

West Midlands Insights on Society and Economy

A monthly newsletter on the trends that matter to the West Midlands.

Issue 6, March 2024

1.0 Headlines

1.1 March Editorial

March marks the first anniversary of the West Midlands Trailblazer Devolution Deal and – perhaps coincidentally – the publication of a number of new reports on the importance of devolution for driving economic productivity and tackling regional inequality in the UK.

CIPFA, in partnership with the University of Birmingham City-REDI, has just published [a study](#) which investigates whether English local authorities can replicate the success of certain international cities that have effectively addressed notable social and economic inequalities through innovation in recent years. Our work is based on four case studies in England, one of which is Dudley, where we find clear evidence of some of the ‘success factors’ found in other international cities.

Our report concludes that to replicate international success, public funding in England needs to be longer-term, less fragmented and more flexible. This is the principle that lies behind the West Midlands’ Single Settlement, currently being negotiated with government on the back of last year’s devolution deal.

We are not the only organisation calling for a renewed approach to devolution and local funding and finance. The [latest report](#) from Harvard University’s series on closing Britain’s regional divides has recommended giving English sub-regional leaders a multi-year financial settlement for devolved matters including ‘compensatory investment for historic underspending’ in some UK regions. And New Local have a [new report](#) out making the case for place-based budgets too.

Devolution may not be an end in itself, but as we head into election season, there is a growing body of evidence that shows that access to local knowledge and a willingness to collaborate can accelerate levelling up across the UK, leading to a better quality of life for West Midlands communities.

Jeffrey Matsu
Chief Economist, CIPFA

1.2 Coming Up in the Month Ahead

- [Midlands Connect Virtual EV Conference](#) – 7 March
- [WMCA Tree Summit](#) – 13 March
- [ONS: UK regional trade in goods statistics](#) – 14 March
- [Planning Inspectorate statistical release](#) – 28 March

Contents

1.0 Headlines	1
1.1 February Editorial.....	1
1.2 Coming Up in the Month Ahead	1
Contents.....	2
1.3 National Headlines	3
1.4 Regional Headlines.....	4
2.0 In More Depth.....	5
2.1 National Roundup	5
2.2 Regional Roundup	9
2.3 Regional Business Roundup	11
2.4 Inclusive Growth Roundup.....	12
2.5 Latest Blog Roundup.....	15

1.3 National Headlines

- Inflation remains at 4.2% in January
- Labour Party outlines how it will deliver on its Green Prosperity Plan
- Housing Secretary tells local authorities to prioritise house building on brownfield land
- New article investigates impact of public research and development on regional economies

[Inflation remains at 4.2% in January](#)

UK Inflation [remained at the same level](#) for the third month in a row in January. This has had a significant impact on market expectation of base rates, which are now not expected to start to fall until toward the end of the year. This has further [impacted mortgage rates](#), which have begun to rise again after falling for several months. While discussions of economic growth have focussed recently on the definition of technical recession, it should be remembered that gross domestic product per capita (how much money we all make on average) has been [falling now in the UK for seven consecutive quarters](#) (note: average income can fall while total income rises when the population is increasing). The WMCA has taken a [cluster-based approach](#) to turn this around in the West Midlands.

[Labour Party outlines how it will deliver on its Green Prosperity Plan](#)

Acknowledging the challenges ahead, [Labour has pledged](#) to prioritise economic growth and implement its green prosperity plan to deliver clean power by 2030. Plans include introducing a new national wealth fund, insulating 5m homes and establishing Great British Energy – a state owned energy company. Recent setbacks have forced it to abandon its £23bn-a-year funding pledge, but Labour says it remains committed to transformative change, focusing on job creation, addressing the climate crisis, enhancing public services, and revitalizing the nation while remaining fiscally responsible. Funding for retrofitting homes has also been scaled back. According to recent [analysis](#) 9.6m households are living in poorly insulated homes. The WMCA [plans to fund](#) retrofit in 140,000 homes over a 10-year period, but this is only a fraction of the 1.2m homes in our region. Additional funding is required to extend retrofit, insulate homes, save people money, and reach net zero.

[Housing Secretary tells local authorities to prioritise house building on brownfield land](#)

The government has [announced](#) that it is prioritizing building homes on brownfield sites to boost housing while preserving the Green Belt. In February 2024 the government published a consultation on 'Strengthening planning policy for brownfield development'. The proposals aim to support increased housing delivery on brownfield sites, particularly in the 20 largest cities and towns in order to boost housebuilding. The policy is welcomed and aligned with the WMCA's 'brownfield first' approach to development. However, its effectiveness will also depend upon continued government grant support for brownfield land remediation and the provision of adequate supporting infrastructure for transport links, greenspaces, etc.

[New article investigates impact of public research and development on regional economies](#)

The [study](#) examines how government spending on research and development (R&D) and other fiscal policies impact the economy. Using data from 15 OECD countries, the authors find that increasing government spending can boost GDP and encourage businesses to invest more in R&D. Notably, investing in R&D yields the greatest economic benefits compared to other types of government spending. The West Midlands has the lowest public R&D spend per capita in the UK but one of the highest private sector R&D spends. Given the region's ability to attract private R&D, the article highlights the unparalleled contribution to levelling up our region that additional public R&D funding can bring.

1.4 Regional Headlines

- Birmingham City Council releases budget plans for next two years
- West Midlands named second in Europe for its foreign direct investment (FDI) strategy
- Business Commission West Midlands publishes interim report
- Home Secretary confirms transference of police and crime commissioner powers to the Mayor of the West Midlands in May

[Birmingham City Council releases budget plans for next two years](#)

Birmingham City Council has [unveiled](#) its budget plans for 2024/25 and 2025/26, aiming to save over £300m amidst unprecedented financial strain. A 9.99% council tax increase is proposed for two years, with protections for vulnerable households. Up to 600 job cuts are anticipated with trade union consultations ongoing. There will also be cuts to the culture budget and sale of assets to make up historic financial shortfalls. Meanwhile, the Centre for Local Economic Strategies (CLES) [has warned](#) of the risks associated with fire sales, such as asset stripping and wealth extraction. While councils face financial strain, selling assets to the highest bidder could sacrifice community wealth and public value. CLES argue that the focus should shift to socially just uses, embedding social value considerations into sales, and prioritizing sales to plural-owned organizations like co-operatives. This approach ensures community benefit and local control, fostering long-term prosperity over short-term fixes.

[West Midlands named second in Europe for its foreign direct investment \(FDI\) strategy](#)

The West Midlands [ranks second](#) in FDI Intelligence's Large European Regions of the Future 2024 – FDI Strategy, with Paris Region taking the lead. Recognized for its investment appeal, the region boasts significant job creation and surpasses Scotland and Wales combined in foreign investment projects. Notable investors include Goldman Sachs and Accenture. Overseas jobs increased by 48% last year, bucking the national trend. The region's strategy, led by the West Midlands Growth Company, aims to sustain its growth momentum.

[Business Commission West Midlands publishes interim report](#)

The Business Commission West Midlands, led by the region's Chambers of Commerce, aims to drive business growth. Their [interim report](#) highlights key growth levers like international trade, net zero initiatives, innovation, and foreign investment. Challenges include Brexit impacts, skills shortages, and infrastructure needs. Recommendations for growth encompass financial support, built environment improvements, skills development, and better business ecosystem alignment. Strengths include the region's central location, strong education system, momentum, manufacturing legacy, and access to networks. The report emphasizes the need for continued support from government and local authorities to maximize the region's potential.

[Home Secretary confirms transference of police and crime commissioner powers to the Mayor of the West Midlands in May](#)

Following a public consultation, the Home Secretary has confirmed that Police and Crime Commissioner (PCC) powers will be transferred to the Mayor of the West Midlands on 2 May 2024, with the secondary legislation now being processed in Parliament. The West Midlands Police and Crime Commissioner (PCC) Simon Foster has applied for Judicial Review, to challenge the Home Secretary's decision.

2.0 In More Depth

2.1 National Roundup

[Make UK releases report on UK Investment Zones](#)

British manufacturers, [now including those in the West Midlands](#), stand to gain tax and grant incentives through Investment Zones, aimed at fostering enterprise growth and job creation. A Make UK and Barclays [report](#) reveals that two-thirds of the sector support extending fiscal benefits from five to ten years. However, there's a need to boost awareness, as only two-thirds know about the zones and a quarter are unsure if they fit the advanced manufacturing definition. Key recommendations include, increasing awareness of Investment Zones among the manufacturing sector through education and communication campaigns and more clearly defining 'advanced manufacturing'.

[Regional inequality is holding back national economic performance write Productivity Institute experts](#)

Drawing on the Productivity Agenda Report, the authors [highlight](#) the UK's severe spatial inequalities and regional productivity gaps, urging for devolved policies and strong institutions. They emphasize the urgency to address these disparities, attributing political shocks and policy churn to centralization. Devolution emerges as a key solution, with potential benefits for economic growth and productivity. The West Midlands Combined Authority's trailblazer deal signals progress, but a comprehensive, long-term devolution strategy is needed nationwide. Coordinated efforts in R&D, education, and infrastructure are crucial for sustainable growth, along with a focus on place-based policies and institutional stability.

[UK Government releases research and innovation cluster analysis and interactive map](#)

The UK's productivity and prosperity hinge on robust research and innovation (R&I) efforts, as underscored by various policy documents like the Build Back Better Plan for Growth (2020) and the Innovation Strategy (2021). Place-based R&I policies are integral to the Levelling Up mission, recognizing the UK's competitive advantage lies in innovative regions. To foster investment, the government is mapping R&I clusters nationwide, aiming to guide public support and attract private investment. Led by the Department for Science, Innovation, and Technology (DSIT), [this initiative](#) offers an [interactive mapping tool](#) to identify and explore UK R&I clusters, aiding stakeholders in leveraging opportunities and strengths. The WMCA is already using this tool to enhance its own innovation policies and [Plan for Growth](#).

[Independent report reviews research bureaucracy](#)

Unnecessary bureaucracy diverts and hampers research, and the work of individual researchers and research teams. Ultimately, it diminishes the returns from research funding. Led by Professor Adam Tickell, the independent [review](#) establishes seven principles to streamline processes, including harmonization, simplification, proportionality, flexibility, transparency, fairness, and sustainability. The focus is on reducing administrative burdens without destabilizing the system. Key findings highlight areas for improvement in research funders' systems and processes. While some trade-offs may arise, according to the report, universities and researchers must collaborate to drive efficiency.

[Independent report outlines possible reform to the process for approving R&D spend by DSIT](#)

DSIT's Secretary of State assigned Lord David Willetts to lead an action group to enhance funding approval for R&D. The report suggests streamlining business case procedures to accommodate the unique aspects of R&D spending, such as its experimental and high-risk nature. The goal is to improve the efficiency of initiating science, innovation, and technology interventions without increasing unnecessary bureaucracy and ensuring value for taxpayers.

[Ed Balls co-authors paper on tackling the UK's regional economic inequality](#)

Britain's regional inequalities in economics, health, and education are widening. According to a new [report](#) co-authored by Ed Balls, both major parties recognize the urgency of addressing these issues for national prosperity. Radical solutions are proposed, which the authors believe will necessitate cross-party consensus. Key questions on policy, decentralization, funding, and political unity are addressed and ten recommendations produced. The recommendations focus on creating a national Growth and Productivity Strategy, driven by central government but implemented locally. Key points include investing in transport infrastructure and innovation, sub-regional skills planning, and empowering combined authorities with spatial economic development strategies. The proposal suggests establishing an intermediate tier of government between local and national, ensuring comprehensive coverage across England. Financial reforms advocate for expanded financial settlements for sub-regions and unitary local governments, prioritizing investment in historically underserved regions. Finally, achieving political consensus is emphasized, highlighting the importance of cross-party support and leadership in implementing these reforms.

[Enterprise Research Centre releases 10th annual State of Small Business Britain report](#)

The Enterprise Research Centre's [report](#) highlights a 40% decline in small business growth in the UK over the past decade due to Brexit, COVID-19, and geopolitical tensions. Small and medium size enterprises (SMEs) lack sufficient and cohesive support, particularly in areas like exports, innovation, net zero, and mental health. Stephen Roper emphasizes the need for coordinated efforts from the government and business organizations. The report outlines common crises, COVID-19's impact on turnovers and jobs, rising business costs, trade challenges post-Brexit, declining innovation, and mental health issues. It urges tailored support for SMEs' growth, resilience, and sustainability based on solid evidence. The WMCA is offering tailored support through [Business Growth West Midlands](#) and direct business support for the mental health of employees through [Thrive at Work](#), and welcomes this new analysis.

[Future Governance Forum releases report on place-based public investment](#)

The [report](#) proposes a shift in England's public service investment, advocating for a place-based approach over centralized control. It highlights the challenges of austerity and inefficiencies in current systems. The suggested model involves identifying and pooling all local public spending, fostering collaboration among services and communities, prioritizing prevention, empowering local decision-making, and reforming accountability structures. Recommendations include granting local authorities more autonomy, ensuring longer-term funding, and establishing new accountability frameworks. The transition would require significant cultural and organizational changes. The WMCA is working closely with Government on devolution matters that are rooted firmly in a place-based approach.

[Centre for Cities looks into the potential impact of charitable donations on levelling up](#)

Charitable donations totalling £12.7 billion in 2022 could have been a valuable resource for local economic development, as highlighted in the Levelling Up White Paper. However, the [Centre for Cities report](#) finds a mismatch between areas with giving potential and those with high need. To address this, national government can encourage giving from wealthier areas and develop strategies aligning charitable giving with levelling up goals. According to the report, local governments (including combined authorities) can establish local funds, such as the Greater Manchester Mayor's Fund, and tailor approaches based on existing variation in preferences for local giving.

[Third report of Inquiry into financial distress in local authorities released](#)

Parliament's latest Levelling Up, Housing and Communities Committee inquiry [reports](#) that local authorities in England are facing severe financial distress, with a significant increase in section 114 notices issued. Funding reductions, coupled with rising demand and inflationary pressures, have created a £4 billion funding gap over two years. Council tax and business rates fail to meet growing service demands, especially in deprived areas. Report recommendations include additional funding,

council tax reform, business rates reform, further funding for social care, and allowing local housing allowance rates to rise. Such support will help to prevent councils falling into bankruptcy.

Department for Work and Pensions examines low earners and workplace pensions

The [report](#), commissioned by the Department for Work and Pensions (DWP), examines the attitudes and experiences of low earners towards Automatic Enrolment (AE) and workplace pensions. It identifies factors influencing their behaviour and responses to potential changes in AE requirements. The research found that low earners generally value workplace pension saving for future security. Factors influencing participation included age, financial status, and misconceptions. Social and material factors influence opt-in decisions, while opt-out decisions are driven by short-term financial needs. Lower contribution triggers and matched contributions are preferred. Recommendations include addressing misconceptions, understanding attitudes in small employers, and reviewing employer/employee matched contributions. Currently, the [West Midlands region has a participation rate](#) of 87% (UK: 88%). As the Pensions and Lifetime Savings Association (PLSA) reports that [individuals now need to have saved £490,000+](#) to have a comfortable retirement, more needs to be done to extend participation in the West Midlands and encourage saving above the minimum where possible. Levelling up is a surefire way to increase this potential through rising wages.

New paper examines hidden unemployment among incapacity claimants

The [journal article](#) examines how incapacity-related benefits in Britain outnumber unemployment benefits, potentially masking hidden unemployment. Using updated methods to adjust for health differences, it finds a significant number of incapacity claimants could be expected to work in a fully-employed economy. This hidden unemployment is concentrated in economically weaker areas and coastal towns. While the benefit claims are legitimate, they challenge the notion of the UK economy operating at full employment. The West Midlands region has [one of the lowest proportions](#) of Universal Credit claimants on UC health in the England (28% in 2023). Still, this equated to 3% of the population. The WMCA is working closely with DWP across the region to improve access to employment support and training for economically inactive adults to help them move into work through activities such as youth hubs and our Thrive into Work programme.

Department for Education releases SME Skills Horizon 2024

This [report](#) provides a national snapshot of the recruitment and skills landscape for the year ahead for SMEs, with 15,000 respondents. According to the research, 51% of SMEs put increased running costs (e.g. energy prices and rent) as their top concern for the year ahead, 41% said poor staff wellbeing as a result of the cost-of-living crisis, and 35% concerned about staff retention and recruitment. To respond to these concerns, 73% of SMEs agreed an agile approach to recruitment and upskilling was key to success, with 71% planning to upskill staff and 26% considering offering training and employment schemes (e.g. apprenticeships and Skills Bootcamps).

British Chamber of Commerce aims to boost workforce skills and offer more support to people through every stage of education and employment

The 2023 workforce survey found 42% of firms struggled to hire because of a lack of job applicants, 39% engage in careers activities with education providers, and only 41% of businesses have a 'be collaborative, be innovative, be driven, be inclusive' staff training plan. More than 50% said they don't have initiatives, skills programmes or adjustments for specific talent pools and underrepresented groups (rising to 65% of micro-organisations). The [plan](#) calls for an Industrial Strategy to support long term growth, as well as a broader curriculum with employability and all age careers guidance, and better support and incentives for employers to help them identify, plan and invest in skills of their current and future workforce, including use of Skills Bootcamps, apprenticeships and the Lifelong Learning Entitlement. This is important for the West Midlands as it will support improved employability, targeting high unemployment rates in the West Midlands. It will also increase business competitiveness, reduce skills gaps, and improve diversity and inclusivity in the workforce.

[New study examines long-term impact of childhood economic environment on attitudes](#)

The [paper](#) investigates whether growing up in an economically adverse area affects individual economic, cultural, and political views. While birthplace's impact on economic outcomes is studied, less is known about its influence on long-term attitudes. The study finds that being born in a high-unemployment area significantly impacts individuals' beliefs. It shows that such individuals tend to support more government intervention in jobs, hold less progressive views on gender issues, and are less likely to support the Conservative Party. Interestingly, in the WMCA area, the [highest proportion of conservative votes](#) in local elections is Dudley, Solihull and Walsall. While Dudley and Solihull have the lowest unemployment rates in the region, Walsall does not.

[Labour Party sets out business partnership plan](#)

Labour has [outlined](#) how it aims to refine policies in consultation with business and civil society to hit the ground running if elected. It promises businesses a strong voice, early visibility of decisions, and formal representation in economic policy-making through councils for economic growth and industrial strategy. Labour's mission-led approach aims to raise national ambitions, with government strategically complementing the private sector and removing barriers, fostering stability, direction, and collaboration.

[60% of English population now covered by devolution deal](#)

Devolution deals now cover [60% of England's population](#), up from 41% two years ago, with 34 million people covered. The North sees 90% coverage, while the Midlands doubled to 55%, totalling almost 6 million people. Nine of England's 10 largest cities have secured deals. These agreements empower local leaders with decision-making powers on transport, education, and business, backed by over £5 billion in government funding. The aim is for every part of England to have a devolution deal by 2030, part of the government's Levelling Up Missions to reduce geographical disparities. Centre for Cities has released an useful [overview](#) of all devolved regions to date. The WMCA has been identified as a forerunner among combined authorities and is currently proceeding with negotiations pertaining to a trailblazer deeper devolution deal.

2.2 Regional Roundup

Labour force headlines¹

Most [measures](#) suggest that the labour market is weaker than previously thought and is continuing to cool, with earnings growth easing and vacancies falling. Nonetheless the labour market remains strong with low unemployment, real earnings rising, redundancies low and vacancies above pre-pandemic levels.

In January, median monthly pay rose by 6.4% nationally compared with the same period in 2023. In the WMCA area, median pay rose by 6.7% over the same period. Adjusting for inflation, this is a real median pay increase of 2.5% in our region year-on-year.

In the West Midlands region, the employment rate (16–64) is estimated at 74.4%, unemployment (16+) estimated at 3.8%, and the economic inactivity rate (16–64) estimated at 22.5%. For the WMCA area, there was an increase in the claimant count (1.5%), though smaller than the national increase (1.7%). There was also an increase in the youth claimant count (1.2%), though larger than the national increase (1.1%).

City-REDI reviews research on English devolution thus far

Noting a lack of research to date and the nascent nature of devolution in England, [City-REDI recommends](#) robust monitoring and evaluation within devolved authorities and highlights recent work which recommends that combined authorities should be able to keep a larger proportion of locally generated income through income tax retention, for example. See the full report in the [annex](#).

WMCA launches Employment and Skills Strategy

Since 2019, when responsibility for the Adult Education Budget was devolved to the WMCA by HM Government, the WMCA has succeeded in securing more than £700m of funding for jobs and skills and attracted significant private sector investment into training. Across the WMCA area there are now more than 60,000 fewer people with no qualifications and nearly 160,000 more people qualified to level 3, than in 2019. Working closely with its seven local authorities, employers and partners across further and higher education, the WMCA has helped over 20,000 people into work and 135,000 into training. There has also been 52,000 people trained as apprentices.

It's a good start but more needs to be done and the WMCA is thrilled to launch its new [Employment and Skills Strategy](#); the blueprint for how it will continue to deliver for its residents and region, harnessing the historic opportunity of its new Deeper Devolution Deal and significant investment to level up the region. Over the next three years through the strategy, the WMCA will be focussed on creating a more integrated employment and skills ecosystem, prioritising both people and place, giving local people the skills they need to get into work or secure a better job.

Birmingham City Observatory launches Children and Young People dashboards

The [Children and Young People dashboards](#) provide a comprehensive overview of the health and well-being of these groups in Birmingham. Aimed at supporting evidence-led decision-making, these dashboards cover key stages from conception to young adulthood. Interactive and informative, they include locally interpreted data alongside publicly available information. These resources complement existing dashboards and summaries, contributing to Birmingham's Joint Strategic Needs Assessment (JSNA) for planning health and social care services.

CIPFA (Chartered Institute of Public Finance and Accountancy) looks at investment in regional equality

The [report](#) examines if English local authorities can replicate international cities' success in addressing social and economic inequalities. All nine success factors from international experience are present in

¹ All data reported in this section is available through [Nomis](#)

England, with an additional focus on transferable learning. However, challenges include short-term funding, capacity constraints, and the need for multi-level collaboration. Recommendations include simplifying funding processes, enhancing capacity, and prioritizing learning initiatives despite funding and capacity constraints. Fiscal devolution, single pot funding, and strategic evaluation are suggested to improve efficiency and address regional disparities. Collaboration and learning are crucial for effective public financial management and governance.

[Morgan McKinley finds a lack of skills impacting technology growth](#)

Morgan McKinley [blog](#) on skills gaps in the tech sector finds 76% of technology hiring managers struggled to recruit in 2023, with shortage of skilled candidates a primary obstacle (25%). As a region with a fast-growing tech sector, addressing skills gaps is crucial for unlocking the full potential of the West Midlands' economy, fostering innovation and growth, and ensuring the region remains competitive in the global marketplace.

[WMREDI publish monthly economic monitor](#)

Key points from [this edition](#) include:

- The UK economy entered a recession at the end of last year.
- Global scale growth has been revised upwards to just over 3 per cent in 2024 and 2025.
- Regionally business confidence is increasing.

2.3 Regional Business Roundup²

Things looking up?

Both the regional business activity index and future activity index published by NatWest are up marginally again on last month, suggesting business confidence is increasing. National business investment totalled £60.5bn in Q4 2023, up 1.5% on the previous quarter and 3.7% up on 2022. Overall, business investment increased by 6.1% in 2023 over 2022, even after adjusting for inflation and despite high interest rates. Business births and death remain around their long-run averages. For an overview of the latest economic statistics relevant to the West Midlands, see the WMCA Economic Dashboard in the [annex](#).

Department for Business and Trade reviews Start Up Loan Scheme

The [Start Up Loan Scheme](#) has given 15,000 loans to small business owners aged 18–24 since 2012. Of all the loans distributed to entrepreneurs under 25, 39% have gone to female business owners and 24% to business owners from ethnic minority backgrounds. Outside of London, the North West has received the highest volume of loans (1,992), followed by West Midlands (1,591) and the South East (1,291). Although it is positive that the West Midlands has received the second highest number of loans, the high proportion of people from an ethnic minority background in the West Midlands means that the figure of 24% of loans to business owners from ethnic backgrounds is a concern.

Midlands Engine release aerospace cluster snapshot

The Midlands houses a significant aerospace industry, yet its economic impact is poorly understood due to insufficient data. This [report](#) from the Midlands Engine Observatory and Midlands Aerospace Alliance addresses this gap by analysing the sector's size and R&D funding. Aerospace, a technology-driven field, receives substantial government support but lacks clarity on optimal allocation. The Midlands aerospace cluster, specializing in civil aviation, features key players like Rolls-Royce and a robust supply chain. Key findings highlight the sector's wider implications, stressing the need for policymakers to engage with regional clusters and allocate resources accordingly.

Business Growth West Midlands launches wellbeing in the workplace webinar series

Business Growth West Midlands is providing a series of [webinars](#) that are free and designed for everyone within an organisation. As an employer, ensuring the wellbeing of your workforce is an important priority, and offering access to these webinars is a great place to start, or a great addition to the work you are already doing.

West Bromwich Albion has agreed a £60m takeover deal

Florida-based entrepreneur and investor Shilen Patel and his father Dr Kiran C. Patel, [have acquired an 87.8% stake](#) in the parent company of the club with their firm Bilkul Football WBA. The takeover has been approved by the EFL with Shilen Patel to be named Chairman of West Brom when the deal completes next week.

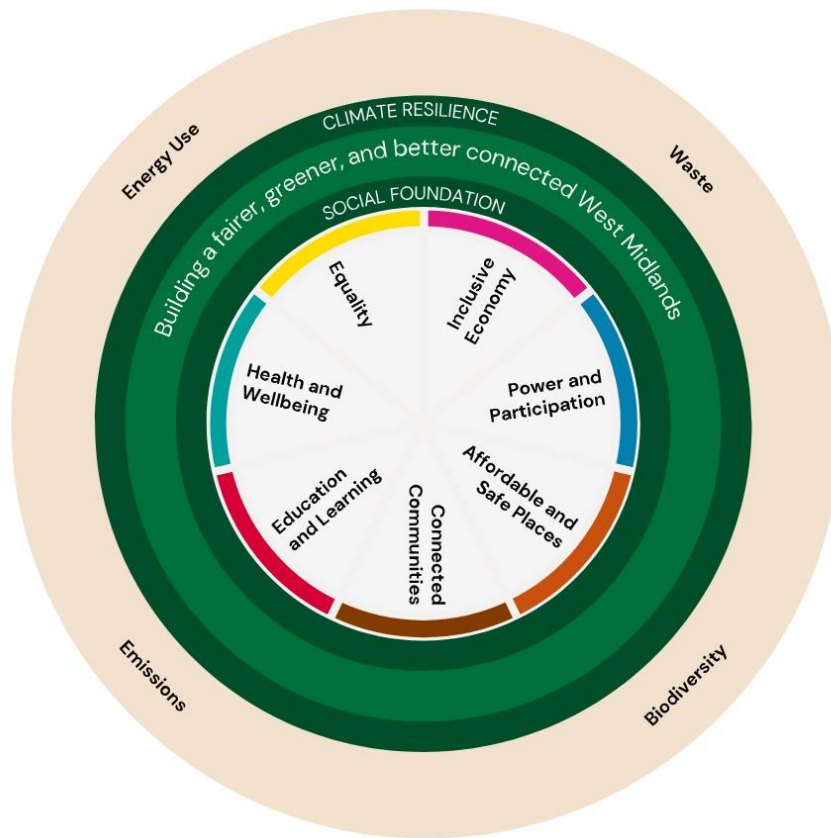
Ashtröm Properties redevelopment of Colmore Gate is set to be approved by Birmingham City Council

Plans were submitted in August by AP Colmore but a decision was deferred due to Historic England concerns. [Plans now look set to be approved](#). Economic benefits include 562 full-time construction jobs on the £87.6m GVA redevelopment, and on completion, 2,796 jobs will be generated as well as £209.3m of GVA per year.

² See the [annex](#) for more business updates.

2.4 Inclusive Growth Roundup

This section looks at the regional news highlights which relate to our eight fundamentals of the [West Midlands Inclusive Growth fundamentals](#).



Inclusive economy

Royal Society for Arts delves into young people's economic security

This [report](#) examines the economic security of young people aged 16–24 and its impact on their well-being. Economic security, defined as confidence in maintaining a decent quality of life, reveals unique challenges faced by young people, including lower income, employment insecurity, minimal savings, increasing debt, housing affordability issues, and reliance on public transport. These challenges correlate with poorer health outcomes, emphasizing the need for tailored policy interventions. Proposed principles include prioritizing youth economic security, recognizing their distinct needs, engaging them in policymaking, adapting to non-linear education and employment paths, and adopting decentralized policy approaches. Recommendations from young people include enhancing education-to-employment transitions and addressing the "minimum wage jobs loop".

Power and participation

Labour looks to citizen's assemblies to overcome 'institutional inertia' on key issues

Labour has [announced plans](#) to engage citizens' assemblies to decide on key issues, bypassing Whitehall. Sue Gray, Sir Kier Starmer's chief of staff, highlights the success of such assemblies in Ireland for constitutional reforms. These assemblies, comprising randomly selected members of the public, deliberate on national matters and propose recommendations to parliament or referendums. Gray envisions their role in areas such as House of Lords reform and housing development plans. Additionally, plans for an independent ethics commission are underway to address standards bodies. Gray aims to establish Labour's governance framework to swiftly implement policies if they win power at the next election.

Affordable and safe places

[Project supporting young people to turn away from crime receives £125,000 funding](#)

In the heart of Birmingham, the [Jonah's Project Interception Hub](#) supports youth involved in or at risk of crime. Manager Natalie Wilks and her team aid around 40 individuals aged 11 to 25, offering a safe space for reflection and empowerment. The [project received £125,000 funding](#) and operates in six impact areas, aiming to transform lives through support, creativity sessions, and career guidance. The initiative aims to steer youth towards positive life choices and opportunities.

[Onward asks how neighbourhood policing can make streets and communities safer](#)

Crime rates have significantly dropped, yet public trust in police effectiveness is low. Visible neighbourhood policing is lacking, despite government efforts to recruit additional officers. Onward's [proposal](#), supported by 10 Police and Crime Commissioners, suggests a Neighbourhood Policing Uplift Programme, hiring 19,000 new officers, PCSOs, and special constables. The plan emphasizes community engagement, with recommendations including pop-up police stations, facial recognition technology, and the recruitment of neighbourhood wardens. It urges Police and Crime Commissioners to commit to neighbourhood policing pledges and calls for government support through funding and policy adjustments.

[Transform Justice outlines case for localising criminal justice](#)

The criminal justice system in England and Wales is highly centralized, unlike the decentralized approach in the USA. Transform Justice [proposes](#) delegating probation, court administration, and CPS administration to regional mayors and police and crime commissioners, aiming to increase efficiency and funding for prevention. Localizing services could incentivize resolving crimes out of court and reduce homelessness among ex-prisoners. While concerns about "postcode justice" exist, a monitoring system could mitigate disparities. Though radical, localizing the system could lead to better outcomes, claims Transform Justice.

Connected communities

[IPPR \(Institute for Public Policy Research\) reviews the ups and downs in active travel](#)

According to the latest IPPR [report](#), the UK saw a surge in walking, wheeling, and cycling during the pandemic, prompting the government to set active travel targets. However, since 2020, there has been a reduction in ambition and funding for active travel, exacerbating congestion, air quality issues, and health disparities. To address this, the next government must correct historic underfunding, investing in active travel infrastructure. Analysis shows a significant investment gap, with spending on roads far exceeding that on active travel. Increased investment in active travel is essential for achieving net-zero goals and improving public health. Key recommendations include a 10-year investment guarantee and diversified funding sources to prioritize active travel initiatives.

Education and learning

[The Sutton Trust Examines the widening attainment gap between students of different financial backgrounds](#)

The [policy briefing](#) addresses the widening educational attainment gap between affluent and disadvantaged students, exacerbated by the pandemic. It outlines factors like inadequate funding, unequal access to teaching, and tutoring disparities. The briefing proposes a ten-point plan for the next government, including reforming funding formulas, extending pupil premium, and renewing tutoring programs. It emphasizes tackling child poverty as a crucial aspect of closing the gap, stressing the need for a comprehensive, long-term strategy.

Health and wellbeing

[WBS reviews nudging to improve healthcare outcomes](#)

The NHS faces immense challenges exacerbated by the COVID-19 pandemic, austerity, and workforce shortages. Addressing these issues requires significant policy changes and investment. In the interim, [behavioural science offers valuable tools to promote better outcomes](#). 'Nudges' can encourage public

health protection, healthy behaviours, and sustainable practices in healthcare. For instance, personalized vaccine information boosts uptake, while framing messages effectively enhances healthy lifestyle choices. Additionally, well-worded text reminders reduce missed appointments and improve practitioners' adherence to guidelines, demonstrating the potential of behavioural science in healthcare improvement. If nudging works in healthcare, in which other areas of local public services might it be useful?

[Kings Fund delves into NHS staff shortage figures](#)

Kings Fund [article](#) on staff shortages in the NHS, with only 26% of the workforce saying there are enough staff members at their organisation. In the West Midlands region, there is an 8.4% vacancy rate within the NHS, on par with the national NHS vacancy rate. The region is experiencing a 9.3% social care vacancy rate, compared to 9.9% nationally. Staff shortages can exacerbate health inequalities within the West Midlands, as specific communities or demographics may face greater barriers to accessing healthcare services. Addressing staff shortages is crucial for promoting health equity and ensuring that all residents have equal access to healthcare.

Equality

[Education Policy Institute examines impact of involvement in extra-curricular activities during school years on later outcomes](#)

The [report](#) analyses the participation and outcomes of students in extra-curricular activities during secondary school. It reveals that vulnerable students, including those eligible for free school meals and with lower prior attainment, are less likely to participate. Students from independent schools show higher participation rates. Attending clubs is associated with positive outcomes like higher education progression and employment. The report suggests setting benchmarks for inclusive extra-curricular provision and exploring the benefits of extending the school day, particularly for disadvantaged students. Further research is recommended to assess the causal impact of participation on outcomes.

[Disparity in young people from free school meal \(FSM\) backgrounds going to university depending on their postcode](#)

This [report](#) highlights the disparity of young people from free school meal (FSM) backgrounds going to university depending on their postcode. It finds in most areas in England if you are a state school pupil in receipt of FSM you have less than a 1 in 4 chance of going onto higher education by age 19 and this increases to less than 1 in 5 in 29% of areas. Outside of London, the West Midlands region has the highest rate of FSM learners attending university, with 29.9% of FSM learners going to university in 2021/22 compared to 18.6% in 2011/12. In 2021/22, there were 18% more non-FSM learners participating in higher education compared to FSM learners, the smallest HE participation gap behind London. Coventry and Solihull both placed in the top 10 local authorities where the HE participation gap decreased the most, at -35.5% and -19.4% retrospectively. Improving opportunities of young people from FSM backgrounds to attend university can support the West Midlands' levelling up agenda, increasing skills and earnings of those from a disadvantaged background.

2.5 Latest Blog Roundup

Warwick Business School (WBS) asks how we can reduce bias in AI

Amazon's attempt to use AI for CV screening backfired when the system, trained on a decade of hiring data, showed bias against women, penalizing terms like "women's" and graduates of all-women's colleges. Reuters disclosed these flaws, leading Amazon to scrap the AI in 2018. The incident underscores the importance of addressing algorithmic bias in AI applications. [WBS research](#) suggests human oversight, within a structured framework emphasizing profitability, can mitigate bias effectively. In a study on loan approvals, human operators learned to overcome AI bias, highlighting the adaptability of humans in correcting AI errors, particularly in complex decision-making processes.

City-REDI

Marginal Abatement Cost Curves (MACC): Their Use as Tools for Evaluating Low-Carbon/Net-Zero Interventions and Policies

Annum Rafique [examines](#) the application of marginal abatement cost curves (MACC) to assess low-carbon/net-zero policies and interventions.

The Role of Universities in Birmingham's Economy and Communities

Sara Hassan and Hannes Read [discuss](#) how universities in Birmingham can act as anchors and civic institutions for the benefit of the city-region.

Energy and Housing in Birmingham

Annum Rafique [looks](#) at how much energy we are using in the city region, where it comes from and what kind of houses we live in.

The Demand and Challenges of the Sprint Public Transport System in Birmingham

Sara Hassan and Magda Cepeda-Zorrilla [discuss](#) whether a Bus Rapid Transit system could help reduce passenger travel times.

Challenges and Opportunities in Rapidly Changing Business Support Landscapes

Juliane Schwarz and Fumi Kitagawa [discuss](#) the ever-changing landscape of business support, and what role Universities can play.

Inequality

Professor Donald Houston [discusses](#) the effects of inequality on social cohesion, wellbeing, and the economy, and how it can be reduced in the long run.

What Is Behind the UK's Labour Shortage?

Professor Donald Houston and Stephen Hunsaker [explore](#) the UK labour shortage, suggesting that a combination of baby boomers retiring, high Covid infection rates during the pandemic, capacity constraints in the NHS, and Brexit are all at play.

Employment Inequalities of Working at Home

Dr Darja Reuschke [explores](#) the geographical trends of homeworking, noting how it is geographically, occupationally and demographically uneven, and reinforces rather than reduces existing patterns of employment inequalities.

The West Midlands Insights on Society and Economy (WISE) Newsletter is part of a series of Summer Lane Insights produced by the West Midlands Combined Authority with content commissioned from the Economic Intelligence Unit (EIU); the City-Region Economic Development Institute (City-REDI) at the University of Birmingham; and other partners in the regional research ecosystem. Find out more at wmca.org.uk/research