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# HAPPENING IN THE HEARTLAND

*Insider* took questions for West Midlands mayor Andy Street on his first year in office; interviewed Greater Birmingham & Solihull Local Enterprise Partnership's Tim Pile on industrial strategy; and held a series of discussions on skills, transport and development

## ANDY STREET

**MAYOR, WEST MIDLANDS**

Let me show you how far the West Midlands has come through a small but important example: we're pitching for Channel 4 to move here. Rival locations had council leaders give laptop presentations to the Channel 4 board, then took them on city bus tours. Here we brought 100 of the best creative people from across the West Midlands to the pitch. And it struck me just how far this place has come: these people, far removed from politics, all turned out to bat for the West Midlands. Had you asked me seven years ago, when we started this devolution journey, if we could have pulled such a team together I'd have said 'unlikely'.

A year ago, when I stood for election, I said there were three deliverables, all of which were about improving the West Midlands economically and restoring pride to the region: transport, housing and skills.

Skills has presented the greatest challenge. Skills is the area in which I want more powers and funding, but it has been difficult to get the Department for Education to engage in devolution in a meaningful way, and it's become a war of attrition over extra powers and access to funds such as the apprenticeship levy and Careers Service. I'm not fussed about getting big political powers on skills – I want the key levers. And I'm optimistic I will have some breakthroughs in the next few weeks on practical movement issues.



Where the West Midlands Combined Authority (WMCA) has made most progress is in housing. The seven core authorities and 14 others surrounding believe we need 215,000 homes by 2031. We are well on the way to shifting the pace of growth: last year the number of housing starts rose from 7,000 to 12,500, but we need to get to about 18,000.

We also have £500m from the government to remediate and make previously unviable brownfield land viable for the private sector. That's so important for people, such as those in the Black Country, who have been forced to live next to deindustrialised sites for decades.

Eighty per cent of those new homes will be on brownfield: the other 20 per cent will be on greenfield where local authorities are up for it, or by increasing population density. The only way we can increase density is if we improve and invest in public transport: part of the justification for the Metro through the Black Country was that transport would make land viable for housing, and so it's proved.

On homelessness, people notice people rough sleeping, about 140 across the conurbation, but they're the tip of a far larger problem. We're launching the pilot of a national scheme, Housing First, which will give long-term rough sleepers a permanent home, 225 by the autumn.

I have made a great issue of diversity in the workforce for two reasons. The best businesses are the most diverse: at John Lewis I had a board that was 50 per cent women, and made sure we recruited ethnic minorities. The Midlands is the most diverse region of Britain; our businesses must reflect that. If they do not it is a waste of the talent.

How manufacturing deals with Brexit is important: 24 per cent of our GDP comes from exports of goods: in London it's just eight per cent. Our manufacturing success is built on just-in-time supply chains: 55 per cent of Jaguar Land Rover's supply chain is overseas. They need to move parts quickly and without tariff. I think the deal the prime minister came up with at Chequers will give manufacturers what they need. So I welcome it, unreservedly.



## PANEL ONE: PROPERTY

### TIM ALLEN

**PARTNER, PETER BRETT ASSOCIATES**

I was involved in Ebbsfleet redevelopment just outside London, which devolved strategy to a Development Corporation but planning powers stayed with local authorities. I wonder if the West Midlands could have a similar system that places strategy with the WMCA but decision-making remains with local authorities. It would help with green belt release, which is holding back housing delivery and growth.

The WMCA's development strategy is clear, concise and accessible. But circumstances change so is critical we keep talking and monitoring: with HS1 there were many clear plans about what the stations would do early in the process – and they were totally wrong. We cannot be too definitive, too proscribed, at the start.

We can't remain addicted to the car, so we have to keep expanding the tram network as part of a comprehensive transport strategy that also takes walking and cycling seriously. The transition will be painful but we have to make that change.

### CHRISTIAN GREEN

**PARTNER, CATER JONAS**

Infrastructure presents the biggest challenge and opportunity for devolution. The current strategy works at the big picture level, but problems emerge at the implementation stage. What is missing is greater collaboration between the public and private sectors.

Transport improvements need to focus on three areas. The first is freeing up the rail network. We talk about HS2 being for high speed when actually it's about boosting capacity, which will take more passengers and freight off the roads.

Alongside that we need more investment from Network Rail in the existing network so it's ready for this opportunity.

The Metro system needs expanding and increased capacity between places where people work and home. It is silly that important employment sites such as Birmingham Business Park can't be reached except by car.

We need more investment from Highways England in digital road technology to make the M6, M5 and M42 smart motorways.

Finally, we need more digital investment in a smart city strategy: one that captures data about buildings, why people make changes, what's influencing businesses. Capturing and using big data should lead to a more sustainable approach.

### GUY FOWLER

**MAJOR PROJECTS DIRECTOR,  
 JOHN SISK**

Where the WMCA's development strategy fails is in implementation. Traditional methods

**“Get housing and infrastructure right and industry will follow because they need people and skills.”**

**Guy Fowler**

of home ownership and living are changing: we're seeing the growth of buy to let; young people no longer see housing as affordable and may never buy their own homes; cities are becoming smarter and more connected.

More thought needs to be given to how people live in bigger developments, such as the Left Bank and Moda Living, skyscrapers planned for Birmingham's Golden Mile, each of which will have more than 2,000 residents.

We need the same thoughts on variety as regards office accommodation. The danger is that unstrategic development can lead to companies moving around cities to nicer, posher offices. We need a broader range of commercial developments, from high-end spec to incubators for startups.

In some ways putting manufacturing first in development is getting it back to front – get housing and infrastructure right and industry will follow because the biggest resources that companies need are people and their skills.

### DAVID HUTTON

**PARTNER, BEVAN BRITTAN**

The next stage of devolution should be around the industrial strategy, which will identify areas of economic growth and what they need. We have become so interested in the development of offices and homes that we have largely forgotten the needs of industry

The WMCA has produced a great strategy: brisk, clear, accessible. But it needs to answer two questions: Who is





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accountable for delivering this? How will it affect my life?

We need clarity over the delivery of 215,000 homes. It can't be one solution or set of providers – Birmingham and Wolverhampton have their own housing companies, the private sector, registered providers. Each has a part to play, but they need to work in conjunction.

I like the emphasis on priority corridors, building along routes targeted for better transport, because it means development will not be concentrated around city centres and HS2 but instead lead to housing and other developments further afield, moving the emphasis for development from interchanges to communities.

## INDUSTRY

### TIM PILE

**CHAIR, GREATER BIRMINGHAM & SOLIHULL LEP**

Industry in the Midlands starts from a position of strength. This region is doing really well, the best in Britain for foreign direct investment (FDI) over the past seven years and the only one to increase FDI last year.

It's in that light that the West Midlands' three local enterprise partnerships (LEPs) are creating an industrial strategy focusing on six growth sectors, rather than a 'rear view mirror' approach that looks at what we were once good at.

But while it's comprehensive and clear, it has a lot further to go, so it is not just a general strategy like anywhere else's. In particular we need to produce specific

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**Tim Pile**

practical solutions for specific sectors. We need to drill down until we get a specificity that we haven't had before, so the strategy is of the West Midlands and for the West Midlands. It must be one that actually drives economic growth, rather than just listing aspirations.

For example, we will never beat Cambridge or Oxford in research in the life science sector, but the Midlands is good at manufacturing, so our USP in life sciences should be making medical devices. Similarly the Midlands is great at data, and we have a diverse population, so the region is a fantastic test bed for new treatments. And as other parts of the world make cars we have an edge in batteries and developing autonomous vehicles, so let's focus on those.

We have to boost investment in research and development (R&D). The LEPs should carry on advising, lobbying and shouting at government about R&D, but more practically we've created a group of large business to mentor and encourage smaller companies to invest in R&D. We will also encourage collaboration with others, particularly with universities, on R&D. We want to see the translation of shared ideas turned into practical R&D that leads to practical solutions.

## PANEL TWO: SKILLS

### LOWELL WILLIAMS

**CHIEF EXECUTIVE, DUDLEY COLLEGE**

The mayor, WMCA, schools, colleges and universities can't fix the whole of education system in the Midlands: it is too profoundly broken, woefully underfunded, and incessant political initiatives mean there's no coherent policy.

But what they are rightly pursuing are the areas they can actually change and get right. That includes keeping confidence in post age-16 providers, recognising that universities and colleges are trying to work together; helping us in pre-16 education lobbying; dragging ministers and civil servants up here.

One of the profound problems is the obsession with qualifications, which we make a proxy for skills and skills a proxy for innovation. We do not energise young people in creative skills.

I support the mayor's attempts to gain regional control and flexibility over the apprenticeship levy. It makes sense because nationally it is not succeeding. The levy is so over-engineered, over-complex and dissuades employers. It's slow and often does not meet businesses' changing needs.

I don't want to create a feeling of despair. There are positive moves: there's greater co-operation between colleges and universities and we are seeing significant investments in the ability to deliver the future skills that business needs, such as our own Centre for Advanced Buildings Technologies.



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Philip Plowden

Lowell Williams

Rachel Eade

Jon Gilpin

## PHILIP PLOWDEN

**VICE CHANCELLOR,  
BIRMINGHAM CITY UNIVERSITY**

Universities don't always make it easy for businesses to find our front doors, and there is a tendency for us to direct businesses that do want to talk about 16 to 17-year-olds' education to further education (FE) colleges while we handle the 18 and 19-year-olds.

That needs to stop as we offer a more joined-up, grown-up approach. And it needs to happen because skills are the single biggest challenge and biggest opportunity for this region. The danger is that we fall back to current structures where that bit's handled by schools, that's FE, that's universities, that's private providers. We end up with a fractured picture when what business wants is a one-stop shop.

The WMCA has done a lot of thinking on how it works with businesses on skills, and we're suddenly seeing a politically joined up geography. For example, I'm here representing West Midlands Combined Universities – that's Birmingham City, Coventry and Wolverhampton universities – a partnership that you wouldn't have seen before. And we are working more closely with FE so there's a more natural progression through the system. It makes

“There are lots of good engagement projects but the learning isn't replicated across the region.”

**Rachel Eade**

sense because skills are mobile – so a construction job might start in the Black Country then move Coventry – so training needs to follow geographically.

We are working more closely with schools and FE because skills move between different levels of the education sector. Finally, the skills and education framework needs to take account of demographic changes; the age spread for new skills and education is growing as companies want more than just the entry level provision.

## RACHEL EADE

**DIRECTOR, RED**

There are lots of localised, very good engagement projects on skills: but they remain localised and that means best practice and the learning isn't replicated across the region. We also do not see enough skills and recruitment initiatives transferred between sectors, even though they are having the same conversations about attracting, retaining and training people, and fishing in the same small pools.

The second issue is that even businesses that are engaged – that commit to apprenticeships, have training budgets and want to upskill their workforce – do not know where to go for strategic advice. There is a lack of foot soldiers to go out and engage with companies and not only to identify their needs but help them understand the funding, support and types of learning available, that raising skills is not just about sending people to college or university but can involve digital technology and remote learning.

“Offering good jobs alone is not enough: to recruit skilled people we have to create a great place to live.”

**Jon Gilpin**

## JON GILPIN

**PARTNER, BDO**

When I graduated from Birmingham University 20 years ago I stayed even though this region wasn't as attractive as it is now for people starting a professional career – all my friends went to London. I've recently returned after five years in Milton Keynes, so from an objective perspective I can say the changes in professional opportunities and quality of life have been astonishing.

The reason I say this is that offering good jobs alone is not enough: if we want to recruit students and skilled people the West Midlands has to become a great place to live. There is a tendency for businesses to see what they are offering just in terms of the job, while the person applying has a far wider remit that includes their family, lifestyle, homes, transport, environment. Fortunately the region has improved significantly in all of these, but it does need to do more to promote them.

The large number of businesses I work with across the region see the apprenticeship levy as a tax. It's too complicated and difficult to get any value from. Anything that can be done by the WMCA or mayor to make it feel more immediate, more relevant, must be worth pursuing. ■