

# Covid 12 months on



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## Introduction

The first Covid-19 case in the West Midlands was confirmed on 5 March 2020. Since then more than 6000 people in the West Midlands have died - with many more suffering from long term effects of the virus. The pandemic has fundamentally changed how we act, socialise and do business.

As we look forward and plan for recovery we are determined to address the challenges we face – including deep-seated, historic issues of deprivation and inequality that existed long before the pandemic. This is a once in a lifetime opportunity to rethink and reset our regional approach, working together to deliver fundamental change that will benefit everyone who lives and works here. The many groups we have worked with throughout the pandemic and – in particular – our young people have powerfully articulated the need to do things differently in the future. We owe it to the region to rise to this challenge.

Our response to the pandemic has evolved over the past year as we've understood more clearly its impact on every aspect of our lives. This paper provides an overview of our response to date, progress achieved, and identifies the issues we need to focus on in the next phases of our journey towards recovery. It is not an evaluation of individual plans, policies or delivery but rather a reflection of the outcomes the region needs to deliver, building on our collective response to the pandemic. It draws widely on the interdependencies between social, economic and environmental policy and the evidence gathered over the past year. It is intended to set the scene for discussions with all public sector partners who lead and shape recovery efforts in the region.

## Responding to Covid-19

The West Midlands has a strong history of collaboration and this has powered our pandemic response, allowing us to mobilise at pace:

- **Existing plans were adapted** (LEP Sector Action Plans, Local Council Plans) **and new recovery plans and priorities created** (LEP and Local Authority Recovery Plans, 10 Leaders Recovery Priorities, Community Recovery Prospectus, WM Young Combined Authority Priorities)
- **New, collaborative governance structures were set up to guide our response** (Recovery Forum, Economic Impact Group, Regional Economic Implementation Group, SteerCo, LEP and Local Authority Covid Recovery Taskforces, Jobs and Skills Delivery Board)
- **Programme delivery was tailored** (Pivot and Prosper, Thrive at Work, Local Authority, LEP and University led Business Recovery Webinars, Digital Skills support and Employment support)
- **We researched and understood our citizens' experiences**, engaging with people across the region (Community Recovery Prospectus, WM Faith Forum Roundtable, Business Surveys, Community Outreach)
- **Evidence was developed and guided our decision making** (WMREDI Economic Monitor, Health of the Region Report, Citizens Panel, Growth Hubs and Chambers of Commerce Business Surveys)
- **We articulated our asks and our regional opportunities to government, coming together as a collective regional voice** (31 Recharge priorities, Three Calls to Action, campaigns including #BackOurBusinesses led by Chambers of Commerce)

We came together as a region, continuing to deliver vital frontline services despite extraordinary pressures, setting up new programmes in response to the unfolding situation, addressing gaps in support, lobbying government and allocating funds to support our communities.

Our response to Covid-19 has also mitigated the impacts of the UK's exit from the European Union. In effect, the region is responding to two crises and the end of national pandemic support will highlight the wider impact of the end of the transition period. The WMCA is working with colleagues in LEPs, Chambers and Birmingham City Council (in their role as a regional Brexit coordinator) to draw together and monitor emerging intelligence. A Strategic Coordination Group (SCG) for Covid-19 and Brexit and an officer level Tactical Coordination Group (TCG) were also established and continue to respond to the unfolding crises.

## Snapshot of Regional Success



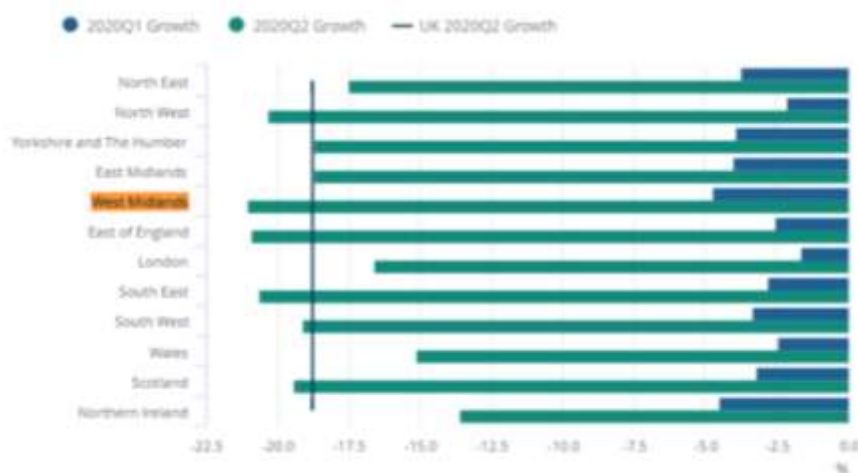
## Evidence and intelligence

Pre-Covid we were leading a revival.

The West Midlands is one of the largest conurbations outside London, with its location at the heart of the UK's transport networks and international connections. The region was one of the most prosperous areas of the UK until economic and manufacturing decline during the 1970s and 1980s, and in the last five years it has been experiencing a resurgence of that power.

The region broke through the £100bn GVA barrier and had been bucking the national trend on a host of economic indicators like enterprise and employment growth. But not all residents in the West Midlands benefited from this growth and significant deprivation persisted. Our economic model did not provide a route out of poverty for everyone.

During 2020, the impact of the pandemic caused the West Midlands' economic output to fall by over £10bn. Economic forecasts predict it will be mid to late 2023 by the time the UK economy returns to early 2020 levels. The West Midlands has experienced the largest negative growth of all regions in Q2 of 2020 (-21.0%), compounding similar performance in Q1 (see Fig 1).



Source: Office for National Statistics – Regional GDP estimate

Fig.1 – Quarter on quarter GDP change for UK regions

The impact is stark:

- The Labour Force Survey indicates the wider West Midlands (NUTS1) may have seen the greatest fall in jobs of any UK region, with 164,000 fewer jobs in September 2020 compared to a year before
- Claimant count across the seven constituent WMCA local authority area has increased by 77,000 people in the year to December 2020
- 146,800 people (12% of employed people) are on furlough in January 2021.

The region's distinct composition as a diverse, young region with a large manufacturing base has also contributed to it being one of the hardest hit regions by Covid-19 and the UK's exit from the European Union.

The West Midlands also has the same proportion of businesses in the 'most affected by lockdown category' as the national average (19.4% according to the ONS), but the region has a higher percentage of young employees (16-24 year olds) and young female employees in at risk jobs in these businesses, particularly in Birmingham and Coventry-based businesses. Lockdown has had a more a more significant impact on regional inequality.

The pandemic has sharpened existing challenges, testing the resilience of our economic, social and environmental structures. Inequalities have been exposed and exacerbated by the pandemic with age, gender, ethnicity and occupation drastically varying an individual's exposure and experience. Businesses who have been quick to adopt digital technology and implement agile and socially distanced workplaces have weathered the storm better than others.

Our regional recovery response continues to be informed by economic intelligence capturing these challenges, notably the weekly WMREDI Economic Impact Monitor, set up in response to the pandemic, which has run for 48 weeks to date. Sectoral impacts are monitored by Local Enterprise (LEP) risk monitors on Covid-19 and Brexit and sectoral action plans are adapted as required. Direct industry feedback is captured through Growth Hubs, Chambers and weekly Economic Impact Group (EIG) meetings. Moving forward, two key pieces of research will shape where we go next as a region; a light touch refresh of the State of the Region report and ongoing Megatrends work.

The region has much to be proud of in its pandemic response but the evidence tells us the long term impacts of Covid-19 will be significant and the underlying challenges need to be addressed.

## Lessons learnt

Prior to the pandemic, the region had persisting inequalities.

On average people in the WMCA have a shorter life expectancy than England overall, and spend more of their lives in poor health. Women in the WMCA live for 82.2 years on average (England 83.2) and spend 22 years in poor health; men live for 78.0 years on average (England 79.6) and spend 18 years in poor health. This is due largely to higher than national average rates of premature deaths from preventable causes (cardiovascular disease, cancer, liver disease and respiratory disease) as well as higher infant mortality rates. These correspond to higher rates of problem drinking, obesity (child and adult) and physical inactivity as well as lower cancer screening cover.

Most areas in the WMCA also have a greater level of socio-economic deprivation than the national average, with around a quarter of children living in low income households. Gross Disposal Household Income (GDHI) per person in 2017 was £16,479 compared with £19,514 in the UK as a whole.

This bleak picture has become more entrenched as a result of Covid-19. It cannot be solved by any one individual organisation and it is an indication that our previous economic model is not supporting the West Midlands in the way it needs to.

The pandemic has highlighted some fundamental key challenges:

- Our economy is not as resilient as we need it to be. Our businesses and industry adapt quickly but they require coordinated support. The economy does not exist in a

separate sphere to health, the environment or communities -each one reinforces the other.

- Individual action is not enough to prevent climate collapse and structural change is needed - lockdowns exposed this. Every financial decision should be in line with our ambition to become net zero (WM2041) and there is an urgent and pressing need to de-couple prosperity from the consumption of energy and resources.
- Inequalities have widened. This is a result of both the direct effects of the virus, and the indirect effects through the control measures taken. Communities who were already disadvantaged are now more vulnerable and this has a society-wide impact.
- The impact of Covid-19 is not equal. Age, gender, ethnicity and occupation significantly affect an individual's exposure to the virus and the long term impacts it has on their lives.
- Mortality risk from Covid-19 is higher among black, Asian and minority ethnic (BAME) people and diagnosis rates are higher. The WMCA population is more ethnically diverse than that of both England and the West Midlands region overall (30.6% of our residents are from BAME groups compared with 14.0% in England and 17.4 across the whole of the West Midlands). This ranges from 9.0% in Dudley to 43.0% in Birmingham. The Health of the Region report expands on the reasons for this.
- Our communities mobilise at pace and at scale. There is not a lack of community ambition but a lack of resources.

There is also substantial evidence on the detrimental impact of economic shock on physical and mental health and wellbeing, for example in times of recession.<sup>1</sup> However, the Covid-19 pandemic has an additional dimension of direct health impacts, affecting anxiety and wellbeing alongside those relating to economic factors. This has contributed to the exacerbation of existing inequalities, both with increasing unemployment in more precarious sectors, and increased risk among those who have needed to attend their workplaces rather than working at home. Some of the people working in the lowest paid and/or least secure jobs have also been those most likely to come into contact with the virus, meaning that they have faced the dual impact of increased infection risk and economic consequences.

We have an opportunity to address the structural and cyclical inequalities within our region to truly level up but it will require a different approach focused on shared challenges. The West Midlands is no longer one of the strongest economic regional performers in the UK but one of the most vulnerable. We also know our previous economic success was not always inclusive and it was carbon intensive. This is our opportunity to change. We cannot revert back to business as usual.

## Shaping our future

Over the past year, partners have mobilised plans and programmes to address the challenges from the pandemic and end of the Transition Period with the EU. This is a fast moving environment and our plans and priorities have reflected this, they were developed to

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<sup>1</sup> Banks J, Karjalainen H, Propper C (2020). IFS Briefing Note BN281 - Recessions and health: The long-term health consequences of responses to coronavirus. Institute for Fiscal Studies/Economic & Social Research Council. <https://www.ifs.org.uk/uploads/BN281-Recessions-and-health-The-long-term-healthconsequences-of-responses-to-COVID-19-FINAL.pdf>



meet a need, establish a common understanding, signal our investment opportunities or understand the experiences of citizens in the West Midlands.

Our current approach to economic leadership, and the systems we created to manage the impact of the pandemic, are indicative of our regional needs at specific points over the past 12 months. Recovery documents have been written to meet the needs of communities, politicians and Whitehall. This has often been done at pace, working with partners facing their own local and specific challenges.

Existing regional plans are already guiding us in a shared direction, pointing towards five interconnected challenges:

Challenge	Description	Evidence
<b>Delivering good jobs</b>	A volume, supply and demand problem – there is a need to create purposeful jobs that provide a route out of poverty and aid a just transition to net zero.	<ul style="list-style-type: none"> <li>• The West Midlands region had 2.8m workforce jobs in September 2020, following the trend across all the UK regions when compared to September 2019, the West Midlands decreased by 163,762 workforce jobs.</li> <li>• The West Midlands region had 92,502 less workforce jobs when compared to the last quarter.</li> </ul>
<b>Supporting thriving places &amp; communities</b>	How our cities, towns and neighbourhoods will be connected, distinct and authentic to their communities.	<ul style="list-style-type: none"> <li>• Figures from Centre for Cities' High Street Recovery Tracker show that footfall in Birmingham city centre had only recovered to 31% of its pre-pandemic levels by early December with expenditure at 17% (the lowest of any city in the UK)</li> <li>• This <a href="#">footfall tracker</a> compares the three West Midlands cities</li> <li>• For the WMCA, it is estimated the loss of sales in Hospitality has been around £3.25bn.</li> <li>• Overall, online retail sales rose to a record high of 33.9% as a share of all retail spending</li> </ul>
<b>Embedding our green ambitions</b>	Delivering on our WM2041 ambitions and tackling fundamental challenges such as the need to decouple prosperity from the consumption of energy and resources. This has wider implications for industry, jobs and skills for instance.	<ul style="list-style-type: none"> <li>• Stay within a cumulative carbon dioxide emissions budget of 74.1 MtCO<sub>2</sub> for the period of 2020 to 2100. At 2016 CO<sub>2</sub> emission levels, the budget would be used within 6 years.</li> <li>• WMCA requires a 60% reduction in car mileage to meet our carbon reduction targets</li> </ul>

<b>Tackling inequality / levelling up</b>	Both between and within regions and across different demographics, communities and backgrounds.	<ul style="list-style-type: none"> <li>• COVID-19 deaths are 2.2 times higher in the most deprived areas vs least deprived areas (all deaths 1.9 times higher)</li> <li>• Nearly one in seven are looking for employment within Birmingham. Unfortunately, the city also continues to have the worst levels of joblessness in the UK, with five of the ten constituencies within with the highest jobless rates across the entire UK being in Birmingham.</li> </ul>
<b>Preventing a lost generation</b>	Ensuring our children, young people and older population get the opportunity to fulfil their potential.	<ul style="list-style-type: none"> <li>• 207,645 claimants aged 16 years and over in January. +90,055 claimants since March.</li> <li>• Youth Claimants has nearly doubled to 41,230 and 8.4% of all 16 to 24 year olds</li> <li>• Educational activities amongst primary school children fell by a quarter to 4.5 hours a day</li> <li>• Highest number of non-internet users in UK (1/5th), with a further 1/5th limited users</li> <li>• Highest proportion of employers saying they find digital skills difficult to obtain from applicants of any UK region (38%)</li> </ul>

Our plans, priorities and delivery signal one core and clear message - there is a purpose to economic activity. It should support vulnerable people and tackle climate change. It should also be defined, shaped by and benefiting the communities across the West Midlands.

Many of our priorities indicate the same underlying goals but the number of plans make it difficult to understand which plans take precedence and what our core ambitions are as a region. We do not have one shared narrative to encapsulate the journey of the West Midlands in its response to the pandemic and the end of the transition period, including the opportunities and challenges this brings. Previous regional economic plans, the SEP and LIS, were written before the challenges and opportunities presented by the pandemic and UK-EU Trade deal. Instead, we have several plans that tell a story from a range of perspectives and spatial footprints, making it difficult for investors, businesses partners and communities to understand and engage with our work.

We are operating in a complex, interconnected system where economic, social and environmental activity intertwines. We need a mechanism of policymaking and delivery that recognises and reinforces balance in this system. Our regional inclusive growth delivery at different spatial footprints exemplifies existing efforts to achieve this but we need to go further and embed this more effectively in the ways we work, invest and prioritise.

Our plans point us in the right direction and our delivery in response to the pandemic has shown we are able to adapt and innovate to meet new challenges. This is now about drawing together this work and the system that supports it.

It is also important to distinguish regional plans and delivery from organisational plans and delivery. Both are necessary but distinguishing between the two has important ramifications for how we act and where accountability lies.

Examples of strategic plans shaping our crisis response and recovery from Covid-19 have been grouped on a regional, sub-regional and local footprint below to demonstrate the different layers of strategic leadership:

## Regional Activity

May 2020	Leaders came together to identify ten priorities to guide our collective recovery response in the early stages
June 2020	Proposition to 'Recharge the West Midlands' submitted to Government to kick-start economic recovery
July 2020	Partners prioritised transformative projects for the £74m Getting Building Fund across the region
November 2020	Levelling Up the West Midlands: Our Roadmap to Community Recovery and prospectus to government published with six priority actions and four cross cutting principles following intensive engagement with citizens across the region
January 2021	LEPs updated sector recovery plans to take account of the Trade and Cooperation Agreement and further Covid-19 restrictions
	Young Combined Authority Priorities Published
	Digital Roadmap published

### Our West Midlands, Young Combined Authority Vision and Priorities for the Future – February 2021

The Young Combined Authority (YCA) brings together a diverse group of young people, aged 16 to 25, who all live, learn and work across the region.

Established in 2019 by the West Midlands Combined Authority (WMCA) Board, the YCA aims to provide direct insight from young people within regional policy development. By sharing their views, YCA members help to guide and challenge the WMCA as it makes decisions that will shape the future of the West Midlands.

Together, the YCA worked as a board to develop their own 'Vision and Priorities' report for the future of the region, which was published in February 2021.

It has been shaped in light of the coronavirus pandemic and is built around seven priority areas which the YCA identified as particularly important for helping the region to recover from the crisis:

- Culture and Major Events
- Skills
- Digital
- Environment
- Transport
- Housing and Regeneration
- Inclusive Communities and Wellbeing

The report articulates the YCA's asks and aspirations of and for the West Midlands. Some of these asks are within the remit of the WMCA while others will rely on partners across the region to share the vision, collaborate and influence change.

YCA members have started the next step of working with partners to secure support for their Vision and identify ways it can be made real. This has included early engagement with partners (e.g. Birmingham 2022 Commonwealth Games), regional forums (e.g. West Midlands Recovery Coordination Group), WMCA officer groups and the WMCA Board – who endorsed the YCA's Vision in January 2021 and agreed to reflect on how it may be taken forward through WMCA policy, delivery and future devolution asks.

### Levelling Up the West Midlands: Our Roadmap to Community Recovery and prospectus to government – November 2020

This report was commissioned on behalf of the regional Recovery Co-ordination Group, which was formed in June 2020 to address the wider social and community issues concerning the pandemic and to look forward to recovery.

In summer 2020, the West Midlands Recovery Coordination Group convened a Citizens Panel, comprised of people from across the region, to ensure that recovery was aligned to their fears, hopes and experiences. The structure and content of the roadmap reflects their words, priorities and principles – and it is their expectation that their voices, influence and lived experiences will be part of the ongoing recovery process.

The Community Recovery Roadmap sets out six citizen priorities and four cross cutting principles identified by communities themselves and driven by our local authorities and their partners:

1. Living safely with coronavirus
2. Accessing healthcare and improving physical health
3. Mental health support and awareness
4. Education and young people
5. Jobs and training
6. Local businesses and high streets

Our asks of Government around supporting community recovery have included around £3bn of asks for transport, affordable housing and skills programmes in the WMCA Recharge the West Midlands prospectus for a further £203m has been requested for programmes of work directly associated with community recovery on issues like digital inclusion, radical health prevention and access to green spaces. We also need further devolved power. All asks in this prospectus have been previously made in our Comprehensive Spending Review, budget proposals and Devolution White Paper.

## Sub-Regional Level

### CW LEP Strategic Recovery Framework

***“This is a reset - not a recovery that will return to past norms - it is a fundamental reshaping of our whole economy.” CW LEP Strategic Recovery Framework***

Coventry and Warwickshire Local Enterprise Partnership (CW LEP) set up a Recovery Taskforce to guide the development of a Strategic Recovery Framework. The board of directors, six business groups and executive team worked together to create the CWLEP’s Strategic Reset Framework which focuses on short, medium and long-term priorities to help businesses adopt new practices and ways of working due to Covid-19.

The document sets out clearly defined objectives, outputs and outcomes, and progress will be reported to the CWLEP’s board at its meetings.

An emphasis on technology is outlined, with bold approaches identified to interpret emerging trends that can build on existing sector strengths. Digitisation, automation, robotics and AI are all named as key area for the future.

The approach is underpinned by clear reset principles:

- Fundamental reset of the economy
- Every business as a new business
- Build on existing sector strengths
- Recalibrated priorities for capital infrastructure and revenue/enabling support
- Re-imagination of productivity. Embedded approaches to workforce health and wellbeing
- A green and sustainable reset and recovery
- Longer-term priorities reflected in robust project pipeline for future investment and funding

## Local Level

### Relighting Our City case study

Relighting Our City is the City of Wolverhampton’s Recovery Commitment. Led by the Council, it has been developed in partnership with more than 2,500 local people, including residents, young people, the voluntary and community sector, council partners, employees, councillors and businesses to determine the key priority areas of focussed recovery work.

Relighting Our City was developed following three months of engagement with local people during summer 2020, to make sure the plans for recovery accurately reflected the city’s needs. Areas of focus included understanding the impact of coronavirus (Covid-19), priorities for recovery, strengths of the city and what people wanted Wolverhampton to look like in the future.

A variety of methods were used to gather views from across the city’s diverse communities, including online surveys with businesses, residents and employees and focus groups with representatives from the voluntary community sector and equality groups. During August 2020 a citizen panel was held, and over four sessions local people fed back their views on the Relighting Our City priorities and actions.

Following this, five key priorities for the city were established: -

- supporting people who need us most
- creating more opportunities for young people
- supporting our vital local businesses
- generating more jobs and learning opportunities
- stimulating vibrant high streets and communities

People who live, work and visit the city also identified key cross-cutting themes to inform a collective response to Covid-19 – being driven by digital, conscious of climate change and ensuring fairness and inclusivity.

Relighting Our City is part of a regular and ongoing conversation with the city, ensuring that collectively we are focusing on the key activity required to effectively respond to what we know is a changing and difficult environment. Ongoing feedback has been sought through various means, including an online platform, to help further develop plans for recovery in the city as well as shaping Wolverhampton for the future.

## Where next?

The wider context for this work is challenging and complex. Activity on a local, sub-regional and regional footprint is influenced, enabled and, at times, restricted by national policy and funding.

Changes to the Green Book have placed further emphasis on the importance of the 'strategic case' and new national funding, such as the Levelling-Up Fund, reinforces the need to effectively articulate local priorities in a place-based approach.

The West Midlands can play a fundamental role - politically, socially and environmentally - in national recovery because:

- For Government to succeed in its mission to 'level-up' the country, it must address the stark economic, social and health inequalities seen in the story of the pandemic and powerfully illustrated here in the West Midlands.
- Delivering net zero carbon and energy transition is vital for the region given its strengths in energy intensive industries and with the stock of industrial and residential buildings and energy supply. This corresponds to the ambitious 5-year action plan to deliver the region's commitment to be carbon neutral by 2041.
- The long-term consequences of disruption to education will have a major impact on our region's young people
- There is also a need to address stressed public finances, with national debt now equal to the size of the economy.

Future national plans, policies and initiatives will influence our work – including the Budget announcement on 3 March 2021 and the Plan for Growth which supersedes the national Industrial Strategy and will be led by HM Treasury. The Plan for Growth will respond to major changes since 2017, including the UK's adoption of the 2050 net zero target, the pandemic and the post-Brexit trade deal with the EU. It includes sections on: global Britain infrastructure; skills; innovation and the low-carbon economy, as well as levelling-up.

In May 2021, mayoral, local and Police and Crime Commissioner elections will also lead to changes of approach and new or renewed delivery commitments.

A long-term strategy refresh is needed to consolidate our priorities into a set of missions based on the aforementioned challenges. This will help us define the purpose of economic activity, outline what a successful West Midlands economy looks like and help us focus delivery on shared missions. It will not replace local plans, but it will articulate the powerful, shared story we can tell about our region to Whitehall, investors and partners.

## Appendix

### Appendix 1: Regional recovery meetings

Acronym	Meeting	Audience / Purpose
<b>EIG</b>	Economic Impact Group	Weekly group, convened by the Mayor with approximately 40 business leaders, business representative groups and local authority leaders.
<b>REIG</b>	Regional Economic Implementation Group	Weekly meeting of Local Authority Regeneration Directors, plus significant partners from the LEPs, Commonwealth Games, BEIS and universities.
<b>SCG</b>	Strategic Coordination Group	Weekly monitoring of the pandemic by Senior Public Sector Leadership where urgent issues/ risks are raised and action tasked to mitigate the impact.
<b>TCG Brexit</b>	Tactical Coordination Group (Brexit)	Fortnightly meeting of Local Authority officers and partners involved in resilience planning.
-	Recovery Forum	The top-level political steering body, bringing together Council Leaders and Portfolio-Holders, the Mayor, PCC and Chair of WMFRS. It directs the region's approach to community and economic recovery work, including working alongside LEPs.
-	SteerCo	Fortnightly meeting on a Friday to steer economic recovery in the region. Mayor, WMCA Portfolio Holder for Economy, SED Board Chair and LEP lead, LEP Senior Leadership, WMCA Chief Executive and Economy Team.

#### Further Information

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**West Midlands**  
Combined Authority