

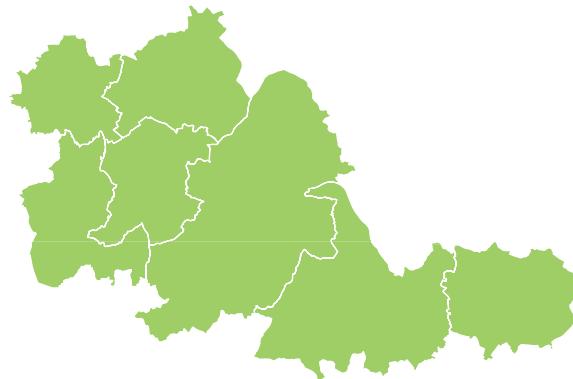


West Midlands Metro Mayor

Three Policy Priorities for 2021

In May, people living in the West Midlands city region will return to the polls to elect their second metro mayor. Introduced for the first time in 2017, this relatively new institution has significant executive powers and funding to make strategic decisions over the city region, allowing for policy to be better tailored to the local economy. When polled, 70 per cent of local voters in 2021 were aware that there was a West Midlands metro mayor, and 30 per cent could correctly name the incumbent, Andy Street.

Figure 1: The West Midlands Combined Authority



The West Midlands Combined Authority covers the local authorities in Figure 1. Data on the West Midlands economy and how it compares to other mayoral areas can be found in the [factsheet](#), and for the Birmingham and Coventry primary urban areas in [City Monitor](#), the [High Street Tracker](#), and the [UK Unemployment Tracker](#). The mayor will be elected for a three-year term (it will revert to four years after the next election in 2024).

The city region entered the Covid-19 pandemic with levels of unemployment well above the national average, and the number of people claiming unemployment-related benefits has increased by a further 77,000 since March 2020. While Centre for Cities expects the bounce back from Covid-19 to be swift, the city region's challenges pre-pandemic will continue to be an issue post-pandemic.

The headline challenge for the West Midlands is to improve the performance of its economy. Unlike similar large urban areas in Western Europe and the US, the West Midlands lags behind the national average in terms of productivity, a key determinant of prosperity and jobs. Conservative estimates by Centre for Cities estimate that the city region is £10.5 billion per year smaller than it should be.¹

The overriding economic goal for the next mayor should be to put policies in place that **aim to reduce this gap by one third over the next decade**. This briefing sets out the three priorities that the mayor should implement to help achieve this goal. They are: **continued focus on improving Birmingham and Coventry city centres; getting people back into work; and, improving the bus network.**

Policy priority 1: Continue the turnaround of Birmingham and Coventry city centres, to support their roles as centres of knowledge-based jobs to improve job opportunities for all West Midlands residents

- **Use the convening power of the mayor to help Birmingham city centre get back on its feet.** The mayor should launch a ‘Birmingham is open’-style campaign and work with city centre employers to encourage workers back to the city centre when appropriate.
- **Continue to focus on city centres in economic development plans.** This should include shifting city centre commercial space away from excess retail and industrial uses and towards offices and hospitality and leisure, and encouraging high-value office work to continue to concentrate in city centres.
- **Make sure housebuilding keeps pace with demand, and is built where it is needed.** The only way for the West Midlands to avoid repeating London’s mistakes on housing is to tackle green belt reform and push for building more homes in the suburbs and green belt.

Birmingham city centre has gone through a process of transformation in recent decades, becoming home to many thousands of high-skilled, high-paid jobs. Meanwhile, more recent focus on Coventry city centre has sought to start the same process there. City centres are likely to continue to play an increasing role in the national economy, and the West Midland’s continued turnaround will depend on the further growth of Birmingham’s as well as Coventry’s city centres.

The Covid-19 pandemic has had a particularly damaging economic impact on city centres, especially the largest ones such as Birmingham’s. Centre for Cities research for Core Cities UK has shown that the dynamism of many of the jobs in Birmingham city centre facilitated homeworking, but this same strength meant that the city centre’s local services jobs, which depend on commuter spending, were hard hit by restrictions. This has had implications for the people they employ.²

The mayor should launch a campaign with the Government’s Urban Centre Recovery task force to encourage a return to city centre working once it is safe to do so. In the style of the ‘London is open’ campaign, which was introduced

1 Swinney P and Enenkel K (2020), Why big cities are crucial for levelling up, Centre for Cities

2 Breach, A (2021), Core Cities: the impact of the first wave of Covid-19, London: Centre for Cities

by the capital's mayor after the Brexit referendum, the mayor should bring together Birmingham city centre's largest employers to set out a plan for encouraging and supporting workers to return to their offices when appropriate. And they should put out an advertising campaign to encourage people back onto public transport when safe to do so, equal in weight to the one launched last spring to discourage its use. Crucially, these two steps should be co-ordinated with one another – returning to the office will be undermined if public transport is not running at the required capacity to carry these workers.

The mayor's longer-term efforts to raise productivity should centre on making its city centres more attractive places to do business. Birmingham city centre is still very small despite its recent resurgence, meaning its ability to create jobs for people across the West Midlands is limited. Meanwhile Coventry continues to have higher than average shares of commercial space given over to retail.³ Central to the mayor's economic growth plans should be the increase of office space in Birmingham and Coventry city centres to accommodate future growth, combined with improvements to public realm and amenities where required.

The mayor should support this with a housebuilding programme. In order not to repeat the mistakes that London has made, the city region's growth should be matched with a proportionate increase in new homes in the suburbs and reform of the green belt.

Part of the solution is for the mayor to advocate for a strategic review of green belt around railway stations. Doing so would open up the potential to build 200,000-260,000 climate-friendly suburban homes in walkable 'button development' around railway stations, much of which is less-than-green and not used for public amenity.⁴ As these stations already have great infrastructure links into Birmingham city centre, releasing them for new homes will minimise carbon emissions and support the further prosperity of the wider city region.

Policy priority 2: Get people back into work

- **Support people that are economically inactive to be work-ready.** The specific barriers behind individuals' lack of participation in the labour market should be identified and resolved.
- **Conduct an audit of adult education spend in the West Midlands.** The mayor should identify where money is being spent on adult learning to reduce duplication and target the most effective assistance to benefit individuals and the wider economy.
- **Embed evaluation in the numerous employment and training programmes currently piloted in the city region.** This will provide better evidence on what works to inform future interventions both at the local and national level.

³ Breach A and McDonald R (2018), Building Blocks: The role of commercial space in Local Industrial Strategies, London: Centre for Cities
⁴ Cheshire and P Buyuklieva, B (2019) Homes on the right tracks, London: Centre for Cities

Creating jobs has been a priority during the current mayoral term and should continue to be top of the agenda after the election and pandemic. The West Midlands city region had one of the lowest employment rates across the country even before Covid-19, and Birmingham is the weakest performer within the city region (68 per cent against a national average of 76 per cent). Before the pandemic, over half a million people were unemployed in the city region, and it had the highest claimant count rate of any mayoral combined authority at 5.2 per cent. This has been compounded by the impact of Covid-19 on the economy since, with the claimant count rate now standing at 9.3 per cent (it continues to be the highest rate of any mayoral combined authority).⁵

The mayor will need to focus in particular on supporting people to be work-ready. Behind the city region's low employment rate there is a high level of economic inactivity. But research by Centre for Cities and the OECD found that approximately 155,000 people that were 'economically inactive' in the West Midlands before the pandemic could be work-ready if given adequate support.⁶ Identifying and addressing the complex challenges that prevent people from getting a job will boost participation in the city region's economy, with positive implications for wages, living standards and productivity.

The mayor should also undertake an audit of all skills spending in the West Midlands. Large sums of money are spent by a multitude of bodies in the city region to address its major skills challenges. But it's not clear how much money this amounts to and how these bodies are spending it. Mapping this out would be the first step for the mayor to get this money to work much harder to address the skills issues the West Midlands faces.

Alongside this, the mayor should continue to take steps to streamline provision. The Government has recently announced its own attempt to streamline provision across the country, working with chambers of commerce. The risk here is that it inadvertently undoes the ongoing work that the mayoral office has led on in recent years. To avoid this, the mayor should aim to work with the local chambers on continued attempts to both improve provision of courses and drive up demand for them, rather than duplicating efforts.

Embedding evaluation in the numerous employment and training programmes currently piloted will determine how best to spend existing funding. To ensure an efficient use of resources, each initiative should come with an evaluation system that includes a control group and sets specific goals. This will help identify what has been successful and what has not. Overall, this approach should accelerate impact and inform future policy approaches both in the city region and at the national level, while making best use of scarce public resources.

5 Centre for Cities (2021), Cities Outlook 2021, London: Centre for Cities

6 Barr J, Magrini E & Mechagni M (2019) 'Trends in economic inactivity across the OECD: the importance of the local dimension and a spotlight on the United Kingdom', Paris: OECD

Policy priority 3: Improve the bus network, and boost ridership

- **Use franchising powers to take control over bus services.** Franchising would unlock new money from the National Bus Strategy and ensure the bus service works for the people and economy of the West Midlands as a whole.
- **Introduce a congestion charge in Birmingham city centre.** This would cut down on traffic and improve air quality.
- **Invest in buses using congestion charge revenues.** In addition to the new national funding, the West Midlands should use local money to create a world-class bus service, expanding it and improving its reliability.

One of the key barriers holding back productivity in the West Midlands is poor mobility. Congestion is a key challenge for any large city region. While steps have been taken to improve transport mobility, research shows that, at peak times, Birmingham city centre is still one of the least accessible in the country both by private and public transport.⁷

The mayor should franchise the city region's bus services to improve mobility around it. Since 2009/10 there has been a 17 per cent reduction in the number of bus passengers in the city region, one of the sharpest decreases among large urban areas across the country.⁸ The Bus Services Act 2017 and the recent National Bus Strategy provide the mayor with the powers to address this problem, namely using franchising powers to take control over bus services in the city region to establish a city-wide service that connects people with opportunities.

This should be coupled with the introduction of a congestion charge, which is a quick and proven way to reduce congestion. Birmingham is set to introduce a Clean Air Zone, charging the most polluting vehicles entering its city centre. While this is an important step in tackling air pollution, the mayor should work with Birmingham City Council to introduce a congestion charge for all vehicles – the most effective way to reduce traffic in the city centre. In London, the congestion charge reduced traffic by 21 per cent,⁹ and in Milan it reduced it by 28 per cent.¹⁰

The money raised through a congestion charge should be used to improve the public transport offer in the city region. This local money under the mayor's control could be combined with the national funds unlocked from the new National Bus Strategy and the new tram investment in the city region to build a bigger and better public transport offer. Improving the public transport offer in particular, and building local trust, such as through a single ticketing system with fare capping, is a crucial step towards reducing congestion, allowing more people to access jobs, and reducing carbon emissions and air pollution.

⁷ Jeffrey S. & Enenkel K. (2020) 'Get moving', London: Centre for Cities

⁸ Jeffrey S. (2019) 'Delivering change: improving urban bus services', London: Centre for Cities

⁹ Clayton N., Breach A. & Jeffrey S. (2017) 'Funding and finance for inclusive growth', London: Centre for Cities

¹⁰ Bailly A. (2018) 'How can UK cities clean up the air we breathe?', London: Centre for Cities

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About Centre for Cities

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