

# Recharge the West Midlands

Kickstarting the West Midlands Economy:  
Our investment case to government

June 2020





## Introduction

**We need the Government's financial backing to deliver a rapid economic recovery.** This document sets out the key immediate asks of the Government from the West Midlands, which total £3.2bn of investment over the next three years. The region generates £105bn of GVA and 5.5% of the UK's economic output. Our region can, and should therefore be a substantial part of the Government's plans for national economic recovery.

**We are ready to deliver projects within this fiscal year (6-9 months) that will deliver immediate impact in the real economy.** This plan will not only address the short-term risks of COVID-19 by creating and safeguarding jobs, but also takes into account the longer term improvements in regional innovation, competitiveness and resilience. We have already leveraged substantial investments for our proposals from both private and public sector partners. This isn't a plan just for now, or even the next five years, but will recharge our economy for long term growth.

**Investing in the West Midlands will help deliver the government's priority of levelling-up.** Our region punches above our weight on private sector-led innovation. We attract over £400/head of private sector R&D investment, higher than most other UK regions, but receive less than £100/head of public sector investment, one of the lowest of any region. Investing in the West Midlands will help create or safeguard 135,800 jobs, support 154,400 young people and workers, build 35,000 new homes, and support a rapid economic recovery for the region and the UK.

**Trust in us to deliver the recovery.** We already have the right partnerships and networks across the region, delivery infrastructure and links to key businesses to quickly deliver our plan. Before the current crisis, we were the fastest-growing region outside London. Our economic output has increased by 25% over the past five years. We have more than doubled the number of homes built annually since 2010, and increased the number of people in work by nearly 20% before the pandemic. Our distinctive strengths, from world-leading automotive innovation, green technology to health and life sciences, are globally competitive and set us apart from other regions. It is critical that we quickly regain this growth momentum, to avoid a steep rise in unemployment and long-term economic scarring.

**We are facing one of our greatest challenges with COVID-19.** We are home to one of the youngest and most diverse communities in the country, who now face the daunting prospects of unemployment, with the share of youth claimants doubling in May compared to the start of the year. Our exposure to sectors such as automotive, manufacturing, leisure and hospitality mean

that the West Midlands will be disproportionately impacted by the current crisis. But these factors, plus the promise of HS2, Coventry City of Culture in 2021 and the Commonwealth Games in 2022, as well as our leadership in the growth sectors of the future are also our greatest strengths in recharging our economy.

**Our clear and credible recovery plan delivers for businesses, the economy, the environment and the people who live here.** Our plan drives benefits across the 'three LEP area' of the Black Country, Coventry and Warwickshire and Greater Birmingham and Solihull. It includes clear actions and investments in all three cities of the West Midlands - Birmingham, Coventry and Wolverhampton - and the four boroughs - Dudley, Sandwell, Solihull and Walsall. We are focused on supporting the people who will be particularly badly affected by the economic effects of COVID-19, helping them to retrain and find jobs.

**We need your support, so that we as regional leaders, can deliver for all the people that we represent. We look forward to working with you to recharge the West Midlands.**

### This plan is signed by the following:

- Andy Street** – Mayor of the West Midlands
- Cllr Ian Brookfield** – Leader of City of Wolverhampton Council and WMCA portfolio holder for economy and innovation
- Cllr Ian Ward** – Leader of Birmingham City Council
- Cllr George Duggins** – Leader of Coventry City Council
- Cllr Patrick Harley** – Leader of Dudley Metropolitan Borough Council
- Cllr Yvonne Davies** – Leader of Sandwell Metropolitan Borough Council
- Cllr Ian Courts** – Leader of Solihull Metropolitan Borough Council
- Cllr Mike Bird** – Leader of Walsall Council
- Cllr Matthew Dormer** – Leader of Redditch Borough Council – on behalf of the non-constituent authorities
- Lee Barron** - Regional secretary of TUC Midlands
- Tom Westley** - Chair of the Black Country Local Enterprise Partnership
- Nick Abell** – Chair of the Coventry and Warwickshire Local Enterprise Partnership
- Tim Pile** – Chair of the Greater Birmingham and Solihull Local Enterprise Partnership
- Matthew Hammond** - Chair of the West Midlands Growth Company

## The Deal - Together in partnership with central government, we will reset, rebuild and recharge the West Midlands economy

This investment will help create or safeguard 135,800 jobs for our residents, support 154,400 young people and workers, build 35,000 new homes, and support a rapid economic recovery for the region and the UK.

Our areas of industry support have been adapted from the Local Industrial Strategy to take account of the impacts of Covid-19



### Create green manufacturing jobs

Harness the potential of green technology and electrification to deliver green growth, improve the wellbeing for our communities and unlock 51,700 green jobs with investment of £614m

#### Highlights

- **Gigafactory** — A £250m battery 'Gigafactory' and £35m investment in the electric charging network to develop the battery and charging technology needed to adapt to electric vehicles across the UK, creating 10,100 high-value jobs and 29,700 job years in construction.
- **Fuel poverty retrofit** — £100m of funding to eliminate fuel poverty for 50,000 homes across the West Midlands by the end of 2022, including in the most deprived areas of the UK. This is estimated to create 26,000 jobs and safeguard 5,240 jobs.



### Maximise job creation for local people from HS2 and other unique West Midlands opportunities

Accelerate and maximise the benefits of HS2, Commonwealth Games and City of Culture, and reinvigorating the cultural sector. Doubling down on these investments will unlock 33,000 jobs and growth across the region with investment of £306m

#### Highlights

- **Benefits of HS2** — £95m to accelerate the development of the first HS2 interchange north of London at UK Central, £70m to regenerate the wider Curzon Street and Digbeth area, through the Martineau Galleries development and £61m to develop the creative and cultural hub. These would bring forward the creation of 30,000 jobs and 4,300 new homes.
- **Reinvigorating the cultural sector** — A critical opportunity to help the cultural sector adapt to COVID-19 and reinvigorate the sector across the region through an £80m investment, creating and safeguarding up to 3,000 jobs.



### Invest in healthcare innovation

Leverage the West Midlands' strengths as a centre for proving health innovation, build a more resilient medtech supply chain and improve health outcomes to create a healthier population, creating or safeguarding 3,200 jobs, with an investment of £137m

#### Highlights

- **Health innovation** — £60m investment in the Birmingham Life Sciences Park to catalyse future private investment of £200m, creating more than 700,000 sq ft of space for healthtechs and £54m investment to rapidly scale new health technologies and improve supply chain resilience. Together, these would create over 3,000 jobs and increase GVA by £480m.
- **Better health outcomes** — £23m in the Radical Health Prevention Fund to target key drivers of health inequality and to launch local screening and diagnostics hubs across the region to accelerate screening and improve local health outcomes.

Our recovery will be enabled by investment in our infrastructure, people and communities, underpinned by a business support programme for our high-potential businesses



### Build better digital and transport links

Enhance our digital infrastructure and develop the most integrated multimodal public transport system, through an ambitious investment of £376m to drive productivity and create 4,200 job years in construction. Investing in sustainable, green transport projects will ensure HS2 is integrated into our transport network, and support economic and housing growth

#### Highlights

- **5G and fibre** — £28m to develop accelerator hubs that will enhance digital connectivity and boost regional productivity, and £16m to accelerate the delivery of fibre connectivity in deprived areas, with 350,000 more homes and businesses benefitting from full fibre and 5G coverage.
- **Transport** — Shovel-ready transport infrastructure schemes to improve metro, rail and bus services and roads in the region through an investment of £330m will deliver 3,900 job years in construction in the short-term and longer term benefits two to three times their costs, improve access to job opportunities and raise productivity across the region.



### Back our region's businesses

Our business support measures will reinforce and amplify proposed investments across the economy, help thousands of businesses adapt to the post-COVID environment, pivot to high-growth sectors and take to new market opportunities globally, creating 43,900 jobs through £532m investment.



### Regenerate and build brownfield land and building 35,000 new homes

Landmark investment of over £650m to bring forward at least 35,000 additional new homes – of which over 15,000 will be affordable – building on the West Midlands' nationally leading delivery of brownfield remediation, regeneration, housing supply and design innovation

#### Highlights

- **Brownfield regeneration and housing** — £200m to power ahead in unlocking and accelerating our regional pipeline of brownfield sites, alongside additional new funding for a National Brownfield Institute. £400m investment in affordable housing for the region to tackle acute housing affordability, including a bold, new "Homes for Covid Heroes" key worker programme.
- **Advanced Manufacturing in Construction** — £50m enabling funding to bring forward and support the delivery of land supply, skills, factories and technology that will accelerate the development and deployment of the latest advanced building techniques.

#### Highlights

**Boosting SME productivity and innovation** — Our £442m investment through our programmes to help SMEs pivot to growth and 'Speed to Scale' programme to redeploy industrial engineering and research talent to develop globally competitive applied technologies will increase SME innovative capacity and productivity, and test and scale new products for high growth sectors, creating 37,900 jobs.

**Business adaptation and productivity acceleration** — Our £90m grant and voucher scheme will support 12,700 businesses across the economy adapt to COVID-19, boost their productivity and supercharge export capabilities, creating 6,000 jobs.



### Get people back into work

Support thousands of young people and workers by equipping them with the skills needed for the future through apprenticeships, training, upskilling and employability schemes, through an investment of £550m

#### Highlights

- **Supporting young people** — Help 38,400 young people obtain apprenticeships and work-related experience, 27,000 to complete their qualifications and receive training, and track and engage 45,000 in the labour market.
- **Retraining programmes** — Retrain 20,000 workers for in-demand sectors such as health and social care, logistics, and business services and upskill 24,000 for jobs for the future.

# Create green manufacturing jobs

The West Midlands currently leads on the Industrial Strategy's Future of Mobility grand challenge building on its existing strengths in automotive innovation (e.g. the UK Battery Industrialisation Centre), and connected supply chains in rail, automotive and aerospace. Cementing this position will attract new investment and create and sustain highly-skilled jobs while boosting the international competitiveness of the region. These productivity benefits are complemented by inclusivity benefits when new technologies are applied to reduce fuel poverty and improve household energy conservation.

The current economic crisis arising from Covid-19 is an opportunity to reset our economy in a way that is more equal, inclusive and sustainable. By prioritising green growth, we can address the economic fallout whilst building a more climate resilient economy and achieving our net zero commitments. Our proposals will unlock 51,700 green jobs with investment of £614m. The proposed interventions involve:



## Building our battery manufacturing capability through the Gigafactory

- **£250m**
- **Summary:** A new battery manufacturing 'Gigafactory' in the West Midlands, leveraging private sector investment of £2bn. The West Midlands' customer proximity, existing expertise and facilities and speed to deliver positions the region well to support its cluster of automotive companies.
- **Benefits:**
  - Create 10,100 green jobs in the region.
  - Create 29,300 job years in construction in the short-term.
  - Secure the UK and our competitive advantage in high-tech automotive manufacturing, as well as new future mobility products, such as connected and autonomous vehicles and promote clean and carbon-free economic growth.

## Accelerating cutting-edge electric automotive R&D capability through Operation Paperclip

- **£85m**
- **Summary:** A £65m innovative programme for automotive and aerospace companies to retain highly-skilled staff engaging in strategically-important R&D activities. We will capitalise on our ability to mobilise quickly, building on the region's existing facilities and success of previous programmes such as the PARD (premium automotive 2003-06). We will also establish the £20m UK Mobility Data Institute (UKMDI) as an open source, open access research institute to aggregate and analyse the large volume of data being generated by projects, trials and testbeds related to mobility.

✓ Ready-to-go project

- **Benefits:**
  - Safeguarding or creating up to 5,500 jobs across the country and R&D capability in the sector through Operation Paperclip.
  - Increase of up to £1bn in GVA nationwide.
  - Up to 60 new products, processes or services nationwide.
  - Commercial exchange of data to accelerate development of new mobility products and services.
  - Support the Government's response to a range of mobility opportunities and challenges, focusing initially on the automotive industry.

## Prototyping and testing an innovative very light rail transport solution for urban connectivity

- **£114m**
- **Summary:** A project to develop a novel autonomous, battery powered transport system at the Dudley VLR National Innovation Centre and then test it in Coventry. This will build on the West Midlands existing strengths in automotive technology and manufacturing.
- **Benefits:**
  - Accelerate the development of UK capability in very light rail through prototyping and testing of new solutions (including autonomous pods).
  - Reduce track construction costs by two thirds and enable much wider deployment of urban rail across the UK.
  - Support the Government's net-zero agenda by facilitating modal transfer from cars to public transport.

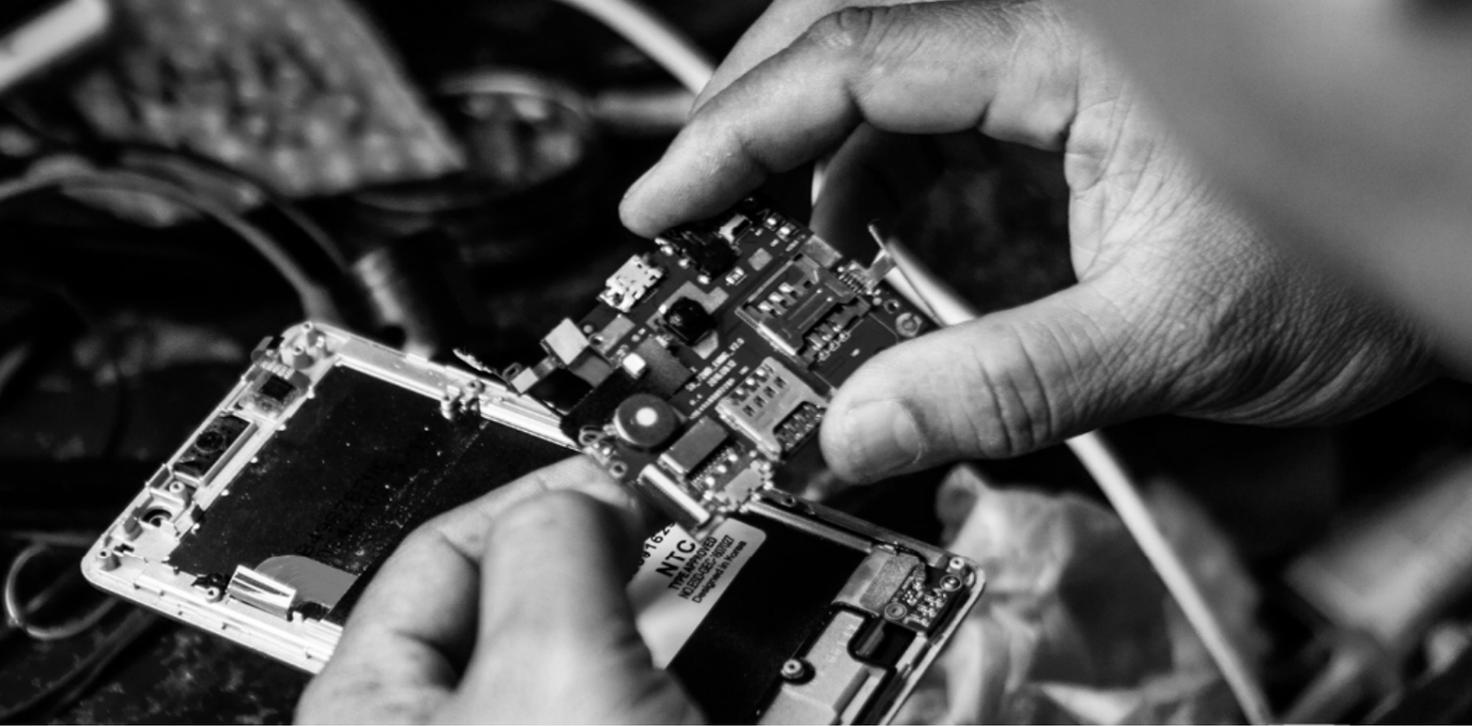
## Developing electric vehicle (EV) charging infrastructure

- **£35m**
- **Summary:** Develop a public network of EV charging stations across the West Midlands, creating the conditions for growth in take-up and manufacture of EVs. The West Midlands is at the heart of the UK automotive sector, yet it ranks eighth out of 12 regions across the UK in terms of its supply of publicly accessible charge points for EVs.
- **Benefits:**
  - Create 390 job years in construction in the short term.
  - Accelerate the take up of EVs.

✓ Ready-to-go project

## Reducing fuel poverty through a regional retrofit programme

- **£100m** ✓
- **Summary:** Funding for immediate energy efficiency measures on 6,000 homes and for scaling-up supply chains and demand stimulation. The West Midlands has the highest fuel poverty gap in the UK due to the high average age of housing stock in the region. It is also well-placed to deliver this intervention, given the concentration of energy companies and manufacturing capabilities available in the region.
- **Benefits:**
  - Eliminate fuel poverty for 50,000 households by the end of 2022.
  - 1000 jobs created immediately and graduate internship programme.
  - Scale-up to 20,000 new jobs and retrofit skills programme for 10,000 learners.
  - Increase the pace of carbon reduction from domestic dwellings and support achievement of the net zero objective.



## Repowering the Black Country

- **£30m**
- **Summary:** Programme to accelerate decarbonisation and clean growth of the Black Country industrial cluster, stimulating private sector investment of at least £400m. The Black Country is one of seven clusters which has been working with the BEIS Industrial Cluster Decarbonisation Programme, and investing now will deliver accelerated impact due to its more flexible SME base and circular economy approach.
- **Benefits:**
  - Create 2550 and safeguard 2200 jobs
  - Accelerate reshoring of manufacturing jobs, ensuring £14.8bn in additional GVA over 10 years is clean, net zero growth
  - Unlock additional private sector funding of £400m
  - Create the world's first zero carbon industrial cluster by 2030



# Maximise job creation for local people from HS2 and other unique West Midlands opportunities

The West Midlands has some unique opportunities as a result of investment in HS2 and through being host to the Commonwealth Games, the City of Culture in Coventry and other major cultural events.

By accelerating major infrastructure investments and by taking steps to support the cultural sector across the West Midlands, our proposals will maximise the value of the West Midlands' assets and existing investments to unlock inward investment and growth in the wider UK economy, whilst providing the region with the platform to compete globally. This public investment of £306m will create or safeguard 33,000 jobs. The proposed interventions involve:



## Accelerating the ambitious development plans around the HS2 Interchange station

- **£95m**
- **Summary:** Accelerate the ambitious development plans around the HS2 Interchange station, by releasing land currently planned to be used for car parking and by building new infrastructure such as access routes. This will accelerate the development of commercial development with high-tech manufacturing and innovation facilities, including a world class Health & Innovation Campus, by 3-5 years.
- **Benefits:**
  - Increase Gross Development Value by £3.2bn.
  - Increase GVA by £1.4bn.
  - Bring forward the creation of at least 16,000 net new jobs and 3,000 net new homes.
  - Open up the potential for early wins from HS2, such as a world class Health & Innovation Campus, commercial & housing opportunities.

## Regenerating the Curzon Street/Digbeth area

- **£131m** 
- **Summary:** Regeneration of the wider Curzon Street and Digbeth area, including £70m for the Martineau Galleries development, which is a core gateway development that is part of the HS2 Curzon Street Masterplan. The proposal also includes a £61m investment into the Creative Quarter, which will accelerate the development of the Creative Content Hub and Studio UK - anchors to fuel high growth creative industries. The West Midlands is a creative hub, with Steven Knight's Mercian Studios soon to launch, and is already a proving ground for new kinds of digital content with the international games cluster in Leamington Spa and the large-scale WM5G test bed.

- **Benefits:**
  - Martineau Galleries will boost the local economy by £255m, create 8,000 new jobs and 1,300 new homes.
  - Create 10,800 job years in construction in the short-term.
  - Creative Quarter will enable content businesses to pivot and scale, attracting 10 new FDI projects per year in creative industries and creation of 6,000 jobs.
  - Creative Quarter will attract 50 new businesses to the region in the next 3 years to meet growing demand across the country and upskill 3,000 people in the Creative Sector in the next 3 years with a focus on levelling up the workforce.
  - Create a world-class innovation hub (StudioUK) to enable a digital technology first approach for recovery of the UK's media production sector.
  - Position the area for the potential development of the Birmingham Museum of Science and Industry, which will attract 2 million visitors and bring £30m to the local economy.

## Reinvigorating the cultural sector through the Cultural Catalyst Programme

- **£80m**
- **Summary:** Provide critical support to the cultural sector to adapt business models and accelerate digitisation in response to COVID-19 and reopen at pace. This includes £50m for 'shovel ready' capital projects for arts and cultural venues in the region from Sandwell's Festival Site & Country Park to Stratford's Swan Theatre. This will reposition the region as a global destination and innovative leader in cultural offers and creative practice. This will transform the life chances and business potential of our young and diverse population, ensuring that the benefits are felt widely across the region.

- **Benefits:**
  - Create and safeguard 3,000 jobs in the creative and cultural sector.
  - Launch over 200 businesses.
  - Support the cultural industries to quickly adapt to a post COVID-19 environment by improving its long-term financial resilience.
  - Help the region to realise the £1.3bn economic benefit arising from the Birmingham Commonwealth Games and Coventry City of Culture.

 Ready-to-go project

# Invest in healthcare innovation

Developing data-driven health and life sciences are a priority in the West Midlands Local Industrial Strategy. Following the advent of COVID-19 and its impact on the region, this package provides targeted support for high-growth sectors to address the productivity gap, improve health outcomes and reduce regional health inequalities. It also supports the Government's ambition to increase R&D intensity in areas with high potential for future growth by driving the development of an internationally recognised health technologies cluster which makes the most of the region's young, diverse population of over 4.2 million and a multi-disciplinary academic and clinical base, supported by major co-investments in infrastructure for health innovation. Our proposals will unlock 3,200 jobs with investment of £137m. The proposed interventions involve:



## Developing the Birmingham Life Sciences Park into a substantial cluster of high-tech healthcare innovation

- **£60m**
- **Summary:** Initial public investment of £60m to enable a business and incubation hub (the Precision Health Technologies Accelerator (PHTA)). This will provide the critical advanced facilities and infrastructure for co-creation, incubation and grow-on space dedicated to health technology businesses. As one of the Government's Life Science Opportunity Zones, the Park will provide a focal point for a regional health technologies cluster and immediately leverage significant inward investment and key regional strengths in medtech, digital health and clinical trials. This will enable the region to develop new technologies, tackle regional health inequalities, and provide vital infrastructure for sustainable business growth and productivity.

- **Benefits:**
  - Increase GVA by £400m.
  - Safeguard or create 1,600 jobs.
  - Engage with 500 companies in innovation.
  - Raise R&D industry investment by up to £100m.
  - Immediately leverage £45m of private sector capital investment and catalyse future private investment of £200m for >700,000 sq ft of space for new healthtech businesses over the next 7 years.
  - Provide infrastructure for long-term growth and inwards investment to rapidly develop innovative health technologies and scale for global markets.

Ready-to-go project



## Pivoting and scaling new health market entrants with ReSCue (Resilience in Supply Chains for Med Tech Manufacturing)

- **£54m**
- **Summary:** The COVID-19 crisis has highlighted major challenges concerning medical equipment supplies, supply chain issues and the need for more rapid innovation and regional resilience. Furthermore, major job losses are predicted in traditional manufacturing sectors so there is an urgent need for sector diversification. The West Midlands proposes investment to rapidly pivot, create and scale health market entrants through an integrated cluster. This will provide businesses with access to a portfolio of technical assistance, infrastructure and training through tailored packages developed through a network of business support personnel. With the UK's second largest med tech SME cluster, the West Midlands is ideally placed to respond to challenges in its capability to create basic supplies and novel technologies.

- **Benefits:**
  - Increase GVA by £79m over 4 years
  - Create 1,470 jobs (350 direct, 870 indirect, 250 regionally safeguarded).
  - Enable our companies to exploit the opportunities in health afforded by COVID-19 and improve supply chain resilience.
  - Respond to new markets, regulation, supply chains and procurement.
  - Adapt through the integration of new technologies (e.g. digital) and innovations from outside the sector (e.g. manufacturing, advanced materials).

Ready-to-go project



### Creating Grand Central Diagnostics Hub at Birmingham New Street station ✓

- **£13m**
- **Summary:** The West Midlands proposes to embed diagnostic and treatment services throughout the community and redefine care pathways to improve accessibility of screening and reach patients in communities that are harder to reach. Our region faces significant health inequalities and there is a need to provide quicker access to diagnosis and treatment to those with life-threatening conditions to ensure they can remain in employment as long as possible. There will be a number of centres across the region, starting with Grand Central Station and the retail complex. This presents a significant opportunity for the West Midlands, given it has the biggest tech sector outside London employing over 80,000 people across 13,500 tech businesses with a contribution of £5.4bn to the local economy.

- **Benefits:**
  - Alleviate pressure on the health system by reducing unnecessary visits to hospital and remove costs from the NHS.
  - Immediate action to reduce backlog of screening appointments.
  - Earlier diagnosis and treatment for cancer screening.
  - Support a healthy and engaged West Midlands workforce to control their own care.
  - Improving the health of the workforce and reduced work absence.
  - Lower carbon footprint from lower unnecessary journeys.

### Reducing health inequality through the Radical Health Prevention Fund ✓

- **£10m**
- **Summary:** Recyclable investment to target key drivers of health inequality, enabling a healthier workforce and more engaged citizens. Investments will support cutting edge advances in digital and data-driven health in the West Midlands and leverage private investment to accelerate innovation to address the wider determinants of health.
- **Benefits:**
  - Create 160 jobs.
  - Engage with 80 companies in innovation.
  - Help 30 innovations move from discovery to delivery.
  - Narrow the gap in health inequality outcomes (e.g. obesity, diabetes and improve access to service for BAME communities).

✓ Ready-to-go project



# Build better digital and transport links

To support recovery, our package of digital and transport investments is designed to enhance our fibre and 5G infrastructure and accelerate development of the West Midlands public transport system - linked to the locally led HS2 Growth Strategy - Public transport is a vital public service, ensuring the mobility of key workers and providing resilience for our urban areas during this crisis. Our schemes will provide our network with the capacity it needs to support growth and a green recovery. Better connectivity will also improve people's access to job opportunities and raise productivity across the region. Our proposals will unlock 4,200 jobs years in construction with an investment of £376m.

We propose the following investments in digital and transport infrastructure



## Providing incentives to extend the fibre network

- **£16m**
- **Summary:** Investment to stimulate private sector investment which accelerates the delivery of full fibre connectivity in less well-off parts of the West Midlands by utilising anchor tenancy models with local authorities.
- **Benefits:**
  - 483km of new fibre infrastructure leading to around 350,000 more homes and businesses in the West Midlands benefiting from full fibre and super-fast 5G mobile coverage.
  - Productivity benefits across local authorities and schools are estimated at around £50m.
  - Wider productivity boosts are estimated to be £200-290m over a seven year period. 5G will improve regional productivity and according to Barclays, is expected to boost the Midlands economy by £1.9bn of business revenue per annum by 2025.

## Maximising the impact of the 5G application accelerator project with a digital innovation fund

- **£28m**
- **Summary:** To capitalise on the West Midlands' position as the UK's first large-scale, multi-city 5G test bed by establishing a digital innovation fund to support SMEs using the accelerator hubs in Birmingham, Coventry and Wolverhampton.
- **Benefits:**
  - Support digital companies facing significant equity gaps, particularly those at R&D stages.
  - Engage with 2,000 organisations in the next 5 years including 128 SMEs who will be product testing by March 2022.

## Improving connectivity across the region by extending the Metro ✔

- **£101m**
- **Summary:** Contribution to the cost of accelerating the East-West Metro extension from Wednesbury to Brierley Hill and the Eastside extension linking to East Birmingham to North Solihull from the HS2 station at Curzon Street.
- **Benefits:**
  - Support regeneration in areas of need through improved connectivity (e.g. with HS2) and reduced congestion.
  - Transform transit links alongside new high quality/high density housing.
  - Support inclusive growth.
  - Encourage modal shift from private car.
  - Deliver local environmental and safety benefits.
  - Estimated overall scheme Benefit:Cost ratios are between 2.0 and 3.0.



## Providing attractive bus services through Sprint ✔

- **£61m**
- **Summary:** Development of the Sprint network linking strategic centres and local communities to key areas of growth based on a bus rapid transit system (as an alternative to cars); the focus is on the A34 route between Walsall and Birmingham, and the A45 between Birmingham and Solihull.
- **Benefits:**
  - Improve journey times and reliability from the Black Country, through Birmingham City Centre, to Solihull and the Airport.
  - Increase the proportion of West Midlands residents able to access three or more strategic centres within 45 minutes by public transport.
  - Stimulate modal shift from car to Sprint and other public transport.
  - Improve access to the strategic cycle network.
  - Environmental benefits from the use of zero emission vehicles and reduction in car trips.
  - Estimated overall scheme Benefit:Cost ratio is 3.0.

## Upgrading rail services ✔

- **£84m**
- **Summary:** Investment in the West Midlands Rail Programme, including upgrading University and Perry Barr stations and delivering a step change in rail access, in part by bringing back closed lines and stations at Willenhall, Darlaston, Moseley, Kings Heath and Hazelwell.
- **Benefits:**
  - Provide improved access to the University of Birmingham, UHB and new Life Sciences Park.
  - Remediate land.
  - Increase passenger flow.
  - Reduce congestion on key route network.
  - Provide access to the Darlaston Enterprise Zone and help to unlock 8,000 new homes.
  - Estimated overall scheme Benefit:Cost ratios are between 2.3 and 9.7.

## Enhancing local connectivity ✔

- **£86m**
- **Summary:** Acceleration of various other projects to enhance local connectivity, including improvements to Dudley Interchange and the major roads network at Birchley Island and the A454 from Wolverhampton to Walsall.
- **Benefits:**
  - Remove barriers to growth, job creation and economic development by improving accessibility.
  - Reduce traffic related delays.
  - Improve safety.
  - Improve walking/cycling facilities.
  - Enhance public realm.
  - Increase capacity and passenger numbers.
  - Reduce exposure to harmful emissions.
  - Reduce severance.
  - Estimated overall scheme Benefit: Cost ratios are between 1.8 and 3.3.

✔ Ready-to-go project

✔ Ready-to-go project

# Regenerate brownfield sites and build new homes

In recent years, the urban renaissance in the West Midlands has seen major investment in key infrastructure such as HS2, a national reputation for brownfield regeneration and bold new policymaking (eg affordable housing and AMC). The region has achieved a record increase nationally in the number of new homes delivered each year and has exceeded its targets agreed with the Government in the Housing Deal of 2018.

Our comprehensive recovery proposals are aimed at tackling both the immediate issues of unlocking stalled and difficult to deliver sites, alongside fundamental investments to provide the affordable homes, urban regeneration, inclusive growth and supporting infrastructure required post-pandemic. To achieve this, we will be accelerating a targeted investment of £674m to bring forward 35,000 additional new homes – of which over 20,000 are affordable. These will reinforce market confidence in the region as the place to invest and develop as we push ahead with our ambitious inclusive growth agenda to lead the nation's recovery. Our proposals involve:

## Unlocking new housing and employment opportunities through the Urban Transformation Fund



- £200m
- **Summary:** The West Midlands will use this fund to enable rapid expansion of its brownfield regeneration programmes and to bring forward its pipeline of brownfield sites. The initial focus will be on development projects which can start on site within the next 6-12 months, showing immediate visible impact of recovery. Rapid decision making will de-risk projects and provide greater certainty to the market.
- **Benefits:**
  - Leverage further investment of up to £800m and increased market confidence.
  - Delivery of at least 15,000 new homes on urban brownfield sites.
  - Support 11,720 job years in construction in the short-term.

## Delivering additional affordable housing through a new Regional Affordable Housing Fund



- £400m
- **Summary:** The West Midlands proposes a new affordable housing fund to enable a step change in affordable housing supply across the region that will meet the housing needs of residents and support economic recovery. This builds on the West Midlands' detailed understanding of the affordable housing challenges facing our region and track record of deploying devolved housing funds to tackle worsening affordability. A key part of this programme will be to establish a landmark £50m "Homes for Covid Heroes" programme delivering new homes for essential workers who have kept the country safe and supplied during the pandemic.

Ready-to-go project



- **Benefits:**
  - Delivery of 20,000 additional affordable homes above and beyond those already assigned and planned for.
  - Support 23,400 job years in construction in the short-term.



## Making the West Midlands a national centre of excellence for brownfield regeneration, including through establishing a new National Brownfield Institute in Wolverhampton

- £24m
- **Summary:** The development of a new National Brownfield Institute (NBI) to create a world-class brownfield regeneration industry cluster through multi-sector partnerships, based at the University of Wolverhampton. Funding is required to support capital investment and operating expenditure for three years to create the NBI, before external income enables it to become self-sustaining.
- **Benefits:**
  - Accelerated remediation and development of brownfield sites, especially across the West Midlands.
  - Better and quicker access to relevant high-quality data and research.
  - Greater collaborative research and development, leading to increased use of new technologies enabling brownfield development.

Ready-to-go project

- Creation of 250 job years in construction of the NBI in the short-term, with a multiplier effect throughout other related sectors over time.



**Supporting the development and deployment of Advanced Manufacturing in Construction (AMC) through a new Regional AMC Accelerator Fund**

£50m



- **Summary:** we propose a £50m enabling fund to accelerate the development and the use of Advanced Manufacturing in Construction techniques across the West Midlands. This fund will support the delivery of the land, skills, factories and technology that are needed to enable our AMC industry to grow and thrive. Our ambition is for the West Midlands to be the national and international epicentre of AMC – building from our unique manufacturing heritage and track record of housing and employment delivery. We are committed to transforming the way we build homes in the region and beyond, shifting the focus to precision manufacturing, mass production and customisation and ensuring high quality jobs and private sector investment flow from that.

• **Benefits:**

- Strategic investment in the land, technology, skills and facilities needed for 21st century innovation in homebuilding and construction.
- A new generation of built environment experts and a new pipeline of construction skills and careers opportunities focused on enhanced digital and manufacturing expertise.
- Development of new skills and employment delivery, specifically high-level digital and manufacturing skills.
- Local materials processing, manufacturing and consolidation processes, limiting import reliance.

 Ready-to-go project



# Get people back into work

As home to a young and ethnically diverse population, our region has been disproportionately exposed to the negative jobs impacts of the economic crisis. There is a risk that without urgent intervention, young people and new graduates are at risk of entering the labour market during a severe downturn, exposing them to the risk of unemployment and longer-term scarring effects. Similarly, many older workers, including those in the automotive and manufacturing sector have lost their jobs or have been furloughed. Our skills packages will support 154,400 young people and workers who are vulnerable to unemployment through apprenticeships and retraining schemes to return them to work quickly, equipping them with the skills needed for the future, and tracking them to engage them in the labour market, through an investment of £550m over three years. Our proposals are tailored to the specific needs of our young people and workers, and complement vital national-level policy measures to avoid mass unemployment. Our proposals involve:



## Supporting young people with training and getting into jobs ✔

- **£272m**
- **Summary:** £167m to redeploy existing Education and Skills Funding Agency (EFSA) and apprenticeship levy funding to provide apprenticeship wage subsidies and providing traineeships and work-related experience. £105m funding over three years to provide training opportunities in higher level 3-5 courses for young people who might otherwise be unemployed, enhance tracking schemes and provide additional tuition for young people whose learning has been disrupted by COVID. This is particularly crucial in a region where the NEET rate is already higher than the national average, and is likely to rise further during this crisis.

- **Benefits:**
  - 38,400 young people to benefit from apprenticeship wage subsidies and traineeships over three years.
  - 45,000 vulnerable young people to benefit from tracking schemes and remain engaged with the labour market.
  - 9,000 young people to benefit from funding for additional learning in 2020/21, and 18,000 to benefit from higher level 3-5 courses in priority skill areas over 3 years.

✔ Ready-to-go project

## Getting the West Midlands back into work through retraining ✔

- **£33m**
- **Summary:** Boost to the adult education budget in 2020/21 to support furloughed and unemployed workers by offering opportunities to retrain into jobs in in-demand sectors that are recruiting in the region, such as health and social care, logistics, and business services, including developing a health and social care innovation hub in Sandwell. This will be complemented by boosting regional capacity to support job brokerage activity and better target effective employment support, including making the most of the job and training opportunities created by the Commonwealth Games. Getting people back into work quickly is especially critical in the West Midlands given that nearly 27% of workers in the region have been furloughed.



- **Benefits:**
  - 20,000 workers to benefit from retraining, enter new jobs and continue to support their families.
  - Improved effectiveness of job brokerage activity across the region, including maximising the job and training opportunities created through CWG.

## Upskilling our workforce for jobs of the future ✔

- **£245m**
- **Summary:** Our £60m Future Skills Future Jobs programme will deliver higher level 4-5 courses to support adults to develop skills to increase employability in future growth sectors, particularly in green growth and electrification, 5G and digital, health and life sciences, advanced manufacturing and construction etc. We are well-placed to deliver this, having already successfully delivered National Retraining schemes in digital and construction. In addition, we propose £185m capital funding to develop the technical facilities in FE Colleges needed to support retraining and the roll out of T-levels. This includes plans to deliver the transformative City Learning Quarter (CLQ) in Wolverhampton, which will bring together the City of Wolverhampton college, Adult education Service and city centre library, upskilling and connecting communities to jobs into high-growth sectors of the future.

✔ Ready-to-go project

- **Benefits:**
  - 24,000 adults (8,000 a year) to benefit from skills programmes that enable them to move into high-skilled jobs.
  - The capital investment in FE colleges will result in an immediate short-term creation of 600 construction jobs, but in the long-term will result in an increase in capacity of FE colleges to deliver new courses and T-levels in engineering and manufacturing, digital technologies and health and life sciences.
  - CLQ will help safeguard and create 2,300 jobs.

# Back our region's businesses

The region is home to thousands of SMEs, many of which form part of critical automotive and manufacturing supply chains that have been impacted by the crisis. Targeted regional support will help industries whose demand for products has been most severely impacted in the short-term, but whose capability is critical to the long term success of the West Midlands' economy. Our proposals will also help turbo-charge business growth, exports, and innovation in the West Midlands by bringing the best of our region's combined expertise in the growth sectors of the future, safeguarding or creating 43,900 jobs through an investment of £532m. Our proposals involve:



## Quickly re-deploying industrial engineering and research talent to develop globally competitive applied technologies, in an ambitious 'Speed to Scale' programme

- **£382m**
- **Summary:** A huge programme of putting experienced industrial engineers and technicians to work on inventing and creating new globally competitive products and services in high-potential industry sub-sectors. Funding existing applied technology teams in universities and industry, with this new influx of talent, the programme will:
  - Provide facilities and equipment for project team working, rapid design and prototyping.
  - Finance development of new disruptive technologies with great flexibility for engineers and researchers to try new things with little red tape.
  - Focused on heat and energy, medical technology, mobility services and telco connectivity and security.

- Help SMEs with financing and expertise to switch to manufacturing these new products, by providing expertise and financing.
- Co-ordinate the joint working and staffing between manufacturers, researchers and the programme.
- **Benefits:**
  - Achieve GVA impact of £2.0bn and create 18,100 jobs.
  - Develop applied industrial technologies which will set up UK businesses to compete globally in 3-5 years and beyond.

## Investing in Advanced Manufacturing Excellence Programme (Restart, Reposition, Transform)

- **60m**
- **Summary:** Programme to preserve our SME manufacturing base, help them adapt their supply chains to become more resilient, and to enable them to pivot to in-demand sectors. This customised support programme will leverage Made Smarter Adoption support structures, adapt learnings from the Made Smarter North West pilot and blend local knowledge and data from the West Midlands Business schools and our High Value Manufacturing Catapult Centres. We will provide leadership, technology, business and voucher support with an easy to navigate one stop shop front end provided by our growth hubs. In the West Midlands we cherish our manufacturing heritage and DNA and believe that every manufacturing business deserves the opportunity to survive and grow. We will make it easy for them to access the right support for them at their stage in the journey towards digitalised manufacturing, diversification and servitisation.



- **Benefits:**
  - Support 13,200 manufacturing SMEs to improve their productivity, leadership, profitability, resilience, reduce their energy use and lower their carbon footprint, and start and accelerate their journey towards the digitalised and servitised manufacturing future.
  - Create or safeguard 19,800 jobs.

## Creating SME Recovery Programme (Pivot to Prosper and Productivity Factory)

- **£90m**
- **Summary:** A grant to support businesses pivot and adapt their business models to deliver transformation and a voucher scheme enabling businesses access professional services advice, and providing dedicated support through coaching, training and peer-to-peer mentoring schemes to support businesses to diversify business models, adopt new technology, and boost productivity. This is complemented by a comprehensive trade support programme that will prepare businesses to export post-Brexit and a longer-term training

programme offering tailored trade support and advice to help businesses trade out of the downturn.

- **Benefits:**
  - Boost business turnover through new products and processes, with 12,700 businesses benefiting from the support schemes.
  - Create 6,000 jobs.
  - Contributing to achieving the government's ambition to raise the value of exports from 30% to 35% of GDP.
  - Boosting business investment, exports and productivity over the longer-term, contributing to positive spillover effects throughout the supply chain and positioning the UK as an innovation leader.

## Enterprise Investment Growth Fund

- **Summary:** Work intensively with the Government to co-develop a large-scale equity fund, drawing on experience of focused equity funds. This will address the twin challenges of recapitalising viable firms that have been severely impacted in the short-term, ensuring they do not become overburdened with debt, hindering future investment and growth. Second, it will provide equity injections to high-growth potential firms linked to high quality wrap-around advice.
- **Benefits:**
  - Amplifies private sector investment in high-growth sectors.
  - Strengthens balance sheets so firms are positioned to invest and power economic recovery.
  - Accelerates and amplifies regional growth by linking large-scale equity investment to wrap-around public and private business support.

