

Realising Regional Growth: What next for the West Midlands?

30 June 2022

Birmingham

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Andrew Carter

Chief Executive, Centre for Cities

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Lord Sainsbury of Turville

**Former Parliamentary Under-Secretary
of State for Science and Innovation**

1998 – 2006

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The West Midlands's renaissance

Anthony Breach

Senior Analyst, Centre for Cities

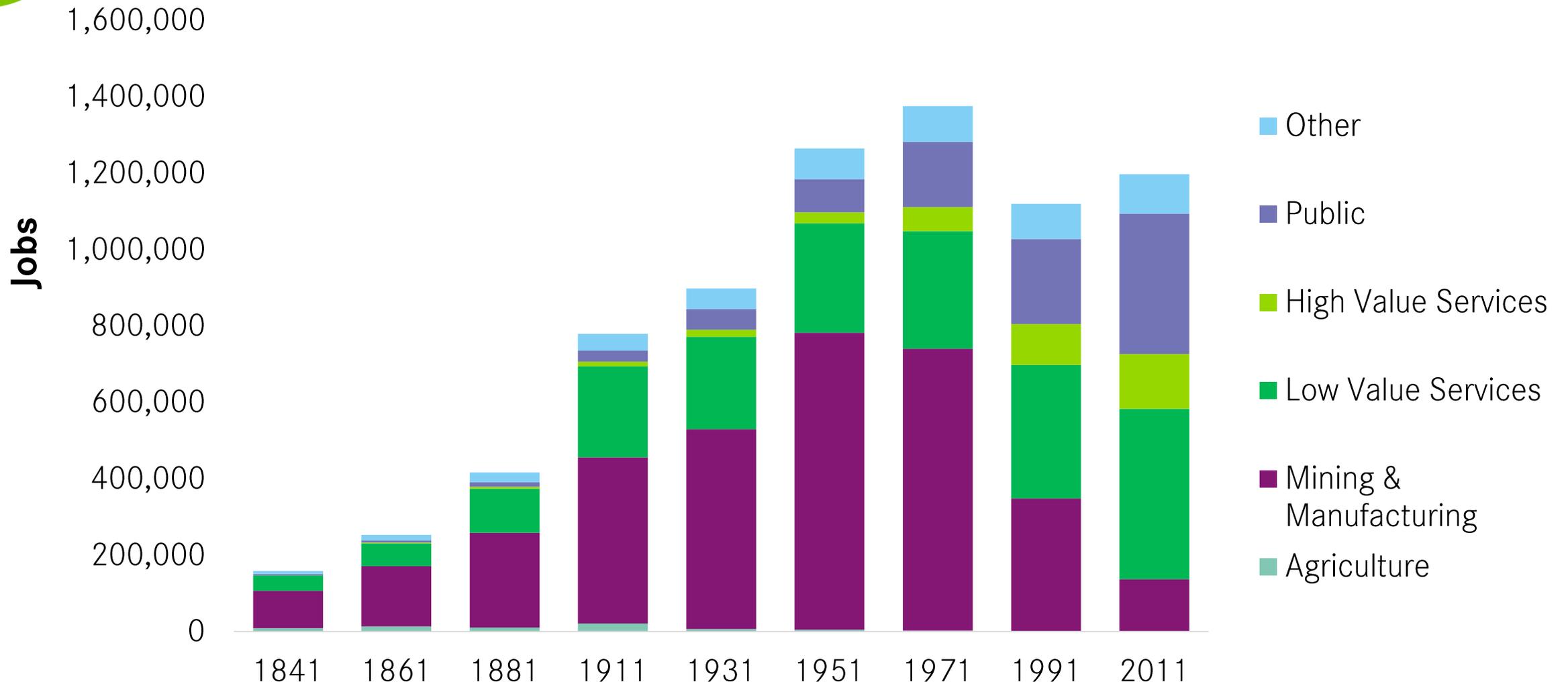
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The West Midlands' economy went through considerable change over the 20th century



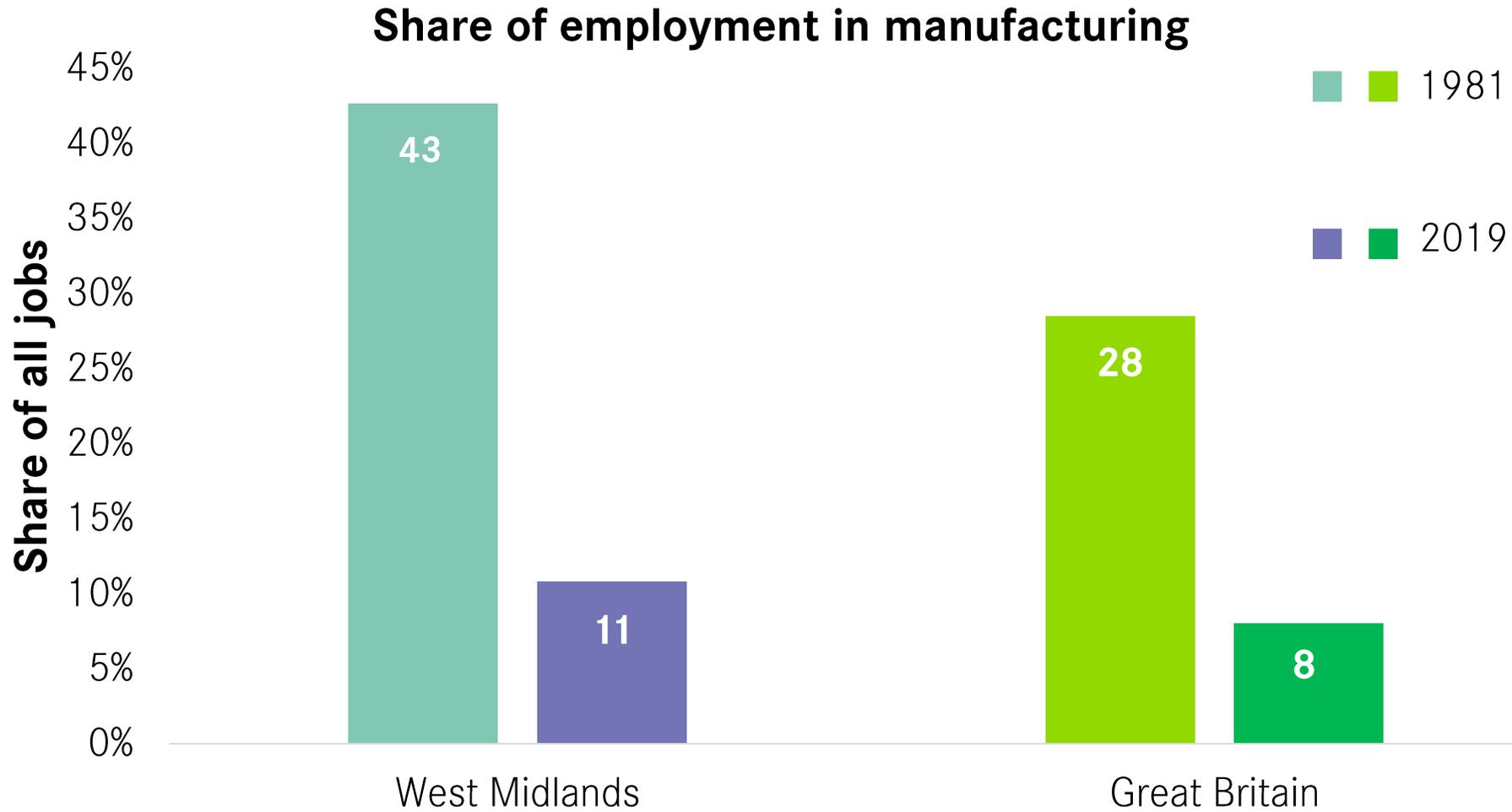
Source: University of Portsmouth, ONS



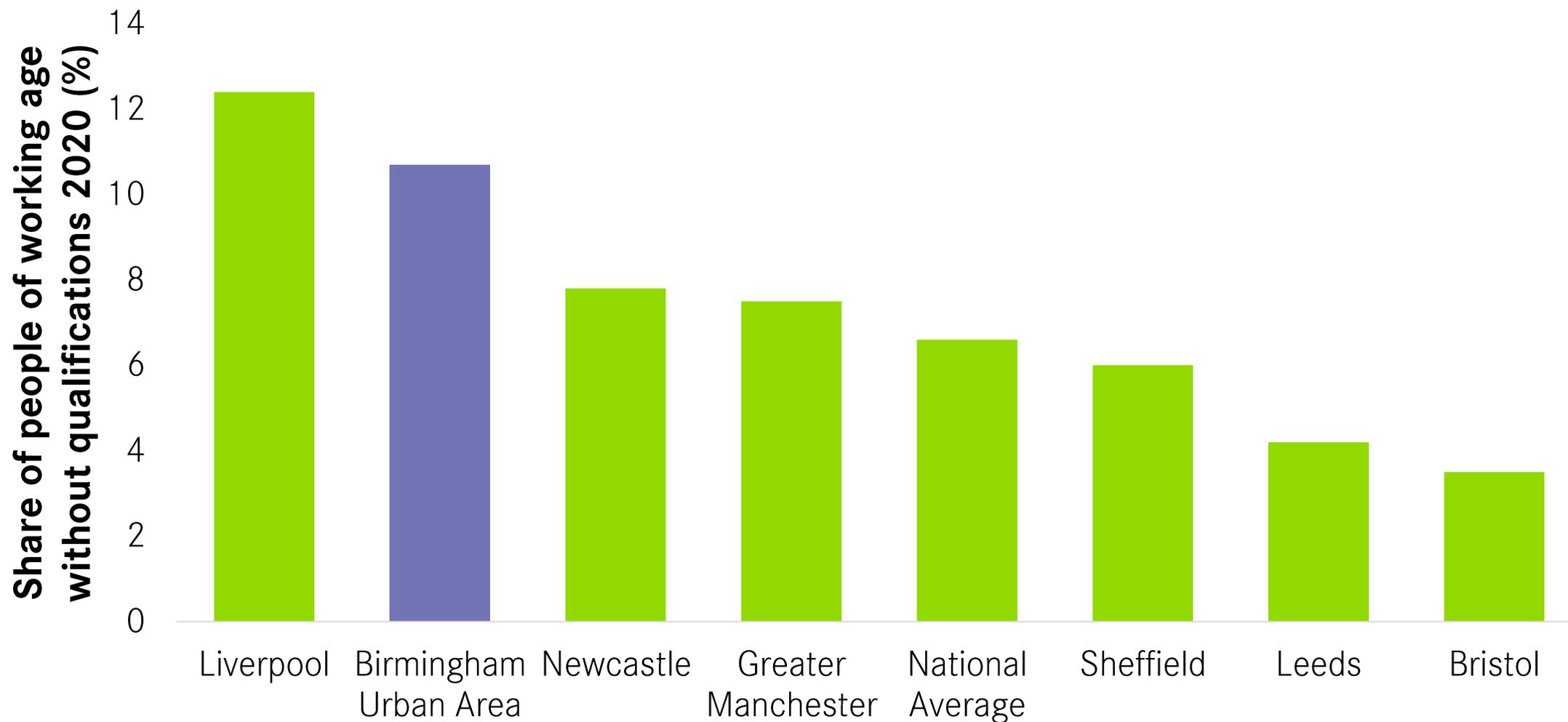
Policy deliberately throttled post-war Birmingham's growth

- “I should like to give figures to show the *threatening situation* which must be faced. In the [Birmingham] conurbation the population has increased at a higher rate than the national average for several decades (up until 1965). Employment has grown even faster [and]... has kept unemployment as low as 0·6 per cent...”
- “The growth of employment generally and the prospect of further substantial increases in office employment [in Birmingham] threatens serious consequences.”
- George Darling MP, Minister of the Board of Trade, 3 November 1965

The entire city-region has seen manufacturing jobs decline over the past 40 years

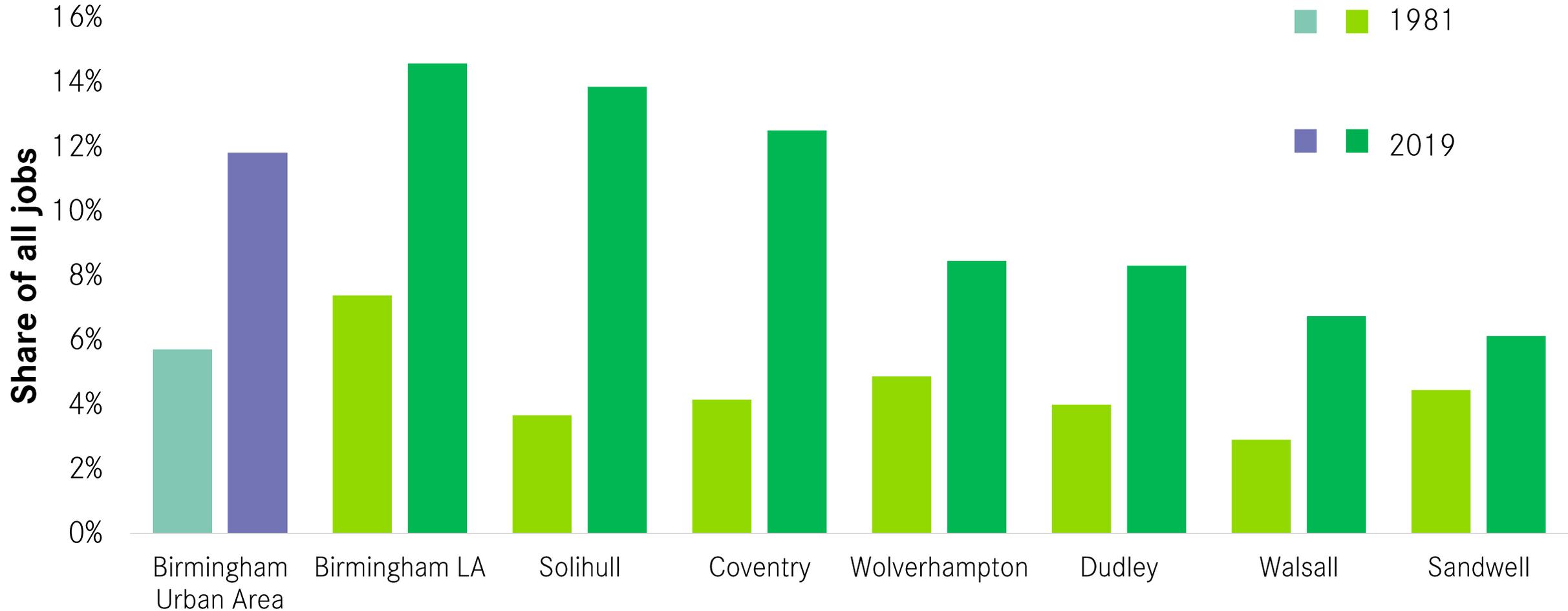


Birmingham's urban area has a high share of people without qualifications



Knowledge Intensive Business Services have grown, especially in Birmingham

Share of employment in KIBs



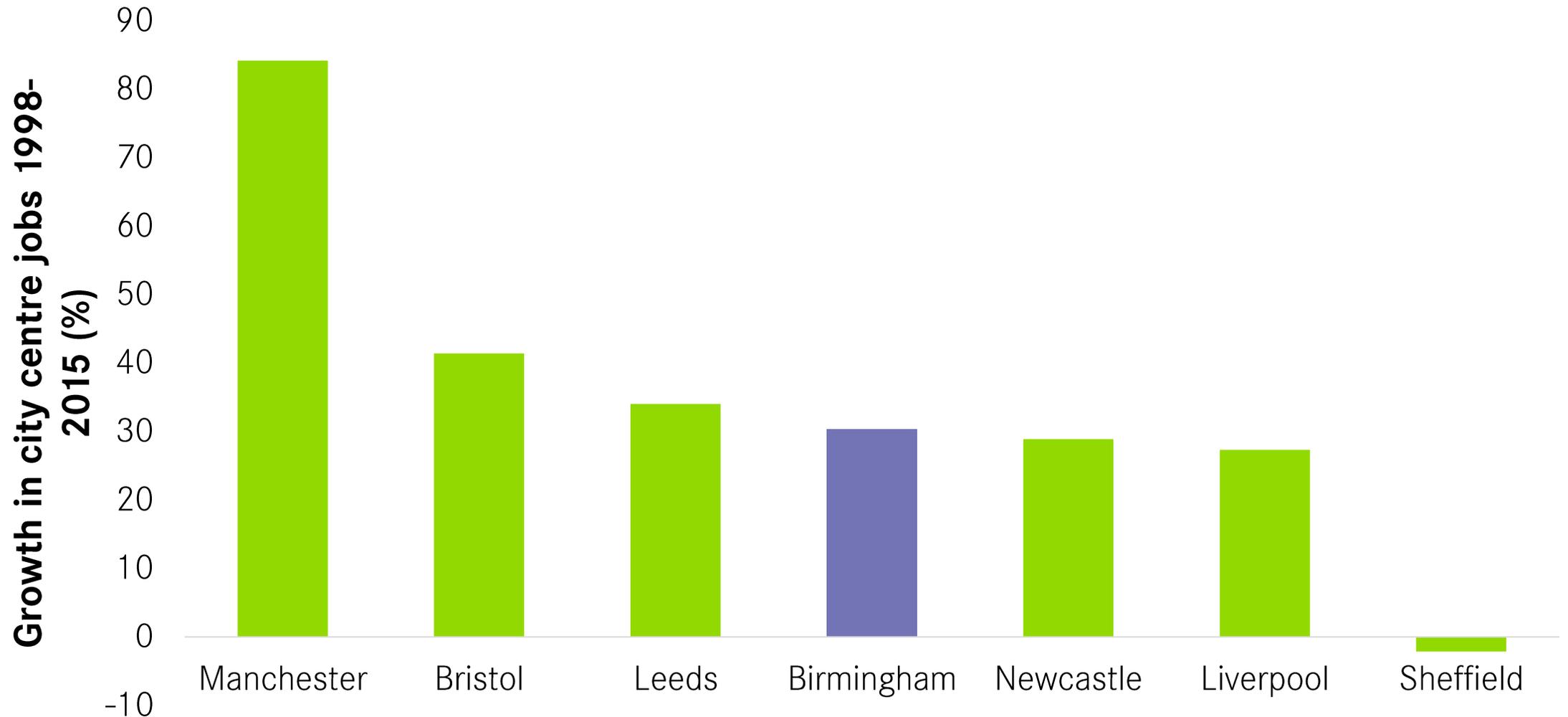


Yet although wages are below the national average in the West Midlands – they're above average in Birmingham

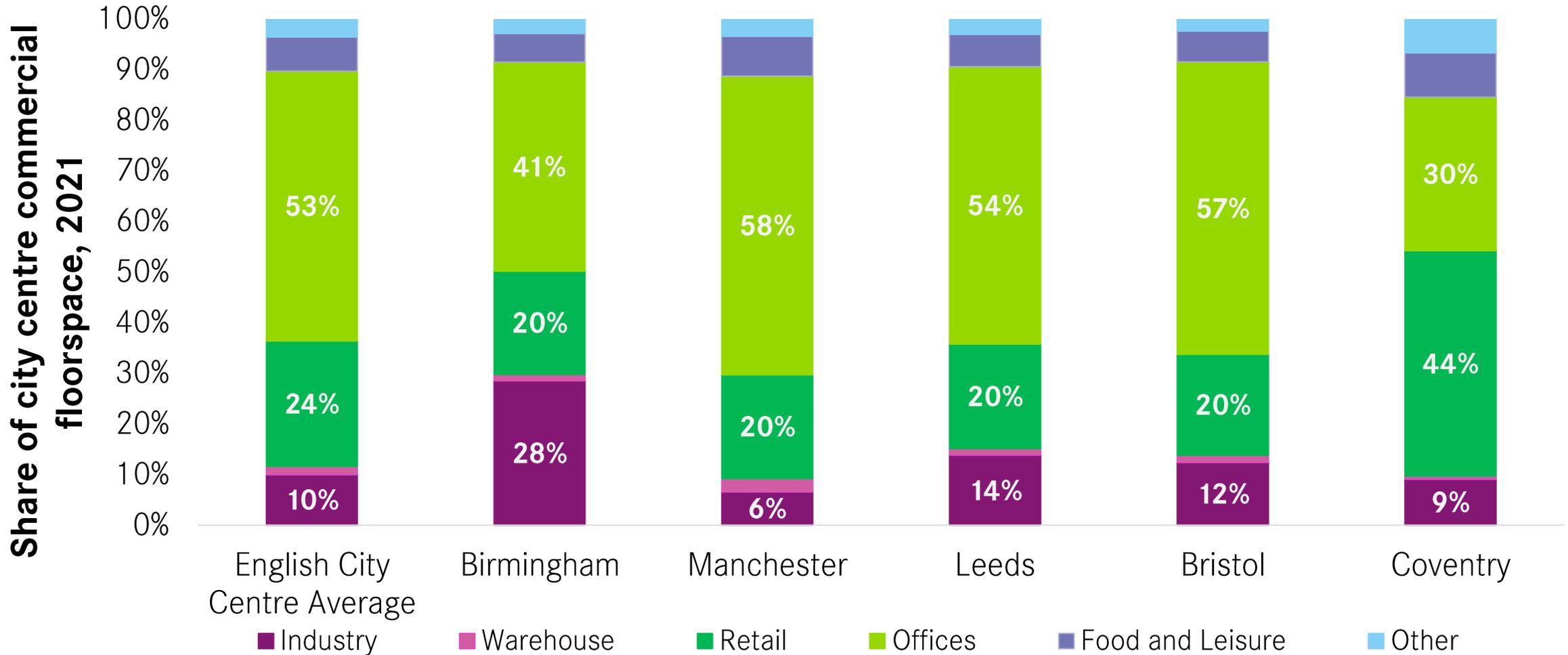




The city centre economy has improved, but lags behind Manchester

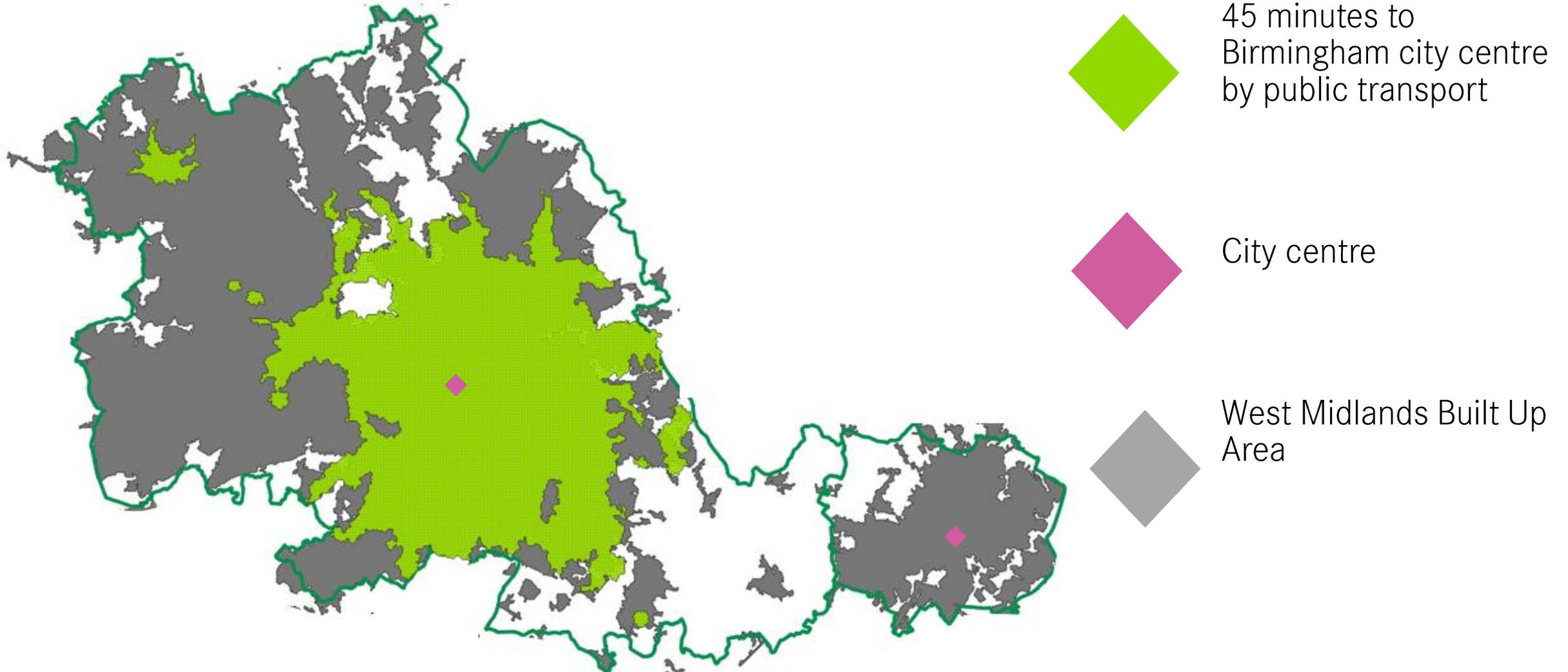


Birmingham has more industrial space and Coventry more retail space in their city centres than the average city



Source: VOA. Pubs and hotels are excluded from this administrative data set

The West Midlands does need better public transport





What needs to be done now...

- Improve the benefits for businesses locating and growing in the West Midlands:
 - Address skills deficits
 - City centre renewal
 - Boost city region transport (with changes to infrastructure and built environment)
- Deepen devolution – more local economic powers (transport, taxation, planning) sitting at the West Midlands level
- Knit together the wider urban labour market to benefit from the success of Birmingham's city centre

Andy Street

Mayor of the West Midlands

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Pete Gladwell

**Group Social Impact and Investment
Director, Legal & General**

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Realising Regional Growth

Centre for Cities, 2022



Pete Gladwell

Group Social Impact & Investment Director

Central Square, Cardiff

What does “levelling up” actually mean...?

We see it simply as: **delivering demonstrable absolute and relative increases in the economic, social, educational, transport, and health of the levelled up community.**

Levelling up is about **people and place**, not **politics and regulation**



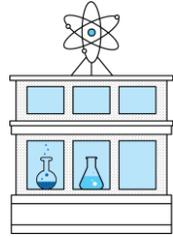
Real life steps to “Regional Growth” and “Levelling Up”

Creating real assets that deliver a positive social and environmental impact



Transforming the built environment

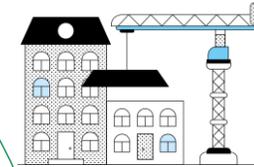
Transforming the built environment c.£1bn invested in 16 UK towns and cities, with extensive pipeline and further c.£6bn committed through university partnerships in Oxford, Manchester and Newcastle.



Specialist commercial real estate

Helping our ageing population live better and longer

Through Inspired Villages, we are saving the NHS £3.2m and freeing up thousands of hospital beds p.a.



Tackling poor housing in areas that need it most

Affordable pipeline stands at over 6,000 homes.

Backing digital infrastructure

KAO Data is one of the largest data centres in the UK and is committed to running on 100% renewable energy.

Developing world-class sci-tech innovation districts

Bruntwood SciTech has a over 2.5m sq. ft portfolio across 10 location, nurturing a specialist community of more than 500 companies.



SME Finance

We established the **Rebuilding Britain Index** to track and address regeneration needs of local communities

Housing

Redefining rental housing

c.5,600 homes in operation or development across the UK.

Addressing health inequality

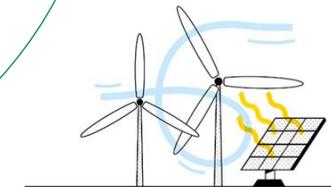
Working with Sir Michael Marmot and the Institute of Health Equity network to examine how design and construction can address health inequalities.

Our investments in the last six months are set to create **c.19,500 jobs**

Clean energy

Creating energy efficient homes of the future

Commitment to deliver net zero carbon new homes from 2030.



Supporting UK innovation and investing in the real economy

Our Venture Capital platforms back over 300 start-up businesses.

Addressing climate change

Investing in innovation, clean tech and renewable infrastructure, employing more than 400 skilled workers in the UK green economy.

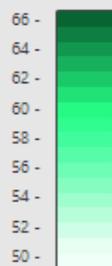
Shared priorities with government...

- Overall Index Score
- Health
- Education
- Housing
- Jobs & Economic Prosperity
- Environment & Energy
- Transport
- Digital

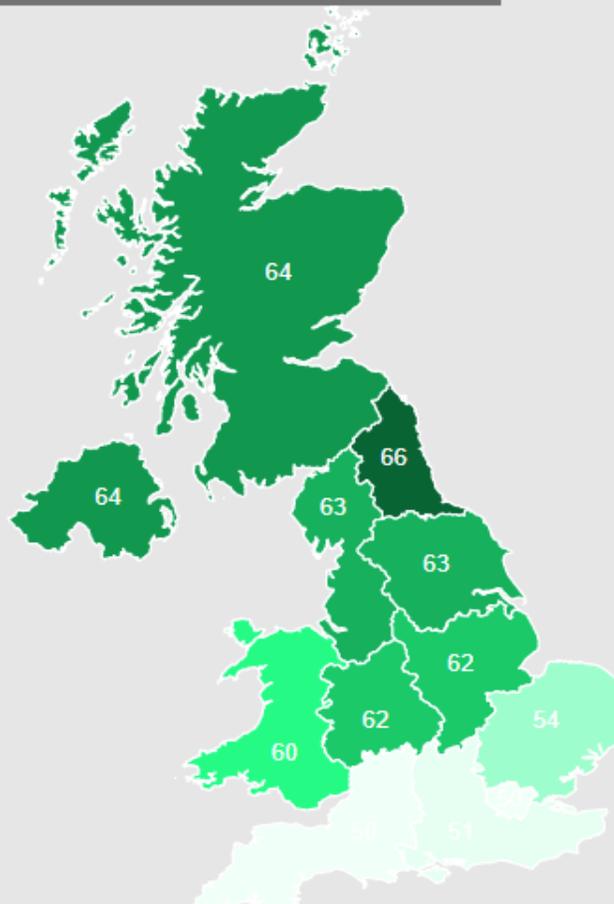
Regions Local authorities

- Overall Housing index Score
- Extent to which housing market meets local community needs
- Availability of affordable social housing
- Availability of affordable starter homes
- Availability of affordable rental properties
- Average house prices as a % of income

Positive index score



Negative index score



Levelling Up Missions	
Focus Area	Mission
<i>Spread opportunities and improve public services, especially in those places where they are weakest</i>	
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
Well-being	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
<i>Restore a sense of community, local pride and belonging, especially in those places where they have been lost</i>	
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas. ¹
Crime	By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.
<i>Empower local leaders and communities, especially in those places lacking local agency</i>	
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Newcastle Helix: Partnership with Council and University

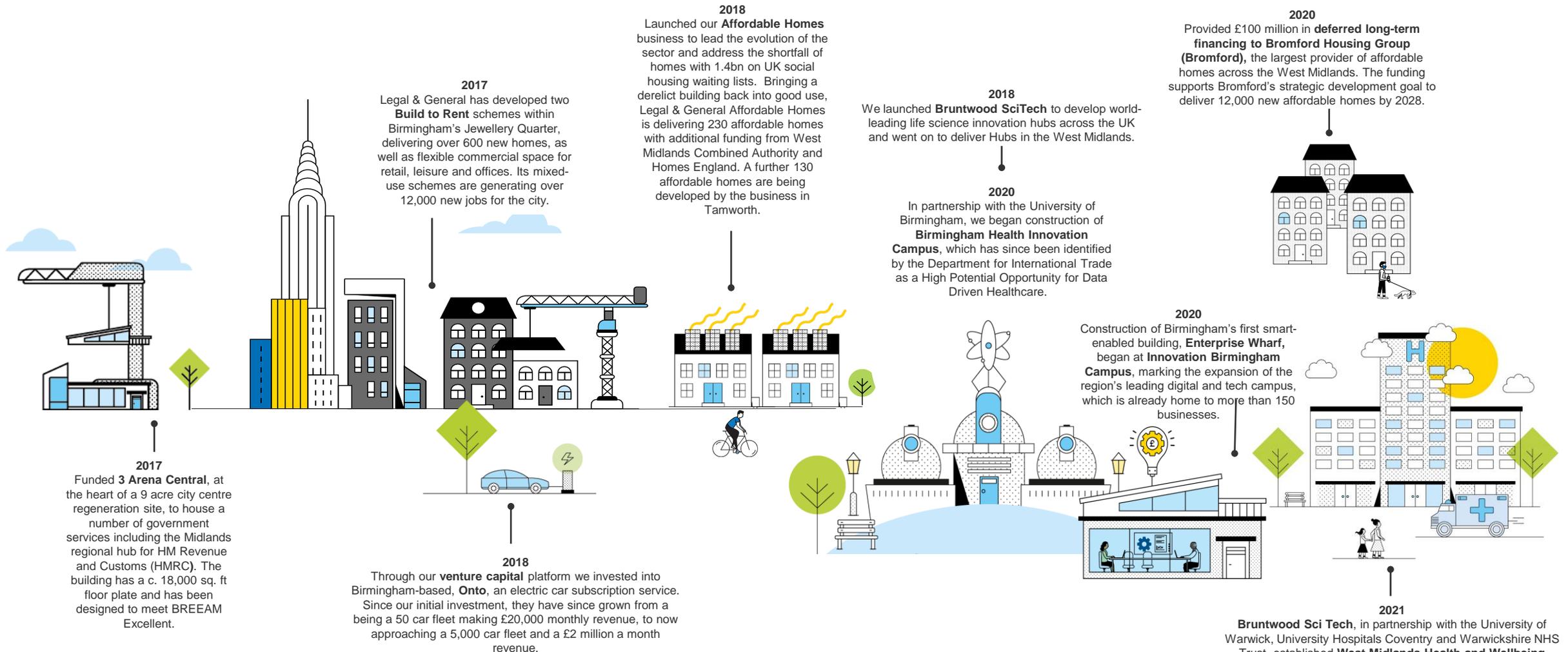
Delivering what you said you'd deliver,
when you said you'd deliver it.



Highly Sustainable: BREEAM Excellent & heat network: 40,000 tons of CO2 saved

Case Study: West Midlands

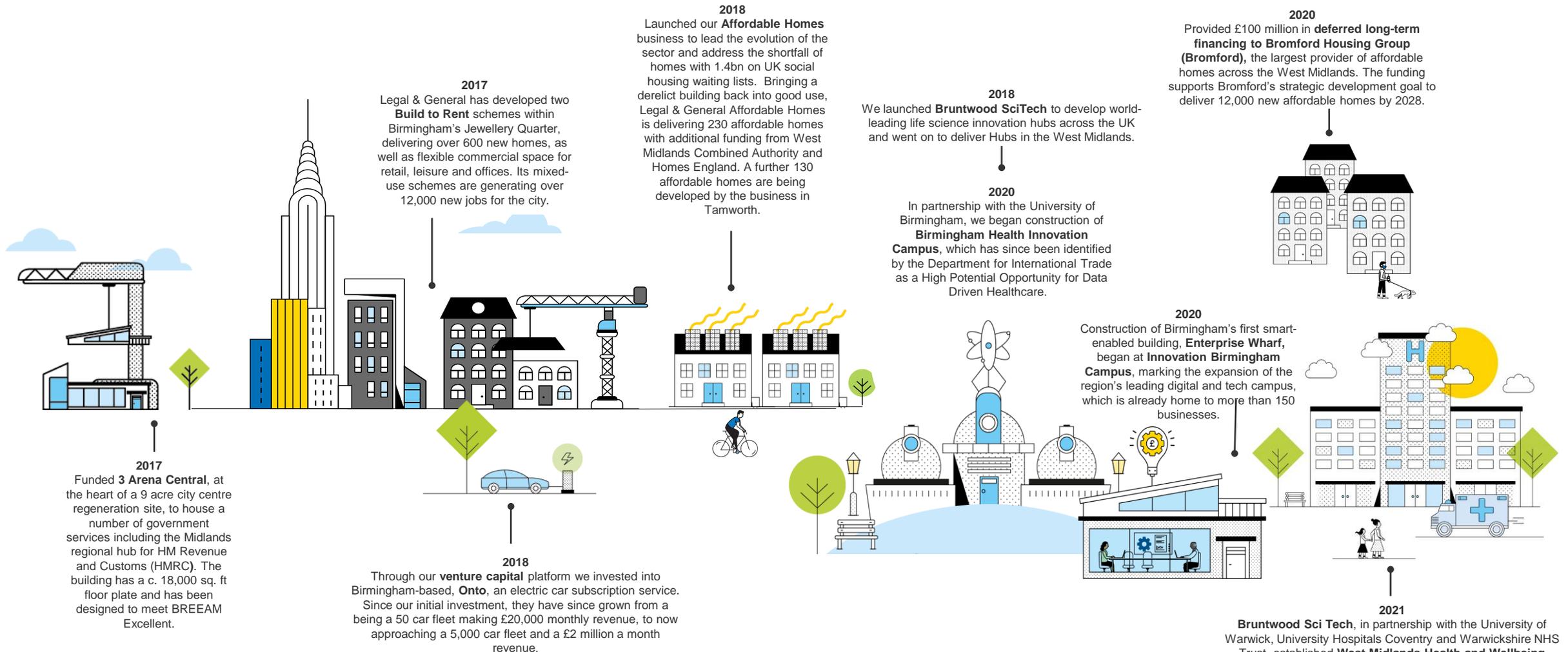
Collaboration both with local leaders and intra-group to drive a real impact on society, whilst creating assets to enable us to meet our pension commitments



c.248,000 people's pensions and savings...

Case Study: West Midlands

Collaboration both with local leaders **and** intra-group to drive a real impact on society, whilst creating assets to enable us to meet our pension commitments



...before commitment to grow to £4 billion

Where next...?



Levelling up is about **people and place**, not **politics and regulation**

- **Places empowered** to:
 - Express the local need for investment to improve people's lives
 - Engage with investors to secure the right type of investment and expertise – create **virtuous circle**
 - Drive **intra-city** levelling up
 - Create honest and holistic partnerships, where our investment(s) can be **combined** with government grant, Local Govt Pension Schemes, and local funding to maximise their impact
- **Investors' focus** on identifying the need for investment and stepping up
- **Acting collaboratively** – enabling each capital stream to maximise its impact
- Embedding **ESHG** (Environmental, Social, Health, and Governance) into our investment process; identifying where we could have a positive impact, and mitigating the inevitable negative impacts
- **New ground**: smaller towns; town centres; NHS Trusts; supported housing; Step Up / Step Down; Keyworkers.

Panel session

Why is innovation the key to levelling up the West Midlands?

Andrew Carter - Chief Executive, Centre for Cities (Chair)

Henrietta Brealey - Chief Executive, Greater Birmingham Chambers of Commerce

Dr Pam Waddell - Director, West Midlands Innovation Alliance

Professor Simon Green - Pro-Vice-Chancellor (Research), Aston University and Chair of Midlands Innovation

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1998 – 2006

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Thank you for attending



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