

Help shape your future

West Midlands Economic Strategy
Review 2006-07



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Introduction

The West Midlands Economic Strategy sets out what the West Midlands region needs to do to improve our economic performance by both building on our strengths and addressing the market failures that hold our economy back.

To reflect the changes that occur in our region over time, it is important to review our Regional Economic Strategy in full every three years to ensure that it remains relevant and continues to provide the right solutions.

Firstly, economic changes need to be considered. These include: impact of rapid technological change; the growing influence of emerging economies in countries such as India and China; the changing age, profile, ethnicity and location of the region's workforce; and the impact of economic activity on natural resources and climate change. There are also new European Union programmes and the Government's forthcoming Comprehensive Spending Review 2007.

Secondly, there have been changes to how the region delivers economic improvements through, for example, Local Area Agreements, Local Strategic Partnerships, the emerging City Regions agenda and the cross-regional initiative '*Smart Growth - the Midlands Way*'.

The review will also need to influence and support the revision of the Regional Spatial Strategy.

The process of updating the West Midlands Economic Strategy will need to look at how we respond to these changes.

Should we focus on a smaller number of priority areas – more like five rather than the 13 we have now – and be more specific about the actions we will take to address these?

Are the delivery vehicles for the Regional Economic Strategy – namely regeneration zones, high technology corridors and business clusters – still the best models for improving our economic performance? Are they still relevant in a changing region?

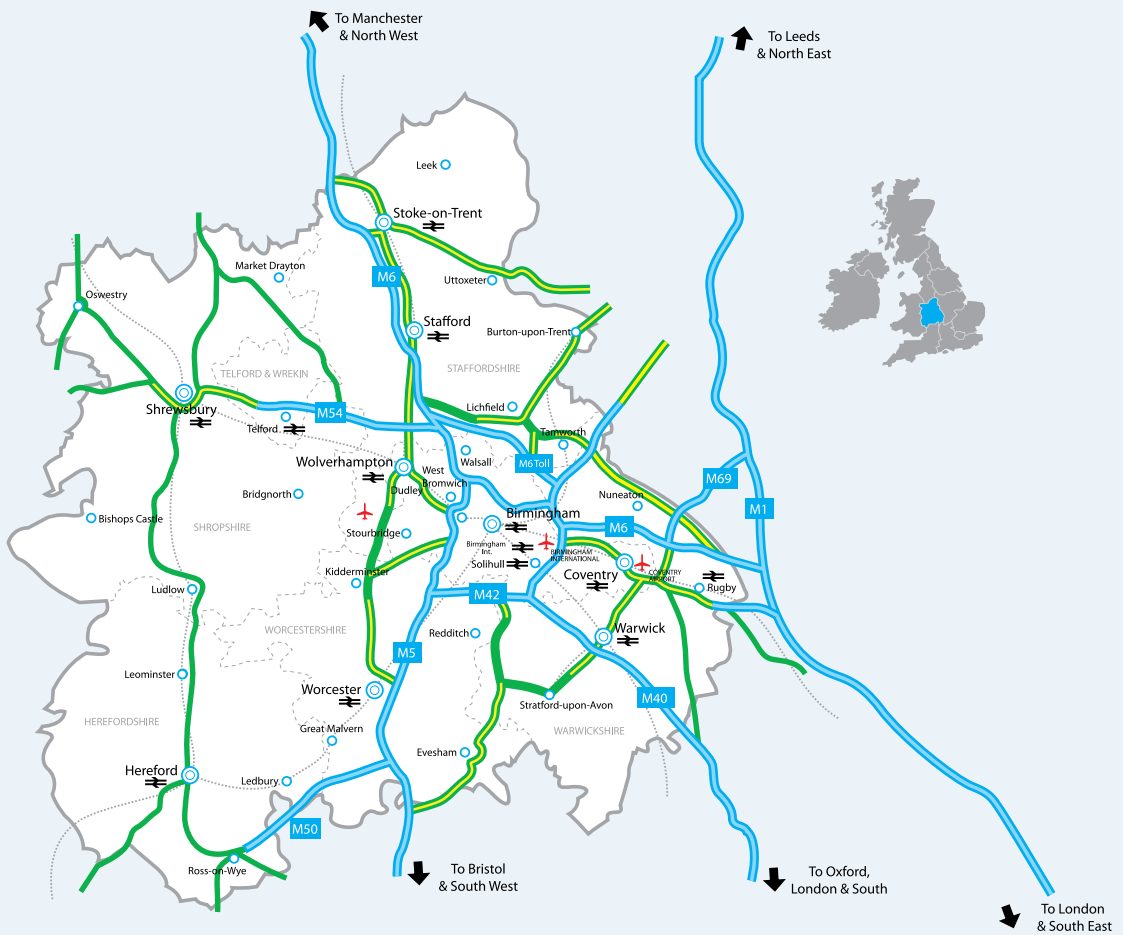
Finally, the updated West Midlands Economic Strategy, published in 2007, will also be the first time we look beyond the original milestone of 2010. The Strategy will once again set out the agreed actions required for the region to be recognised as world class by 2010. However, it will also take a longer-term look forward to 2020 and establish what more our region needs to do to continue to improve its economic performance.



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Roles and responsibilities of partners



The Government asks Advantage West Midlands, together with the West Midlands Regional Assembly, to lead the development of the West Midlands Economic Strategy and subsequent updates. However it is the region's Strategy, not Advantage West Midlands'. What goes into the Strategy and how it is delivered is up to the region.

As stated, the updated West Midlands Economic Strategy will be published in 2007. So as a region we need to begin work now to ensure that it is right for the West Midlands and commands the wide support of all partners in the region on the key economic issues that require action. That action needs to take place at a regional, sub-regional and local level, or we will not improve our economic performance.

To ensure full regional engagement:

- Partners will be asked to assist throughout the key phases of the work - the development of the evidence base, consultation on policy options developed against the evidence base, and on the draft of the Strategy itself. In addition a Regional Reference Group of public, private and voluntary sector organisations will provide advice on emerging issues and messages as the work of the review progresses; and
- A new section of Advantage West Midlands' website, <http://www.advantagewm.co.uk/wmesreview.html>, will be dedicated to the Strategy review. This will allow partners across the region to stay abreast of the progress being made and to contribute to the individual phases of the work.

<http://www.advantagewm.co.uk/wmesreview.html>

Phasing and timing of the work

The overall phasing and timing of the work required to review and update the Strategy through 2006 and into 2007 are as follows:

- *March to July 2006*
Build evidence base
- *May to September 2006*
Develop policy options
- *October 2006 to March 2007*
Consult on policy options
- *May to July 2007*
Consult on draft Strategy
- *April and September 2007*
Publication

Building the Evidence Base

After seven years, we are in a position to begin to judge the progress we have made to date in closing the gap between the economic performance of the West Midlands and other regions across Europe. We have amassed a substantial body of evidence which will need to be analysed, which already gives a picture of regional strengths and weaknesses in key areas such as enterprise, innovation, and skills.

Through the implementation of the current Strategy, we have an idea of where we are making progress and where we are not - for example, productivity remains below the national average but it is improving quicker than for the UK as a whole. Skill levels are rising but not quickly enough. We need to build on this information to gain a better understanding. In the first instance, partners will be asked to assist with the development of the evidence base – both as members of the Project Groups which are being established for each strand of work, and as providers of other key banks of evidence which have been established through their own work.

Phasing and timing of the work

Developing Policy Options

We will consider the market failures which will prevent us from delivering our projected vision for 2020. With the help of 'expert panels' – groups of individuals who can offer expertise and ideas - we will develop options for intervention and appraise these.

Consulting on Policy Options

We will share our appraisals of the options for intervention widely with partners across the region and use this to arrive at a set of preferred options and priorities.

Consulting on the Draft Strategy

Once preferred policy options and priorities have been identified we will begin to draft the final text of the Strategy and its associated Action Plan, taking into account the outcome of Comprehensive Spending Review.

The Consultation documents will have an accompanying assessment of the potential environmental impacts of the proposals. We will issue separately a full statement on how we will meet our obligations under the Strategic Environmental Assessment Directive, as agreed with the statutory environmental agencies.

Publication

The Comprehensive Spending Review (CSR) is likely to report in June 2007. To ensure that the Strategy can properly take into account the CSR, we will publish the updated Strategy in two stages:

- In April 2007 key partners will sign up to a statement of regional strategy for 2020 (including the chosen policy options). This comprehensive statement will not be published for distribution beyond these partners at this stage, but will be acknowledged by partners as drawing the line under the policy work; and
- In September 2007 we will publish in all formats the statement of strategy previously agreed in April, alongside a full Action Plan in the knowledge of key Comprehensive Spending Review outcomes.

The West Midlands Economic Strategy Team
may be contacted in a number of ways:

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Please contact the Marketing Team on 0121 380 3500.