

WEST MIDLANDS ECONOMIC STRATEGY REVIEW - SUMMARY OF THE PROCESS

(1) BACKGROUND

The Review was formally launched in March with letters sent to key partners, a press release, and information posted on the Strategy Review website.

(2) OBJECTIVE AND SCOPE OF THE WMES REVIEW

- (2.1) Our updated WMES will look forward to 2020. However, we will not be forgetting the significance of our original 2010 milestone and an important input will be an assessment of the extent to which the current WMES has been effective in meeting the economic needs of the region.
- (2.2) It is now seven years since work began on the first WMES. This will be a more fundamental review than the 2004 update. Not only has the context in which the West Midlands operates changed, but we are also now in a position to begin to judge the progress we have made to date in closing the gap between economic performance of the West Midlands and other regions across Europe.
- (2.3) The context in which the West Midlands operate has changed in two important ways. There have been key changes to the macroeconomic context, as well as to the organisations and partnerships which work in the West Midlands to deliver the national, regional, sub-regional and local agendas.
- (2.4) The key macroeconomic issues to which the updated WMES will need to respond were highlighted by the Chancellor in his announcement of the Comprehensive Spending Review (CSR) and these are globalization, demographic and socio-economic trends, climate and environmental change, technological change.
- (2.5) The changes to delivery of national, regional, sub regional and local agendas include the business transformation process leading to a regional business support programme, the regionalisation of learning and skills provision, and Local Area Agreements.

(3) PHASING AND TIMING OF THE WORK

- (3.1) The overall phasing and timing of the work required to review the WMES is as follows
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|-------------------------------------|---------------------------|
| • <i>March to July 2006</i> | Build evidence base |
| • <i>July to September 2006</i> | Develop policy options |
| • <i>October 2006 to March 2007</i> | Consult on policy options |
| • <i>May to July 2007</i> | Consult on draft WMES |

- (3.2) The precise timing of the publication of the new WMES, however, is left open because of complications arising from the Comprehensive Spending Review (CSR) which is likely to report in June 2007, although this timing is yet to be confirmed. Our proposed solution is to publish the updated WMES in two stages:
- In March/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. Ministers will also be asked to approve this statement.

- In September/October/ 2007 we will publish in all formats the statement of strategy previously agreed in March/April, alongside a full Action Plan in the knowledge of key CSR outcomes.

(3.3) ***Phase 1, Evidence gathering – now until end July***

A substantive body of evidence is needed to meet the requirement of the RES guidance from Government on the importance of a strong evidence base. (see separate paper)

(3.4) ***Phase 2, Developing policy options – July to September***

During Phase 2 we will consider the market failures which will prevent us from delivering our vision for 2020. With the help of advice from “experts” – individuals who can offer expertise and ideas - we will develop options for intervention and appraise these. Throughout this process there will be close engagement with the sub regional partnerships, as well as the steering groups so that informed and constructive comments can be made on the Policy Options.

(3.5) ***Phase 3, Consulting policy options – October 2006 to March 2007***

During Phase 3 we will share our appraisals of the options for intervention widely with partners across the region and use this consultation to arrive at a set of preferred options. There will be early consultation with sub regional partnerships to ensure that the ability to respond can be built into their programmed schedule of meetings. This will be facilitated by the sharing of the evidence base in the form of the aggregated project report.

(3.6) ***Phase 4, Consulting on the draft RES – May to July 2007***

Once preferred policy options have been identified we will begin to draft the final text of the WMES, complete with associated Action Plan.

(Both Phases 3 and 4 will incorporate consultation on the environmental impacts of the options and proposals as required under the Strategic Environmental Assessment Directive.

(3.7) Phase 5, Publication – Spring and Autumn 2007

- Our plans for publication have already been laid out in 3.2.
- (3.8) There are three other critical pieces of work being undertaken across 2006-07 which need to be taken into account as we plan this review of the WMES.
- (3.9) The first is the Regional Spatial Strategy (RSS). We have been successful in this Region at developing the WMES and RSS iteratively to ensure that they are entirely complementary. Working in close collaboration with the Regional assembly we will ensure that this remains the case.
- (3.10) The second are new EU Programmes – the England Rural Development Programme (ERDP) and Structural Funds Programme, 2007-2013. The WMES is recognised as the critical context for the development of these programmes. The EU timetable for the Structural Funds Programme demands that the region submits in January 2007 its recommendation as to how our new EU funds should be spent, well after the WMES evidence base is in place, but before the work on policy development is complete. Advantage West Midlands is leading the development of the regional recommendation and will ensure that the necessary linkages with the WMES are made at all points. A similar approach will be followed with the regional element of the ERDP.
- (3.11) The third is the CSR. The window for submitting evidence to the CSR is June to December 2006 so our regional submission will be informed directly by the WMES evidence base. Advantage West Midlands is also leading the Forward Planning Executive which will oversee this submission, and again will ensure that the appropriate links between CSR and WMES are made.

(4) PROGRESS TO DATE

- (4.1) Since the launch of the Strategy Review, over 160 partners have responded by recording an interest in the process and requesting to be engaged throughout the review.
- (4.2) The Strategy Review website has been updated with further information under Phase 1: <http://www.advantagewm.co.uk/phase-1.html>.
- (4.3) All persons, partnerships and organisations registering an interest in the Strategy Review have been written to in acknowledgment of their expression of interest, and provided with updates. Engagement with those registered will continue throughout the review.
- (4.4) Progress on Phase 1; Evidence Base, is presented in separate paper WMESRG 1.4.