



Black Country LEP

BLACK COUNTRY STRATEGIC ECONOMIC PLAN 2017

MARCH 2017

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Foreword

A lot has changed since the Black Country LEP published its first strategic economic plan in March 2014. Following the referendum, the country is pursuing Brexit. The government is committed to developing an industrial strategy. The West Midlands Combined Authority (WMCA) has been created, a devolution deal has been negotiated and a mayoral election will take place in May 2017

Through these changing times, the Black Country remains committed to its long-term, ambitious, evidence-based vision. At the core of that vision is a commitment to growing our population, raising incomes, achieving a more balanced population and transforming the quality of our environment. We are also committed to working as part of the WMCA to enable growth across the wider area and to use the scale of the CA to enable us to make further, faster progress in the Black Country.

We have made significant progress in many areas, raising skill levels and improving our infrastructure. Our GVA has reached a six year high and business starts are at the highest level since 2004. Our Black Country Garden City prospectus has both raised the profile of the area with investors and provided a focus for our action to accelerate house building. But significant challenges remain, most notably in raising our productivity and closing the output gap between the Black Country and the national average.

We are proud of our evidence base and business intelligence and in the refreshed SEP we have used that evidence to develop a set of priority propositions and actions which we are confident will enable us to make more progress in delivering our vision for the Black Country.



Stuart Towe CBE DL

Chairman, Black Country Local Enterprise Partnership

Cllr Peter Lowe

On behalf of the Black Country Joint Committee

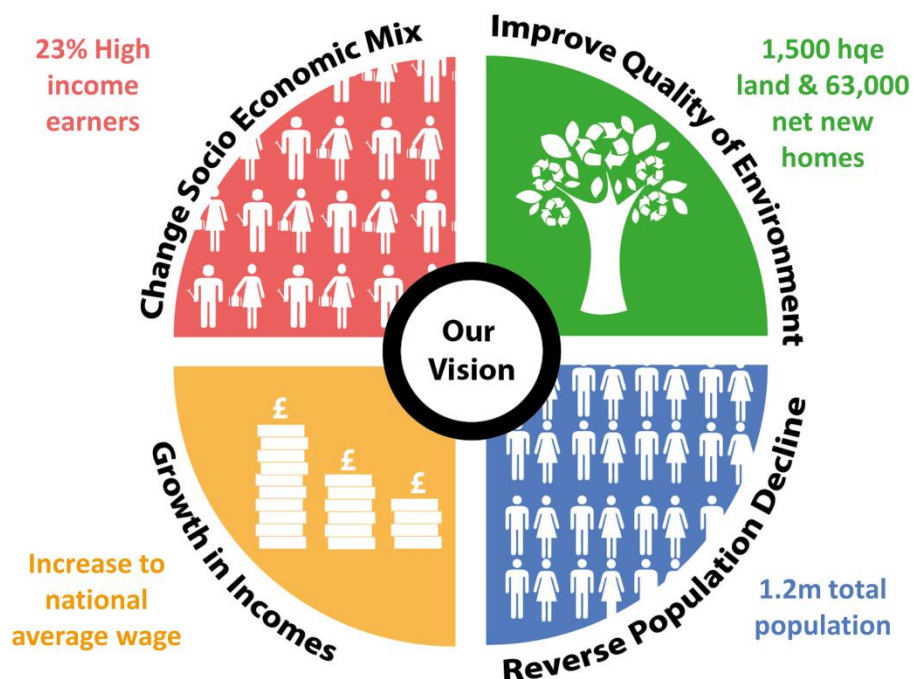
Executive Summary

The Black Country is the heart of the Midlands Engine. We are home to global businesses such as the automotive company ZF Lemforder and Carillion, the construction business. We also have a growing number of innovative small and medium-sized businesses. We host the country's most successful Enterprise Zone. We are leading the way in applying Garden City principles in an urban setting. Our Skills Factory is enabling Black Country businesses to meet their skills needs and our Elite Centre for Manufacturing Skills will open next year.

The Black Country is a functional economic area and action at this level is necessary if its economic potential is to be exploited. However our economy is an important component of the wider West Midlands economy: we have a significant contribution to make to enabling economic growth across the region; and we have an opportunity to exploit the scale of the WMCA and the Midlands Engine to help us deliver our growth ambitions.

Last year our GVA reached a record high and our output gap with the country as whole has stabilised. Businesses are being created at the fastest rate since 2004 and the number of apprenticeship starts is increasing faster than the national average. We still face major challenges, however. Our productivity is low, we need to do more to raise our skills levels and the costs involved in bringing forward land of employment and housing use are significant.

This refreshed Strategic Economic Plan sets out how we intend to go further, faster in delivering our vision for the Black Country. First class business intelligence is at the heart of what we do. We also adopt business processes to how we work. Many Black Country businesses use the Deming Cycle to structure their approach to business planning. We have used the four steps – Plan, Do, Check, Act – in developing this SEP and they form the structure of this executive summary.



Plan

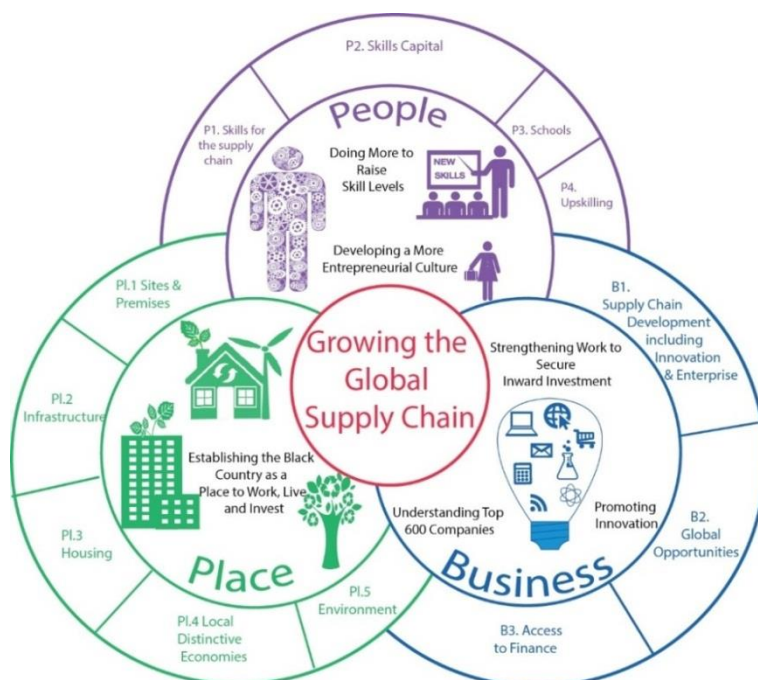
At the heart of our SEP is a set of six priority propositions which are intended to both enable economic growth and demonstrate our commitment to transformational change. The propositions have been designed to capitalise on our strengths and assets and to address the issues that lie at the heart of our low productivity. They provide a prioritised and focused framework for investment by the private and public sector to help Black Country businesses to fulfil their growth ambitions.

Our full set of priority propositions is:

- **High Value Manufacturing City:** a series of interventions to accelerate the growth of high value manufacturing businesses in the Black Country, including action to improve the quality of existing employment locations;
- **The Black Country: business competitiveness:** a programme to strengthen our business base by creating the conditions for higher levels of business birth, growth and survival and to enable Black Country businesses to improve their productivity and competitiveness;
- **Economic Capital:** action to seek maximum economic benefit from our strategic centres and ensure that they contribute to the attractiveness of the Black Country as a place to live, work, visit and invest;
- **Black Country Garden City:** a programme to accelerate house building and improve our housing mix by treating our supply of brownfield land as an opportunity for place-shaping and the creation of sustainable communities;
- **Skills for Business, Skills for Life:** action to ensure that our skills system can meet the needs of businesses and enable Black Country residents to benefit from growth;
- **Connected Black Country:** a programme of investment in broadband and in transport to support growth by enabling the movement of goods and people;

This SEP is underpinned by our long term, ambitious and evidenced-based vision for the Black Country. We are committed to increasing the number of jobs by 127,860 (from a baseline of 441,900), increasing the housing stock by a minimum of 42,480 new homes and nearly doubling the business birth rate.

Our growth strategy is made up of 12 strategic programmes (see diagram below) each of which relates to one of our three pillars: people, business and place.



The programmes are designed to:

- Enable businesses to grow;
- Create the economic, social and physical infrastructure to support that growth.

The strategy reflects a deep understanding of our sectors, based on the best possible business intelligence, and a robust spatial focus provided by the Black Country Joint Core Strategy. This is the Black Country's Industrial Strategy.

We are targeting five transformational sectors, which we are confident will secure most economic growth, and five enabling sectors, which are crucial in terms of the wider economy and quality of life. The transformational sectors, which have significant export potential and supply chain opportunities, are: advanced manufacturing, building technologies, transport technologies, business services and environmental technologies. The enabling sectors are: retail, visitor economy, sports, health and the public sector.

There are two key elements to our spatial strategy which is economy-led. First, the regeneration of our 16 growth corridors. Second, exploiting the major contribution of the City of Wolverhampton and our three other strategic centres and improving the connectivity between them.

Do

We are making significant progress in delivering our plan. The number of jobs in the area, at 442,000, has reached a four-year high, business births are increasing and we have the highest number of businesses for 10 years. 163,000 residents are now educated to degree level or above and the number of people with no qualifications is falling. There were 13,849 apprenticeship starts in 2015-16, a rise of 5.2% compared with the previous year. There are 75,000 more residents living in the area than there were in 2002, contributing to our target of 1.2m people, and there has been a net increase in the housing stock of 20,500 units.

Our approach

Everything the Black Country LEP does reflects five fundamental principles:

- 1) All our work is **evidence-based**, from our long-term vision for the Black Country to our current set of priority propositions.
- 2) We particularly value **business intelligence** which we get from our private sector board members, our close relationships with significant businesses and our engagement with businesses everyday through our programmes and services.
- 3) We have a strong **place focus** which is underpinned by our spatial priorities - four strategic centres and 16 growth corridors – our commitment to environmental improvement and the way in which we work with the four Black Country councils to provide business and political leadership for the area.
- 4) We are focussed on **delivery**. We are on the cusp of having an integrated **pipeline** of projects. We have a **performance management** framework, which enables us to review progress every year, and a programme office which has enabled us to meet or exceed our delivery targets.
- 5) We are committed to exploiting the full potential of the West Midlands devolution deal and have played a lead role in the establishment of the **combined authority** and the development of its strategic economic plan. We are also active participants in the work of the Midland Engine.

Our Enterprise Zone is the most successful in the country, having secured over £1.5bn in investment and is now home to global businesses such as Jaguar Land Rover, Rimstock and Moog. We have secured £7.6m for our Elite Centre for Manufacturing Skills which is due to open in August 2017. In 2015-16 the Black Country Growth Hub's access to finance team helped over 168 businesses to secure £44.7m funding enabling the creation of 830 jobs.

We have an excellent track record in attracting and delivering investment in the Black Country. During 2015/16 of the Growth Deal we met all our Year One targets of our original growth deal, investing £33.5m of our £162m allocation. This involved creating 131 new jobs and 289 apprenticeships; building 175 new homes; reclaiming over 4ha of land; and creating 5,400 sqm of commercial floorspace.

Check

In refreshing our SEP we have taken into account: the implications of the creation of the West Midlands Combined Authority (WMCA) and the development of the Midland Engine; the implications of Brexit and the government's forthcoming industrial strategy; our latest assessment of the Black Country economy of the impact of the action we have taken.

The creation of the West Midlands Combined Authority provides us with a significant opportunity to go further, faster in achieving our vision for the Black Country. We are committed to playing our part in delivering the WMCA's ambitions, including:

- Contributing £17bn to the combined authority's growth ambition of £75bn GVA;
- Enabling the creation of 103k jobs in the Black Country as part of the WMCA's ambition of creating 504k jobs.

The challenges identified in the WMCA's strategic economic plan mirror those we face at a Black Country level, in particular its focus on the need to strengthen supply chains, boost business birth, survival and growth, improve the skills base and bring forward land for housing and employment. Our priority propositions and our spatial focus directly complement five of the eight priority actions in the WMCA SEP, namely: New Manufacturing Economy; HS2 Growth; Skills for Growth; Housing; and Exploiting the Economic Geography.

The Midland Engine has an important contribution to make to the delivery of our vision, particularly in relation to foreign investment and the Midland Connect transport strategy.

The key messages from the Black Country Annual Economic Review 2017 are that:

- GVA in the Black Country has reached a six-year high and the output gap with the national average has stabilised. But productivity is low and although total GVA and HVA per head are increasing they are doing so at a slower rate than the national average;
- The size of the Black Country workforce has reached a five year high;
- Apprenticeship starts in the Black Country are increasing at a faster rate than the national average, but the proportion of people with no formal qualifications has increased slightly and the proportion educated to NVQ Level 4+ has fallen;
- Both the size of the business stock and the number of business births are at their highest levels since 2004, but we are not performing as well as the rest of the country.

The challenges we need to address in our refreshed SEP are:

- Delivering our **Garden City** vision and principles by accelerating the rate of house building in the Black Country;
- Achieving our **HVM City** targets by accelerating the delivery of sites of industrial excellence and improving the quality of key industrial locations;
- Consolidating the economic and cultural contribution of the **City of Wolverhampton** and improving the environmental quality of our four strategic centres;
- Securing funding for **transport** schemes which support our wider strategic objectives and ensure more alignment between transport investment and development opportunities.
- Continuing to raise **skill levels** and improve the performance of our schools and colleges;
- Focussing on the **competitiveness and productivity** of Black Country businesses, including:
 - Action to help businesses in our growth sectors to improve their productivity (Section 3.5 for sector dashboards);
 - A fundamental review of our approach to enabling higher rates of business births and survival.
- Doing more to exploit the contribution of **digital technology** to enabling economic growth, raising productivity and making the Black Country a more attractive place in which to live, work and invest;
- Pursuing public service reform to **boost productivity** in the private and public sectors and close the Black Country deficit of £2 billion (in terms of the gap between public expenditure in the area and total taxes and revenues raised).

Act

Our priority propositions are designed to deliver transformational change across our four pillars of people, business and place. They encapsulate our ambition and are intended to support economic growth and improve the attractiveness of the Black Country to residents, employers, investors and businesses. For each priority proposition we have also identified a small number of priority actions which will enable us to take action in the short term to address the challenges we face.

The tables below summarise our priority actions and links them with our three pillars and strategic programmes.

| People: Skills for the Supply Chain; Skills Capital; Skills for the Unemployed; Schools |
|--|
| <p>Skills for Business, Skills for Life</p> <p>Priority actions:</p> <ul style="list-style-type: none"> • <i>Work with the Black Country Colleges to implement the recommendations of the Area Review;</i> • <i>Extend the Skills Factory model beyond manufacturing to our other growth sectors;</i> • <i>Work with the WMCA to secure maximum benefits for the Black Country from the Apprenticeship Levy;</i> • <i>Pursue the skills strand of the Black Country Digital Strategy with a particular focus on action to provide all residents with basic IT skills;</i> • <i>Work with school heads and governors to play our part in driving school improvement in the Black Country;</i> • <i>Continue to capitalise on investment in education institutions as an important contribution to the development of our strategic centres.</i> |

| Business: Supply Chain Development; Global Opportunities; Access to Finance | |
|---|---|
| High Value Manufacturing City | The Black Country: business competitiveness |
| <p>Priority Actions:</p> <ul style="list-style-type: none"> • <i>Develop a comprehensive programme to uplift the quality of existing employment areas, including the potential to exploit digital economies;</i> • <i>Identify a set of sites of industrial excellence on which remediation activity can be focussed;</i> • <i>Develop new models of public sector intervention to accelerate progress.</i> | <p>Priority actions:</p> <ul style="list-style-type: none"> • <i>Take action to enable businesses in our growth sectors to improve their productivity;</i> • <i>Review our approach to enabling higher business birth, survival and growth rates;</i> • <i>Support businesses to exploit digital technologies building on our digital passport and creating the conditions for innovation through innovation spaces and activities (such as Open Innovation, Hackathon events);</i> • <i>Develop a programme of activity on health and care in order to enable business growth which contribute to improving the health and wellbeing of West Midlands residents at less cost;</i> • <i>Develop a longer-term programme of activity to marshal the contribution of innovation to business growth, public service reform and improved productivity, acting on the conclusions and recommendations of the WMCA 3-LEP Science and Innovation Audit and the priorities set out in the Digital Strategy and Smart City Strategy.</i> |

Place: employment land; connectivity; housing; urban centres; environment and low carbon

Black Country Garden City

Priority actions

- *Adopt the garden city principles, including the use of digital and smart technologies, and market the approach;*
- *Work with the development and construction industries to accelerate the delivery of our garden city prospectus, including the use of off-site construction and support for small and medium-sized businesses;*
- *Tackle the potential housing sites which require longer term remedial action through business relocation, site investigation and remediation;*
- *Develop a Black Country House of the Future Demonstrator.*

Economic Capital

Priority actions:

- *Enable the growth of the visitor economy and cultural sector in the Black Country, building on the assets in the City Of Wolverhampton and Dudley;*
- *Deliver a programme of environmental improvements across our strategic centres;*
- *Strengthen the contribution of the City of Wolverhampton as a driver of economic growth, alongside the WMCA action on to exploit the potential of its wider economic geography;*
- *Exploit EZ status and the planned Metro extension to develop Brierley Hill as a high tech office hub;*
- *Promote the availability of free Wi-Fi in public buildings and our strategic centres..*

Connected Black Country

Priority actions:

- *Maintain a pipeline of schemes that are ready for implementation when funding is available;*
- *Progress the Wednesbury to Brierley Hill Metro Extension;*
- *Address the broadband white spot in the City of Wolverhampton*
- *Identify ways of funding “mini-major” schemes to continue to stimulate developer interest and keep land accessible;*
- *Implement the Black Country Ultra Low Emission Vehicles (ULEV) Strategy and the Smart mobility strands of the Black Country Digital Strategy*

A Guide to the Black Country SEP

A guide to the Black Country Strategic Economic Plan

This is a revised and refreshed Strategic Economic Plan for the Black Country. Building on the first version of the SEP, published in 2014, it retains a clear focus on delivering our ambitious evidence-based vision for the Black Country. It sets out an updated Growth Strategy which takes into account:

- Our progress in delivering our 12 strategic programmes making effective use of a range of funding sources including Local Growth Fund;
- The current performance of the Black Country economy;
- The impact of the wider context including:
 - The establishment of the West Midlands Combined Authority (WMCA) and its Devolution Agreement and Strategic Economic Plan;
 - The Midlands Engine and Midlands Connect;
 - The referendum decision to leave the European Union and subsequent changes in government policy, including the commitment to an Industrial Strategy.

Our refreshed Strategic Economic Plan comprises the following sections:

1. Our refreshed growth strategy

A summary of the seven priority propositions which form the core of our refreshed strategic economic plan and an explanation of how the propositions relate to the government's industrial strategy, our growth sectors and our spatial priorities.

2. A LEP which delivers

2.1 Delivery

A summary of our track record in delivering our local growth deal and other funding streams.

2.2 An engaged LEP

A description of how we work as a LEP including our engagement with business.

2.3 The West Midlands Combined Authority

A summary of the role we are playing in the new West Midlands Combined Authority

3. Our evidence base

3.1 The Black Country economy

A brief description of the Black Country and the potential for economic growth in the area.

3.2 Our impact

An assessment of the progress we have made in delivering our vision for the Back Country

3.3 The Black Country pipeline

A description of our current project pipeline and the extent to which it can deliver our targets for GVA, jobs, homes and employment land.

3.4 Outstanding challenges

An analysis of the strengths and weaknesses of the Black Country economy in 2017 and the challenges and opportunities that need to be addressed in our refreshed growth strategy.

4. The wider context

A review of the changed context since our first SEP was produced, including the Government's proposed industrial strategy, the creation of the West Midlands Combined Authority, the development of the Midlands Engine and the increased focus on public service reform

5. Our vision and strategic framework

5.1 Vision for 2033

A summary of our longstanding evidence-led vision for the Black Country in 2033.

5.2 Our growth strategy

An explanation of our current growth strategy including our strategic programmes, growth sectors, spatial priorities and our priority propositions.

6. Governance, accountability and performance management

6.1 Governance and accountability

A description of our governance and accountability arrangements including the roles of the accountable bodies, LEP board and programme office.

6.2 Performance management

A summary of our approach to monitoring, evaluation and performance management.

7. The priority propositions

A description of each of our priority propositions and the identification of a small set of priority actions for each proposition.

The annexes

- 1. Our 12 Strategic Programmes on a Page**
- 2. 2 (a) – Sector Profiles; 2(b) – Sector Dashboards**
- 3. Our Programme Dashboards**
- 4. The Pipeline analysis**
- 5. Black Country People, Place and Business Storyboards**

1. Our refreshed growth strategy

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For each priority proposition we have also identified a small number of priority actions which will enable us to take short term action to address the challenges we face. The propositions and actions are set out in more detail in section 7.

“We welcome the government’s decision to produce an industrial strategy. But if it is to be effective we must be clear about the action needed to enable improved productivity, higher skills, innovation and a bigger share of global markets. That can best be defined at a local level.”

LEP Board Member (tbc)

This refreshed SEP is our Industrial Strategy for the Black Country. It is intended to both influence and help implement the Government’s Industrial Strategy.

“We will identify the sectors of the economy...that are of strategic importance and do everything we can to develop, encourage and support them. And we will identify the places that have the potential to contribute to growth and become the homes to millions of new jobs.”¹ This is how Prime Minister, Theresa May MP, has described the government’s forthcoming Industrial Strategy.

Greg Clark MP, the Secretary of State for Business, Energy and Industrial Strategy, has made it clear that the core of the strategy will be action to connect businesses and places. He said that a key challenge the strategy must address “is to ensure that every place meets its potential by working to close the gap between our best performing companies, industries and places and those which are less productive².”

The Green Paper is clear that how the strategy relates to specific places “will vary and will change over time. In some areas it will be important to target government investment flexibly to support specific areas or sectors. In others the right approach might be to create new sector bodies research institutes or financing bodies – where the lack of these institutions is holding back growth and productivity.” This SEP is intended to inform a conversation with government about how the government’s strategy can best be applied in the Black Country.

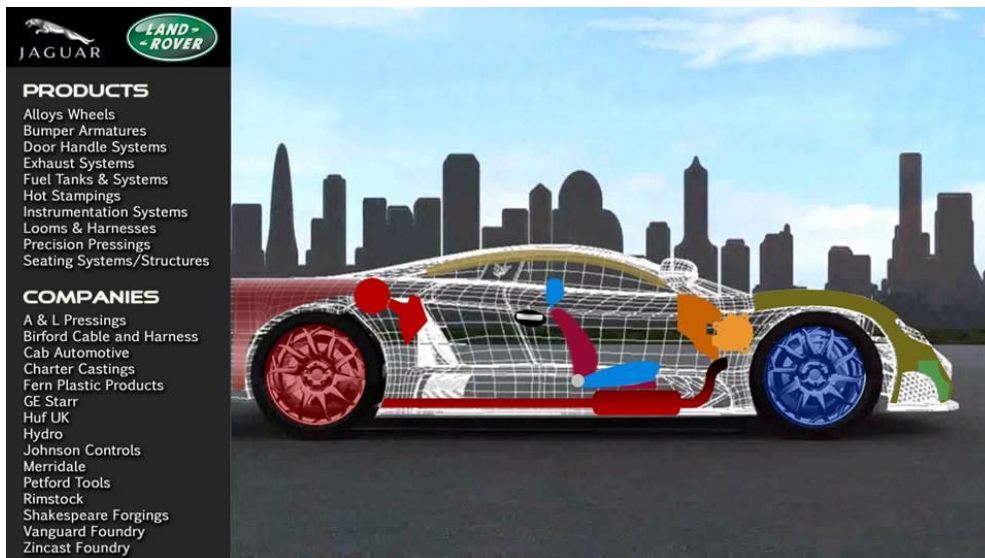
Like the Industrial Strategy our Strategic Economic Plan seeks to connect businesses and places. It sets out to deliver an evidence-based vision for the area. The actions that flow from the vision are informed by:

- Our understanding of the factors that are constraining productivity and competitiveness in the area;
- Our detailed knowledge of our growth sectors, the businesses in the sectors with the appetite to grow and the action that can enable that growth;
- Our knowledge of the location of those businesses, of the clusters that exist and of the spatial dimension of action to enable the growth of those businesses.

We welcome the commitment in the green paper, reflected in one of its pillars, to driving economic growth across the whole country. This refreshed SEP is intended to both enable us to benefit from that commitment and to help the government to deliver it.

¹ Conservative Party Conference October 2016

² Introduction to Building Our Industrial Strategy Green Paper, January 2017



The virtual 'Black Country Bullet' car above illustrates an example of Black Country suppliers to JLR

Our six priority propositions and the priority actions associated with them have been developed to complement and support our spatial priorities and to enable us to maximise the contribution of our transformation and enabling sectors. This helps to secure the link between sectors and place which is at the heart of the government's emerging industrial strategy.

We have developed a set of summary sheets which set out the impact of the priority propositions on a number of key locations. Examples of the spatial impact of our priority propositions include:

- **Pensnett:** HVM City (particularly the new focus on the quality of industrial locations); and The Black Country: business competitiveness;
- **Phoenix 10:** HVM City (particularly the delivery of sites of industrial excellence);
- **Smethwick:** Black Country Garden City;
- **City of Wolverhampton:** Economic Capital and Skills for Business Skills for Life (given the importance of investment in skills and training provision in the area);
- **Brierley Hill:** Skills for Business, Skills for Life.

The table on the next page shows which of the priority propositions are intended to support growth in our transformation and enabling sectors. More detail is available in the sector dashboards in annex 2.

| Sector | HVM City | The Business | Economic Capital | Garden City | Skills | Connected Black Country |
|--|----------|--------------|------------------|-------------|--------|-------------------------|
| Advanced Manufacturing | ✓ | ✓ | | | ✓ | ✓ |
| For example HVM City links to Advanced Manufacturing through: Making major strategic sites available, taking action on land assembly and remediation, tackling congestion, full broadband coverage | | | | | | |
| Building Technologies | ✓ | ✓ | | ✓ | | |
| For example Garden City links to Building Technologies through: Accelerate house building, develop good planning practice, new approach to house building | | | | | | |
| Business Services | ✓ | | ✓ | | ✓ | ✓ |
| For example Skills link to Business Services through: Employer led sector employment strategy – Skills Factory for Business Services | | | | | | |
| Environ Technologies | | ✓ | | ✓ | ✓ | |
| Transport Technologies | | | | | ✓ | ✓ |
| For example Connected Black Country links to Transport Technologies through: HS2 fully integrated network, invest in connectivity improvements | | | | | | |
| Visitor economy | | | ✓ | | ✓ | ✓ |
| Retail | | | ✓ | | | ✓ |
| Public sector | | | | | ✓ | |
| Health | | | | | ✓ | |
| Sport & Physical Activity | | | ✓ | ✓ | ✓ | ✓ |

In summary, this SEP builds on our position at the heart of the Midlands Engine and home to global businesses such as Moog, the aerospace company, and Jaguar Land Rover. It will enable us to do more to:

- Capitalise on our position as a world class centre for advanced manufacturing and engineering;
- Accelerate the delivery of our Garden City ambitions to raise the quality and quantity of house building;
- Use the fact that the output gap between the Black Country and the national average has stabilised to build momentum to tackle our low productivity;
- Exploit the economic potential of digital technologies and secure digital inclusion;

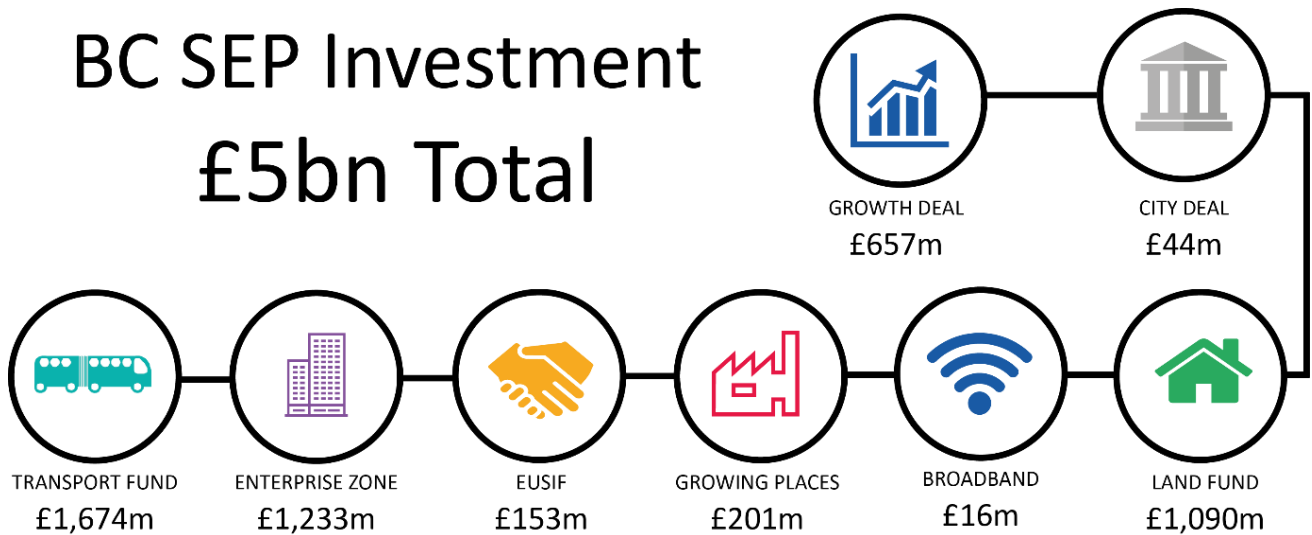
- Improve the quality of our key employment locations;
- Exploit the economic potential of City of Wolverhampton, the benefit of the Metro extension for Brierley Hill and the roles of our other strategic centres;
- Strengthen our business base, through for example exploiting the government’s proposed Challenge Fund;
- Raise skills levels and meet the skills needs of Black Country employers, and ensure that the area gets the most out of the Apprenticeship Levy;
- Ensure that Black Country businesses are best-placed to respond to Brexit.

2. A LEP which delivers

We are a LEP in which the government can have confidence. We have a first class delivery record and work closely with local businesses, local councils, the West Midlands Combined Authority, neighbouring LEPs and other stakeholders.

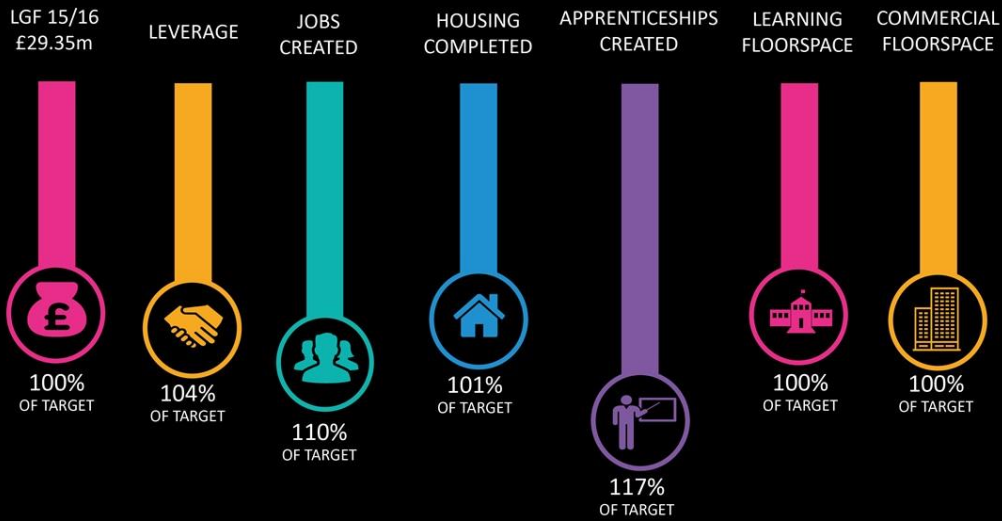
2.1 Delivery

We are on course to secure at least £5bn public and private investment in the Black Country between 2015-2021 through a variety of funding sources, including Growth Deal, City Deal and the WMCA Land Fund. Over 56% of this funding is from the private sector.



We have an outstanding track record for delivering our Growth Deal Funding: we have met or exceeded our targets for year 1 of our original growth deal, investing £33.5m of our £162m allocation and were awarded the highest per capita allocation of all LEPs in the latest Growth Deal 3 allocations.

Our Track Record of Delivery...



Projects started in 2015/16 include the City of Wolverhampton Interchange, Bilston Urban Village, improvements to junction 10 on the M6 and the Dudley Advanced Construction Centre. The following image illustrates a section of the infrastructure projects commenced in 2016:

£700m infrastructure investment

Black Country Consortium
Economic Intelligence Unit

Some of the infrastructure projects started or delivered across the Black Country in 2016

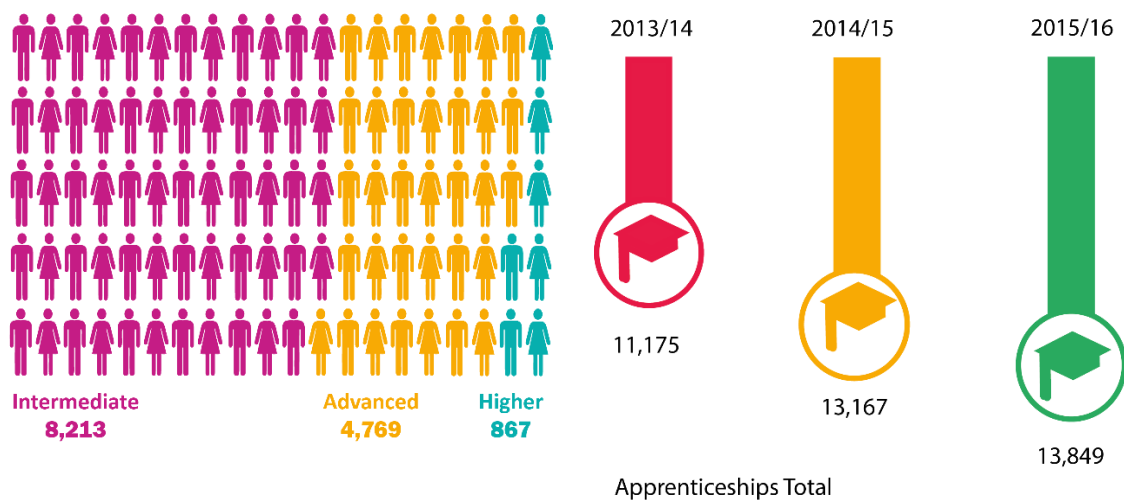


The Black Country Broadband Project will extend the availability of high-speed fibre broadband to 99.4% of homes and businesses in the Black Country by 2018. There have been a number of flagship developments in our strategic centres including the Interchange i10 grade A office development in the City of Wolverhampton, the Walsall Waterfront mixed use development and the New Square retail and leisure development in West Bromwich. Over 3,000 new homes were built last year.



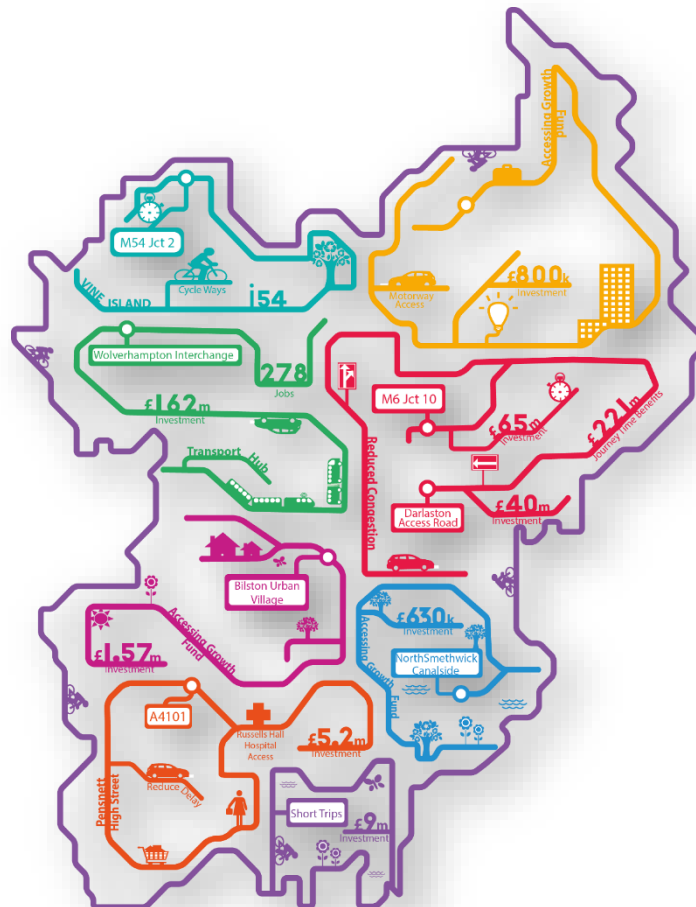
On the skills front our £7.6m Elite Centre for Manufacturing Skills is due to open in August 2017 and we have secured £533k to roll out the Skills Factory approach beyond advanced manufacturing to our other growth sectors. We are delivering a programme of Growth Deal funded skills projects including: Dudley Advance Construction, FAB kits at Sandwell College, the PTP IT Academy and Improved Engineering at Walsall College. Investment by Black Country employers in training is increasing and the number of advanced manufacturing apprenticeships has increased by 33% over the last two years. There were 13,849 apprenticeship starts in 2015/16, representing an increase of 5.2% compared with the previous year (see table below) and compared with an increase of 1.9% nationally. We have established the Careers & Enterprise Adviser Network across Black Country schools to improve school leadership and to help shape the careers and business engagement strategy at the school level.

Total Apprenticeships 2015/16: 13,849



We are pursuing a £29.2m project to develop an Innovation Centre and Test Track in Dudley. This will support the development of the very light rail sector meeting the needs of domestic and international rail schemes. We are building on the success of the Black Country Bullet (our online automotive supply chain directory), and OnTrack WM, a procurement tool for the rail sector including HS2, developing an integrated directory and tool for the high value manufacturing sector as a whole as part of our HVM City Digital Platform.

Significant investment has been made and is planned across our transport infrastructure as outlined in the following map:



Our performance management system means that we are able to map our progress with delivery and its impact in relation to: our growth sectors (Annex 2), our strategic centres and growth corridors and our strategic programmes (Annex 1).

Black Country Performance Management Framework

| <i>Our Measures of Success - The Black Country Performance Management Framework¹</i> | | | | |
|---|--|----------------------------------|--|--|
| <i>In the Black Country by 2033 we will have:</i> | <i>Where we are now</i> | <i>Change over the last year</i> | <i>Direction of Travel Relative to National Average since 2004²</i> | <i>Scale of the Challenge</i> |
| <i>Grown our population and reversed net outward migration particularly to environs</i> | 1.17m | +6,700 | + 6.8% BC + 9.1% Eng. | + 33,600 people |
| <i>Raised incomes</i> | 86% (Eng=100) | +£460 | +30% BC +27% Eng. | +£4,129 per person |
| <i>Achieved better population balance</i> | 14% AB's | - | +0.2pp BC +2pp Eng. | 23% AB's (+30,079 people) |
| <i>Transformed the Environment</i> | 70.5% of residents satisfied with Black Country as a place to live | | | 77.8% Resident satisfaction |
| By 2033 We Will Have Achieved Our 2 Primary Outcomes: | | | | |
| 1. Regenerated Our Economy (pp = percentage points) | | | | |
| <i>No Output Gap</i> | £10bn | £0bn | +£5.2bn | -£10bn |
| <i>Raised the number of local jobs</i> | 446,000 | +12,000 jobs | -2.6% BC +9% Eng. | +131,780 jobs |
| <i>Increased the total employment rate</i> | 66.5% | -0.2pp | -1.8pp BC +1pp Eng. | 80% +96,890 people employed |
| <i>Increased the % of knowledge workers</i> | 32% | -4,600 people | +11% BC +23.5% Eng. | 45% +63,130 people |
| <i>Raised the business birth rate</i> | 44 per 10,000 population | +575 new business births | +970 business births | 63 per 10,000 population +2,189 new businesses |
| <i>Reduced the number of people classed as workless</i> | 87,060 12.1% | -6,730 people -7.2% | -16.1% BC -21.5% Eng. | 26,773 less people classed as workless |
| <i>Increased the number of visitors to the area</i> | 28.1m | +420,000 | +3.4m | A leading UK destination |
| 2. Sustainable Environmental Transformation | | | | |
| <i>Increased the hectares of local nature reserves</i> | 902.1ha | 0ha | +9.4ha | 1 hectare of Local Nature Reserves per 1,000 population |
| <i>A sustainable environment - reduced CO₂ emissions</i> | 4.6 ton per capita | -0.6 ton per capita | -2.2 ton per capita BC -2.57 ton per capita Eng. | 44% Reduction -0.77 ton per capita |
| By 2033 We Will Have Achieved Our 2 Economic Drivers: | | | | |
| 1. Raised Education and Skills | | | | |
| <i>Reduced the number of people with no qualifications</i> | 19% 135,900 people | +2.3pp +17,200 people | -1.3pp BC -6.5pp Eng. | 8.4% -75,857 people |
| <i>Increased the number of people with degrees</i> | 22.4% 160,000 people | -0.6pp -3,900 people | +4.4pp BC +10.9pp Eng. | 36.8% +103,046 people |
| <i>Increased the number of pupils achieving 5+ A*-C GCSEs including English & Maths</i> | 49.3% | -1.2 pp | +13.5 pp BC +7.7pp Eng. | 53.5% +544 pupils |
| <i>Reduced the no. of 16-18 year olds Not in Education, Employment or Training (NEET)</i> | 3.6% | -0.9pp | -2.9pp BC -1.6pp Eng. | No NEETS -1,540 16-18 year olds |
| 2. Transformed our Environmental Infrastructure – Targets to 2026 in line with Core Strategy³ | | | | |
| <i>Increased net new homes⁴</i> | 467,830 | +3,070 | +23,590 New homes | +39,410 net new homes |
| <i>High Quality Employment Land</i> | 711ha | -3ha | +178ha ⁵ | Create/transform +860ha of employment land to high quality |
| <i>Additional office floorspace in strategic centres</i> | 42,085m ² developed since 2006 | +8,970m ² | +42,085m ² ⁶ | +814,667m ² |
| <i>Additional retail floorspace in strategic centres⁷</i> | 384,000m ² (approximate stock in 2006) | +3,951m ² | +31,772m ² ⁸ | +313,228m ² |

2.2 An engaged LEP

How we operate as a LEP is key to our ability to enable economic growth in the Black Country. This includes our:

- Use of evidence and business intelligence;
- Approach to delivery and performance management;
- Collaboration across the Black Country and beyond;
- Engagement with business;
- Place focus.

We have the benefit of longstanding partnership arrangements, based on the Black Country Consortium. A partnership which brings together business, the four Black Country Councils and the third sector, the consortium pre-dates the LEP and provides a firm foundation from which the Black Country can influence and take advantage of the changing landscape of national and local programmes and initiatives.

All our work is evidence-based, from our long-term strategy to the work on our priority propositions. Our sector dashboards are one example of this (in section 3.5). Our business intelligence is very strong. We know where our businesses are located. This enables us to be clear about issues such as which transport investments are most likely to benefit businesses in our growth sectors and which businesses suffer from a poor physical environment.

We are equally focussed on delivery. We are on the cusp of having an integrated pipeline of projects. We have a performance management framework, which enables us to review progress every year, and a programme office which has enabled us to meet or exceed our delivery targets. The second half of this SEP explains our approach to this in more detail.

Our detailed understanding of businesses in the Black Country is critically important in the development, refresh and delivery of our growth strategy. We do not rely on set piece engagement events, but have a multi-pronged approach to hearing, articulating and responding to the business voice.

First, our private sector board members bring current experience of the whole range of businesses in the Black Country. They work closely with our programme office and lead our finance and funding board. In addition, each of our priority propositions has a board champion. The private sector board members work very closely with the leaders of the four Black Country Councils, each of which is on the board, providing us with the pro-business leadership called for by the Secretary of State Greg Clark in his speech on the industrial strategy in August 2016.

Second, we have a good relationship with the strategically important businesses in the area. We are constantly seeking to strengthen these relationships and build on arrangements that the four councils have in place, such as the City of Wolverhampton Business Board. Our board policy away days often include contributions from local business leaders who are not on the board. In addition, our Competitiveness Board recently launched a programme of strategic business engagement. This enables us to work with a group of 50 businesses on aspects of our work and get a better understanding of the state of the local economy.

Finally, we engage with a large number of businesses through a variety of programmes and use that contact to constantly refresh our business intelligence. The relevant programmes include: Growing Priority Sectors, Accessing Growth, our Enterprise Zone, Access to Finance, our Growth Hub and

Amici. We communicate daily with around 1,500 businesses through our HVM City Digital Platform which highlights investment opportunities and supply chain requirements.

We have a strong place focus which is underpinned by our spatial priorities, and our commitment to environmental improvement and the way in which we work with the four Black Country councils to provide business and political leadership for the area.

Within the Black Country we operate in the context of a wider and increasingly ambitious collaboration across the area. The most significant example of this is the Black Country Core Strategy which, with four councils involved, was one of the first and biggest joint core strategies to be adopted. Its pro-growth strategy has enabled us to deliver net housing growth of 15,000 homes and provides the land use planning framework for our work on our strategic centres, employment land and environmental quality. Work is under way on a refresh of the strategy which will be completed by early 2019.

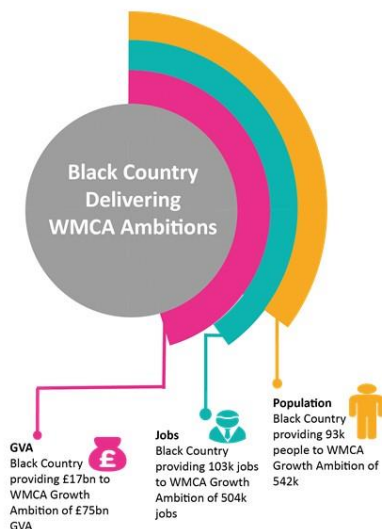
2.3 The West Midlands Combined Authority

The creation of the West Midlands Combined Authority provides a significant opportunity to enable us to go further, faster in achieving our vision for the Black Country. This reflects both the advantages of the geographical scale of the WMCA and the focus it can bring to issues and opportunities of strategic importance. The strategic and policy context for activity at this level is provided by the family of SEPs comprising the WMCA SEP and the three LEPs individual SEPs (covering Coventry and Warwickshire and Greater Birmingham and Solihull as well as the Black Country).

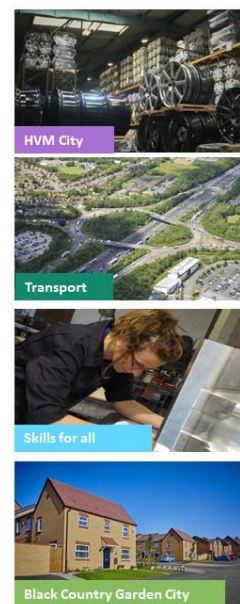
WMCA Priority Actions



Black Country Delivering WMCA Ambitions



BC Propositions



We have played a lead role in supporting and influencing the shape of the CA, what it does and how it works in three ways: its overall approach; strategy and policy development; as well as providing significant analytical capacity. For example, we have led the development of *BIMwm* a web-based tool to help construction and engineering businesses in the West Midlands to become proficient in digital engineering. We also led the process to develop the WMCA SEP.

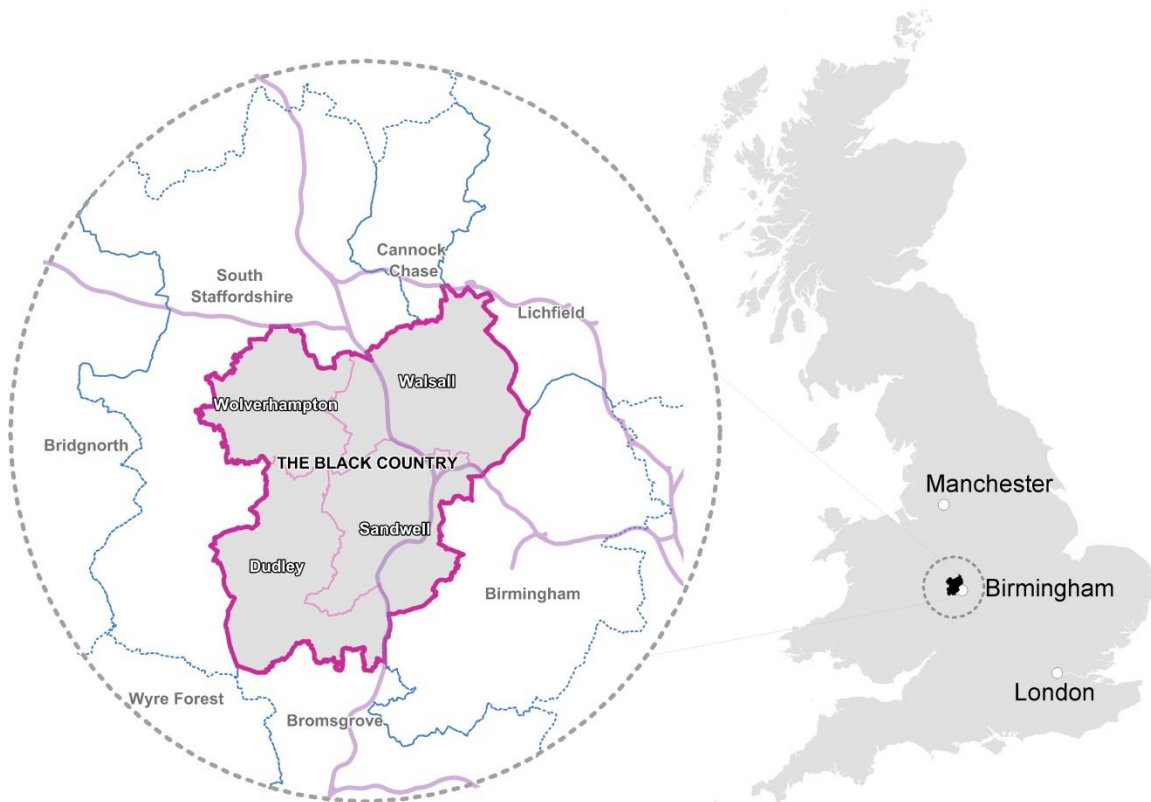
3. Our Evidence Base

“Businesses such as JLR and UTC Aerospace are thriving in the Black Country. The LEP is determined to build on that success, to attract other major companies to the area and to help local businesses to grow and take advantage of the supply chain opportunities that exist.”

LEP Board Member (tbc)

3.1 The Black Country Economy

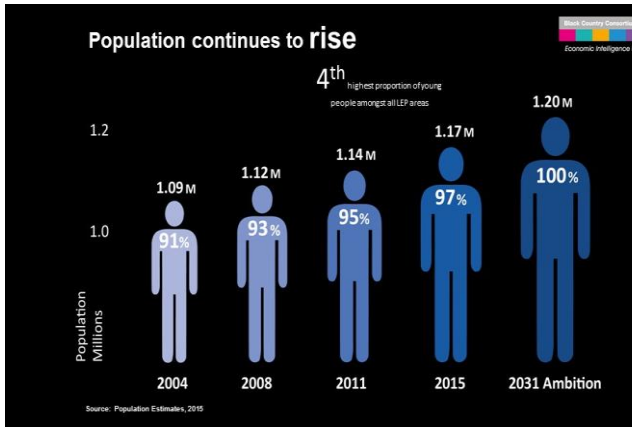
Located at the heart of the national transport network, the Black Country comprises the Boroughs of Dudley, Sandwell, Walsall and the City of Wolverhampton. It comprises 30 towns and four major strategic centres, including the City of Wolverhampton. The Black Country’s GVA is currently a significant £20.2bn with an opportunity to contribute an additional £10bn to the UK economy.



The Black Country is a vitally important part of the UK’s manufacturing base. It has the highest proportion of employment in High Value Manufacturing of any LEP area (22%) and the fourth highest proportion of employment in manufacturing as a whole. Our specialisms are metal products, plastics and manufacturing tools and machinery. It is home to world class businesses such as Boparan Holdings, the largest food company in the UK, and Sandvik, an engineering company specialising in tooling and materials technology.

We are committed to playing our part in delivering the WMCA’s ambitions, including:

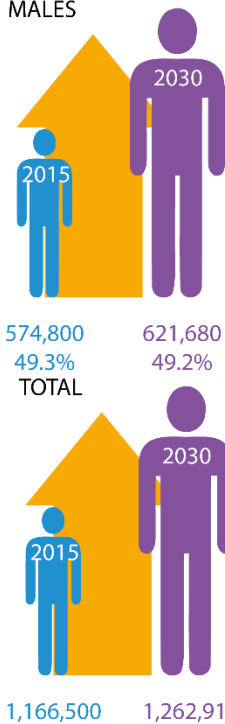
- Contributing £17bn to the WMCA’s growth ambition of £75bn GVA;
- Enabling the creation of 103k jobs in the Black Country as part of the WM ambition of 504k jobs.



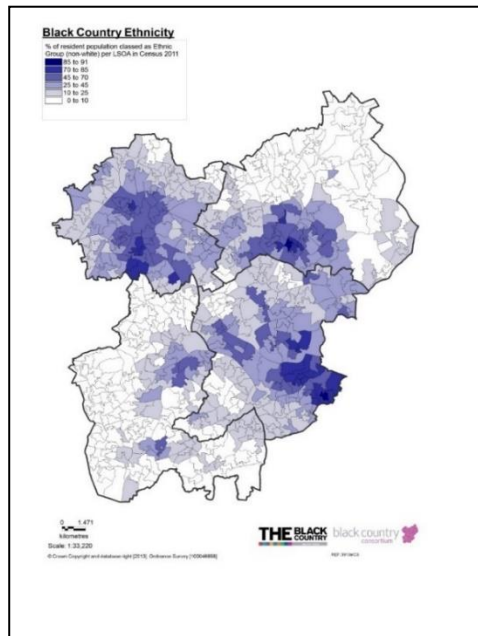
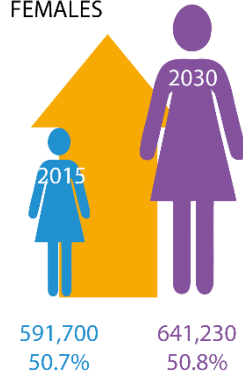
The population of the area is 1.17m and growing (having reversed a previous decade of decline), and it is becoming increasingly diverse. The ambition is to grow our population to 1.2m by 2030.

There are 241,100 people aged 0-15 in the Black Country (20.7% of total population) and ranks the area as the 4th highest LEP area

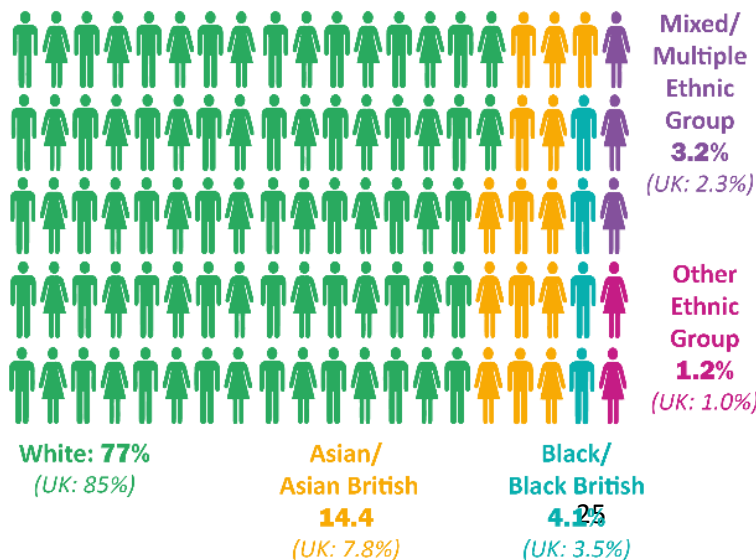
MALES



FEMALES



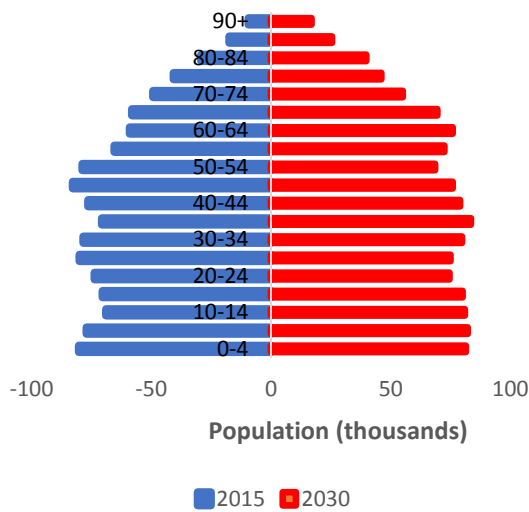
Total Black Country Population: 1,116,500



In 2001 15% of the population comprised ethnic minority residents: by 2011 the proportion was 23%.

There are 241,100 people aged 0-15 in the Black Country (20.7% of total population) one of the highest proportion of any LEP area.

**AGE PROFILE OF THE BLACK COUNTRY
POPULATION
2015 AND 2030**



The largest population percentage point change in the Black Country between 2014 and 2030 is forecast to be a 2.5pp increase in the 65+ group (-compared to 4.2pp nationally) and a 2.3 pp decrease in the 45-54 age group (compared to 2.2pp nationally)

The Black Country has one of the highest densities of automotive businesses, we supply 20% of the UK’s aerospace output; and we contribute a £900m share of the £90bn generated by the construction industry. We have a diverse business base, with leading businesses in food processing, environmental technologies, transport technologies and construction.

With extensive local transport links, and nationally important motorway, rail and aviation infrastructure, our location on the network provides a competitive edge to our economy. With the close correlation between supplier delivery times to the manufacturing sector and productivity growth in the sector, the effectiveness of the local transport infrastructure is an important element in maintaining international competitiveness in our growth sectors. The arrival of HS2 in Birmingham by 2026, the construction of HS3 and further expansion of Birmingham Airport will further strengthen our connectivity advantages.

Leading businesses in the Black Country include the international construction company Carillion, Warburtons, the leading UK baker, and ZF Lemforder, a leading automotive company. We also have a dense network of smaller, innovative businesses. Recent business successes informed the decision of ELG Carbon Fibre, a leading plastics recycler, to commission a full scale industrial recycling plant and the growth of A&M EDM, which has developed from being a specialist in wire and spark erosion to a multi-faceted precision engineering service.

There is a distinctive cultural offer in the area, making it an attractive place in which to live, work, invest and visit. This includes the Black Country Living Museum, City of Wolverhampton’s music and theatre venues, the extensive canal network and a range of geological features. Our visitor economy is worth £944m a year.

The Black Country’s location in the West Midlands conurbation is also a significant economic asset. The wider cluster of advanced manufacturing businesses is critically important to our economy as is the innovation, research and development infrastructure and Birmingham City Centre’s nationally important culture, retail and business services offer. We are focused on maximising the benefits of HS2 in terms of both connectivity and supply chain opportunities.

We have a good understanding of the scope for additional growth in our transformational sectors. The table below summarises our ambition and key future trends in relation to each sector.

| Sector | Baseline | Ambition | Future trends |
|-----------------------------------|---------------------------|--------------------------|--|
| Advanced Manufacturing | 69k jobs £2.8bn GVA | +2k jobs +£2.2bn GVA | <ul style="list-style-type: none"> Automation and robotics Use of electronics 3D printing Light weight materials technology STEM-related jobs |
| Building Technologies | 34k jobs £1.2bn GVA | +13k jobs +£1.2bn GVA | <ul style="list-style-type: none"> Building information modelling Off-site manufacture Brick-built construction and modular construction |
| Business Services | 73k jobs £4.4bn GVA | +32k jobs +£5.5bn GVA | <ul style="list-style-type: none"> Use of digital technologies Specialised roles Rapid legislation and policy changes Self-employed specialists |
| Environmental Technologies | 9k jobs £1.2bn GVA | + 1k jobs +£1.1bn GVA | <ul style="list-style-type: none"> Brownfield site assessment Solar panels, wind farms, ground heat pumps Air quality monitoring Emissions reduction Recycling technology |
| Transport Technologies | 37k jobs £1.5bn GVA | +6k jobs +£1.1bn GVA | <ul style="list-style-type: none"> High speed rail Light rail and metro Route planning: smaller, frequent delivery; Integration of road and rail |

In summary, our business base, our location, the current development opportunities and the potential for large scale regeneration combined with our ambitious, evidence-based strategy mean that the Black Country is an attractive place in which to invest. Despite this progress, however, there is still a significant output gap between the Black Country and England as a whole. A key objective for this refresh of our growth strategy is to enable us to build on the momentum we have achieved and close that gap. To do so we need to understand the factors that have enabled us to make progress and those which have constrained us.

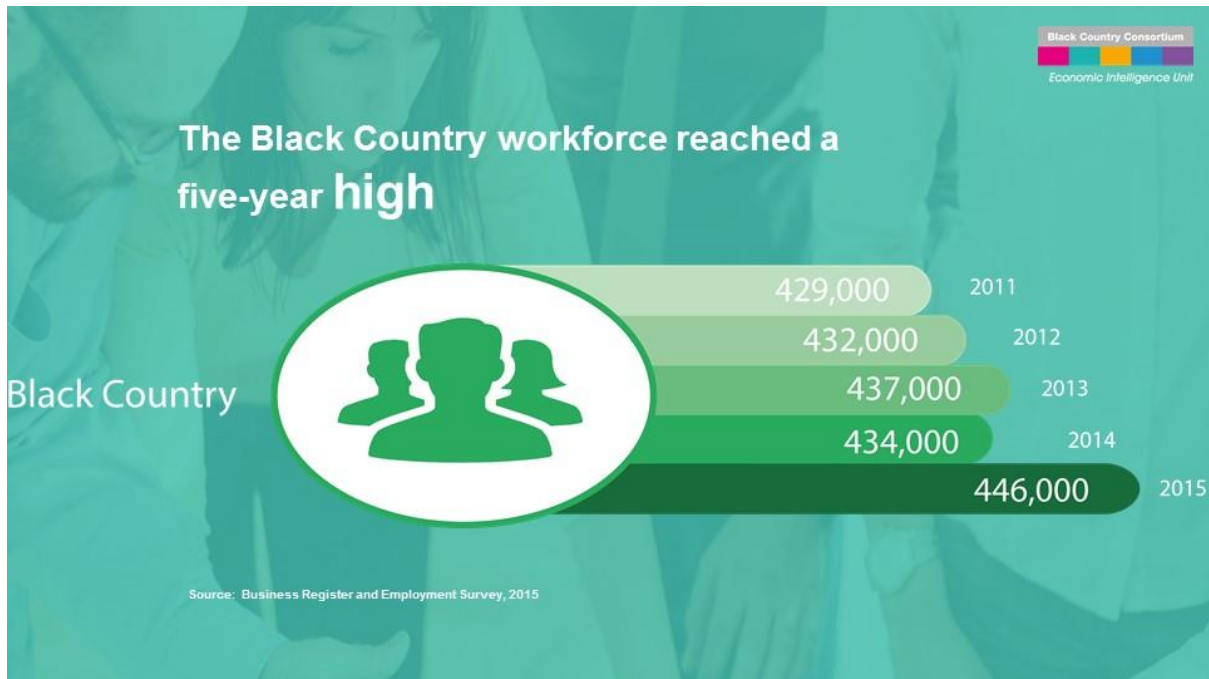
“Our work over the last three years means that there are more homes, more jobs and more businesses in the Black Country. But we must do more to raise productivity in the area. This refreshed SEP draws on our analysis of our achievements and challenges.”

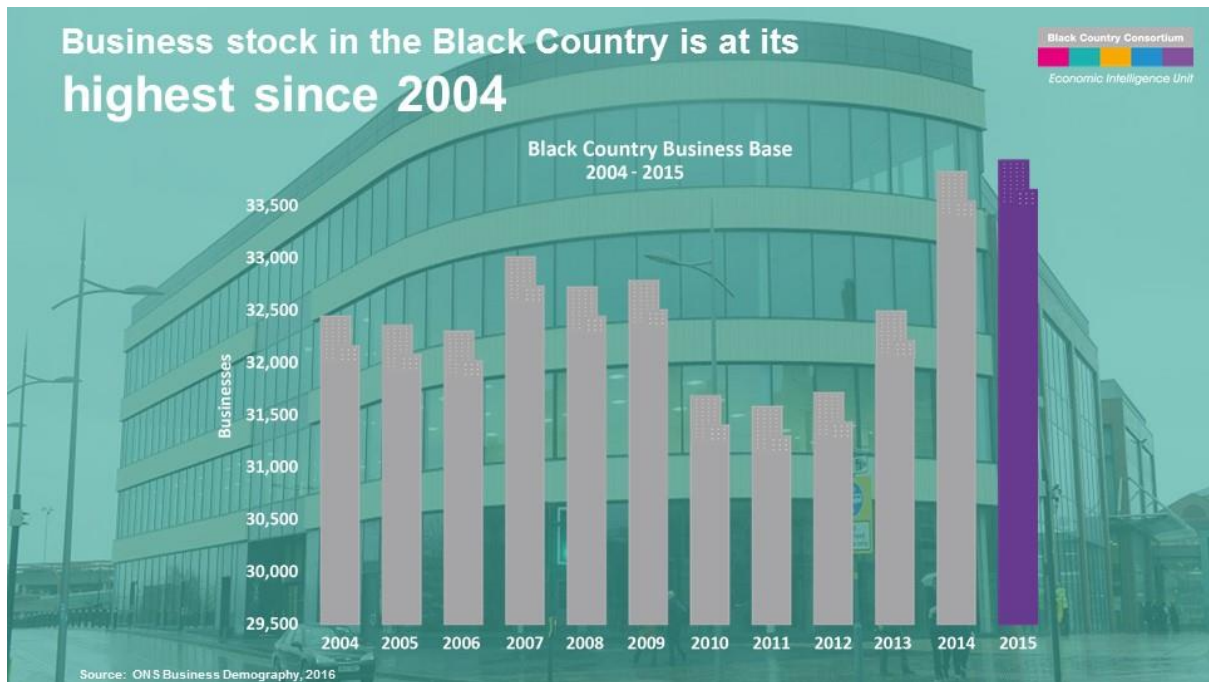
Council Leader (tbc)

3.2 Our impact

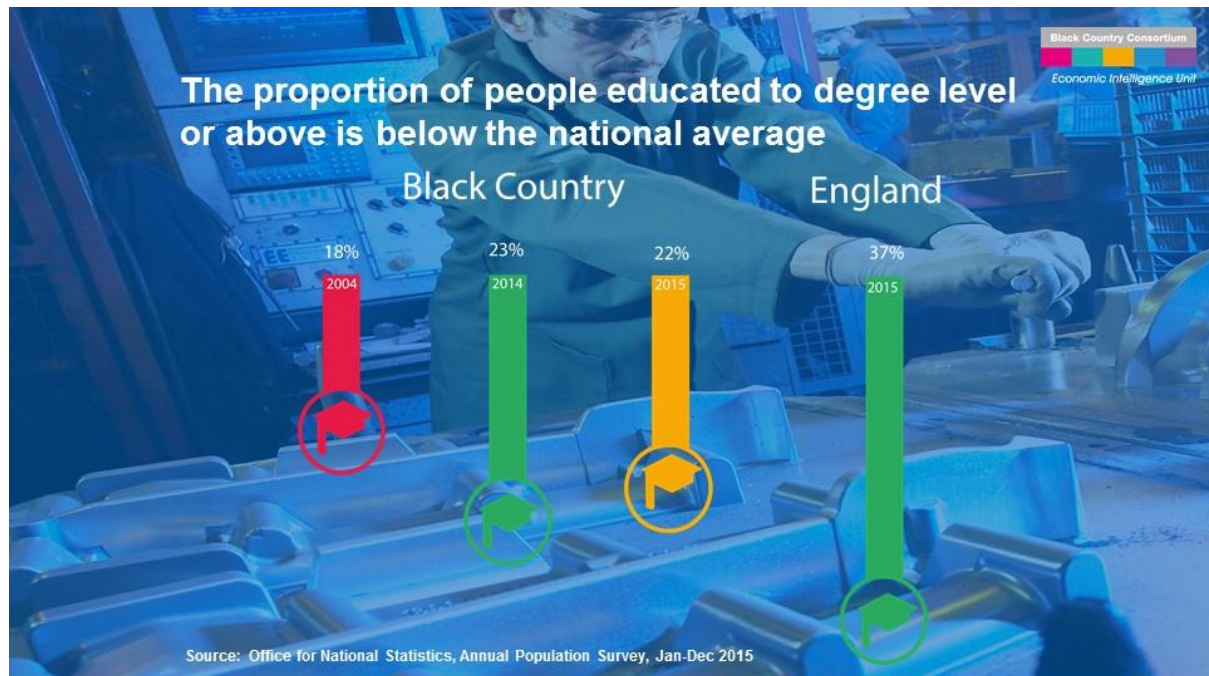
Our latest analysis of the Black Country economy shows that we have made considerable progress in delivering our vision in a challenging economic and financial context. In particular:

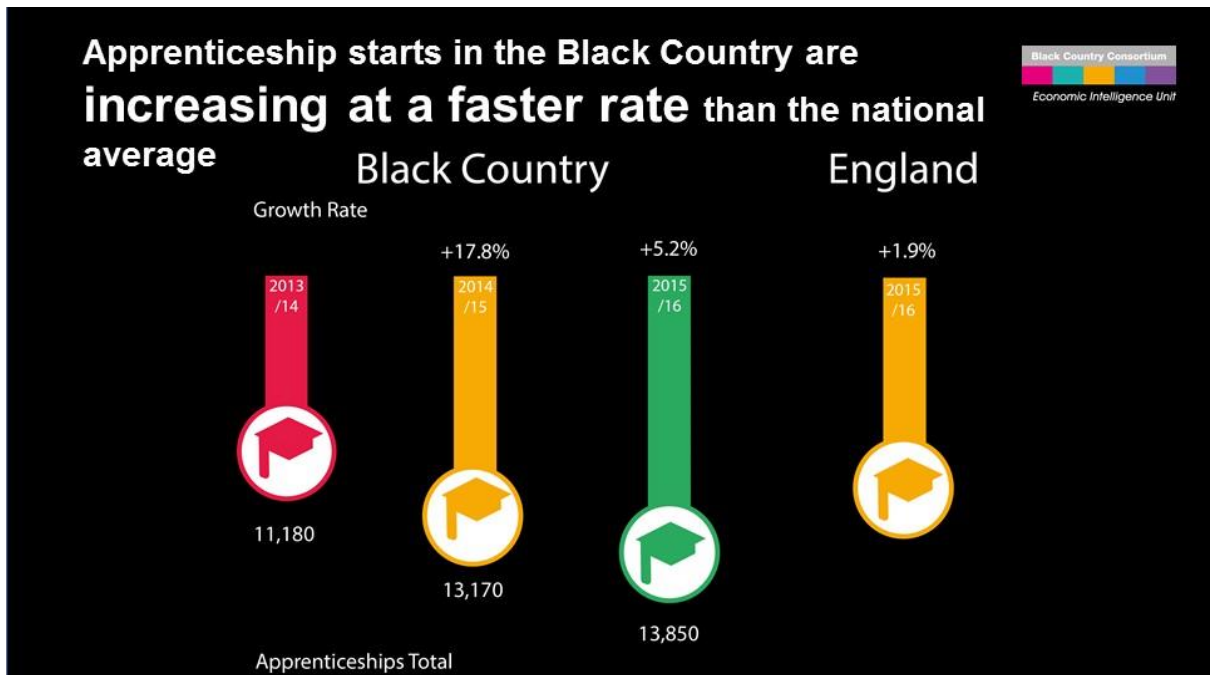
- The number of jobs in the area, at 446,000, has reached a five year high. Business births have continued to increase and are now at the highest level since 2004. The Black Country business stock is also at the highest level since 2004;



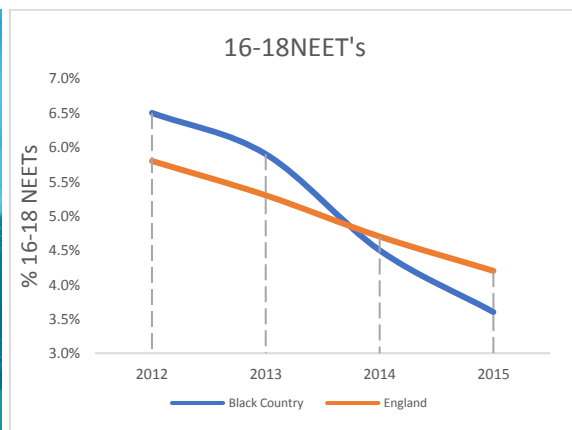
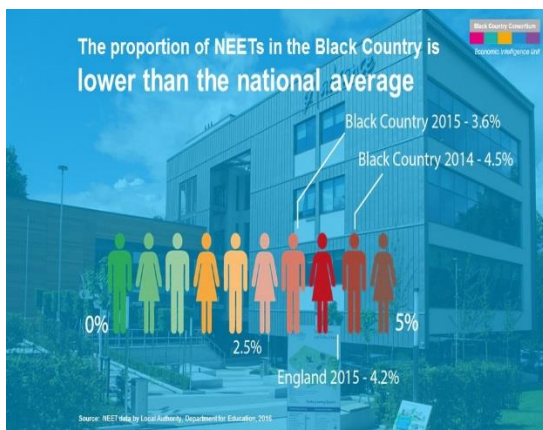


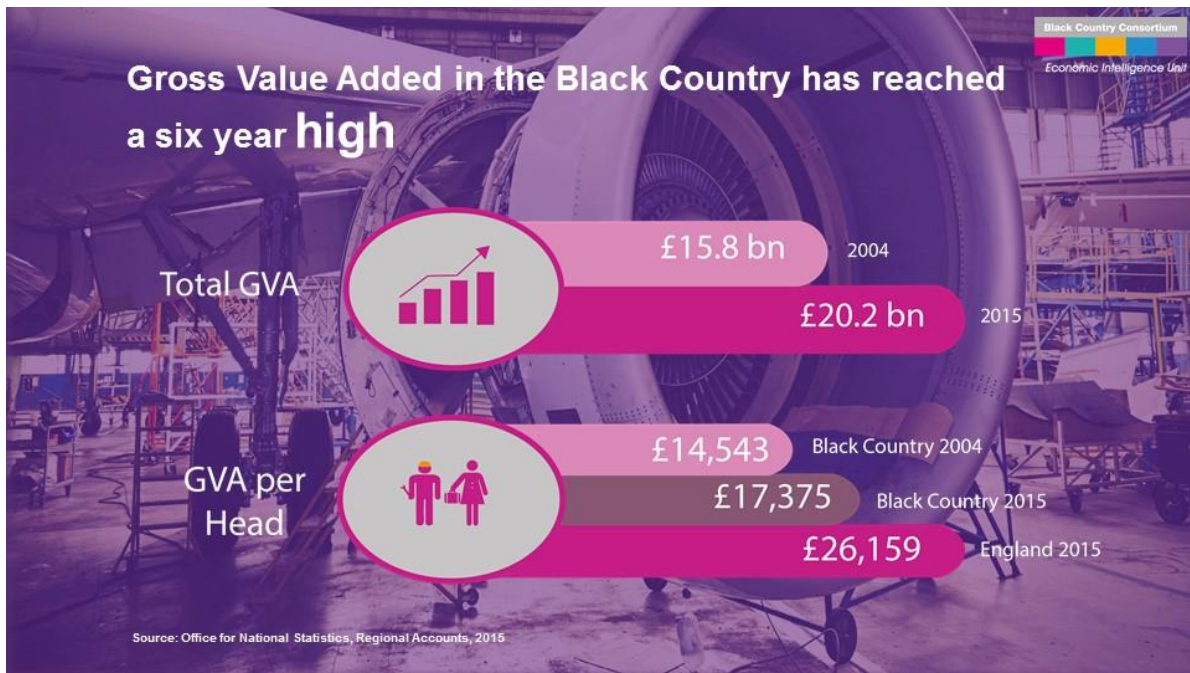
- 160,000 residents are now educated to degree level or above and the number of apprenticeship starts are increasing at a faster rate than the national average with 13,849 starts in 2015/16 when 8,724 workplaces were delivering apprenticeships;





- The proportion of NEETs in the Black Country, down to 3.6% from 4.5% in 2014, is lower than the national average of 4.2% and the number of people claiming key out of work benefits at its lowest level for 10 years;
- There are 81,700 more residents living in the area than there were in 2002 and there has been a net increase in housing stock of 23,590 units.





A key achievement is that the Black Country now has a compelling offer for investors. It has been identified by fDi Magazine as one of the top five LEP areas in the country in which to do businesses. This reflects the opportunity offered by the Black Country to investors, both to grow existing businesses and for inward investment. The other factors which make the Black Country an attractive investment proposition in 2017 include:

- Our business base and workforce;
- Our location and national and international connectivity, which will be improved by HS2 and further growth at Birmingham airport;
- Our portfolio of existing development opportunities and the area's massive regeneration potential;
- The delivery track record of the LEP and councils.

An investor's journey through the Black Country...

Beginning in the north, i54 encapsulates the economic strength and potential of the Black Country (immediately adjacent to the motorway).

A world class business environment with world class businesses, including JLR's European engine centre of excellence and Moog's aircraft section facility.



i54 is located in [one of] the most successful enterprise zone[s] in the country and is an example of partnership working – between the Black Country and Staffordshire – producing real benefits for business.

The A449 corridor from i54 to Wolverhampton city centre is home to international businesses such as UTC Aerospace Systems and Carillion. 52k people work in this corridor and the city centre. It also includes the City of Wolverhampton Science Park, tangible evidence of the University of Wolverhampton's commitment to enabling Black Country businesses to innovate, develop and grow.



The University is helping to add even more energy to the city centre with its £100m Springfield Campus development.

Interchange 10 is a flagship for today's

City of Wolverhampton: first class public transport connectivity and excellent commercial and retail premises equivalent to that in other leading European cities.



The centre also reflects the city's proud multi-culturalism, its Victorian heritage and its modern edge, with one of the most popular music venues in the region.

Easy access to the city centre is key to the attractiveness of the new urban garden city developments in Bilston and Willenhall. These sustainable housing developments are a product of our commitment to large scale place-changing brown field development.



Junction 10 on the M6 is a vitally important, but increasingly congested link on the route between the City of Wolverhampton and Walsall. Work on major improvements to the junction is due to start in 2018.



This will boost the attractiveness of Pheonix 10, a 13.4 ha site in the Darlaston part of our enterprise zone. The site has the potential to provide up to 480,000 sqft of development and up to 600 jobs.



Dudley is the location for many of our most attractive visitor destinations including the castle, zoo and award-winning Black Country Living Museum.



It is also home to the Black Country Geopark – the product of 430m years of geological history embracing coral seas, steamy swamps, scorching deserts, mines and furnaces.



The Metro extension from Wednesbury to Brierley Hill will significantly improve the area’s accessibility, enabling it to exploit its new enterprise zone status and become a high tech office hub supporting the Black Country’s advanced

manufacturing businesses.



The Pensnett Estate, on the western edge of the Black Country, is one of the largest secure industrial estates in Europe. Home to almost 200 businesses it provides the full range of business premises from large scale industrial units to smaller facilities for new businesses.

The spine of our regeneration network runs through Sandwell housing a dense cluster of manufacturing businesses. They include Hadley Industries, the largest independent manufacturer of cold rolled metal sections, and

Pargat, the largest manufacturer of aluminium and cookware.

Our new focus on significantly improving the quality of existing employment locations will reinforce the attractiveness of the area for businesses with the ambition to grow.



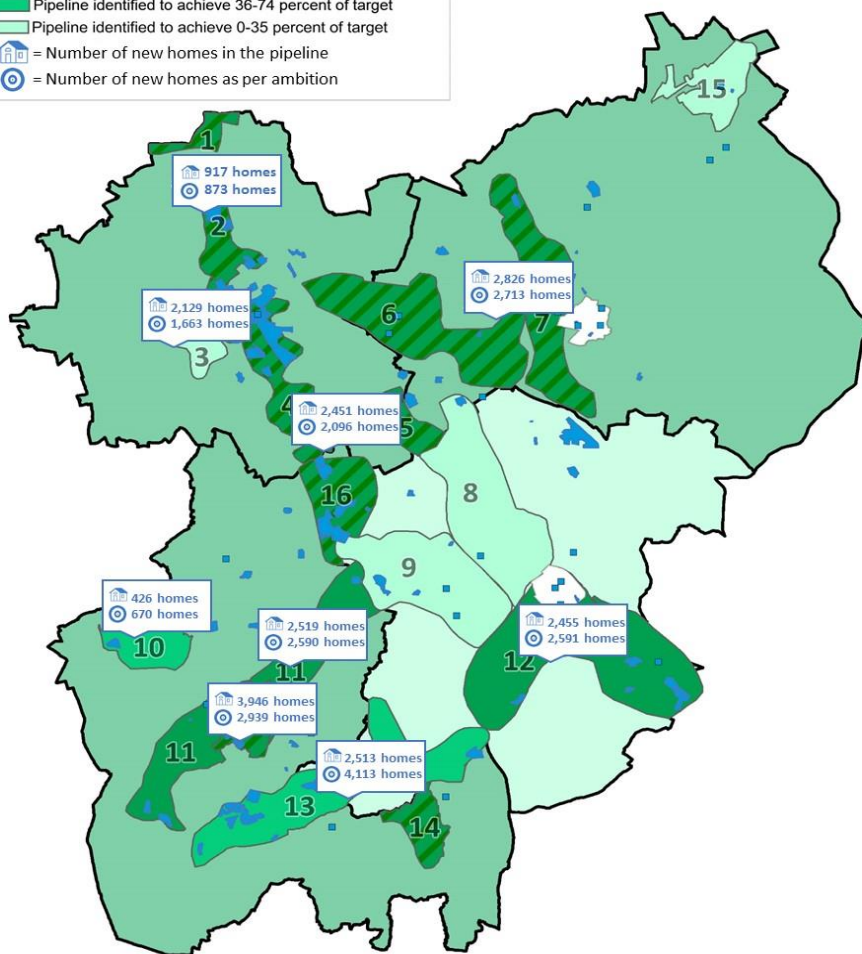
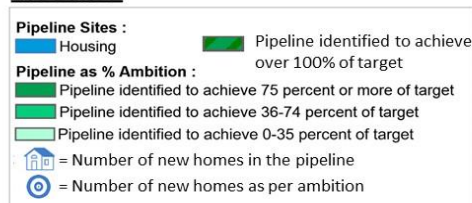
Photo credit: Express & Star

Smethwick, in the east of the Black Country and close to the border with Birmingham, is the location for the new Midland Metropolitan Hospital. With state of the art facilities the hospital is visible evidence of our commitment to high quality public services and improving the health and wellbeing of Black Country residents.

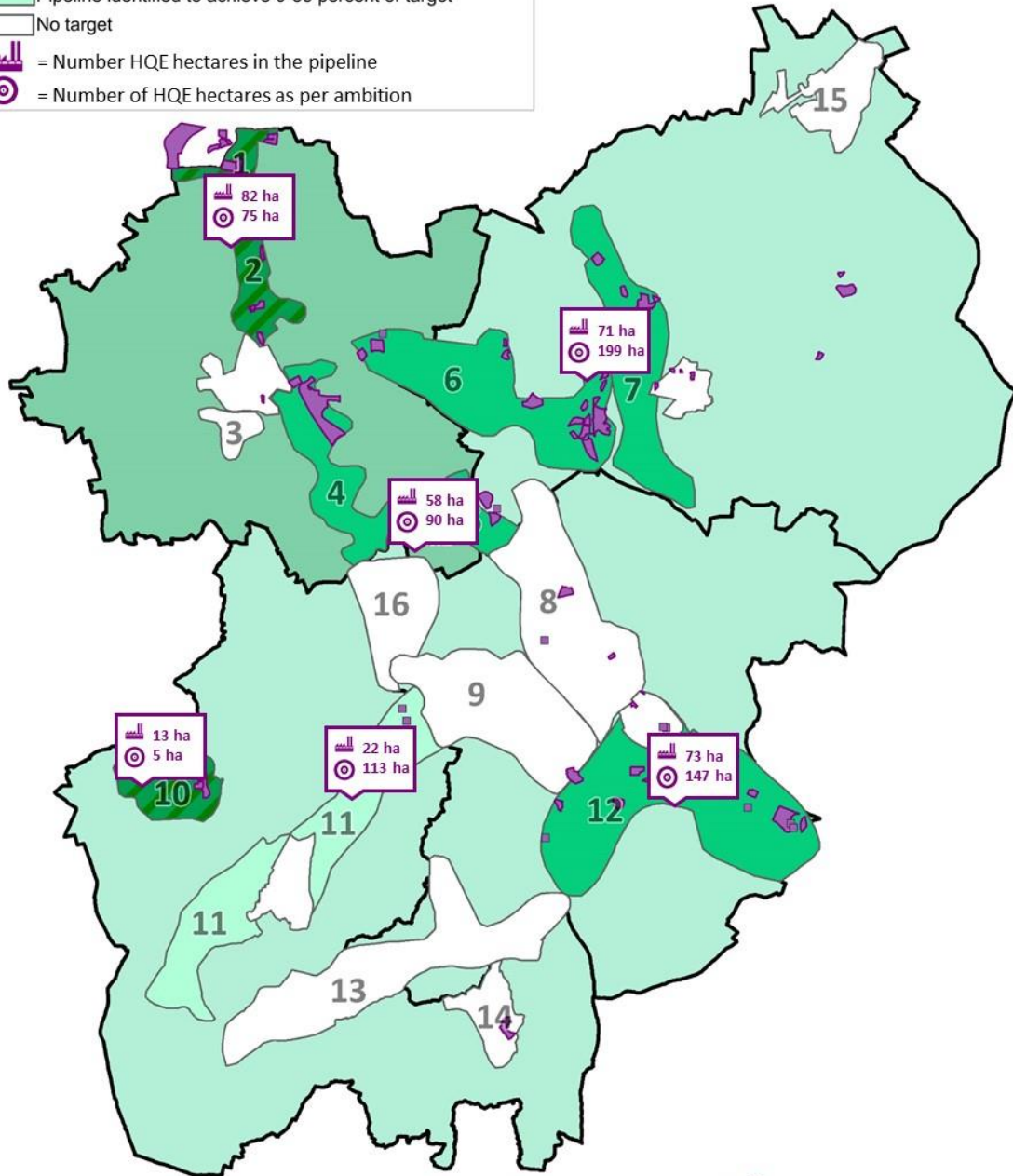
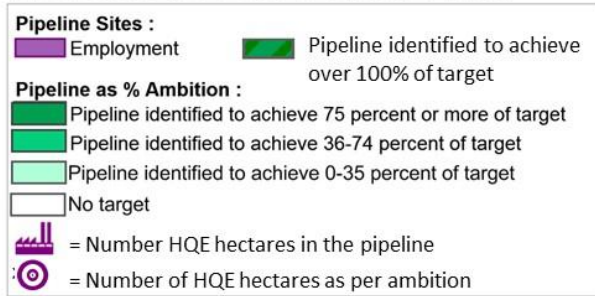
3.3 The Black Country pipeline

We now have a comprehensive priority pipeline in place, totalling £646m which would deliver £2bn investment and accelerate Black Country GVA by over £3bn. Each scheme in the pipeline has a supporting initial proposal and many are developing full businesses cases for 2017/18 bids. The projects in the pipeline can be “sliced and diced” to match different funding sources as they emerge. Annex 4 and the maps below analyse the potential impact of that pipeline spatially (in terms of our strategic centres and regeneration corridors) and in terms of its impact on jobs, GVA, homes built and employment land.

HOUSING



HIGH QUALITY EMPLOYMENT LAND



This analysis shows that our current pipeline would deliver over 90% of the land required to meet our homes target. The key challenge is to accelerate completions and the delivery of new homes. Our Black Country Garden City programme is crucial to this and the construction of the Metro to Brierley Hill will improve the accessibility of a number of key housing sites.

Significantly the pipeline in our strategic centres looks set to make a bigger than envisaged contribution to our housing target. Overall, the pipeline of projects in the City of Wolverhampton and West Bromwich centres is on or above target, but we face significant challenges in achieving our targets in the other two centres, although the construction of the Metro and enterprise zone status should enable faster progress to be made in Brierley Hill as the high tech office hub of the Black Country.

Elsewhere, we have a well-developed pipeline of projects in our regeneration corridors at i54 and the City of Wolverhampton North and Willenhall and there appears to be significant short term to medium term potential in the pipeline in Pensnett, at M5 junction 1 and at M6 junction 10.

The current pipeline would deliver almost half of our employment land requirements. The focus to date has been on bringing forward a suite of sites of different sizes which are “oven ready” for development. The challenge is to both increase the momentum in terms of sites and do more to address the poor quality of many employment locations to boost our indigenous business assets.

3.4 The outstanding challenges

This section identifies the outstanding challenges that we need to address in our refreshed growth strategy. It does so in the light of the economic strengths and weaknesses of the Black Country economy today, the wider economic and policy context, the impact we have had to date and our current pipeline of projects.

Gross Value Added (GVA) in the Black Country has reached a six year high, and both GVA and GVA per head are increasing. In terms of the national average, the Black Country output gap has stabilised at £10bn. But productivity is still low: GVA per head in the Black Country is £8,784 lower than the England average of £26,159. The main contributors to this output gap include:

- Employment: the employment rate in the Black Country is 66.5% compared with 73.8% in England;
- Skills: the percentage of Black Country residents educated to NVQ4 and above is 22.4% compared with 36.8% nationally and fell over the last 12 months;
- Enterprise and Innovation: in the Black Country, there were 44 business births per 10,000 population compared with 63 nationally.

We face a continuing challenge in meeting the targets set out in our vision. At the current rate of progress, we would:

- Reduce the number of NEETs to zero by 2020;
- Meet our target of reducing the rate of JSA claimants to the national average by 2020.
- Not meet our 2030 target of 569,700 local jobs until 2044;
- Achieve our ambition of 23,000 apprenticeships in 2026-27.

Significantly, at the current rates the earliest we could meet our GVA target of £35bn is 2044.

The Black Country has the highest rate of Superfast Broadband connectivity in the country: by the end of this year it is anticipated that 99.4% of businesses will be able to access it. Yet it is estimated that between 25% and 30% of residents have never used the internet, which is also one of the highest rates in England and Wales. There is a shortage of skills in digital technology, ranging from general skills to higher level skills such as programmers and code writers.

It is also significant that, while there was a growth in workforce in a number of our growth sectors, including manufacturing from 2013 to 2014, the workforce contracted in several important sectors: professional, scientific and technical activities, financial services; human health and social work; and construction.

GCSE performance has been fluctuating considerably over the last few years with the Black Country currently performing below (49.3%) the national average (53.5%) at 5+A*-C GCSEs including English and Maths. Our target is to have 23,000 apprenticeship starts a year across the Black Country. We currently deliver around 13,800 pa, leaving a gap of 9,400.

In order to understand our productivity challenge we are assessing the relative importance of the five drivers of productivity (used by ONS): investment, innovation, skills, enterprise and competitiveness. We will use this analysis, which we are drilling down to a company level, to inform our action to close our output gap. We are aware, for example, that small businesses continue to find the business support and innovation landscape confusing.

Power supply has been identified by a number of Black Country businesses as a significant constraint on investment and improved productivity. One Company, for example, has reported that its power supplier quoted a cost of £1.5m to increase the supply to its site to enable growth to take place.

The table below summarises our analysis. It shows how our priority propositions relate to the challenges and opportunities that we have identified; it also demonstrates the relevance to our propositions of the priorities in the WMCA SEP (section 4.2).

Our core challenge is to build on the momentum we have created in recent years – high levels of investment, a faster than average increase in apprenticeship starts, higher levels of business starts since 2004, first class business intelligence and high profile programmes such as HVM City and the Black Country Garden City – and address our low productivity.

| Strategic Programmes | Current developments | WMCA Priorities | Issues/challenges | Priority Propositions |
|---------------------------------------|---|--|---|---|
| P1 Skills for the supply chain | <ul style="list-style-type: none"> Skills Factory. Sports Sector. City Deal | Skills and Employment for All Devolved 19+ adult skills budget Co-design future employment support WMCA Skills and Employment Strategy | <ul style="list-style-type: none"> Ageing workforce Continuing skills gaps faced by employers Low investment by employers in skills and training, particularly in small businesses The proportion of people with no qualifications has increased to 19% in 2015 and the proportion of residents educated to NVQ Level 4+ has increased Apprenticeship starts increased by 5.2% in 2015/16, more than double the increase nationally (1.9%) | Skills for Business, Skills for Life |
| P2 Skills Capital | <ul style="list-style-type: none"> A range of investments underway. Black Country Centre for Manufacturing Skills. University of Wolverhampton Apprenticeship Hub. Sandwell New Talent Studio. City of Wolverhampton Construction Campus Success of the Skills Factory and plan for wider application Implementing conclusions of the Area Review HS2 skills strategy The Apprenticeship Levy | | | |
| P3 Schools | <ul style="list-style-type: none"> Careers and Enterprise Company Sustained improvement in school performance | | <ul style="list-style-type: none"> The proportion of NEETs (3.6%) is lower than the national average (4.2%) Educational attainment is below the national average: 50.1% of pupils achieved 5+A*-C GCSE in English and Maths compared with 53.5% nationally Disparity in the quality of careers advice and guidance. | |
| P4 Skills for the unemployed | <ul style="list-style-type: none"> EUSIF Youth Employment Initiative City Deal Working Together Pilot Talent Match | | <ul style="list-style-type: none"> Number of people claiming out of work benefits at lowest level for 10 years, but at 12.1% it is still 3.7% above the national average Poor levels of health and wellbeing | |
| PI1 Employment land | <ul style="list-style-type: none"> Enterprise Zone City Deal Black Country Investment Fund Brownfield Research and Intelligence | WMCA Land Remediation Fund | <ul style="list-style-type: none"> Very limited supply of Grade A and B premises. Competition from areas with higher quality supply. Need to uplift existing business | HVM City |

| Strategic Programmes | Current developments | WMCA Priorities | Issues/challenges | Priority Propositions |
|---------------------------------------|--|--|--|----------------------------------|
| | <ul style="list-style-type: none"> Centre (BRIC) established 29 ha of high quality employment land developed over the past year | | locations – too many businesses operate in low quality environment | |
| PI2 Connectivity | <ul style="list-style-type: none"> Broadband Programme Black Country Transport Pipeline Significant transport investment, including £65m in M6 J10 99.4% of Black Country businesses able to access superfast broadband. | HS2 Growth Strategy Movement for Growth Midlands Connect | <ul style="list-style-type: none"> High levels of congestion are reducing productivity and attractiveness of the areas to potential investors Specific accessibility constraints on particular sites Poor journey time reliability 25% of residents have never used the internet | Connected Black Country |
| PI3 Housing | <ul style="list-style-type: none"> Publication of the Garden City prospectus Identification of a pipeline of sites and trailblazer developments Refresh of Black Country Core Strategy | Housing | <ul style="list-style-type: none"> Need to accelerate delivery and improve housing mix: more 4 and 5 bedrooms Fall in construction workforce 2013-14 Over 3,000 homes built last year: 39,100 net new homes required to deliver core strategy | Black Country Garden City |
| PI4 Urban centres | <ul style="list-style-type: none"> Visitor Economy Strategy Investment in the City of Wolverhampton Castle Hill Dudley Visitor numbers continue to increase: 28m visitors to the Back Country in 2015 | Economic Geography | <ul style="list-style-type: none"> Shortage of modern office stock; All centres require environmental enhancement Importance of Metro extension to Brierley Hill Fall in workforce in arts, entertainment and recreation 2013-14 | Economic Capital |
| PI5 Environment and low carbon | <ul style="list-style-type: none"> A number of plans and strategies Black Country SMART City Strategy Green Infrastructure Birmingham and Black Country Local Nature Partnership | Environmental technologies WMCA focus on retrofit and energy | <ul style="list-style-type: none"> Lack of investment in cultural and environmental assets threatens quality of life offer 4.6 tons per capita of CO2 emitted in the Black Country, 2-2% lower than | HVM City |

| Strategic Programmes | Current developments | WMCA Priorities | Issues/challenges | Priority Propositions |
|---|---|--|---|---|
| B1 Supply chain development, including innovation and enterprise | <ul style="list-style-type: none"> The HVM City interventions. Black Country Growth Hub West Midlands Science & Innovation Audit HS2 Partnerships OnTrack WM BIMwm Very Light Rail Innovation Centre Science, Technology & Prototyping Centre | New Manufacturing Excellence Creative and Digital Medical Technologies Devolved approach to business support. Midlands Engine | <p>in 2004</p> <ul style="list-style-type: none"> Fall in employment in health and social work and in financial services and administrative and support services 2013-14 Small business base compared with the national average Need to support growth of medium-sized businesses Recession reduced damaged businesses' credit rating and eroded capacity to innovate and invest in R&D and premises Lack of dynamism, innovation and poor leadership in many businesses Low levels of business birth and growth Many advanced manufacturing businesses are not investing in product development | HVM City The Black Country: business competitiveness |
| B2 Global Opportunities | <ul style="list-style-type: none"> Invest Black Country | | <ul style="list-style-type: none"> Few businesses that do not currently export plan to do so | |
| B3 Access to Finance | <ul style="list-style-type: none"> Good use was made of Growing Places, Regional Growth Fund, BCRS Business Loans, Advanced Manufacturing Supply Chain Initiative | Commitment to discussing access to finance requirements | <ul style="list-style-type: none"> Difficulties in accessing finance | |

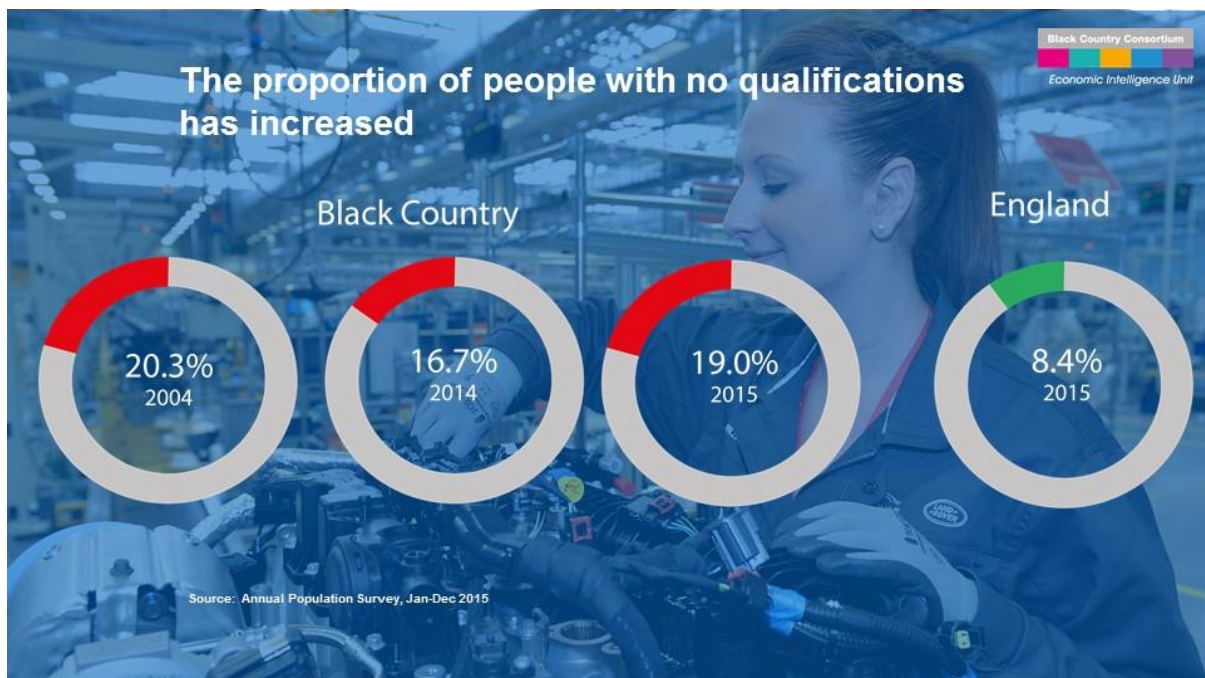
A key challenge we face in delivering our Garden City housing ambition is to ensure the viability of sites in the face of the fact that many of them require action to address the industrial legacy of the area. The success of this programme also hinges on:

- Full buy in from the four Black Country councils;
- Continued promotion of the brand to investors;
- Early stage technical support for design solutions.

Similarly, although we have a strong portfolio of sites in our pipeline which are potentially suitable for high value manufacturing, further work is required to ensure that they are fit for purpose as potential sites of industrial excellence. There is also a pressing need to improve the quality of many of our existing employment areas if existing businesses are to remain and grow in the Black Country.

The Black Country continues to lag behind other parts of the West Midlands and England in terms of business births and growth. This reflects a lack of entrepreneurship in the area and low levels of investment in training, innovation and research and development. The Apprenticeship Levy and the government's proposed Challenge Fund provide opportunities to address this. We must be in a position to exploit the latest developments in supply chains. This includes the increasing importance of speed, vertical integration and simplification, strengthening the case for on-shoring. The potential for the UK to become a preferred centre for autonomous car technology is also an important opportunity for our automotive businesses.

Despite our progress in raising skills levels in parts of the workforce and in meeting the skills needs of businesses, through initiatives such as the skills factory, fundamental challenges remain. These include: poor school performance (measured by GCSE results) and the comparatively high proportion of the population with no formal qualifications.



It is essential that we do more to enable residents and businesses to exploit new technologies and address the contrast between the widespread availability of highspeed broadband in the area and the comparatively high number of residents who are not able to access it. The Black Country Digital Strategy highlights the need to:

- Reduce the high levels of digital exclusion in the Black Country;
- Raise skill levels in relation to digital technology;
- Support businesses to take advantage of business technologies;
- Exploit Smart technologies in areas such as transport, energy and the environment.

Our approach to our strategic centres must reflect the fact that we are on course to meet our ambitions in terms of jobs, GVA and homes in only one centre: City of Wolverhampton. Our latest market intelligence points to the need for:

- Future retail and leisure investment to be targeted at existing consolidated core shopping areas;
- A programme of environmental enhancements should be developed for all four strategic centres as an essential prerequisite to attracting sustained investment;
- Public sector intervention to pump-prime office development.

We have developed a detailed programme of transport schemes for the next 10 years. In order to secure maximum impact from this programme, we need to:

- Integrate the schemes within wider regeneration proposals;
- Identify new ways of funding “mini-major” schemes (£1m to £5m) to continue to stimulate developers interest and keep land accessible.

Finally, we face a continuing challenge, building on the success of initiatives such as our skills factory, of meeting the skills needs of Black Country businesses, raising the skills levels of Black Country residents and retaining graduates in the area.

4. The wider context

“The creation of the West Midlands Combined Authority and its devolution agreement should enable us to go further, faster in enabling growth in the Black Country. This SEP shows how we intend to seize that opportunity.”

Council Leader

This section explores the implications for our refreshed strategy of major national and regional developments since our first growth strategy was completed. This includes:

- The changing national economic and policy framework including Brexit and the government’s emerging industrial strategy;
- The creation of the West Midlands Combined Authority, its Strategic Economic Plan and devolution agreement;
- The emergence of the Midlands Engine;
- The increased focus on public service reform and its links with economic growth.

This wider context is important because although the Black Country is a functional economic area we are committed to both contributing to activity across the wider West Midlands and to using the scale of the WMCA and Midlands Engine to strengthen our ability to respond to the challenges and opportunities that we face. We are equally determined to build on our manufacturing base to support the national drive to rebalance our economy and drive growth across the whole country.

4.1 The national context

We are working with Black Country businesses to ensure that they are best placed to respond to the implications of “Brexit”, particularly in relation to international supply chains, export markets and inward investment.

We welcome the commitment of the Prime Minister, Theresa May, to putting in place “a proper industrial strategy to get the whole economy firing.” The green paper³ makes it clear that the aim of the strategy is to “identify our competitive strengths, explore with industry the ways in which government can help, and put in place institutions and relationships to sustain higher levels of productivity over the long term. It is about creating an economy resilient to change and fit for the future.”

The green paper identifies 10 pillars the government believes are important to implement the strategy. As the table below illustrates there is a close alignment between the government’s pillars and the approach we have adopted.

³ Building Our Industrial Strategy, Green Paper, HM Government January 2017

| Industrial Strategy Pillar | Black Country Strategic Programmes |
|--|--|
| 1. Investing in science, research and innovation | B1. Supply chain development including innovation and enterprise |
| 2. Developing skills | P1, P2, P3 and P4: the four programmes related to our “People” pillar |
| 3. Upgrading infrastructure | PI2. Infrastructure |
| 4. Supporting businesses to start and grow | B1. Supply chain development including innovation and enterprise. B3 Access to finance |
| 5. Improving procurement | HS2 growth strategy. The Black Country Bullet and the BIMwm web tool. HVM City Digital Platform |
| 6. Encouraging trade and inward investment | B2. Global opportunities |
| 7. Delivering affordable energy and clean growth | PI5. Environment and Environmental Technologies as a transformational sector |
| 8. Cultivating world-leading sectors | B1. Supply chain development including innovation and enterprise. Our HVM City proposition and our focus on transformational sectors. |
| 9. Driving growth across the whole country | Our overall approach as an engaged LEP with a place-based sector focus, maximum use of business intelligence and LEPs role in the Midland Engine and WMCA. |
| 10. Creating the right institutions to bring together sectors and places | |

Two of the key themes running through the green paper are sectors and place. It acknowledges that the government has not established a coherent framework for all potential growth sectors. It commits the government to working “with local areas to help develop industry clusters based around local expertise putting in place the right institutions with the right powers to support local areas of economic strength.” This mirrors the approach we have adopted with our transformational and enabling sectors and our spatial focus – the strategic centres and regeneration corridors. A key objective of this SEP refresh is to ensure that our programmes will enable growth in our transformational sectors in a way which delivers our spatial priorities and exploits our diverse geography.

Much of the debate on the green paper has focused on the role of government in “picking winners”. Our approach is not about picking winners, but rather using our business intelligence to understand which businesses in which sectors and which locations have the appetite to grow, to understand the barriers to growth they face and to craft a series of interventions which help those businesses to achieve their ambitions.

We also welcome the focus in the green paper on science, research, innovation and skills. This also reinforces our approach including, for example:

- The way in which we have pioneered new approaches to skills provision through initiatives such as the Skills Factory;
- Our success in bringing together commercial and academic expertise in our Brownfield Research and Innovation Centre (BRIC).

In his introduction to the green paper Greg Clark, Secretary of State for Business, Energy and Industrial Strategy, invited local councils and mayors “to work together with us to develop, jointly,

plans to help every place to meet its potential.” This refreshed SEP is our contribution to that process.

4.2 West Midlands Combined Authority

The challenges the WMCA SEP seeks to address, mirror those we face at a Black Country level. They are:

- Strengthening supply chains and re-shoring;
- Enabling more businesses to take advantage of the R&D and innovation infrastructure;
- Improving road and rail infrastructure;
- Boosting business birth, survival and growth;
- Improving the skills base;
- Bringing forward land for housing and employment;
- Accelerating the rate of housebuilding.

The WMCA SEP promotes eight priority actions to deliver its vision. They are:

- **New Manufacturing Economy:** harnessing the biggest concentrations of high value manufacturing businesses in Europe and their supply chains;
- **Creative and Digital:** further developing the area’s vibrant and flourishing sector;
- **Environmental Technologies :** securing transformational environmental improvements;
- **Medical and Life Sciences:** enabling the further growth of the medical and life sciences sector and supporting other businesses to diversify and become part of the sector’s supply chain;
- **HS2 growth:** maximising the benefits of the largest infrastructure project in Europe;
- **Skills for Growth and Employment for All:** ensuring the skills needs of businesses are met and everybody can benefit from economic growth;
- **Housing:** accelerating the delivery of current housing plans to increase the level of housebuilding to support increased levels of growth.
- **Exploiting the economic geography:** making the most of the scale and diversity of the West Midlands’ geography to enable economic growth and community wellbeing throughout the urban core and rural areas.

As we demonstrated in section 3.4 these priority actions have the potential to support the delivery of our priority propositions and provide a framework through which we can help deliver the ambitions of the WMCA.

Other key elements of the West Midlands strategic context include:

- Movement for Growth, the WMCA’s transport strategy;
- The HS2 Growth Strategy;
- The development of a West Midlands Employment and Skills Strategy.

The devolution agreement the WMCA has negotiated with government significantly strengthens our ability to deliver our vision. Key aspects of the agreement include:

- The devolution of the 19+ adult skills budget;
- A commit to co-designing future employment support;
- A land remediation fund and housing investment programme;

- A combined transport budget;
- A devolved approach to business support and access to finance.

We are planning to take advantage of further fiscal flexibilities negotiated as part of a second devolution deal together with the prudential borrowing powers that have now been made available to Mayoral combined authorities.

4.3 The Midlands Engine

The Midlands Engine for Growth brings together ten LEPs, including the Black Country LEP, with the local authorities, universities, businesses and other partners to grow the economy of the Midlands and the UK as a whole. The aim of this collaboration is to enable individual LEP projects and programmes to make a greater impact as part of the wider Midlands Engine. It is currently focussing on five strands of activity which will help us to deliver our vision for the Black Country: skills, innovation, transport, promotion and finance for business. There are two areas in which we envisage that action through the Midlands Engine will add particular value:

- The development and implementation of a regional transport strategy, including the establishment of Midlands Connect as a statutory body;
- Action to promote foreign investment and support exporting.

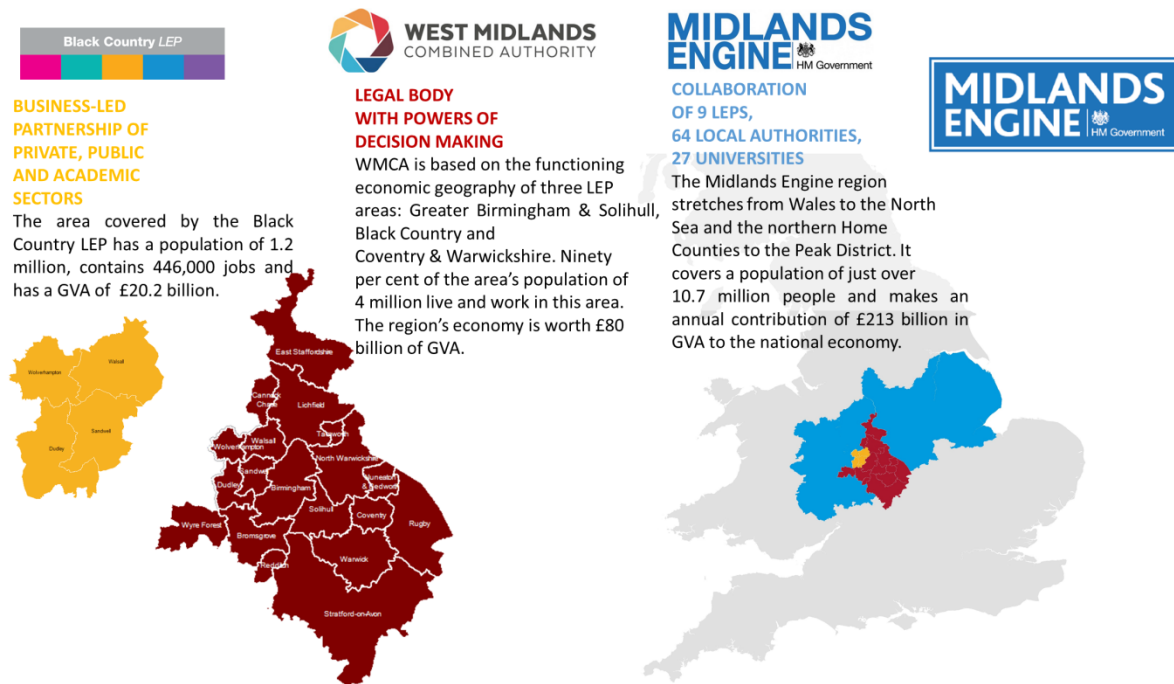
We are also supporting the Science and Innovation Audit which has been commissioned by the three LEPs in the WMCA. Building on the recently completed audit covering the wider Midland Engine area, we envisage that WMCA audit will enable us to take advantage of the scale of the CA to more effectively pursue smart specialisation strategies and enable Black Country companies to exploit business opportunities.



Two other current initiatives are relevant to the focus of our refreshed growth strategy: the introduction of the apprenticeship levy and the outcome of the area review.

The Apprenticeship Levy is due to come into effect in spring 2017 and will require that all employers in the Black Country with an annual pay bill of £3m or over to invest on apprenticeships. This is likely to affect somewhere between 3-400 business in the Black Country generating an annual levy fund of approximately £10-15m to fund apprenticeships.

The Black Country Area Review is encouraging colleges through effective collaboration to share good practice in the delivery of Mathematics and English at GCSE and to share delivery resources. The colleges are also improving their engagement with schools and local authorities in developing and delivering improved strategies to improve the attainment of young people in schools.



4.4 Productivity, innovation and public service reform

“We must use the innovation that local businesses can bring to help us transform public services and deliver improved outcomes for local communities at less cost”
Council Leader (tbc)

The four Black Country Councils face significant budget pressures in the short and medium term. Their public sector partners, particularly in the health service, are in a similar position. At the same time, as noted above, the area faces significant service and demographic pressures including an ageing population and higher than average levels of deprivation, obesity, and teenage conception rates. Employment levels are comparatively low as a result of poor health and wellbeing. In response to this the four councils are pursuing programmes of transformational change (as opposed to “salami cuts”) and public service reform. The integration of health and care is a priority across the area, underpinned by the Better Care Fund and the NHS Sustainability and Transformation Plans.

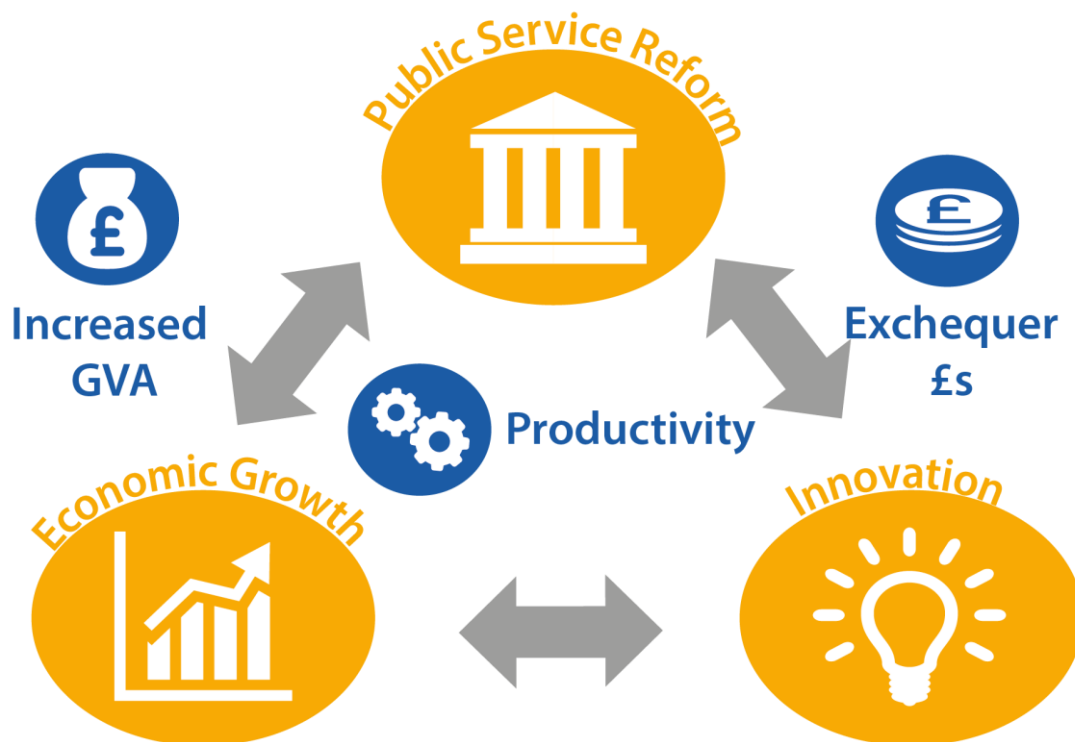
A combination of the area's low productivity and comparatively high dependence on public services means that there is a significant income/expenditure deficit in the Black Country. Public expenditure in the area totals £9,953,450,580 compared with income from taxes of £7,908,950,556.

The WMCA has a public sector reform programme focussing on four areas: troubled individuals, criminal justice, employment and skills and mental health. The government is supporting this through commitments to:

- Participate in the co-design of the programme and support implementation;
- Enable the development of data devolution, including an integrated data system and access to other sources of data.

There are areas in which households and businesses face similar pressures, including, for example, energy costs. This is an area in which SMART technology could enable house holders and businesses to reduce their costs, boosting the productivity of the area as a whole. The same logic applies to the application of SMART technology to transport and connectivity.

Business has a potentially significant contribution to make to this work which would contribute to increasing our economic output. Health, for example, is one of our enabling sectors. Developing this contribution is critically important if we are to improve productivity in the public and private sectors, enable further growth and secure improved outcomes for local communities at less cost. The diagram below illustrates the potentially important links between innovation, public service reform and economic growth which we are keen to exploit in this refreshed SEP.



We are determined not to adopt a narrow approach to enabling growth. This refreshed SEP is intended to form part of a wider effort to secure improved outcomes for the people of the Black Country, to close the gap between income and expenditure in the area and to enable public service reform. One of the objectives of this SEP is to both marshal the contribution of business to delivering

public service reform and to deliver it in a way which creates new opportunities for Black Country businesses.

We envisage digital technology playing a key role in this and a key aim of the Black Country Digital Strategy is to position the area as a leading digital region. We plan to exploit digital technology to enable economic growth, support public service transformation, improve health and wellbeing and enable all residents and communities to access the labour market. If it is fully exploited digital technology could act as both a driver of change and an integrating force. We plan to do this through action related to each of our three pillars:

People:

- Raising digital skills;
- Reducing digital exclusion;
- Supporting personal independence and community resilience.

Business:

- Developing the capacity of businesses to exploit digital technology;
- Reinventing supply chain strategies;
- Providing innovation spaces.

Place:

- Using opportunities such as free Wi-Fi in our strategic centres as one of the features that makes the Black Country a more attractive place to live, work, invest and visit;
- Employing smart technologies to address challenges such as traffic congestion, pollution and energy supply;
- Creating the conditions in which councils and their partners can achieve radical public service reform.

Each of these propositions draws on the potential offered by digital technologies, including:

- The possibility of re-thinking supply chains in **High Value Manufacturing**;
- The role of business support in building demand for digital technologies in **small and growing businesses**;
- The value of making Wi-Fi freely available in our **strategic centres**;
- Incorporating the concept of **smart houses** in our Garden City approach;
- Establishing action to ensure that all Black Country residents have basic ITC skills as a priority for our **Fit for Purpose Skills System**;
- Promoting smart ticketing, the use of real time information and ultra low emission vehicles as an element of our **connectivity solutions**;
- Using approaches such as open data, app development and technology-led engagement to deliver radical **public service reform**.

An important theme of this SEP is to ensure that activity at Black Country, WMCA and Midlands Engine levels contributes to the delivery of our priority propositions. The table below summarises how this can be achieved.

| Priority proposition | Action to deliver the proposition | | |
|--|--|--|---|
| | Black Country | West Midlands CA | Midlands Engine |
| High Vale Manufacturing City | <ul style="list-style-type: none"> • Programme to uplift quality of existing sites; • Bring forward sites of industrial excellence with prioritised remediation work; • Develop new models of public sector intervention. | <ul style="list-style-type: none"> • Use of WMCA Land Remediation Fund; • New Manufacturing Economy: action on supply chain, including BiMwm Framework and HVM City Digital Platform | <ul style="list-style-type: none"> • £5m trade and investment package • DIT Investment Hub |
| Black Country Garden City | <ul style="list-style-type: none"> • Accelerated progress on sites; • Establishing and promoting the Garden City Principles; • Providing design support; • Support for smaller house builders | <ul style="list-style-type: none"> • Collaboration across SHMAs; • Use of WMCA Land Remediation Fund; | |
| Skills for Business, Skills for Life | <ul style="list-style-type: none"> • Implementation of Area Reviews; • Extend Skills Factory Model; • Drive school improvement; • Action on Apprenticeship Levy | <ul style="list-style-type: none"> • Devolved 19+ skills budget; • WMCA Skills and Employment Strategy; • Devolution ask for ring fencing of Apprenticeship Levy | <ul style="list-style-type: none"> • Skills identified as a priority |
| Connected Black Country | <ul style="list-style-type: none"> • Delivering 10 year transport strategy; • Develop a means of funding “mini-major” schemes. | <ul style="list-style-type: none"> • HS2 Growth Strategy • Movement for Growth, transport strategy; • Devolved transport budget. | <ul style="list-style-type: none"> • Midlands Connect, with 3 year funding; • Midlands Rail Hub |
| The Black Country: business competitiveness | <ul style="list-style-type: none"> • Take action to enable businesses in growth sectors to improve productivity; • Review approach to enabling higher business births and survival rates. • Exploit links between innovation, business competitiveness, productivity and public service reform. | <ul style="list-style-type: none"> • WMCA public service reform programme; • 3-LEP Science and Innovation Audit | <ul style="list-style-type: none"> • Midlands Engine Science and Innovation Audit |
| Economic Capital | <ul style="list-style-type: none"> • Enable the growth of the visitor economy; • Deliver programme of environmental improvements; • Strengthen contribution of the City of Wolverhampton | <ul style="list-style-type: none"> • Exploiting the Economic Geography, including focus on 3 city centres. | |

5. Our Vision and Strategic Framework

“This SEP is vision-led. It is a practical and ambitious vision – based on hard evidence and underpinned by a performance management system that we can use to measure our progress in delivering it.”

LEP Board Member (tbc)

5.1 Vision for 2033

This SEP and our Growth Strategy are underpinned by our long term, ambitious evidence-based vision for the Black Country in 2033 which is summarised in the box below. We have also identified 10 drivers of change which inform the action we need to take in order to deliver that vision and against which we can measure progress through our Performance Management Framework and Annual Economic Review.

The vision and drivers of change are set out in the table below:

| Our 30 year Vision, The Black Country Looking Forwardby 2033 will... |
|--|
| <ul style="list-style-type: none">• Become globally competitive with a significant number of leading manufacturing companies;• Comprise a network of four thriving centres, each offering a distinct mix of shopping, leisure, cultural and commercial facilities;• Maximise the benefit of its location at the centre of the transport network, ensuring modern, convenient and reliable connectivity both within the Black Country and connecting to key areas of economic growth;• Have a high-quality environment, including a canal network of which the area is proud and an urban park landscape including greenspace, community and heritage assets making it an attractive place to invest, live, work and visit and aspiration to secure UNESCO Geopark status;• Become genuinely inclusive, with citizens who have a sense of belonging and who contribute to the wellbeing of the area;• Provide high quality housing which can meet the needs of a balanced population; and• Be ambitious and proud with effective partnership working between the private, public and voluntary sectors. |
| Our Drivers of Change – People, Place and Business |
| <p>PEOPLE - Raising Employability, Education and Skills</p> <ul style="list-style-type: none">• Increasing the number of jobs by 131,780, from a baseline of 445,500;• Increasing the number of people with degrees by 103,046 to 266,046, from a current baseline of 160,000; and increasing the proportion of pupils achieving 5+A* GCSEs (including Maths and English) to 53.5%, from a baseline of 49.3%; and• A rise in incomes to the national average (+£4,129 per working resident). <p>PLACE -Transforming the Black Country Infrastructure and Environment</p> <ul style="list-style-type: none">• Increasing the housing stock by a minimum of 39,410 new homes from a baseline of 487,830 homes; |

- Delivering an additional 828ha of employment land from a baseline of 743ha;
- Developing a sustainable, low carbon economy;
- Providing greatly enhanced movement of goods and people between the four centres, Birmingham and national and global markets;
- Grow our population to 1.2m (+33,600 residents), from a baseline of 1.17m; and
- Achieve a better population balance (home to 30,079 additional A/B households, in line with national average, from a baseline of 60,463).

BUSINESS – Improving Black Country Business Competitiveness

- Increasing the business birth rate by 2,189 from 5,145 new business starts

Our Strong Foundations

- Governance - A decade of successful cross boundary cross party effective collaboration now underpinned by an operational statutory Black Country Joint Committee.
- A Core Strategy - One of the first & biggest joint core strategies, providing the spatial context for our SEP, it:
 - Establishes a pro-growth planning framework;
 - Identifies a growth network comprising 16 growth corridors and four strategic centres;
 - Supports our commitment to delivering at least 63,000 new homes by 2026; and
 - Expands the provision of high quality employment land by a further 1,000 ha.

We are measuring our progress

- Since 2002 we have had in place a set of approved priority indicators against which we measure progress in the Black Country **Performance Management Framework**.
- Via the Black Country Annual Stakeholders Conference in public forum we report an evidence based progress report on our objectives, available in **published and on line formats**.

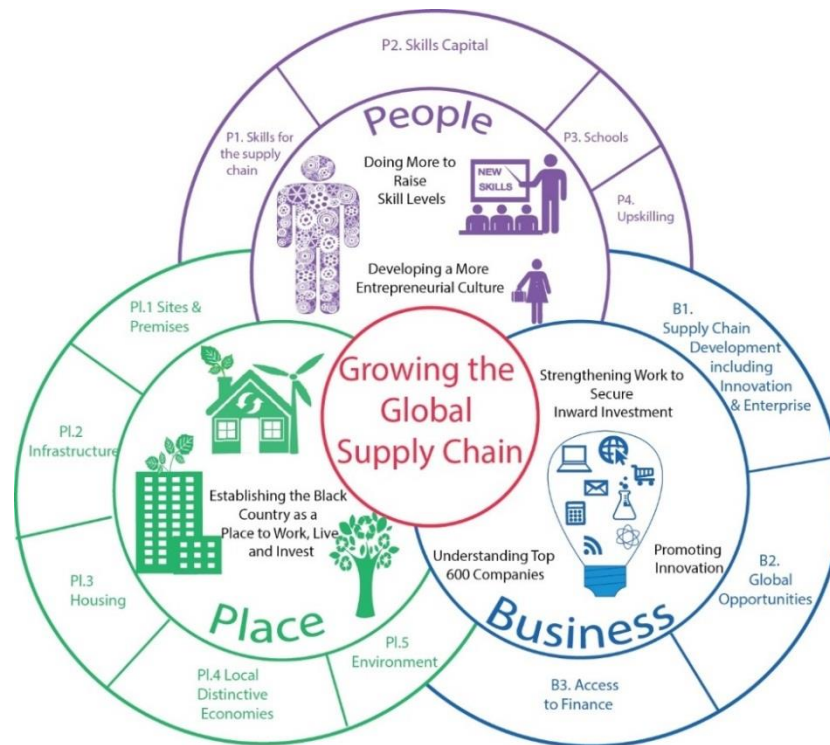
We are Delivering Change..... Progress highlights

The 2016 Black Country Annual Economic Review public meeting highlights improvement in performance from the Baseline year for the following;

- GCSEs improvement (13.5pp) higher than the national percentage point rise (7.7pp) since 2006;
- 81,700 more residents living in the Black Country since 2002;
- Earnings on average up by £6,360 per annum, since 2002;
- 41,200 additional residents with degrees or an equivalent qualification since 2004;
- Over 23,590 net increase in housing stock since 2006.

5.2 Our Growth Strategy

Our current growth strategy was completed in March 2014. The core elements of it are: our 12 strategic programmes; our 10 growth sectors; and our network of regeneration corridors and strategic centres. This framework enables us to connect businesses and places. More recently we identified four priority propositions which focus our immediate activity: they are intended to demonstrate our vision, secure transformational change, support economic growth and make the Black Country more attractive to residents, employers, investors and visitors.



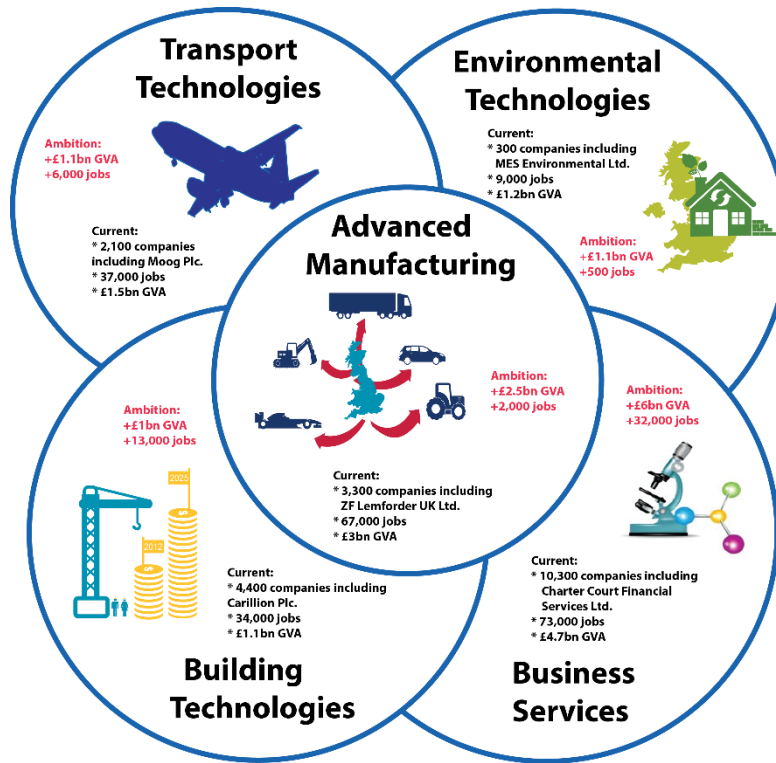
Each of our 12 strategic programmes relates to one of our three pillars: people, business and place. The programmes are designed to:

- Enable businesses in our growth sectors to grow and deliver our contribution to the implementation of the UK Industrial Strategy;
- Ensure that the Black Country has the economic, social and physical infrastructure to enable those companies to grow.

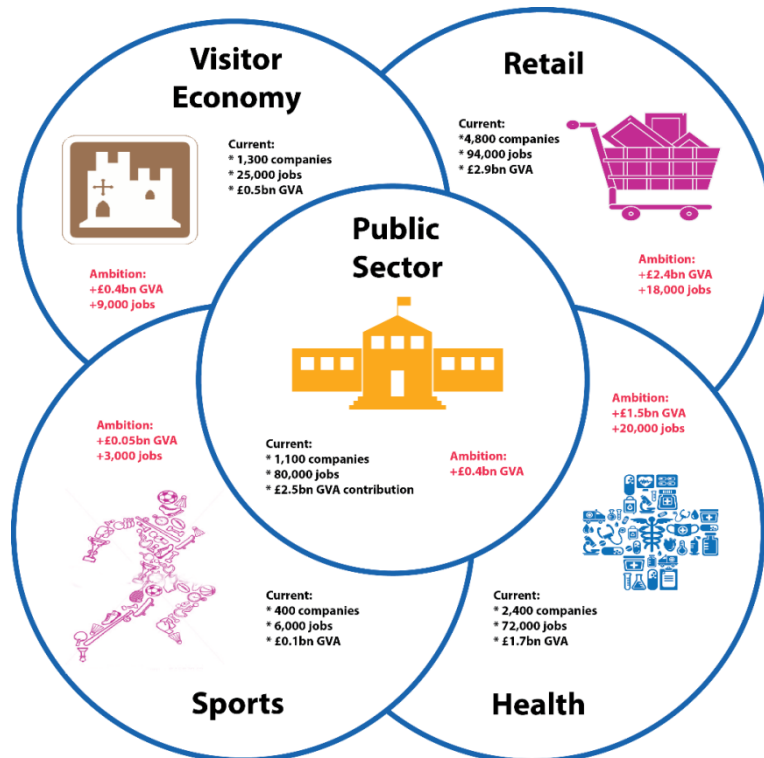
A key feature of our approach is to focus our effort on 10 identified leading sectors that are crucial in securing economic growth, jobs and productivity in the Black Country. These sectors are drawn from a detailed evidence base which articulates the scale and role of specific sectors:

- Our five transformational sectors, the sectors which will secure most economic growth because of their export potential and supply chain opportunities: advanced manufacturing, building technologies, transport technologies, business services and environmental technologies;
- Our five enabling sectors which are crucial in terms of the wider economy and quality of life in the Black Country. The effectiveness of our programme to secure growth in the transformational sectors hinges in part on the performance of these sectors. They are: retail, visitor economy, sports, health and the public sector (including education and skills).

Black Country Transformational Sectors:

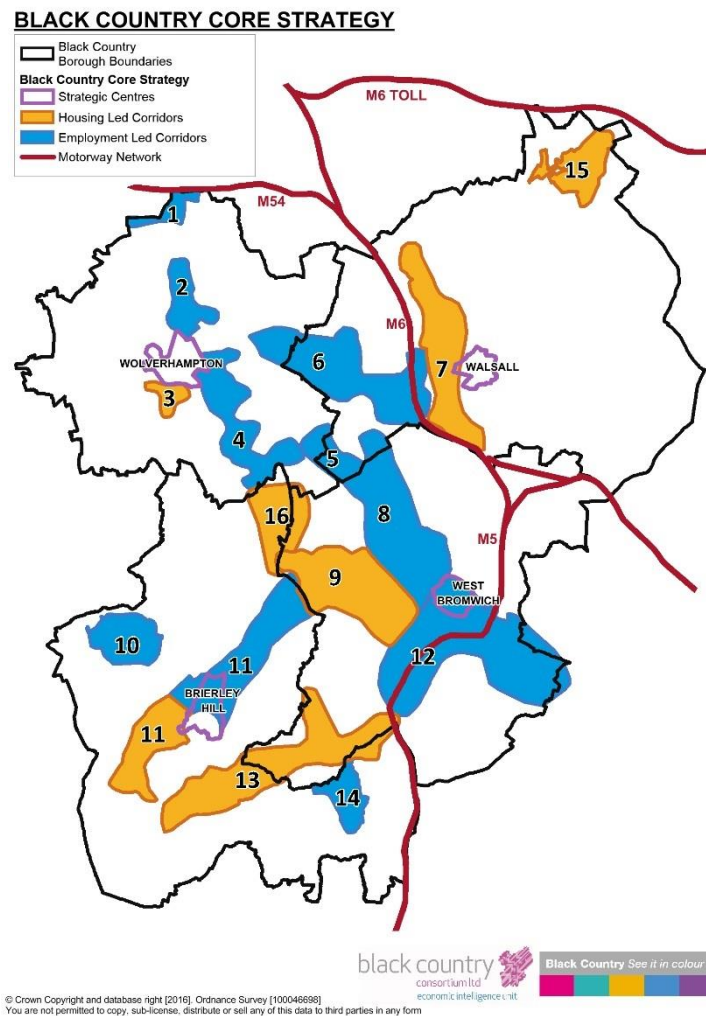


Black Country Enabling Sectors:



We have developed a dashboard for each sector to enable us to target our action to support economic growth (see Annex 2). The dashboards list the leading businesses in each sector and chart progress in GVA, jobs and business formation. They also map the location of top performing businesses and the strength of the local supply chain.

Our approach also has a significant spatial dimension, the core of which is provided by the Black Country Core Strategy. This focusses future development and transport investment in our four strategic centres and along 16 growth corridors, accommodating 63,000 more homes and 80,000 additional jobs.



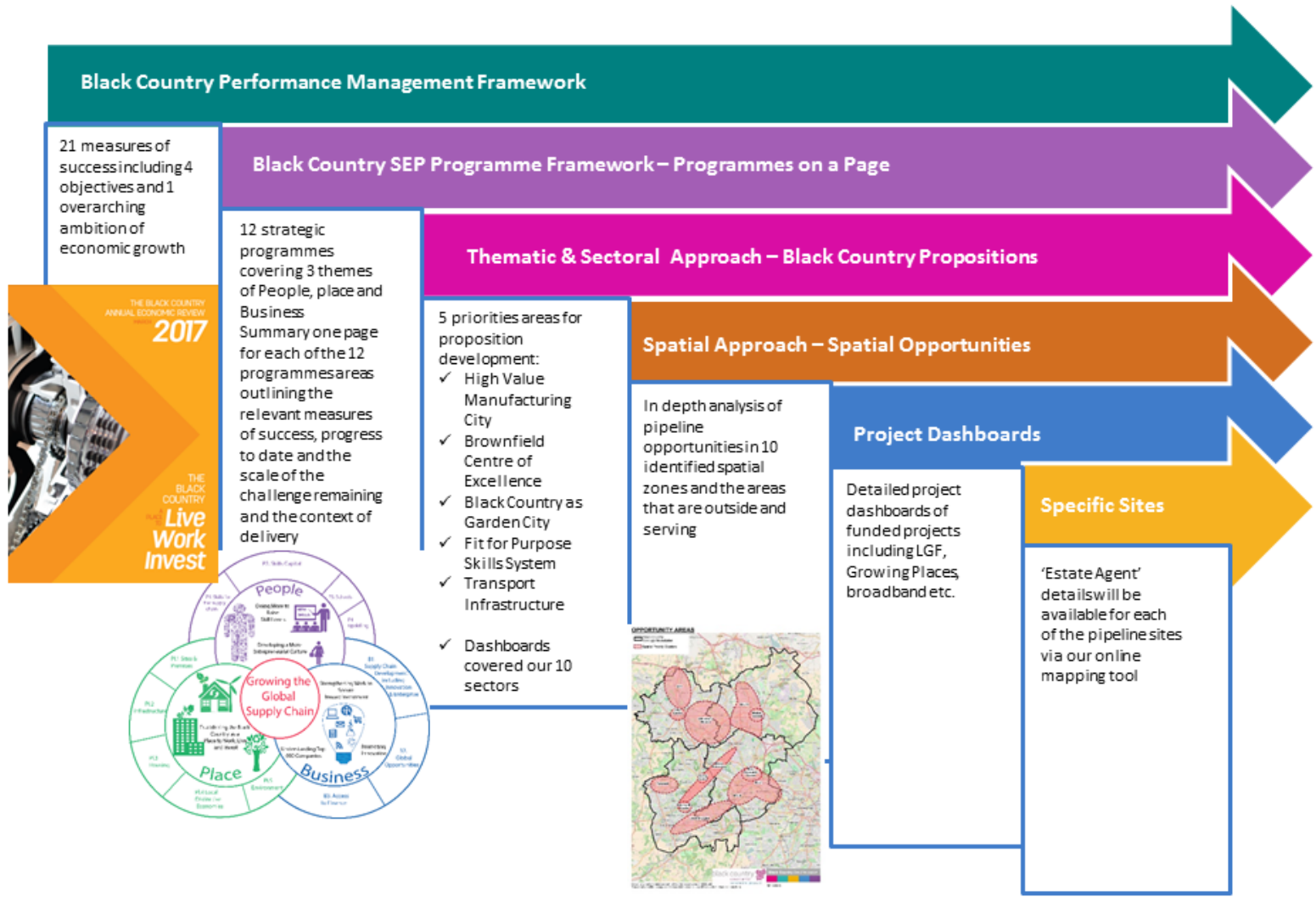
Our spatial strategy includes:

- Securing an additional 80,000 jobs in the strategic centres and the regeneration of employment land investment corridors for knowledge-led manufacturing and logistics;
- Enabling the construction of 8,000 new homes in the strategic centres and 54,000 in public transport and canal corridors;
- Treating the Black Country as an urban park adopting the principles of beacons, corridors and communities;

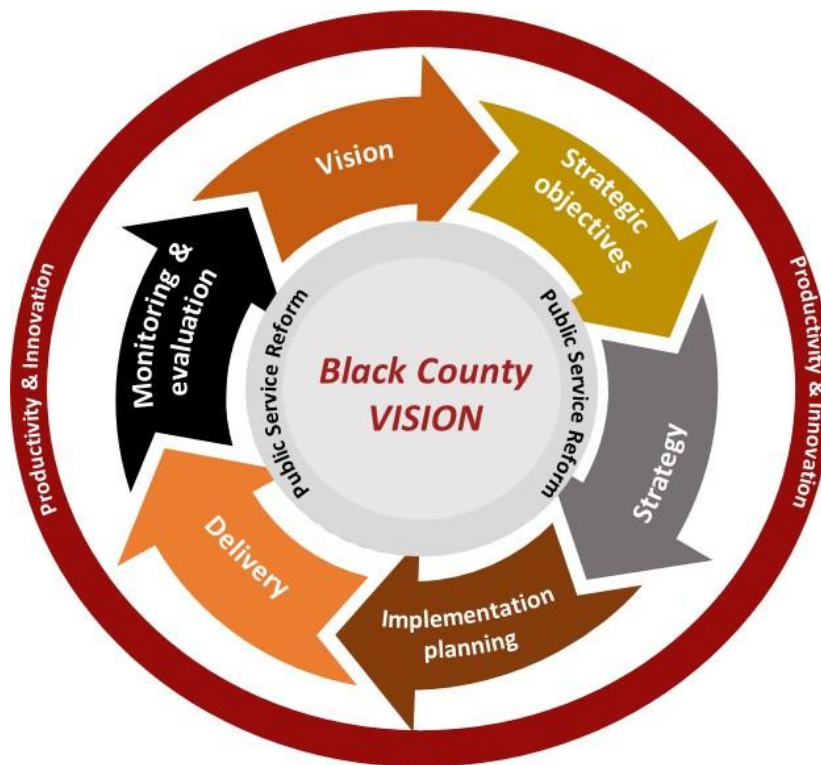
- Investing in our transport network to link the strategic centres and access employment land corridors.

It is crucial economically that we exploit the economic potential of the City of Wolverhampton, which accounts for half of the growth in our centres. Dudley has a key role to play in the visitor economy. And the Metro extension and enterprise zone have the potential to transform Brierley Hill.

We have detailed information on each of the centres and corridors, including the location of strategic businesses and those with ambition to grow. We also map the delivery potential of our pipeline of projects in each centre and corridor in terms of homes, jobs, GVA and employment land (see annex 5). The diagram on the following page illustrates the evidence led approach we take to ensure the effective delivery of our SEP.



The next diagram illustrates our logic chain showing how our vision informs our planning and delivery process and the key feedback provided by our monitoring and evaluation.



We subsequently identified four priority propositions which were intended to both enable us to make faster progress in delivering our vision and to demonstrate our commitment to transformational change. They are:

- **High Value Manufacturing City:** a series of interventions to accelerate the growth of high value manufacturing businesses in the Black Country;
- **Black Country Garden City:** a programme to accelerate house building and improve our housing mix by treating our supply of brownfield land as an opportunity for place-shaping and the creation of sustainable communities;
- **Skills for Business, Skills for Life:** action to ensure that our skills system can meet the needs of businesses and enable Black Country residents to benefit from growth;
- **Connected Black Country:** a programme of investment in broadband and in transport to support growth by enabling the movement of goods and people.

We are now proposing to pursue seven priority propositions, including two additional propositions:

- **The Black Country: business competitiveness:** a programme to create the conditions for higher levels of business birth, growth and survival; and to enable Black Country businesses to improve their productivity and competitiveness and contribute to and benefit from public service reform;
- **Economic Capital:** action to seek maximum economic benefit from our strategic centres and ensure that they contribute to the attractiveness of the back country as a place to live, work, visit and invest.

The propositions are intended to provide a focussed and prioritised framework to secure public and private investment to enable economic growth in the Black Country.

The table below shows how each of the propositions has an impact on at least two of our three pillars: people, business and place. It also shows the close fit between our approach and the pillars of the government’s industrial strategy.

| | People | Place | Business | Industrial Strategy |
|--|--|---|---|--|
| HVM City | ✓ Graduate Village | ✓ Sites of industrial excellence and uplift in quality of locations | ✓ Support for HVM businesses | ✓ Cultivating world-leading sectors Encouraging trade and investment |
| The Black Country: business competitiveness | ✓ Enabling businesses to contribute to public service reform | ✓ Focus on clusters of businesses and corridors | ✓ Action to increase the rate of business births, growth and survival Enabling innovation and improved productivity | ✓ Supporting businesses to start and grow Investing in science, research and innovation Delivering affordable energy and clean growth |
| Economic Capital | ✓ Investment in skills infrastructure | ✓ Attractiveness of the Black Country as a place to live, work, invest and visit | ✓ Focus for employment growth | |
| Black Country Garden City | ✓ Enabling population growth and better population balance | ✓ Improve the quality of new homes and neighbourhoods | ✓ Support for small house builders | |
| Skills for Business, Skills for Life | ✓ Raising skills levels and access to employment | ✓ Contribution of education institutions to strategic centres | ✓ Enabling businesses to access the skills they require | ✓ Developing skills |
| Connected Black Country | ✓ Enabling people to access work, leisure and other facilities. | ✓ Attractiveness of the Black Country as a place to live, work, invest and visit | ✓ Enabling the movement of goods and workforce Alignment between transport investment and development opportunities | ✓ Improving infrastructure |

6. Governance, Accountability and Performance Management

6.1 Governance and Accountability

The Black Country LEP Assurance framework sets out our clear and transparent approach ensuring that robust local systems are in place enabling local resources to be spent with regularity, propriety, and value for money. Annex 5 explains our approach to monitoring and performance management.

LEP Governance and Decision Making

The **Local Enterprise Partnership Board** provides the clear vision and strategic leadership to enable the delivery of the SEP and, using the resources under its direction and engaging with local business, local authorities, government and government agencies and other local stakeholders, provides a vehicle through which innovative funding/development mechanisms to drive major change and investment can be secured.

The LEP Board has been established since 2012 and currently comprises 13 members; a Private Sector Chairman, 6 Private Sector Members, 1 representative from the social enterprise sector, the 4 local authority Leaders and one representative each of the higher and further education sectors. The LEP Board is supported by three themed advisory groups to advise, make recommendations and co-ordinate activity and engagement on the direction, development and application of funding in respect of each the three SEP themes; business, people, place.

People Theme Advisory Group (including role of Black Country Employment and Skills Board)

Acts as the leading strategic support body to the LEP providing a forum for the engagement of private sector employers and liaison with public sector employers to develop, formulate and co-ordinate policies and proposals relating to employability, education and skills that support the Black Country's strategic aim to grow its global supply chain with the world class skills it demands, to maximise the benefits of the region's location.

Business: Competitiveness and Enterprise Board

Acts as champion for the development, co-ordination and implementation of funding opportunities to maximise their impact on Black Country businesses, scrutinise the direction of delivery partnerships and act as a forum for the discussion of policy developments within the theme area.

Place Making and Land Theme Advisory Group

Acts as the leading strategic support body to the LEP providing a forum for the engagement of private sector investors and developers in liaison with public sector planning authorities to develop, inform and co-ordinate policies and proposals relating to the environment, green growth, brownfield land and land for housing, transport schemes and the development of the visitor economy that support the Black Country's strategic aim to grow its global supply chain with the world class locations it demands, to maximise the benefits of the region's location.

We have a longstanding track record of partnership working and collaborative governance, shown in the box below:

Enduring Partnership

The Black Country LEP is founded on a strong track record of successful partnership working over more than a decade. In 2000, the four Black Country Local Authorities and other key partners, founded the Black Country Consortium, which was established as a limited company in 2006. The Consortium provides co-ordination and economic intelligence across the Black Country, and facilitates cross-authority economic development activities.

The evolution of robust partnership working in the Black Country has been crucial both in developing and implementing our economic growth strategy. This was very much a local initiative – predating Government requirements for joint working – which has contributed directly to the progress we have made by improving perceptions of the area and the organisations that serve it. Also important has been the rigorous approach we have adopted towards our evidence base and performance management.

Partnership working is never easy and in the Black Country it has involved both the development of an increasingly close relationship between the four councils and between the public and private sectors. Indicators of the strength of collaboration between the four councils include the agreement of the single Black Country-wide Core Strategy and the decision to locate the Enterprise Zone in a location which spans one of the councils and a neighbouring authority.

The key building blocks of our current arrangements are the Association of Black Country Councils and the Black Country Local Enterprise Partnership. The latter had the advantage of over 10 year's business-led partnership working. In our City Deal submission, we have committed to strengthening those relationships by the creation of a statutory joint committee.

Our strategy is based on the detailed analysis and economic modelling we commissioned in 2003 supported by our performance management framework which measures progress on each of our priorities. The results are published annually in our State of the Sub-Region reports. Our Black Country Core Strategy was subject to a rigorous and successful examination in public.

SEP Programme Office

A dedicated, innovative and proactive SEP Programme Office has been established within Black Country Consortium Ltd to support all aspects of SEP programme direction and management.

The Programme Office is led by a SEP Delivery Director with responsibility for the timely delivery of an integrated economic growth delivery programme for the Black Country by providing project and programme management expertise to Team Black Country ensuring projects are selected, planned, managed and closed using the principles of best practice project management. A key aspect of the role is to ensure resources are spent with regularity, propriety and provide for value for money.

The role works in close collaboration with the Accountable Body and the BCC Ltd team who will provide strategic oversight, intelligence and advocacy to the SEP and Growth Deal programme management and additional capacity to the Programme Office through its Black Country European Policy Co-ordinator and the Black Country Economic Intelligence Unit. The role of the Joint

Committee Programme Manager, and oversight of the Joint Committee Secretariat, remains with the Accountable Body.

The Programme Office uses a practical fit for purpose project management methodology based on best practice and deploys the Performance Management Information System (PMIS) – VERTO, a cloud based system designed specifically for the public sector that supports programme and project.

Local Authority Accountable Body Structures

Local Authorities act as Accountable Bodies for the various funds available to support the LEPs activities as follows: -

Sandwell MBC – Growing Places, Regional Growth Fund, Broadband Project Plan and Public Works Loan Board Fund (including both City Deal and Growth Deal elements).

Walsall MBC – City Deal, EU Technical Assistance Team, Local Growth Fund (including the Growth Hub Growth Deal funding from July 2015) and LEP Strategic Fund

City of Wolverhampton – Enterprise Zones and Growth Hub City Deal (funding up to the end of June 2015)

Black Country Executive Joint Committee

Established by Dudley MBC, Sandwell MBC, Walsall MBC and the City of Wolverhampton, the Black Country Joint Committee acts as a strategic body in relation to the City Deal and Growth Deal setting and reviewing objectives for strategic investment across the Black Country, providing a coherent single position on the major strategic City Deal and Growth Deal issues, agreeing the allocation of spending and major priorities. The Chairman of the LEP Board (or his authorised nominee) is an ex officio member of the Joint Committee and is entitled to speak on Growth Deal and City Deal matters but not vote. Reports from the Advisory Board are presented by the LEP Chairman.

Accountable Decision Making

Walsall Council will be the Accountable Body for the Local Growth Fund and its role is set out in the Assurance Framework.

Regular independent (external) audit and assurance checks will be commissioned and undertaken to verify that the LEP is operating effectively within the terms of its agreed Assurance Framework.

Ensuring Value for Money

Black Country Consortium Limited (BCC) Ltd. will provide Project Assurance through the lifecycle on behalf of the LEP.

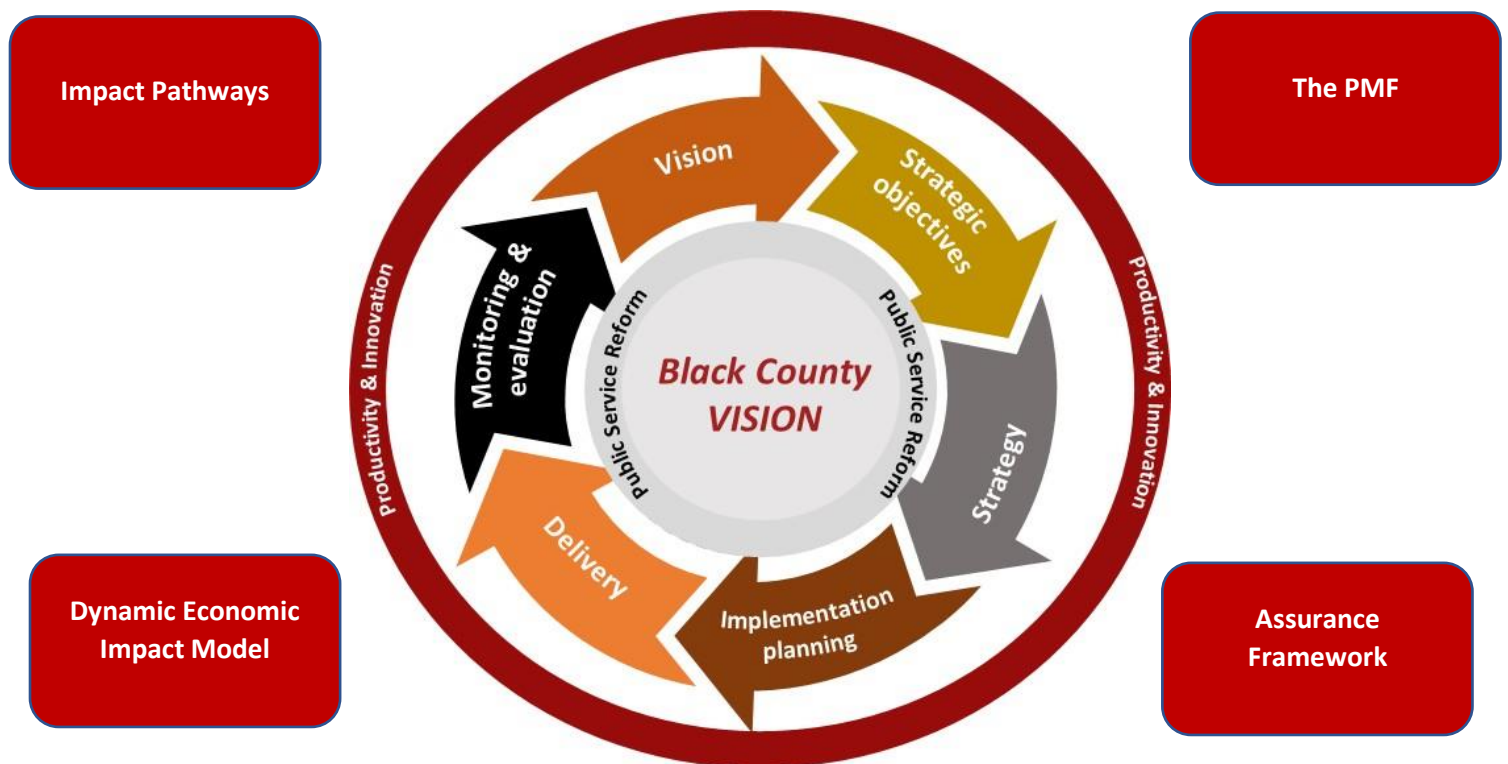
All projects follow a project lifecycle; from initial idea, through planning to implementation and finally closure. It is important that projects within the SEP Programme follow a consistent lifecycle model. The lifecycle is supported by key decision points - Stage Gates. Stage Gates enable the appropriate level of oversight, governance and monitoring of projects at key steps through their lifecycle journey. They enable the appropriate approval bodies to approve or reject a project to move to the next stage in the lifecycle. Therefore BCC Ltd. has defined a lifecycle model consisting of Stage and Stage Gates. The approval process for each Stage Gate has also been defined to ensure total transparency of process for all stakeholders. The full project Lifecycle and approval process is set out in the Assurance Framework.

6.2 Performance management, monitoring and evaluation

Understanding the economic impact of current and planned activity in the context of the Black Country and the WMCA SEP is fundamental to the work of the Black Country Economic Intelligence Unit. The diagram below sets out our approach which has also been adopted by the WMCA. We are at the forefront of developing new approaches in this area, including for example the development of our Dynamic Economic Impact Model (DEIM) (see below).

Monitoring and Evaluation (M&E) are critical elements in the development and the delivery of our SEP:

- The vision led strategy sets out the strategic objectives for the area and a set of indicators to measure these form the basis of the Performance Management Framework.
- The Assurance Framework is aligned to the strategic objectives and the business case templates will show the links to the objectives and quantify the related outputs.
- The Dynamic Economic Impact Model - a bespoke and best-in-class Dynamic Economic Impact model which provides a clear mechanism to measure the economic impact of programmes in a spatial context will provide a tool to ensure we are maximising the impact of our investments.
- Impact Pathways will be used to evaluate the impact of the investment from outputs to outcomes and the impact on the strategic objectives for the area.
- Impact Pathways will be used to evaluate the impact of the investment from outputs to outcomes and the impact on the strategic objectives for the area.



The Black Country Performance Management Framework (PMF), provides a clear framework to monitor progress and the economic changes required to achieve our 30-year vision and the ambitions across the twelve programmes in our Strategic Economic Plan. The PMF is composed of a selection of strategic headline indicators, which measure the impact of the various programmes areas of the BC SEP. These indicators cover a range of theme areas including economic, fiscal, social and environmental impacts. The PMF will provide a framework against which BC success can be measured, both across strategic programmes and in individual projects. The ambitions are based on an agreed vision led economic future for the area underpinned by extensive modelling work undertaken using the Oxford Economic model.

Annual Economic Review

This framework was politically endorsed by the Association of Black Country Local Authorities (ABCA) in 2004 and is updated and reported annually in the Black Country Annual Economic Review. The PMF is maintained and updated by the Economic Intelligence Unit (EIU) of Black Country Consortium Ltd who provide in depth cross-thematic spatial analysis on the Black Country economy on behalf of the Black Country Consortium and the Local Enterprise Partnership.

Monitoring and Evaluation

Monitoring and evaluation which for the Black Country as a whole will operate at two interconnected levels. One at the level of individual projects, as defined at the Full Business Stage through the Assurance Framework, and one at the level of the WMCA as a whole through the PMF.

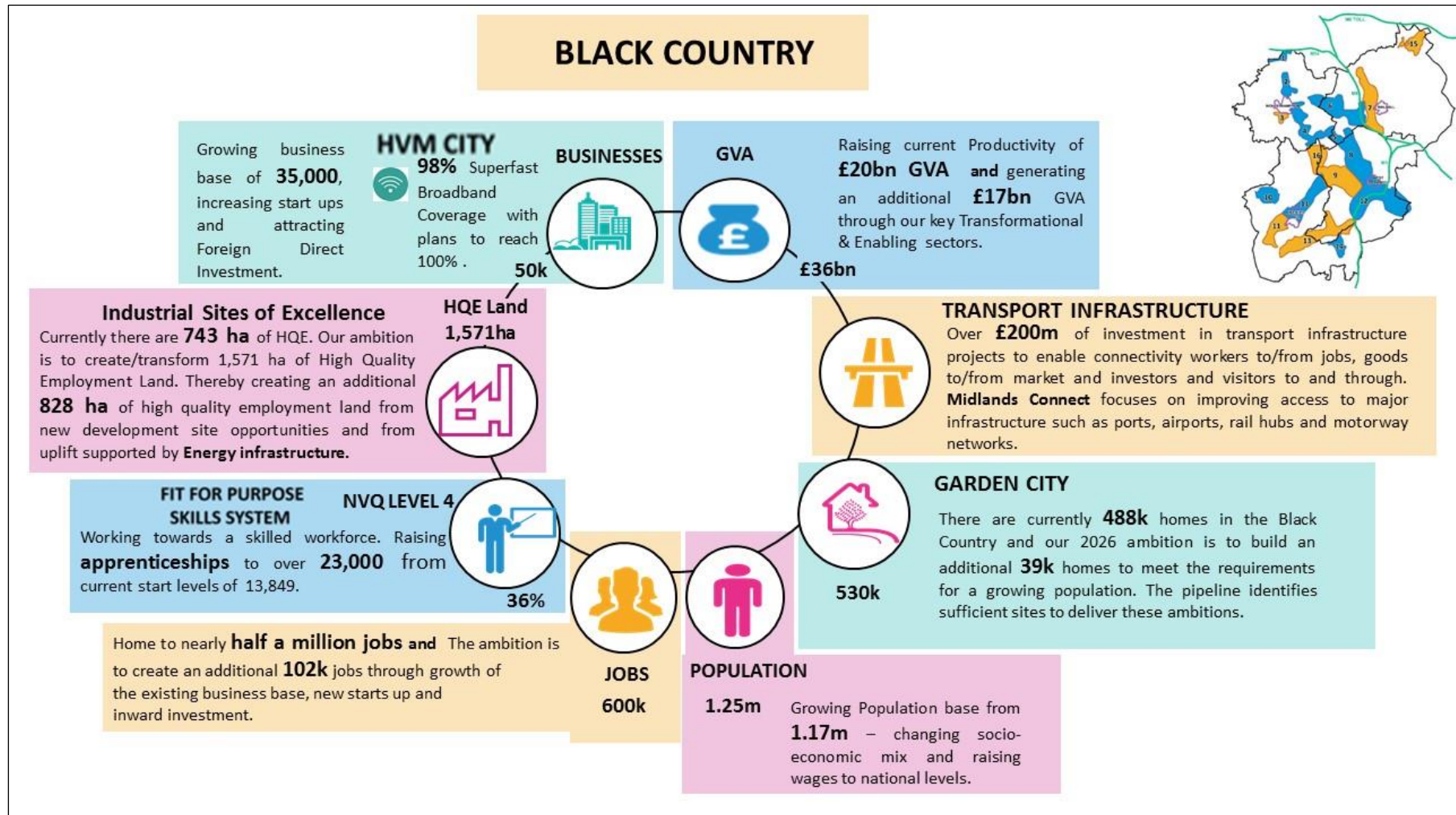
It is essential that all projects (however small or large) have an effective Monitoring & Evaluation (M&E) plan in place to assess the effectiveness of public spending over time, so that lessons can be learned. It is important to note that the Black Country Consortium will monitor projects/programmes against the outcomes described in the economic case. We will annually monitor our progress in relation to the targets in the PMF so that we can be clear on the impact of our delivery plan in achieving our ambitions. Responsibility for monitoring at a strategic level will lie with the Economic Intelligence Unit, whereas at the project level it will lie with project sponsors.

Over time, prioritisation and sequencing will also involve a feedback loop through which the outcomes of the Black Country's monitoring and evaluation work will be used to shape future investment priorities.

We have developed logic chains/impact pathways to demonstrate the impact of investment and outputs purchased on achieving our required outcomes and impact. This is the approach we plan to use for evaluating activity at a programme level. Pathways have been developed in relation to each of our strategic programmes.

7. The Priority Propositions

This section describes each of our priority propositions in more detail and identifies a small number of priority actions for each proposition.



7.1 High Value Manufacturing City

Today

We are realising market opportunities in sectors in which the Black Country is recognised as being strong: aerospace, automotive, rail and construction. Our ambition is to develop the local supply chain, re-shoring activity to the Black Country, generating an additional £1bn GVA, creating 25,000 jobs and raising skills and productivity.

Elements of the programme are summarised in the table below.

| | |
|------|---|
| I. | A HVM Graduate Village as part of the Springfield Brewery Campus in the City of Wolverhampton |
| II. | Powering Growth, to provide cost-competitive, locally sourced and readily available power to enable economic and housing growth, which looks set to be a key theme of the Industrial Strategy; |
| III. | Industrial Systems Architects to provide bespoke support to businesses, focussing on growth opportunities; |
| IV. | The HVM City Digital Platform to showcase the Black Country as a place to invest, develop supply chains and win orders, encompassing the Black County Bullet (our online automotive supply chain directory) including OnTrack WM (an on line procurement tool for businesses in the rail sector). |

We are, for example, pursuing a £29.2m project to develop an Innovation Centre and Test Track in Dudley. This will support the development of the very light rail sector meeting the needs of domestic and international rail schemes.

Tomorrow

Critically important is the sites of industrial excellence programmes, including our Brownfield Research and Innovation Centre (BRIC). There are currently a number of sites on our pipeline, most of which bring massive challenges in terms of land values and ownership and remediation requirements. Demand for sites in the area is high and it is vital that more sites are brought forward on a faster and larger scale.

There is a large supply of local quality employment land within the region (3,053ha in 2009), which has provided a critical mass of industrial, warehousing and servicing needs for local businesses. These sites offer low running costs and flexibility, but often contain poor quality buildings and are less attractive to the market due to their location. The demand for these sites is expected to decline, but for local business to flourish a proportion of these sites will be safeguarded (1,294ha by 2026). Where local quality land is identified, strategic interventions will occur to ensure they operate effectively for the local market.

In addition many businesses are located in poor premises and locations which must be improved if they are to grow in the Black Country. These sites where employment land uplift can occur, can be characterised into two types: local quality (LQ) and potential high quality (PHQ).

We are therefore now developing a fifth element of the programme – HVM Location Improvement. Investment will also take place in areas identified as PHQ, where sites typically occupy strategic locations, with better quality buildings and access to regional and national supply chains. To create 375ha of uplift and turn these PHQ sites into high quality employment sites, investment will be

made into the transport network and the surrounding environment, making these sites more attractive for national and international investment.

Beyond

The Black Country Digital Strategy highlights the implications of digital technologies for the supply chain in sectors such as high value manufacturing, with leading manufacturers using digital technologies to build new value chains. This is not about digitally enabling existing supply chains, but rather re-thinking and re-designing supply chains. Our digital platforms and systems architects are intended to help Black Country businesses to take advantage of these new technologies.

Digital technologies also have a significant contribution to make to our Powering Growth initiative. This includes: demand management; smart grids; district heating schemes; local energy storage; the development of energy service companies; and the integration of transport and energy systems at a local level.

Our priority actions are to:

- ***Develop a comprehensive programme to uplift the quality of existing employment areas, including the potential to exploit digital technologies;***
- ***Identify a set of sites of industrial excellence on which remediation activity can be focussed;***
- ***Develop new models of public sector intervention to accelerate progress.***

The following paragraphs provide more background information on this priority proposition.

Existing High Quality (EHQ) & Potential High Quality (PHQ) Employment Land

The key characteristics of strategic high quality employment areas are set out in the 2008 Employment Land Review as follows:-

- To be well located to a large skilled workforce.
- To have good public transport accessibility.
- To have a critical mass of active industrial and logistics land and premises that are well suited to the needs of modern industry.
- To have good proximity to an existing or proposed knowledge cluster.
- To have high existing or potential environmental quality including high quality greenspace, good quality built environment and linkages to walking and cycling routes.
- To be attractive or potentially attractive to national or international investment.

To qualify as an area of existing high quality (EHQ) employment land it must meet the majority, but not all, of these characteristics. Areas that have the potential to be EHQ employment land through investment and improvements, are categorised as potential high quality (PHQ). When GVA completed an assessment in 2009 it identified 533ha of EHQ, against a target of 1,564ha for 2026. 375ha of PHQ land needs to be uplifted to EHQ status by 2026, with the remaining high quality allocation due to be delivered through the development of new sites.

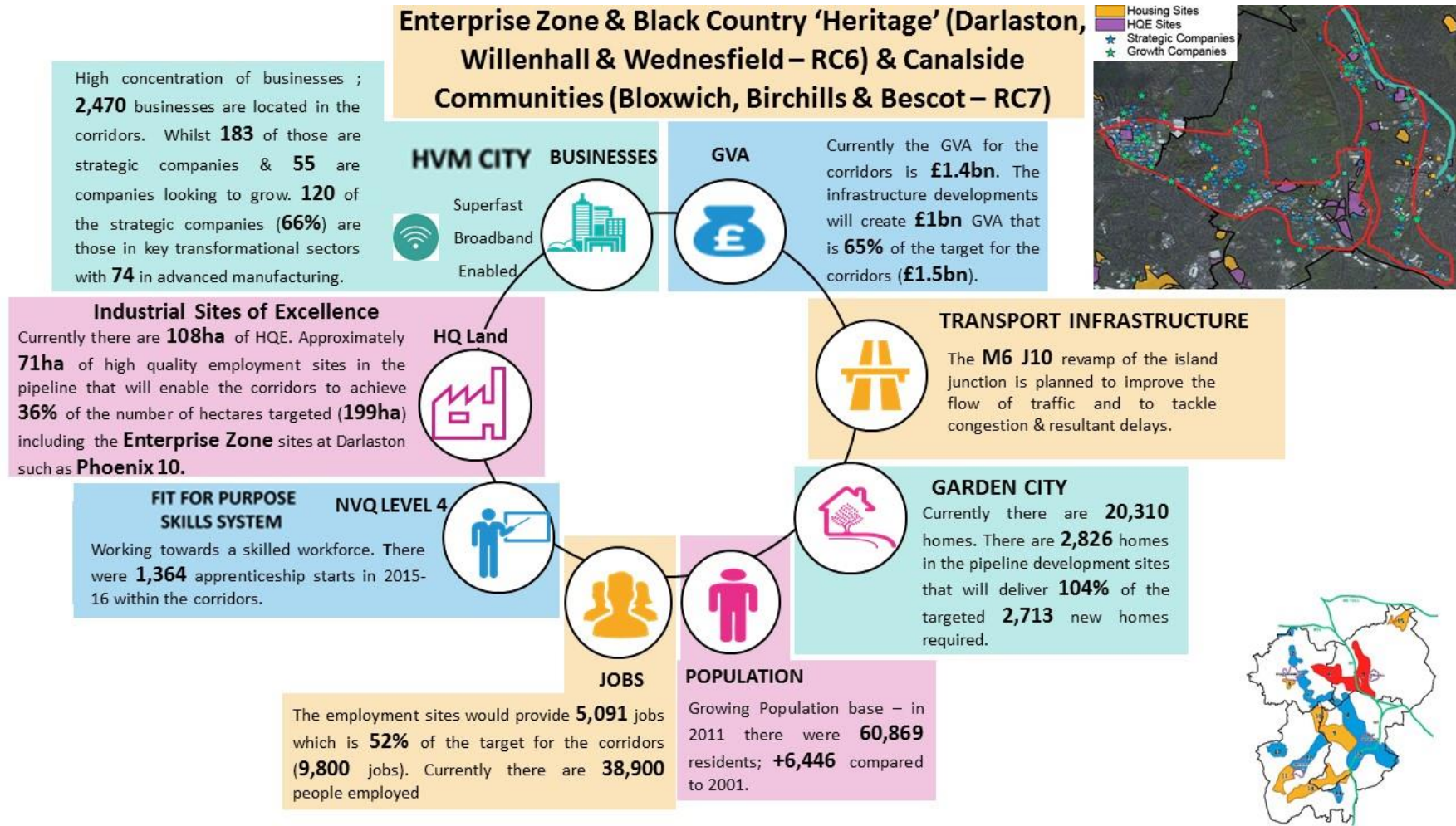
Local Quality Employment Land

Not all businesses require EHQ land to operate successfully, therefore local quality (LQ) land has been identified to meet the needs of these local businesses. LQ employment land will be

safeguarded for a critical mass of industrial, warehousing and servicing activity with good access to local supply chains and employees. Typical business that will operate on these sites might include, but are not limited to waste collection, scrap metal, haulage and recycling companies.

The Black Country has a large supply of LQ employment land that provides valuable low cost accommodation, of varying size and quality, which is vital for the local employment needs. During the planning period it is predicted that the demand for these sites will fall, to accommodate for this change some areas of LQ land will be developed into high quality employment land or be released to meet the regions housing needs. The Black Country Core Strategy identified 3,053ha of LQ land in 2009, with a target decrease to 1,294ha in 2026.

The following diagram illustrates the interconnectivity of our propositions and our spatial focus based on clear analysis of impact required and business intelligence.



Case – Study East of Bilston Town Centre – Employment Uplift Example

EHQ and PHQ Employment sites exist to the east of Bilston Town Centre within two areas Barton Industrial Estate (PHQ 3 & EIA 4) and Loxdale Industrial Area (PHQ and EIA 5 & 6). These locations benefit from good strategic accessibility to the Black Country Route, which leads onto the national motorway network via J10 M6. Strategic companies exist on both of the sites such as Mueller Europe Ltd, JMP Willcox & Co Ltd and Ramsay Rubber & Plastics Ltd. Recent inward investment has taken place on high quality employment land at the Citadel Logistics Centre (HQ 5) where Wiggle Ltd have relocated a large proportion of their business from the south of England.

Located close to Bilston and Willenhall Town Centre these two industrial areas benefit from good access to local employment. There is a scattering of small openspace sites in and around Bilston Town Centre, with Bilston Urban Village, Ladymoor Pool, Bradley Canal Arm and Walsall Canal offering access to larger areas of good quality natural.

Interventions due to take place within the area that will help to create areas of high quality employment land include:-

Housing Developments

- Bilston Urban Village (mixed use) – planned to deliver a minimum of 625 new homes to the market, and is located just to the south of Bilston Town Centre
- Land South of Oxford Street (mixed use) – planned to deliver 20 homes to market and is located close to the Loxdale Employment Area
- Housing sites Bankfield Road and Greenway Road are estimated to deliver 170 and 140 new homes to the market respectively.

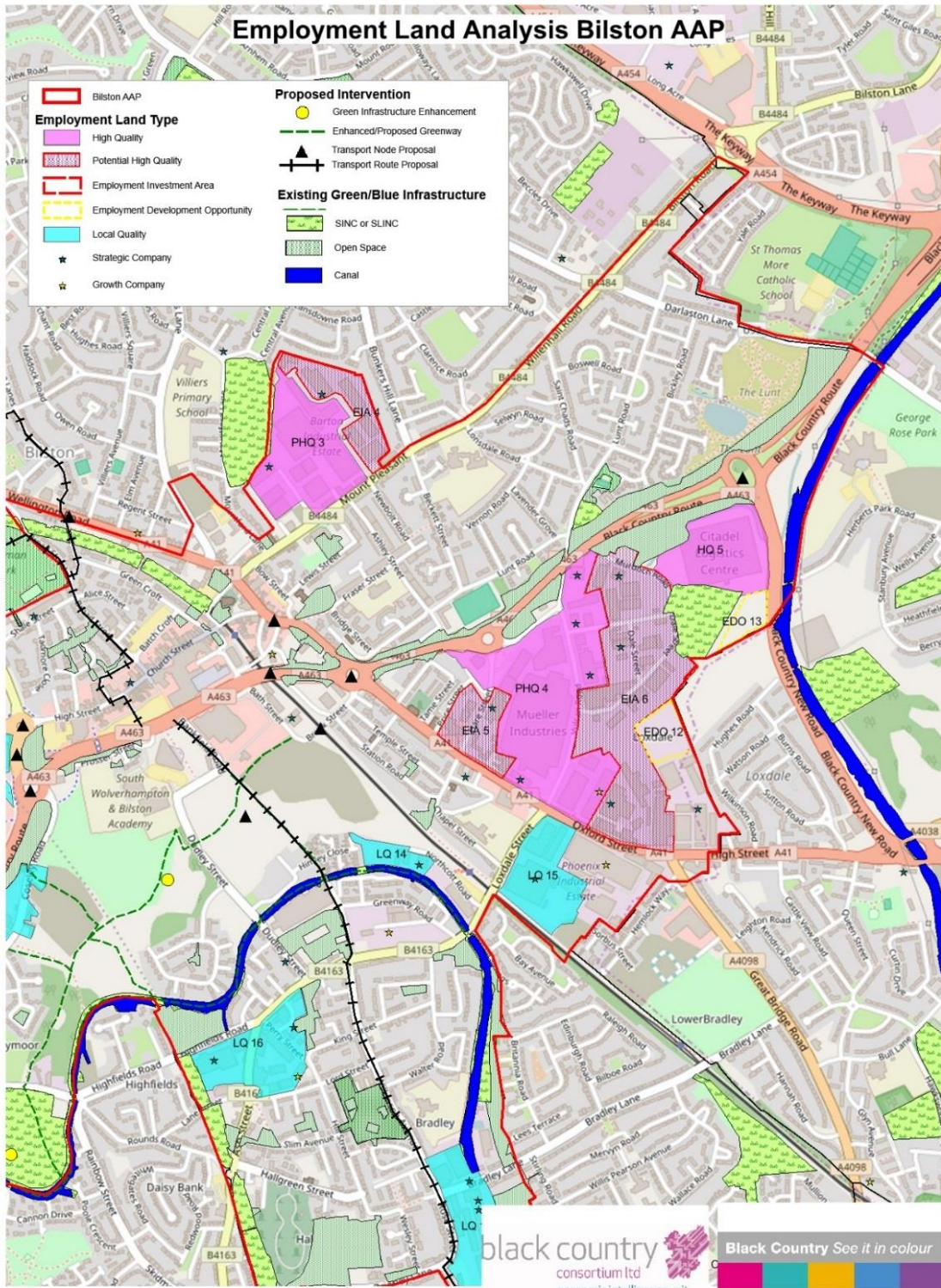
Transport Infrastructure Improvement

- Junction Improvements are due to take place on the Black Country Route at the Oxford Street Island and the Lunt Junction.
- Bilston Urban Village is anticipated to have a new Metro stop and park & ride.
- A new bus routes will be created throughout Bilston Urban Village.
- Pedestrian crossing of the Black Country Route at Railway Drive.
- Proposed new cycleway to run north-south from Bilston Centre into the City of Wolverhampton and from Priestfield Metro Stop to Bilston Town Centre via Hickman Park.

Environmental Infrastructure Improvements

- A network of greenways are due to be delivered in and around Bilston Urban Village, Ladymoor Pool and Bradley Canal Arm.
- Landscape scheme along the Black Country Route, potential nature conservation interest to be explored through housing development at Alexander Metals Open Space to the north.
- Ladymoor Pool canalside openspace and nature conservation improvements

If successfully delivered over the planning period it is anticipated that these interventions will uplift these existing potential high quality areas to high quality areas.



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7.2 The Black Country: business competitiveness

Today

Closing the productivity gap between the Black Country and the national average is an overarching priority for us. The productivity challenge in the Black Country relates to both the public and private sectors. The four Black Country Councils and their public sector partners face significant budget pressures in the short and medium term. The area also faces significant demographic pressures, most notably an ageing population and higher than average levels of deprivation and obesity.

The business birth rate in the Black Country has increased by 2,090 from 3,055 in 2010 to 5,145 in 2015, but our current business birth rate remains low, at 44 per 10,000 compared with 63 per 10,000 nationally. Addressing this issue has been a longstanding priority and we have, for example, been recognised by the Federation of Small Businesses for our work with small businesses.

We have a programme of activity to enable businesses in our growth sectors to improve their productivity (see sector dashboards in annex 1). We are also supporting the Science and Innovation Audit which has been commissioned by the three LEPs in the WMCA.

The integration of health and care is a priority for the area, within the context of the use of the Better Care Fund and the Black Country Sustainability and Transformation Plan. Health is one of our enabling sectors, employing around 66,000 people and contributing £1.5bn GVA. Action to meet the health and care challenge will involve both the public and private sectors, including health and care providers and potentially businesses in the digital, construction and other sectors

Tomorrow

It is essential that we redouble our efforts to improve the vitality of our business base. Compared with other LEP areas the Black Country ranks lowly for business R&D spend (36th), University Innovation Funding, Innovate UK investments (39th), Patents (39th) and labour productivity (36th).

One of the objectives of this refreshed growth strategy is to adopt an integrated approach to improving productivity, enabling innovation in business and the public sector and delivering public service reform. In doing so we will engage closely with the WMCA particularly in relation to:

- Its Productivity Commission which is seeking a better understanding of the productivity challenge;
- Its public sector reform programme which is currently focussing on four areas: troubled individuals, criminal justice, employment and skills and mental health;
- The Science and Innovation Audit which has been commissioned by the three LEPs in the WMCA.

The SEP is one of a number of Black Country Strategies which are intended to enable action in this area. The others are the Digital Strategy, the Smart City Strategy and the Ultra Low Emission Vehicle Strategy. Digital technologies in particular have the potential to enable business, public service organisations and the community to meet the needs of Black Country residents and stimulate economic growth. Increased use of digital technology could stimulate business formation and growth by supporting marketing, reducing costs, improving customer service and creating the conditions for innovation and high productivity.

The very high level of superfast broadband access should put Black Country businesses at a competitive advantage, but a programme of demand stimulation and skills development will be necessary if businesses are to exploit this opportunity. Purpose designed innovation spaces can also

help businesses by providing them with direct access to the best digital innovators and entrepreneurs in the area.

Beyond

Initiatives such as Open Data and the use of technology to support new forms of community engagement and consultation can stimulate new approaches to tackling these issues, including new roles for business and the third sector.

There is also potential to apply SMART technologies to, for example, reduce energy and transport costs for households and businesses. Building on the recently completed Science and Innovation Audit covering the wider Midland Engine area, we envisage that WMCA audit will enable us to take advantage of the scale of the CA to more effectively pursue smart specialisation strategies and enable Black Country companies to exploit business opportunities.

Our priority actions are to:

- ***Take action to enable businesses in our growth sectors to improve their productivity;***
- ***Review our approach to enabling higher business birth, survival and growth rates;***
- ***Support businesses to exploit digital technologies, building on our digital passport and creating the conditions for innovation through innovation spaces and activities (such as Open Innovation, Hackathon events);***
- ***Develop a programme of activity on health and care in order to enable business growth which contributes to improving the health and wellbeing of West Midlands residents at less cost;***
- ***Develop a longer-term programme of activity to marshal the contribution of innovation to business growth, public service reform and improved productivity, acting on the conclusions and recommendations of the WMCA 3-LEP Science and Innovation Audit and the priorities set out in the Digital Strategy and Smart City Strategy.***

Advanced Manufacturing Park (Pensnett – Kingswinford – RC10)

High concentration of businesses; **640** businesses are located on or around the Pensnett Industrial Estate. Whilst **80** of those are strategic companies & **9** are companies looking to grow. **53** of the strategic companies (**66%**) are in key transformational sectors with **32** in advanced manufacturing.

HVM CITY BUSINESSES



Superfast
Broadband
Enabled



GVA



Currently the GVA for the corridor is **£348m**. The infrastructure developments will create **£263m** GVA that is **60%** of the target for the corridor (**£440m**).



Industrial Sites of Excellence

Currently there are **84ha** of HQE. Approximately **17 ha** of high quality employment land across a proposed Enterprise Zone site in the pipeline that will enable the corridor to achieve **340%** above the number of hectares targeted (**5ha**).

HQ Land



FIT FOR PURPOSE SKILLS SYSTEM

There were **309** apprenticeship starts in this area in 2015-16.

NVQ LEVEL 4



JOBS

The employment sites would provide **1,327** jobs which is **60%** of the target for the strategic centre (**2,200** jobs). Currently there are **9,800** people employed.



POPULATION

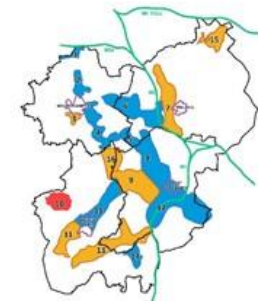
Growing Population base – in 2011 there were **10,367** residents; -355 compared to 2001.

TRANSPORT INFRASTRUCTURE

Improvement of road access between Pensnett Trading Estate and the Strategic Highway Network planned to take place utilising Local Growth Funds. **Pensnett High Street** scheme as well as the **Metro Extension to Brierley Hill** are planned nearby.

GARDEN CITY

Currently there are **3,816** homes. There are **426** homes in the pipeline development of 2 sites that will deliver **64%** of the targeted **670** new homes required.



7.3 Economic Capital

Today

Our four strategic centres make a significant contribution to the Black Country economy. They provide around a quarter of the area's jobs, are increasingly important as a location for housing and are a key factor in the Black Country's attractiveness as a place in which to live, work, visit and invest.

The visitor economy is an important enabling sector, particularly in the City of Wolverhampton and Dudley where the cultural offer includes live music venues, art galleries and museums. It currently accounts for 2.4% of our GVA and 5% of jobs. Our 2030 ambition envisages nearly doubling its contribution to GVA (to £0.9bn) and increasing employment from 25,000 to 33,000.

The City of Wolverhampton has seen significant investment with the City Interchange, the University's City Centre Campus, and the refurbishment of the Mander Centre. The most significant cluster of strategic centre projects in our pipeline is also in the City of Wolverhampton, which accounts for over half of the economic growth that we envisage being generated by our strategic centres.

Tomorrow

Annex 2 shows the progress that we are making towards our target for jobs, GVA and homes in the four centres. It highlights the need for a bespoke approach for each of the centres reflecting the different challenges and opportunities involved.

Our market intelligence points to a period of consolidation in the strategic centres, with no demand for traditional major new retail developments. It identifies a need for public sector intervention to pump prime office development and highlights the importance of a programme of environmental enhancements across all the centres as a pre-requisite to attracting sustained investment.

Enterprise Zone status for Brierley Hill, combined with the Metro extension from Wednesbury is designed to increase demand for office space in the area, enabling further growth in the advanced manufacturing sector through the provision of business services and design, development and technical support.

The Black Country Digital Strategy has as one of its objectives the availability of free Wi-Fi in public buildings and town and city centres. This could both help to reduce digital exclusion and enhance the attractiveness of our strategic centres to residents, businesses and visitors.

Beyond

This priority complements the WMCA SEP priority Exploiting the Economic Geography with its focus on the role of the three city centres (Birmingham, Coventry and Wolverhampton) and the massive spatial and connectivity impact of HS2 and HS3. Our ambition is to enable the development of Wolverhampton as a 21st century university city centre, to establish Brierley Hill as the Black Country's High Tech Office Hub and to be maximising the potential of Walsall and West Bromwich.

Our priority actions are to:

- ***Enable the growth of the visitor economy and cultural sector in the Black Country, building on the assets in the City of Wolverhampton and Dudley;***
- ***Deliver a programme of environmental improvements across our strategic centres;***
- ***Strengthen the contribution of the City of Wolverhampton as a driver of economic growth, alongside the WMCA action to exploit the potential of its wider economic geography;***
- ***Exploit EZ status and the planned Metro extension to develop Brierley Hill as a high tech office hub;***
- ***Promote the availability of free Wi-Fi in public buildings and our strategic centres.***

UK's Newest Strategic Centre – Business & Hi-Tech Hub (Brierley Hill Strategic Centre)

950 businesses are located on or around Brierley Hill Strategic Centre. **73** of those are strategic companies & **13** are companies looking to grow. **46** of the strategic companies (**63%**) are those in key transformational sectors with **24** in advanced manufacturing.

HVM CITY BUSINESSES



Superfast
Broadband
Enabled



GVA



Currently the GVA for the centre is **£530m**. The infrastructure developments will create **£824m** GVA that is **155%** of the target for the centre (**£533m**).



Industrial Sites of Excellence

Approximately **15 ha** of high quality employment land across a cluster of proposed **Enterprise Zone** sites in the pipeline. The Harts Hill site has a specific focus on Technology.

HQ Land



TRANSPORT INFRASTRUCTURE

The planned **Metro Extension from Wednesbury to Brierley Hill** will enable improved connectivity throughout the region. Whilst the **Merry Hill Bus Station** improvement in the pipeline will create an improved transport interchange.



FIT FOR PURPOSE SKILLS SYSTEM

The planned **Music Institute** at the Waterfront in Brierley Hill that will be able to accommodate 600 undergraduates and 115 postgraduates. There were **183** apprenticeship starts in 2015-16.

NVQ LEVEL 4



GARDEN CITY

Currently there are **2,616** homes. There are **3,946** homes in the pipeline development of 29 sites that will deliver **134%** of the targeted **2,939** new homes required.



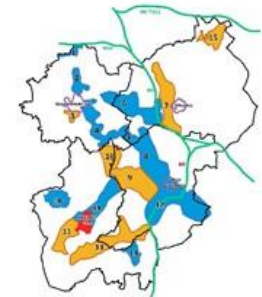
JOBS

The employment and office sites in the **Enterprise Zone** could provide **4,000** jobs which is **143%** of the target for the strategic centre (**2,800** jobs). Currently there are **16,700** people employed



POPULATION

Growing Population base – in 2011 there were **7,428** residents; **+977** compared to 2001.



City of Opportunity (Wolverhampton Strategic Centre)

2,355 businesses are located on or around Wolverhampton Strategic Centre. Whilst **71** of those are strategic companies & **14** are companies looking to grow. **41** of the strategic companies (**58%**) are those in key transformational sectors with **6** in advanced manufacturing.

HVM CITY BUSINESSES



GVA



Currently the GVA for the centre is **£1.5bn**. The infrastructure developments will create **£1.5bn** GVA that is **110%** of the target for the centre (**£1.4bn**).



Industrial Sites of Excellence

Creating an additional **5 ha** of high quality employment land from new development site opportunities.



HQ Land

TRANSPORT INFRASTRUCTURE Wolverhampton Interchange

will renew and transform the city centre by radically improving the transport gateways and connections. New international quality rail and bus terminals are the centrepiece of a much wider development project including improved station access, car parking & the **Metro extension** from St. George's to the Interchange.



FIT FOR PURPOSE SKILLS SYSTEM

NVQ LEVEL 4

The **Springfield Campus** will be home to Elite Centre for Manufacturing Skills & the Brownfield Research & Innovation Centre (BRIC). Whilst the development of the School of Architecture and Built Environment (SOABE) is planned at the UoW. There were **390** apprenticeship starts in 2015-16.



GARDEN CITY

Currently there are **1,888** homes. There are **2,129** homes in the pipeline development of 13 sites that will deliver **128%** of the targeted **1,663** new homes required.



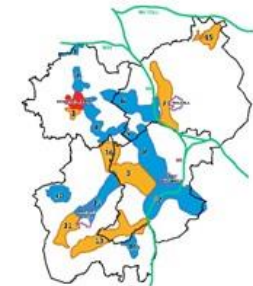
JOBS



POPULATION

Growing Population base – in 2011 there were **10,429** residents; **+2,049** compared to 2001.

The employment and office sites would provide **7,685** jobs which is **78%** of the target for the strategic centre (**9,900** jobs). Currently there are **41,900** people employed.



7.4 Black Country Garden City

Today

We are applying Garden City principles in the Black Country to use the green, cultural, physical and economic assets of the Black Country towns and villages to develop attractive places where people want to live.

We are developing a set of garden city principles to underpin our approach. They include factors such as:

- Making best use of the Black Country's assets;
- The quality of connectivity internally and externally and access to local facilities and services;
- Whether the scheme has a clear and distinct identity;
- Whether the scheme will involve its residents in the management of the community.

Tomorrow

Over 20,000 new homes have been built since 2006. We are aiming to lever £6bn investment to enable an additional 45,000 homes to be built by 2026. Around 75% of the additional homes will be built without public sector intervention. And we have significant funding opportunities including the £15m Black Country housing fund and £2m remediation funding for surveys and site investigations.

The shape of the house building industry in the Black Country reflects the impact of the recession in 2008 with fewer small and medium sized businesses. We are enabling the growth of businesses in this sector by:

- Helping businesses to access capital grant schemes to develop the capacity for off-site construction;
- Developing a small sites programme to provide a market for SMEs in the sector.

Beyond

Our new housing development will be well-located with direct links to existing communities, and existing and new infrastructure including well performing schools. We aim to support all those involved in the house building process – landowners, designers, planners, developers and builders – to improve the quality of new homes and neighbourhoods. For example, the proposed Wednesbury to Brierley Hill Metro extension will connect to a Garden City development at Lye providing first class connectivity, including to the anticipated office development in the EZ.

Our priority actions are to:

- ***Adopt the garden city principles, including the use of digital and smart technologies, and market the approach;***
- ***Work with the development and construction industries to accelerate the delivery of our Garden City Prospectus, including the use of off-site construction and support for small and medium sized businesses;***
- ***Tackle the potential housing sites which require longer remedial action through business relocation, site investigation and remediation;***
- ***Develop a Black Country House of the Future Demonstrator.***

Black Country Gateway – Advanced Manufacturing & ‘City’ Living (Oldbury, West Bromwich & Smethwick – RC12)

High concentration of businesses ; **2,600** businesses are located in the corridors. Whilst **202** of those are strategic companies & **45** are companies looking to grow. **129** of the strategic companies (**64%**) are those in key transformational sectors with **68** in advanced manufacturing.

HVM CITY BUSINESSES



Superfast
Broadband
Enabled



GVA



Currently the GVA for the corridor is **£2.4bn**. The infrastructure developments will create **£1.2bn** GVA that is **50%** of the target for the corridor (**£2.4bn**)



Industrial Sites of Excellence

Currently there are **76 ha** of HQE. Approximately **73 ha** of high quality employment sites in the pipeline that will enable the corridor to achieve **50%** of the number of hectares targeted (**147 ha**).

HQ Land



TRANSPORT INFRASTRUCTURE

M5 J1 & Birchley Island junction improvements are planned to improve the flow of traffic and to tackle congestion & resultant delays.



FIT FOR PURPOSE SKILLS SYSTEM

Working towards a skilled workforce. There were **767** apprenticeship starts in 2015-16 within the corridor.

NVQ LEVEL 4



GARDEN CITY

Currently there are **16,170** homes. There are **2,455** homes in the pipeline development sites that will deliver **95%** of the targeted **2,591** new homes required. Including developments around the **Midland Met. Hospital & Brindley 2** in Smethwick.



JOBS

The employment sites would provide **6,217** jobs which is **46%** of the target for the corridor (**13,500** jobs). Currently there are **53,500** people employed.



POPULATION

Growing Population base – in 2011 there were **48,292** residents; **+7,788** compared to 2001.



7.5 Fit for Purpose Skills System

Today

We are raising the skills levels of the workforce in the Black Country and enabling employers to meet their specific skills needs. We have, for example, achieved a 38% increase in apprenticeship starts in advanced manufacturing, and are on course to meet our ambition of achieving 23,200 apprenticeship starts in ten years' time.

Investment in the skills infrastructure has contributed to the development of our strategic centres, including investment in further education in Walsall, Dudley and West Bromwich, and in the University of Wolverhampton in the city centre. Our Elite Centre for Manufacturing Skills is due to open in August 2017. Other skills capital investment includes: Dudley Advanced Construction, FAB kits at Sandwell College and the PTP IT Academy. The ability to train and attract talent is crucial to the delivery of our HVM City Ambitions, with the concept of a Graduate Village intended to house high calibre post graduates and alumni alongside business support to stimulate business growth and start-ups.

The Area Review identified eight specific targets to address the needs of residents and support a sustainable college sector. They include reducing the number of resident adults with no qualifications and improving college capacity to support post-16 learners with high needs. Following the review the Black Country Colleges Group, the LEP and the four councils have agreed to a programme of activity to raise skills levels and increase participation in education and training. Progress to date includes joint marketing of apprenticeships and collaboration of higher level apprenticeships with local universities.

Tomorrow

Our Skills Factory has significantly improved the ability of advanced manufacturing businesses to access the training provision they require. We have recently recurred SFA funding to extend the model to our other growth sectors.

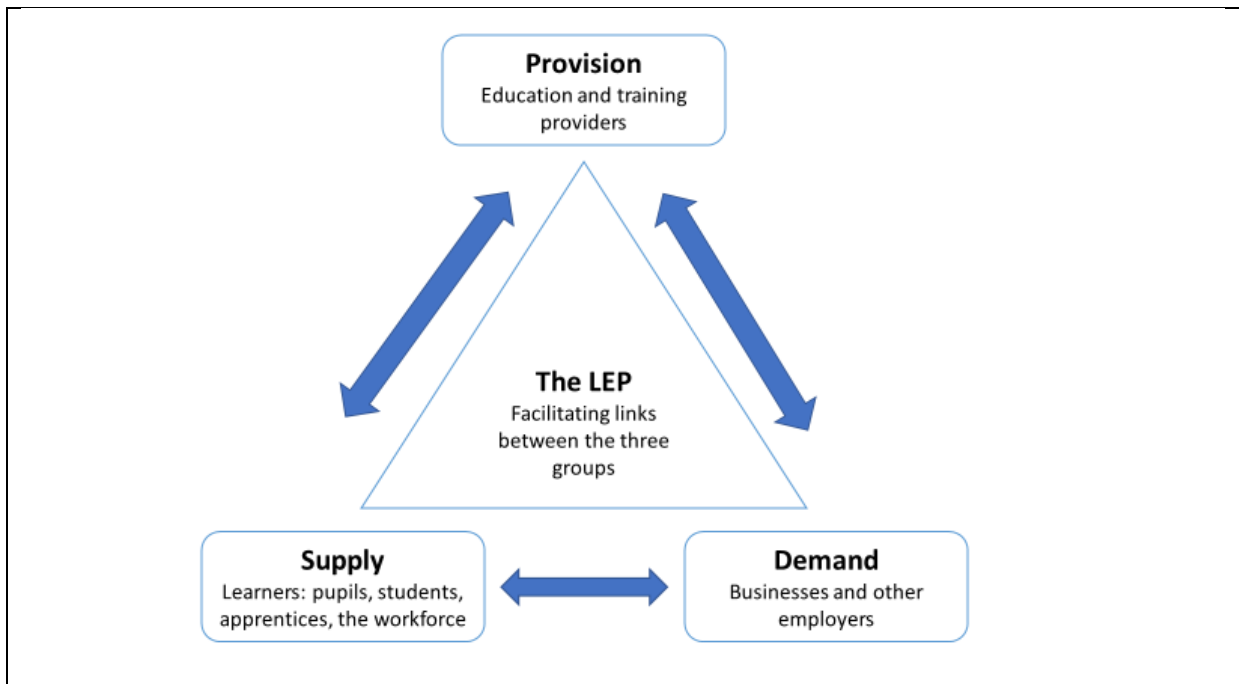
School and college performance is important, in both raising skills levels across the Black Country and, by making the area an attractive place to live, supporting the delivery of the Garden City programme. We are keen to work with heads and governing bodies to help improve school performance and ensure that businesses make a full contribution.

We are pursuing a proposal, led by Dudley College for an Institute of Technology for digital engineering and advanced manufacturing skills. If successful it could develop to embrace the other Black Country colleges and would contribute to our drive to increase the number of high level apprenticeships in the area.

In order to ensure that we are well placed to take advantage of the Apprenticeship Levy we are analysing new data from the SFA which enables us to understand which companies are investing in training and which are not. A key role for us will be to ensure that employers have the capacity and capability to invest in training and take advantage of the Levy.

Tomorrow

Our approach to intervening in the skills system in the Black Country is illustrated in the diagram below. The key players in the system are: businesses and other employers; learners, from school pupils to the existing workforce; and education providers. We see our primary task as being to facilitate links between the three: to operate in the space in the middle.



Raising skills levels in the Black Country in the longer term hinges on sustained improvement in school performance. The move towards academy and free schools has significant implications for the statutory role of local government in schools. But the Black Country councils and LEP retains a strong commitment to improving school performance from a community leadership and business perspective. We aim to develop a new relationship with schools and to engage local business leaders in supporting schools in the area.

Action is also required to ensure that the Black Country is best placed to take advantage of digital technology including the very high level of superfast broadband connectivity in the area. There are at least three dimensions to this:

- Working with schools and colleges to ensure that the education young people receive reflects the shift towards a digital economy;
- Action to enable all Black Country residents to obtain basic ICT skills;
- Enabling businesses to access a digitally competent workforce through internships, graduate recruitment, apprenticeships and links with schools and colleges.

Our priority actions are to:

- ***Work with the Black Country Colleges to implement the recommendations of the Area Review;***
- ***Extend the Skills Factory model beyond advanced manufacturing to our other growth sectors;***
- ***Work with the WMCA to secure maximum benefits for the Black Country from the apprenticeship levy;***
- ***Pursue the skills strand of the Black Country Digital Strategy with a particular focus on action to provide all residents with basic ITC skills;***
- ***Work with school heads and governing bodies to play our part in driving school improvement in the Black Country;***
- ***Continue to capitalise on investment in education institutions as an important contribution to the development of our strategic centres.***

7.6 Connected Black Country

Today

We have a long-term transport strategy for the Black Country with an agreed set of transport priorities for the next 10 years. Our strategy has been developed in the context of the WMCA's transport plan, *Movement for Growth*. The priorities include investment in the national and regional road and rail networks in order to:

- Transport goods to market;
- Enable employees to travel to and from work;
- encourage people to visit the area.

We are proud of the fact that 99.4% of the Black Country has access to high speed broadband and are determined to be the first LEP to secure full coverage. Key to delivering this will be action address the “white spots” in the City of Wolverhampton and ensuring access for other hard to reach premises.

Tomorrow

Our priorities include:

- Investment in a high quality mass transit system providing increased capacity in existing rail lines, new rapid transport links and high quality interchanges with local bus networks;
- A key route network programme including junction and corridor improvements to improve the delivery of goods to market, employees' travel to work and travel to the area by investors and visitors;
- Investment at a local level to both open up development sites and address specific local issues and hotspots.

This constitutes a 10 year, £1bn investment programme.

We aim to ensure that our transport investment is aligned with development opportunities. Our Metro extension for example is key to the delivery of our ambitions for the Brierley Hill enterprise zone and a garden city development at Lye.

The planned extension of the Metro to Brierley Hill combined with the development of the Brierley Hill Business and Innovation Enterprise Zone show the impact that our integrated approach to exploiting our opportunities can deliver. Poor public transport has contributed to a decline in the demand for office space in Brierley Hill. We are promoting a 11km Metro extension to the area via Dudley town centre using an abandoned rail corridor. Subject to business case approval and funding, it is due to be fully open for passenger services in 2023. This, combined with EZ status, will enable Brierley Hill to become the high tech office hub of the Black Country advanced manufacturing heartland. The development will also reinforce our skills strategy through links with the Very Light Rail Innovation Centre in Dudley and a proposed Music Institute in the EZ providing a focus on music and sound technology. The Metro extension will also connect to the Garden City development at Lye, linking economic and housing growth.

Beyond

Priority is also being given to the use of new technology, including:

- Promoting the use of Ultra Low Emission Vehicles (ULEVs) through a Black Country ULEV Implementation Plan including, for example, incentives to encourage take up and the provision of a network of electric vehicle charging infrastructure;
- Greater use of real time information and smart ticketing.

Elements of the Midlands Connect programme which would deliver significant benefits to the Black Country include:

- The Midlands Rail Hub;
- The Midlands Road Hub study.

Our priority actions are to:

- ***Maintain a pipeline of schemes that are ready for implementation when funding is available;***
- ***Progress the Wednesbury to Brierley Hill Metro extension;***
- ***Address the broadband connectivity challenges in the City of Wolverhampton;***
- ***Identify ways of funding “mini-major” schemes to continue to stimulate developer interest and keep land accessible;***
- ***Implement the Black Country Ultra Low Emission Vehicle Strategy and the Smart mobility strands of the Black Country Digital Strategy.***

Visitor Hub, Town Centre Living & Learning, Rejuvenated Manufacturing – ‘A Model for Urban Renaissance’ (Dudley – Brierley Hill – Stourbridge – RC11)

High concentration of businesses ; **3,055** businesses are located in the corridors. Whilst **208** of those are strategic companies & **33** are companies looking to grow. **148** of the strategic companies (**71%**) are those in key transformational sectors with **83** in advanced manufacturing.

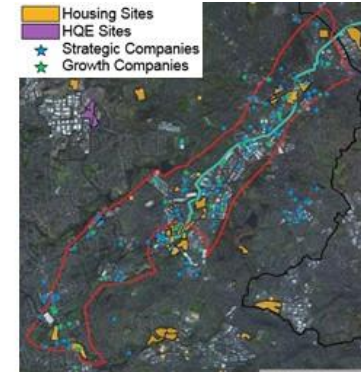
HVM CITY BUSINESSES



GVA



Currently the GVA for the corridor is **£1.2bn**. The infrastructure developments will create **£429m** GVA that is **31%** of the target for the corridor (**£1.4bn**).



Industrial Sites of Excellence

Approximately **22 ha** of high quality employment sites in the pipeline that will enable the corridor to achieve **20%** of the number of hectares targeted (**113 ha**).

HQ Land



TRANSPORT INFRASTRUCTURE

Metro Extension from Wednesbury to Brierley Hill & planned improvements to **Dudley Bus Station** & **Merry Hill Bus Station**



FIT FOR PURPOSE SKILLS SYSTEM

Working towards a skilled workforce. There were **1,040** apprenticeship starts in 2015-16 within the corridor.

NVQ LEVEL 4



GARDEN CITY

Currently there are **11,825** homes. There are **2,519** homes in the pipeline development sites that will deliver **97%** of the targeted **2,590** new homes required.



JOBS

The employment sites would provide **2,054** jobs which is **23%** of the target for the corridor (**8,800** jobs). Currently there are **36,900** people employed.



POPULATION

Growing Population base – in 2011 there were **37,625** residents; **+1,940** compared to 2001.



Annexes

- 1. Our 12 Strategic Programmes on a Page**
- 2. 2 (a) – Sector Profiles; 2(b) – Sector Dashboards**
- 3. Our Programme Dashboards**
- 4. The Pipeline analysis**
- 5. Black Country People, Place and Business Storyboards**

[Click here to download copies of the annexes from the LEP website](#)