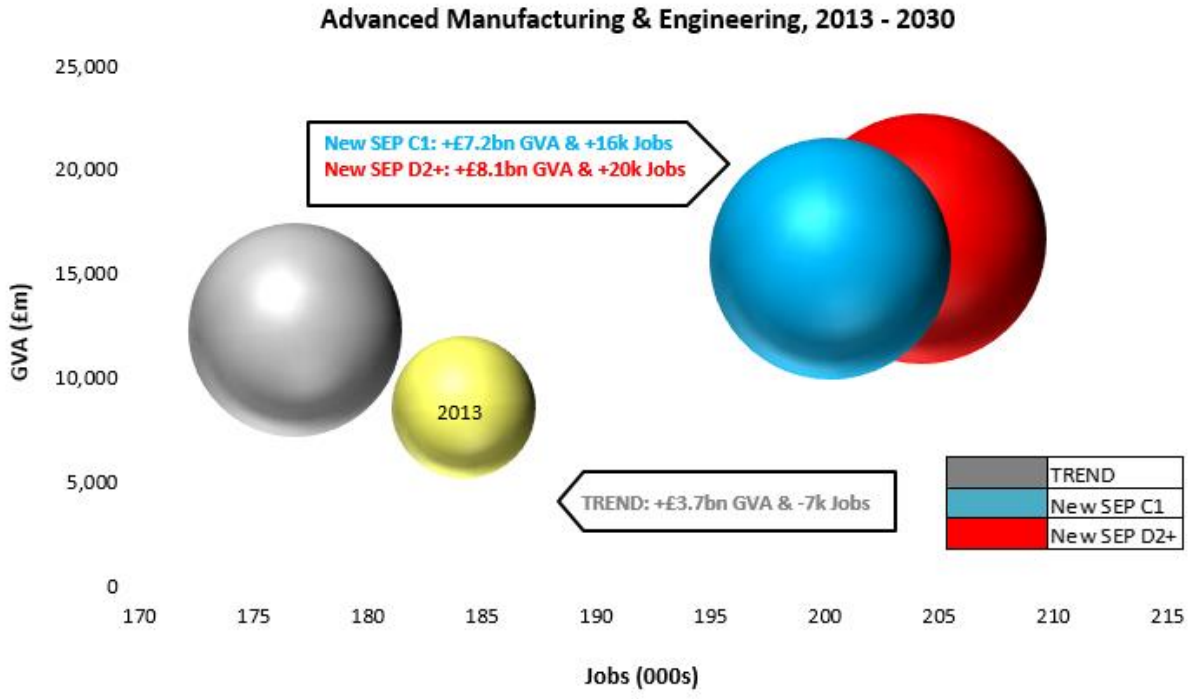
Employment ('000s)	2013	Trend 2030	Trend Change 2013-30	Jobs 2030	Jobs Change 2013-30	Sep C1 2030	Sep C1 Change 2013-30	Sep C2 2030	Sep C2 Change 2013-30	Sep + D1 2030	Sep + D1 Change 2013-30	Sep + D2 2030	Sep + D2 Change 2013-30	SEP++ 2030	SEP++ Change 2013-30	Sep +++ 2030	Sep +++ Change 2013-30
Advanced Manufacturing and Engineering	184	177	-7	190	6	200	16	200	16	202	17	204	20	204	20	210	26
Business, Professional and Financial Services	318	390	72	480	163	457	140	457	140	452	135	469	151	468	150	487	169
Construction (Building Technologies)	119	142	23	175	56	163	44	163	44	162	43	166	47	166	47	172	53
Digital and Creative	72	81	9	92	19	99	26	99	26	98	25	101	29	101	29	106	34
Life Sciences and Healthcare	249	278	30	314	65	317	68	317	68	322	74	324	75	323	75	334	85
Logistics and Transport Technologies	153	155	2	170	17	175	22	175	22	175	22	178	25	178	25	183	31
Low Carbon and Environmental Technologies	23	20	-3	21	-2	23	0	23	0	23	0	23	1	23	1	24	2
Public Sector inc Education	318	319	0	342	24	324	6	324	6	324	6	325	7	325	7	327	9
Retail	316	335	19	370	53	390	73	389	73	389	73	399	83	401	85	414	97
Cultural Economy inc Sports	148	171	23	205	57	207	59	207	59	207	59	213	65	213	65	223	75
Total Transformational	1,117	1,243	126	1,441	324	1,433	316	1,433	316	1,433	316	1,466	349	1464	347	1,517	400
Total Enabling	782	825	42	917	135	921	139	921	138	921	139	937	155	939	157	964	181
Total All Sectors	1,899	2,068	168	2,358	459	2,354	455	2,354	455	2,354	455	2,403	504	2403	504	2,480	581
GVA (£m)	2013	Trend 2030	Trend Change 2013-30	Jobs 2030	Jobs Change 2013-30	Sep C1 2030	Sep C1 Change 2013-30	Sep C2 2030	Sep C2 Change 2013-30	Sep + D1 2030	Sep + D1 Change 2013-30	Sep + D2 2030	Sep + D2 Change 2013-30	SEP++ 2030	SEP++ Change 2013-30	Sep + ++ 2030	Sep + ++ Change 2013-30
Advanced Manufacturing and Engineering	8,572	12,273	43%	12,970	51%	15,744	84%	16,560	93%	18,210	112%	16,648	94%	19,138	123%	20,785	142%
Business, Professional and Financial Services	19,731	31,841	61%	39,114	98%	42,860	117%	44,947	128%	45,734	132%	45,542	131%	51,891	163%	56,868	188%
Construction (Building Technologies)	4,533	6,951	53%	8,555	89%	8,548	89%	8,791	94%	9,150	102%	8,912	97%	9,649	113%	10,292	127%
Digital and Creative	3,930	6,768	72%	7,643	94%	10,290	162%	11,188	185%	12,516	218%	11,236	186%	13,973	256%	15,703	300%
Life Sciences and Healthcare	6,122	9,112	49%	10,240	67%	11,517	88%	12,007	96%	14,034	129%	12,114	98%	13,605	122%	14,684	140%
Logistics and Transport Technologies	7,266	10,094	39%	10,877	50%	12,225	68%	12,687	75%	13,376	84%	12,785	76%	14,115	94%	15,079	108%
Low Carbon and Environmental Technologies	2,550	3,377	32%	3,489	37%	4,505	77%	4,770	87%	5,190	104%	4,799	88%	5,608	120%	6,143	141%
Public Sector inc Education	10,802	12,675	17%	13,470	25%	12,903	19%	12,903	19%	12,915	20%	12,942	20%	12,941	20%	13,004	20%
Retail	11,078	17,725	60%	19,493	76%	21,073	90%	21,061	90%	21,040	90%	21,631	95%	27,346	147%	29,128	163%
Cultural Economy inc Sports	3,143	4,678	49%	5,570	77%	5,867	87%	5,866	87%	5,861	87%	6,060	93%	6,059	93%	6,391	103%
Total Transformational	52,704	80,417	53%	92,890	76%	105,689	101%	110,950	111%	118,211	124%	112,037	113%	127,978	143%	139,554	165%
Total Enabling	25,022	35,078	40%	38,534	54%	39,843	59%	39,831	59%	39,817	59%	40,633	62%	46,346	85%	48,524	94%
Total All Sectors	77,727	115,495	49%	131,423	69%	145,531	87%	150,781	94%	158,027	103%	152,670	96%	174,325	124%	188,078	142%

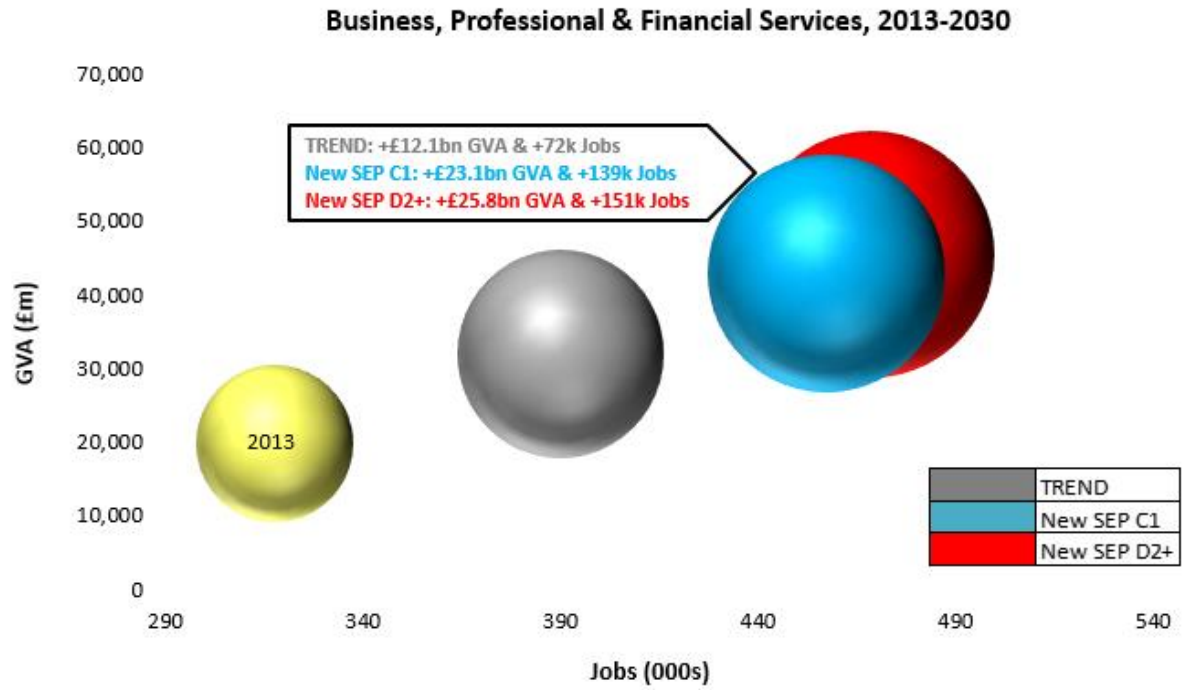
[2] **Advanced Manufacturing includes Food and Drink**

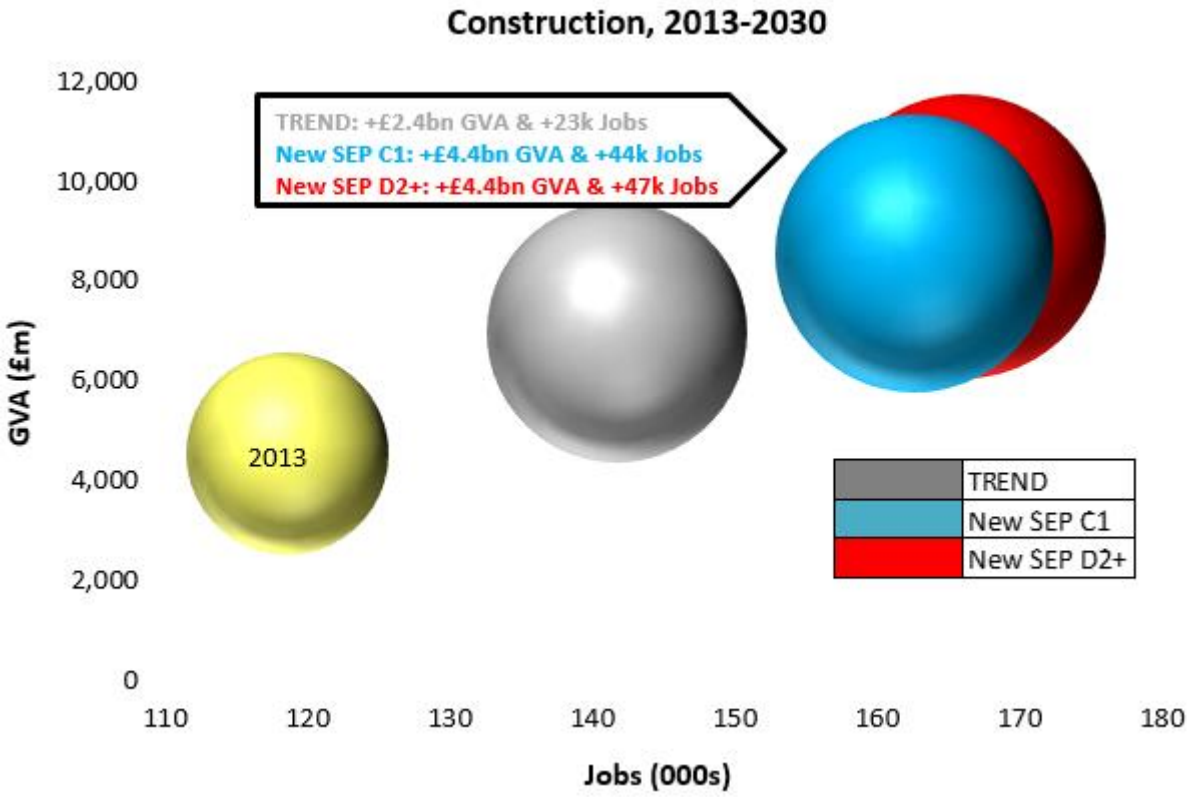

Total All Sectors, 2013-2030
Trend: +£37.8bn GVA & +168k Jobs
New SEP C1: +£67.8bn GVA & +455k Jobs
New SEP D2+: +£74.9bn GVA & +504k Jobs
250,000
200,000
150,000
100,000
50,000
0
GVA (£m)
2013
TREND
New SEP C1
New SEP D2+
1,700
1,900
2,100
2,300
2,500
2,700
Jobs (000s)


Total Transformational Sectors, 2013-2030
TREND: +£27.7bn GVA & +126k Jobs
New SEP C1: +£53bn GVA & +316k Jobs
New SEP D2+: +£59.3bn GVA & +349k Jobs
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
GVA (£m)
2013
TREND
New SEP C1
New SEP D2+
1,000
1,100
1,200
1,300
1,400
1,500
1,600
Jobs (000s)

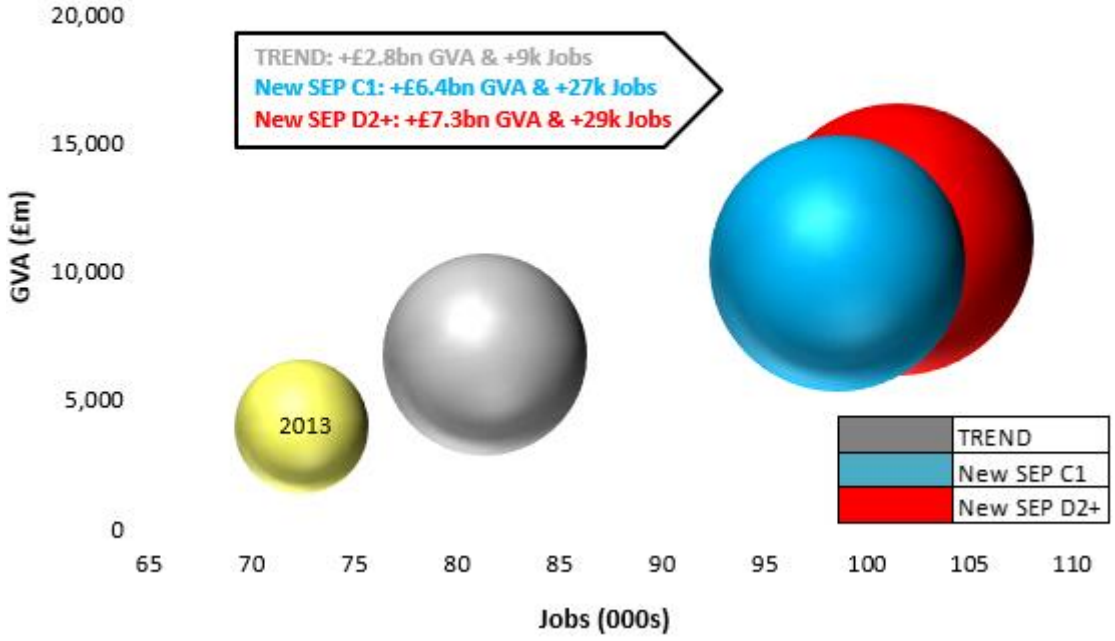

Total Enabling Sectors, 2013-2030
TREND: +£10.1bn GVA & +42k Jobs
New SEP C1: +£14.8bn GVA & +139k Jobs
New SEP D2+: +£15.6bn GVA & +155k Jobs
60,000
50,000
40,000
30,000
20,000
10,000
0
GVA (£m)
2013
TREND
New SEP C1
New SEP D2+
750
800
850
900
950
1000
Jobs (000s)


Advanced Manufacturing & Engineering, 2013 - 2030
25,000
20,000
15,000
10,000
5,000
0
GVA (£m)
New SEP C1: +£7.2bn GVA & +16k Jobs
New SEP D2+: +£8.1bn GVA & +20k Jobs
2013
TREND: +£3.7bn GVA & -7k Jobs
TREND
New SEP C1
New SEP D2+
170
175
180
185
190
195
200
205
210
215
Jobs (000s)

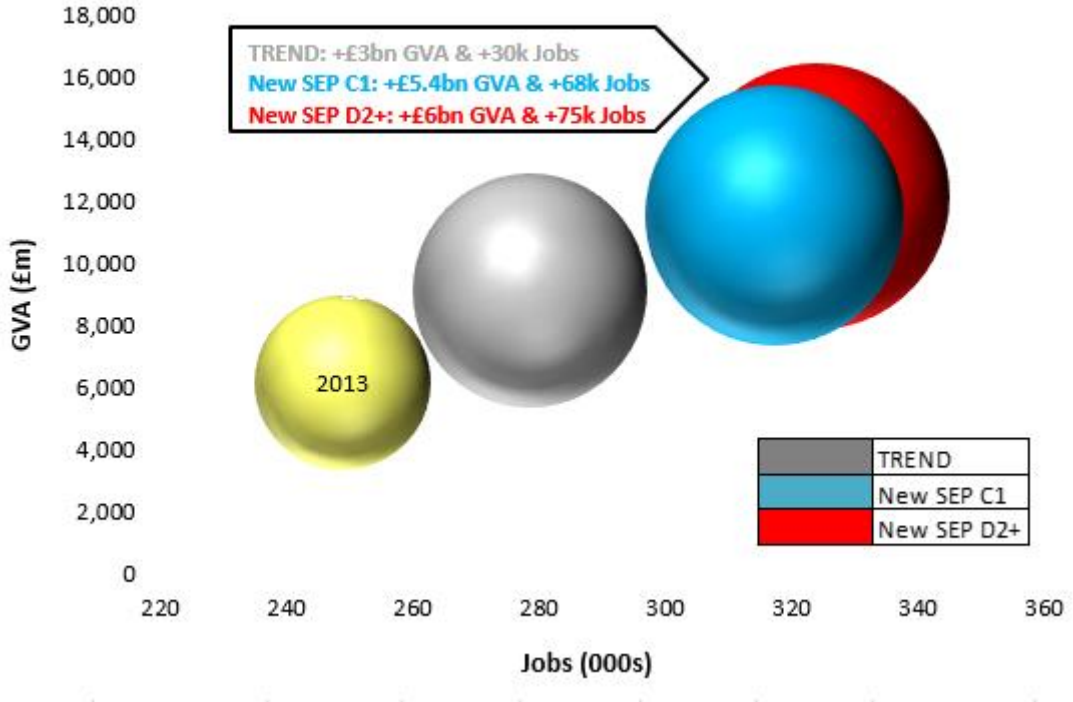

Business, Professional & Financial Services, 2013-2030
TREND: +£12.1bn GVA & +72k Jobs
New SEP C1: +£23.1bn GVA & +139k Jobs
New SEP D2+: +£25.8bn GVA & +151k Jobs
2013
TREND
New SEP C1
New SEP D2+
GVA (£m)
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
290
340
390
440
490
540
Jobs (000s)

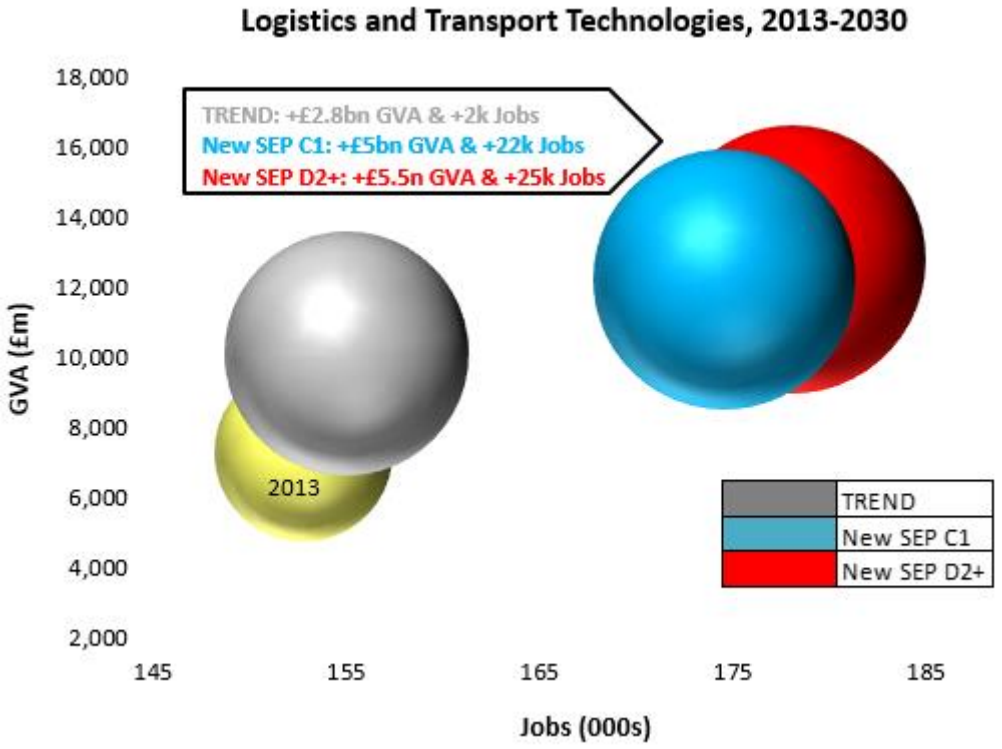

Construction, 2013-2030
TREND: +£2.4bn GVA & +23k Jobs
New SEP C1: +£4.4bn GVA & +44k Jobs
New SEP D2+: +£4.4bn GVA & +47k Jobs
2013
TREND
New SEP C1
New SEP D2+
GVA (£m)
12,000
10,000
8,000
6,000
4,000
2,000
0
110
120
130
140
150
160
170
180
Jobs (000s)

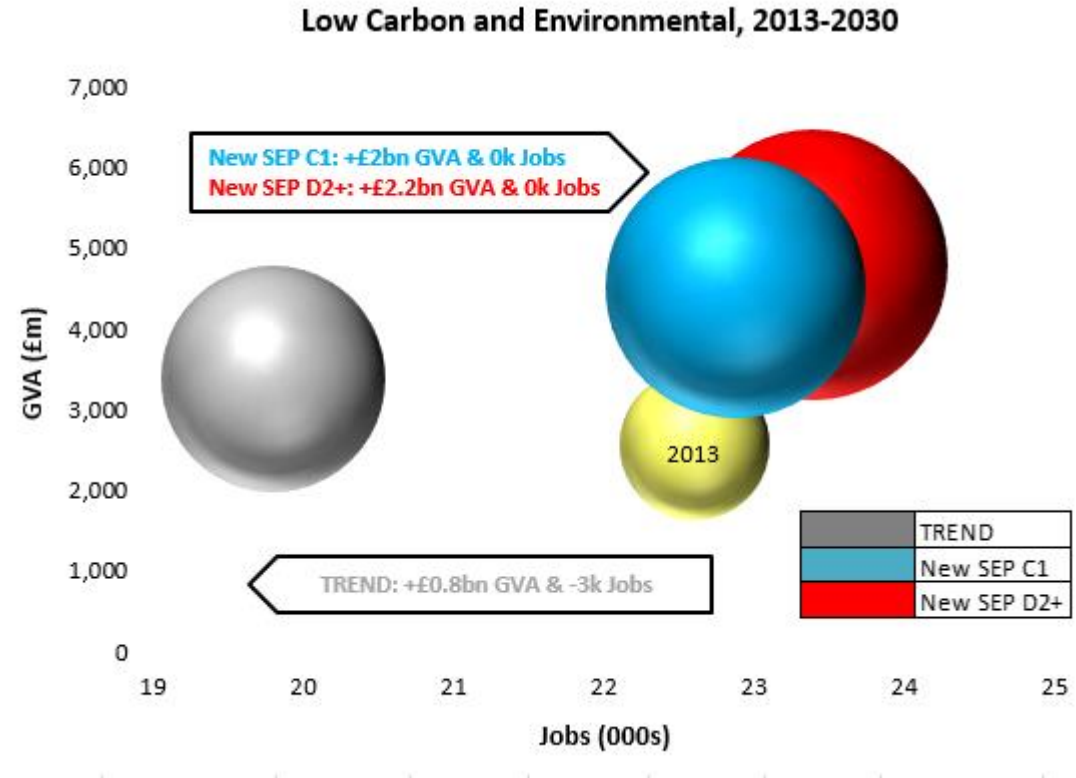
Digital and Creative 2013-2030

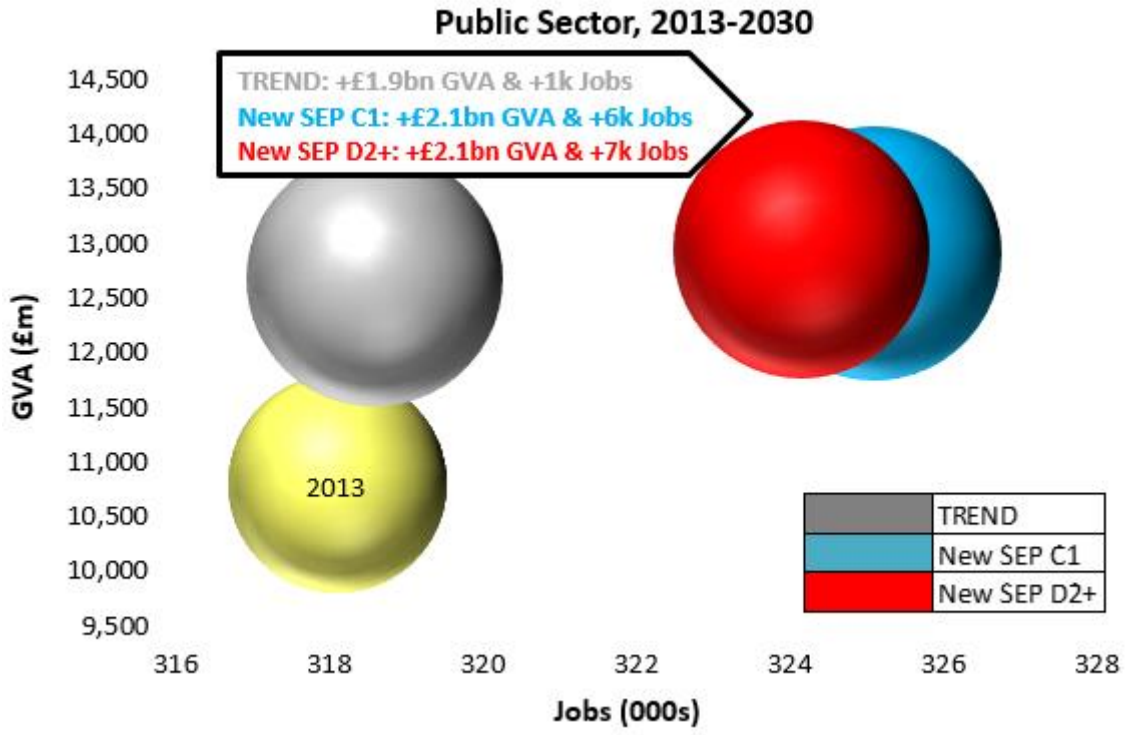


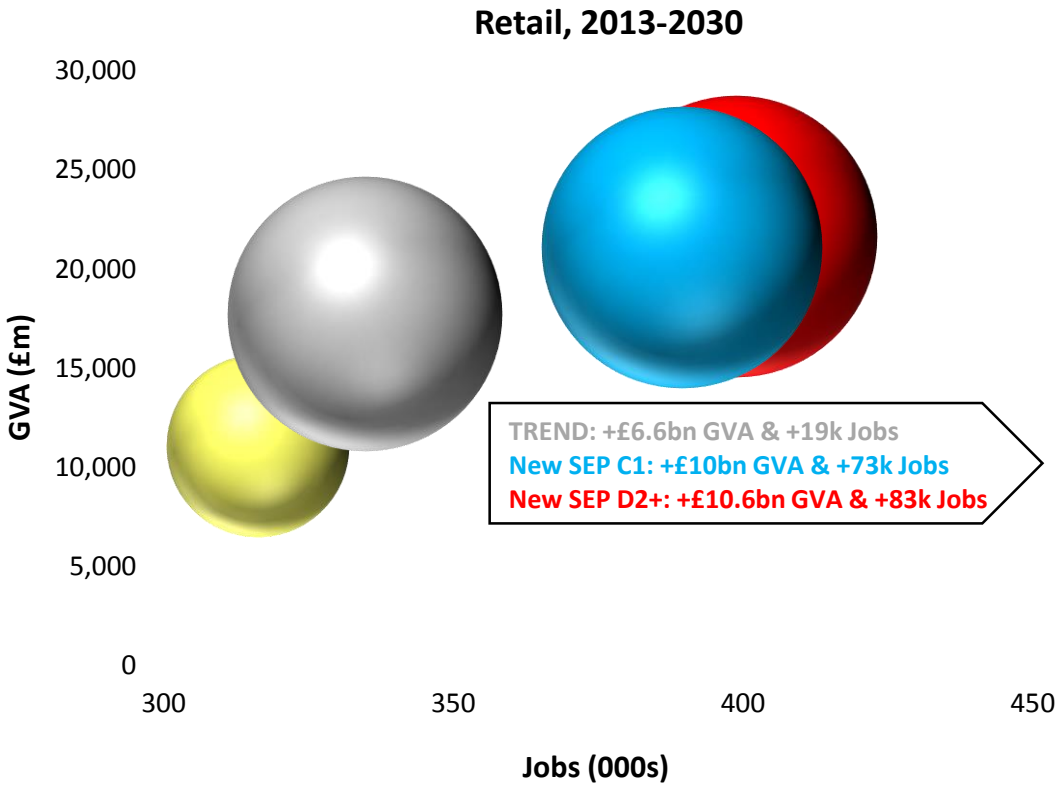
Life Science and Healthcare, 2013-2030

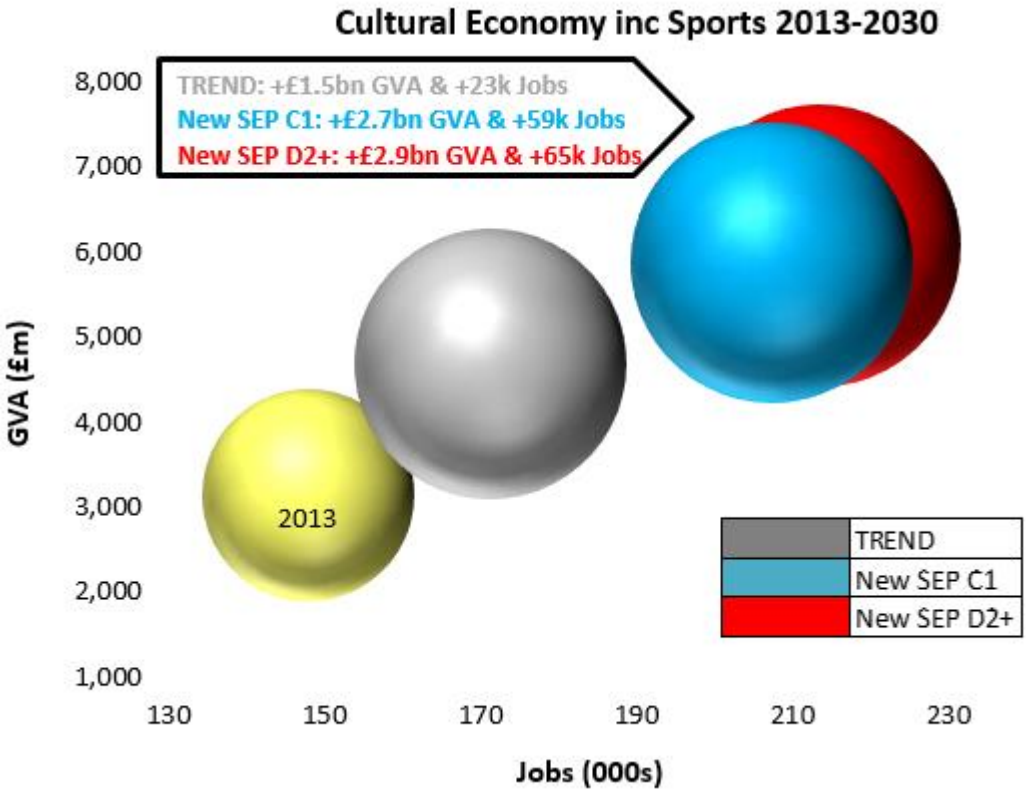



Logistics and Transport Technologies, 2013-2030
TREND: +£2.8bn GVA & +2k Jobs
New SEP C1: +£5bn GVA & +22k Jobs
New SEP D2+: +£5.5n GVA & +25k Jobs
2013
TREND
New SEP C1
New SEP D2+
GVA (£m)
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
145
155
165
175
185
Jobs (000s)


Low Carbon and Environmental, 2013-2030
New SEP C1: +£2bn GVA & 0k Jobs
New SEP D2+: +£2.2bn GVA & 0k Jobs
2013
TREND: +£0.8bn GVA & -3k Jobs
TREND
New SEP C1
New SEP D2+
GVA (£m)
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
19
20
21
22
23
24
25
Jobs (000s)


Public Sector, 2013-2030
TREND: +£1.9bn GVA & +1k Jobs
New SEP C1: +£2.1bn GVA & +6k Jobs
New SEP D2+: +£2.1bn GVA & +7k Jobs
2013
TREND
New SEP C1
New SEP D2+
GVA (£m)
14,500
14,000
13,500
13,000
12,500
12,000
11,500
11,000
10,500
10,000
9,500
316
318
320
322
324
326
328
Jobs (000s)


Retail, 2013-2030
TREND: +£6.6bn GVA & +19k Jobs
New SEP C1: +£10bn GVA & +73k Jobs
New SEP D2+: +£10.6bn GVA & +83k Jobs
GVA (£m)
30,000
25,000
20,000
15,000
10,000
5,000
0
300
350
400
450
Jobs (000s)


Cultural Economy inc Sports 2013-2030
TREND: +£1.5bn GVA & +23k Jobs
New SEP C1: +£2.7bn GVA & +59k Jobs
New SEP D2+: +£2.9bn GVA & +65k Jobs
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
GVA (£m)
2013
TREND
New SEP C1
New SEP D2+
130
150
170
190
210
230
Jobs (000s)

Appendix 1 – Model Variables

Variables

Below is a list of variables which are included in the model:

- Population (2014 mid-year population estimates)
- Working age population
- Migration
- Employees (workplace based jobs)
- Self-employed jobs (workplace based jobs)
- Employment by 85 sector (workplace based jobs)
- Employment (workplace based people)
- Occupations by 25 minor groupings
- Sectoral forecasts (broad 19 groups) split into major occupation groupings
- Unemployment (claimant count)
- Unemployment rate (claimant count as % of population aged 16-64)
- GVA by sector (£m, 2011 prices)
- Resident employment (people based)
- Resident employment rate (resident employment as % of population aged 16 plus)
- Net commuting
- ILO unemployment
- Earnings
- Consumer spending
- Household incomes

Geographies

Forecasts are provided for the following geographies:

- Black Country LEP
    - Dudley
    - Sandwell
    - Walsall
    - Wolverhampton

- Greater Birmingham and Solihull LEP
    - Birmingham
    - Bromsgrove
    - Cannock Chase
    - East Staffordshire
    - Lichfield
    - Redditch
    - Solihull
    - Tamworth
    - Wyre Forest

- Coventry and Warwickshire LEP
    - Coventry
    - North Warwickshire
    - Nuneaton and Bedworth

  - Rugby
  - Stratford on Avon
  - Warwick

- South Staffordshire
- Rest of West Midlands
- West Midlands
- Hinckley and Bosworth
- Rest of East Midlands
- East Midlands
- UK

Sectoral Analysis:

SIC code	Description	Combined Authority Clusters
SIC 01-03	Agriculture	Advanced Manufacturing and Engineering
SIC 05-09	Mining and Quarrying	Construction (Building Technologies)
SIC 10-12	Food, beverages and tobacco products	Advanced Manufacturing and Engineering
SIC 13-15	Textiles, leather and clothing	Advanced Manufacturing and Engineering
SIC 16-18	Wood products, paper products printing	Digital and Creative
SIC 19-21	Coke, chemicals, pharmaceuticals	Advanced Manufacturing and Engineering
SIC 22-23	Rubber, plastic other non-metallic goods	Advanced Manufacturing and Engineering
SIC 24-25	Metals and fabricated metal goods	Advanced Manufacturing and Engineering
SIC 26-27	Computers and electronic goods	Advanced Manufacturing and Engineering
SIC 28-30	Machinery, motor vehicles and other transport	Logistics and Transport Technologies
SIC 31-33	Furniture, other manufacturing & repair and installation of machinery	Advanced Manufacturing and Engineering
SIC 35	Electricity, gas, steam and air conditioning	Low Carbon and Environmental Technologies
SIC 36-39	Water supply, sewerage and other remediation activities	Low Carbon and Environmental Technologies
SIC 41-43	Buildings construction, engineering & specialised construction activities	Construction (Building Technologies)
SIC 45-46	Wholesale and motor vehicles trade	Retail
SIC 47	Retailing	Retail
SIC 49	Land transport and transport via pipelines	Logistics and Transport Technologies
SIC 50-51	Water and air transport	Logistics and Transport Technologies
SIC 52	Warehousing and support activities	Logistics and Transport Technologies
SIC 53	Postal and courier activities	Logistics and Transport Technologies
SIC 55	Accommodation	Cultural Economy inc Sports
SIC 56	Food and beverage service activities	Cultural Economy inc Sports
SIC 58-60	Publishing, motion picture and broadcasting activities	Digital and Creative
SIC 61	Telecommunications	Digital and Creative

SIC code	Description	Combined Authority Clusters
SIC 62-63	Computer programming and information services activities	Digital and Creative
SIC 64	Financial service activities	Business, Professional and Financial Services
SIC 65	Insurance, reinsurance and pension funds	Business, Professional and Financial Services
SIC 66	Activities auxiliary to financial services	Business, Professional and Financial Services
SIC 68	Real estate activities	Business, Professional and Financial Services
SIC 69	Legal and accounting activities	Business, Professional and Financial Services
SIC 70	Activities of head offices	Business, Professional and Financial Services
SIC 71	Architectural and engineering activities	Advanced Manufacturing and Engineering
SIC 72	Scientific research and development	Life Sciences and Healthcare
SIC 73	Advertising and market research	Business, Professional and Financial Services
SIC 74	Other professional, scientific	Digital and Creative
SIC 75	Veterinary activities	Life Sciences and Healthcare
SIC 77	Rental and leasing activities	Business, Professional and Financial Services
SIC 78	Employment activities	Business, Professional and Financial Services
SIC 79	Travel agency, tour operator and other	Business, Professional and Financial Services
SIC 80	Security and investigation activities	Public Sector inc Education
SIC 81	Services to buildings and landscape	Public Sector inc Education
SIC 82	Office administrative, office support	Business, Professional and Financial Services
SIC 84	Public administration and defence	Public Sector inc Education
SIC 85	Education	Public Sector inc Education
SIC 86	Human health activities	Life Sciences and Healthcare
SIC 87	Residential care activities	Life Sciences and Healthcare
SIC 88	Social work activities	Life Sciences and Healthcare
SIC 90-92	Arts, entertainment and gambling activities	Cultural Economy inc Sports
SIC 93	Sports activities and amusement	Cultural Economy inc Sports
SIC 94-96	Activities of membership, repair of computers & Other personal service activities	Business, Professional and Financial Services

Appendix 2 – Additional Technical Notes

- The population forecasts for the CWLEP were based on 2010 ONS Population projections, the economic model utilises 2014 ONS population projection figures. The CWLEP SEP 2030 position assumes an increased population of 203,000 (2010 data). The 2012 ONS Population projections significantly reduced the forecast population growth for the area with 57,000 less people in the area in 2030. The 2010 numbers were as a result of a big change to take into account for a perceived under-estimate of the impact of the international migrant population in Inner London Boroughs – and this gave a much bigger figure for 2033 than the year before. In addition to this, because there has been a Census over this period which effectively counts rather than estimates the current population, they had to adjust downward as the Census Count was 20,000 fewer than the estimate for mid-2011 – and the estimate is a component of the model for the projection. The data from the Oxford Economic model is in line with the 2014 population estimates and is different to that adopted in the original SEP (by 100,000 people).

- In line with the Government Blue Book the model reports figures in 2011 prices. Using the national GDP deflator figures have been rebased on 2013 current prices as these are the figures reported by LEP's currently.

Appendix 3- Oxford Economics Track Record

We have one of the world's best forecasting track records

Oxford Economics
Forecast performance compared 2008–2012
(average absolute forecast divergence for real GDP growth)

	US	Eurozone	UK	Japan
Oxford Economics	1.0	1.1	1.4	2.3
EIU	1.1	1.8	–	2.6
Global Insight	0.9	1.2	1.4	2.5
IMF	1.4	1.9	2.1	2.8
OECD	1.0	1.6	1.5	3.4
Consensus Economics	1.1	1.2	1.4	2.4

Note: Forecasts made in December for year ahead

THE SUNDAY TIMES

Sunday Times ranking of forecaster performance, 2013	Score*
Oxford Economics	9
OECD	8
IMF	7
Global Insight	7
Experian Economics	6
EIU	5
Capital Economics	4

* Top score = 10

OXFORD ECONOMICS

WEST MIDLANDS COMBINED AUTHORITY

Economic drivers behind the model

- The Oxford model is an eclectic model designed to capture the key relationships in the global economy.
  - Keynesian in the short run
  - Monetarist in the long run
- In the short run, shocks to demand will generate economic cycles that can be influenced by fiscal and monetary policy.
- But over the long-run, output is determined by supply side factors: investment, demographics, labour participation and productivity.

OXFORD ECONOMICS

WEST MIDLANDS COMBINED AUTHORITY

Appendix 4 - GVA Per head 2013 £ – NUTS Level 3 - 139 Geographical Areas

23 areas above national average

Area:	GVA per head
Inner London - West	135,888
Inner London - East	38,921
Berkshire	38,918
Edinburgh, City of	38,134
Milton Keynes	38,029
Belfast	36,553
Aberdeen City and Aberdeenshire	36,242
Glasgow City	32,279
Swindon	30,945
Surrey	30,610
Bristol, City of	28,863
Oxfordshire	28,767
Warrington	28,553
Nottingham	28,072
Derby	27,849
Buckinghamshire CC	27,288
Leeds	26,741
Hertfordshire	26,664
Peterborough	26,394
Cambridgeshire CC	26,150
Cheshire East	26,107
Greater Manchester South	25,950
Outer London - West and North West	25,713
Bath and North East Somerset, North Somerset and South Gloucestershire	25,456
Solihull	25,426
Hampshire CC	25,233
Portsmouth	24,955
West Sussex	24,165
UK	23,755
Warwickshire	23,604
York	23,483
West Northamptonshire	23,349
Gloucestershire	23,269
Southampton	23,177
Cardiff and Vale of Glamorgan	22,986
Bournemouth and Poole	22,981

Area:	GVA per head
Brighton and Hove	22,972
Cheshire West and Chester	22,860
Liverpool	22,613
Shetland Islands	22,578
Bedford	22,151
Birmingham	22,033
Luton	21,658
Perth & Kinross and Stirling	20,697
Telford and Wrekin	20,629
Suffolk	20,620
Leicester	20,588
Tyneside	20,514
Coventry	20,513
Inverness & Nairn and Moray, Badenoch & Strathspey	20,316
Darlington	20,281
Monmouthshire and Newport	20,071
Sheffield	19,995
Plymouth	19,943
Leicestershire CC and Rutland	19,845
West Lothian	19,779
Wiltshire CC	19,771
East Cumbria	19,770
Essex CC	19,652
Wakefield	19,623
North Yorkshire CC	19,577
Kent CC	19,574
Wolverhampton	19,548
Central Bedfordshire	19,524
Flintshire and Wrexham	19,422
North and North East Lincolnshire	19,322
East Merseyside	19,096
South Ayrshire	19,046
West Cumbria	19,032
Norfolk	19,017
Kingston upon Hull, City of	18,902
Sunderland	18,674
Angus and Dundee City	18,535
Stoke-on-Trent	18,495
Worcestershire	18,454
Somerset	18,381
Dorset CC	18,293
North Northamptonshire	18,166
Sandwell	18,166

Area:	GVA per head
Outer London - South	18,045
Devon CC	17,942
Herefordshire, County of	17,931
Gwynedd	17,889
Lancashire CC	17,870
Shropshire CC	17,857
Orkney Islands	17,853
Lochaber, Skye & Lochalsh, Arran & Cumbrae and Argyll & Bute	17,600
Swansea	17,445
Thurrock	17,326
Hartlepool and Stockton-on-Tees	17,103
South and West Derbyshire	16,986
Calderdale and Kirklees	16,812
Bradford	16,595
Lincolnshire	16,574
North Nottinghamshire	16,514
Falkirk	16,509
Staffordshire CC	16,452
Blackburn with Darwen	16,378
Southend-on-Sea	16,344
South Lanarkshire	16,261
East Derbyshire	16,170
South Teesside	16,116
North Lanarkshire	15,998
Walsall	15,978
Inverclyde, East Renfrewshire and Renfrewshire	15,905
Medway	15,796
East Sussex CC	15,703
Bridgend and Neath Port Talbot	15,593
Dumfries & Galloway	15,497
Cornwall and Isles of Scilly	15,403
Scottish Borders	15,361
Isle of Wight	15,323
East of Northern Ireland	15,322
East Riding of Yorkshire	15,274
Eilean Siar (Western Isles)	15,240
Clackmannanshire and Fife	15,069
Conwy and Denbighshire	14,873
Powys	14,838
South Nottinghamshire	14,826
Outer London - East and North East	14,731
West and South of Northern Ireland	14,573
Dudley	14,525

Area:	GVA per head
Greater Manchester North	14,375
Blackpool	14,309
Central Valleys	14,291
Barnsley, Doncaster and Rotherham	14,235
Torbay	14,226
Durham CC	14,225
Outer Belfast	14,193
East Lothian and Midlothian	14,167
Sefton	13,899
North of Northern Ireland	13,885
Caithness & Sutherland and Ross & Cromarty	13,882
South West Wales	13,715
East Dunbartonshire, West Dunbartonshire and Helensburgh & Lomond	13,568
Northumberland	13,481
Gwent Valleys	13,290
Wirral	12,482
East Ayrshire and North Ayrshire mainland	12,257
Isle of Anglesey	11,368

GVA per head by LEP, 2013

LEP region	2013
London	40,215
Thames Valley Berkshire	38,918
Enterprise M3	28,902
Oxfordshire	28,767
Buckinghamshire Thames Valley	27,288
West of England	26,820
Hertfordshire	26,664
Cheshire and Warrington	25,477
South East Midlands	24,927
Greater Cambridge and Greater Peterborough	24,009
UK	23,755
Gloucestershire	23,269
Swindon and Wiltshire	23,219
Solent	23,211
Coast to Capital	22,935
Coventry and Warwickshire	22,443
Northamptonshire	20,974
Greater Birmingham and Solihull	20,969
Greater Manchester	20,724
Dorset	20,392
Leeds City Region	20,249
Leicester and Leicestershire	20,195
New Anglia	19,751
Cumbria	19,423
Derby, Derbyshire, Nottingham and Nottinghamshire	19,329
York, North Yorkshire and East Riding	19,003
South East	18,609
The Marches	18,582
Worcestershire	18,454
Heart of the South West	18,098
Liverpool City Region	17,852
Humber	17,730
North Eastern	17,443
Greater Lincolnshire	17,431
Lancashire	17,378
Tees Valley	17,200
Black Country	16,958
Stoke-on-Trent and Staffordshire	16,914
Sheffield City Region	16,786
Cornwall and Isles of Scilly	15,403

Appendix 5 - Productivity Assumptions

The following table sets out the UK growth rates in GVA per employee in the UK Trend Scenario 2015-2030. These figures are used to inform the productivity assumptions in the various scenarios. The sectors highlighted in grey relate to enabling sectors.

Sector	UK Trend Growth in GVA per employee 2015-2030
Agriculture	34.67%
Mining and Quarrying	53.86%
Food, beverages and tobacco products	52.42%
Textiles, leather and clothing	52.45%
Wood products, paper products printing	52.81%
Coke, chemicals, pharmaceuticals	53.73%
Rubber, plastic other non-metallic goods	53.06%
Metals and fabricated metal goods	53.20%
Computers and electronic goods	53.10%
Machinery, motor vehicles and other transport	53.44%
Furniture, other manufacturing & repair and installation of machinery	53.77%
Electricity, gas, steam and air conditioning	64.17%
Water supply, sewerage and other remediation activities	50.88%
Buildings construction, engineering & specialised construction activities	20.04%
Wholesale and motor vehicles trade	41.52%
Retailing	41.70%
Land transport and transport via pipelines	29.94%
Water and air transport	30.33%
Warehousing and support activities	30.60%
Postal and courier activities	30.69%
Accommodation	37.80%
Food and beverage service activities	38.24%
Publishing, motion picture and broadcasting activities	57.65%
Telecommunications	57.84%
Computer programming and information services activities	57.19%
Financial service activities	46.46%
Insurance, reinsurance and pension funds	46.40%
Activities auxiliary to financial services	46.29%
Real estate activities	32.08%
Legal and accounting activities	49.80%
Activities of head offices	49.65%
Architectural and engineering activities	49.61%
Scientific research and development	48.56%
Advertising and market research	49.77%
Other professional, scientific	49.70%
Veterinary activities	48.78%

Sector	UK Trend Growth in GVA per employee 2015-2030
Rental and leasing activities	41.37%
Employment activities	41.53%
Travel agency, tour operator and other	41.78%
Security and investigation activities	42.20%
Services to buildings and landscape	41.56%
Office administrative, office support	41.64%
Public administration and defence	26.02%
Education	12.73%
Human health activities	31.61%
Residential care activities	31.27%
Social work activities	31.51%
Arts, entertainment and gambling activities	13.88%
Sports activities and amusement	13.40%
Activities of membership, repair of computers & Other personal service activities	12.41%

Appendix 6 – Historical Growth

Confidence in our ability to deliver

An analysis of the WMCA GVA per head growth rates show that the area has the ability to go above the trend - from 2010-2013 the average annual growth rate for the WMCA was higher than the UK – 1.39% compared to .94% for the UK. All 3 LEP areas outperformed the UK annual average growth rate.

GVA per Head	2010	2011	2012	2013	
BCLEP	£ 16,249	£ 16,118	£ 16,267	£ 16,682	
CWLEP	£ 21,124	£ 21,172	£ 21,521	£ 21,461	
GBSLEP	£ 19,407	£ 19,691	£ 19,781	£ 20,117	
WMCA	£ 18,869	£ 18,983	£ 19,149	£ 19,423	
UK	£ 22,214	£ 22,478	£ 22,594	£ 22,850	
GVA per Head Growth Rates					
	2009/10	**2010/11**	**2011/12**	**2012/13**	**Annual avg 2010-2013**
BCLEP	**6.27%**	**-0.80%**	**0.92%**	**2.55%**	2.23%
CWLEP	**2.30%**	**0.23%**	**1.65%**	**-0.28%**	0.97%
GBSLEP	**1.15%**	**1.47%**	**0.45%**	**1.70%**	1.19%
WMCA	**2.67%**	**0.61%**	**0.88%**	**1.43%**	1.39%
UK	**0.94%**	**1.19%**	**0.52%**	**1.13%**	0.94%

Model Forecasts

Annual average GVA per head growth rate for the area 2015-2030 is forecast as follows in the following scenarios:

Average annual growth rate 2015-2030 GVA per head	
UK	2.00%
UK Minus London	1.92%
Trend	1.82%
Jobs	2.45%
SEP C1	3.09%
SEP C2	3.31%
Super SEP+ D2	3.34%
Super SEP+ D1	3.61%
Super SEP++	4.18%
Super SEP+++	4.57%

As is clear from the table the model under the trend scenario forecasts the WMCA underperforming compared to the national average trend. We are confident since their inception of the LEPs and the SEPs the growth rates will outperform the UK and the various vision led scenarios outline those options.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