

CANNOCK CHASE COUNCIL

CABINET

22 FEBRUARY, 2007

REPORT OF THE CHIEF EXECUTIVE

PORTFOLIO LEADER – ACCESS TO SKILLS & ECONOMIC DEVELOPMENT

WEST MIDLANDS ECONOMIC STRATEGY (WMES) REVIEW

1. Purpose of Report

- 1.1 To inform Members of the West Midlands Economic Strategy (WMES) Review and to agree the principles of the Council's response to the consultation on Policy Choices.
- 1.2 To agree an appropriate process for the submission of subsequent consultations during the WMES Review.

2. Recommendations

- 2.1 That Cabinet endorses the approach set out in Annex 1 and authorises the Chief Executive, in consultation with the Cabinet Leader for Access to Skills and Economic Development, and the Chair of the Access to Skills & Economic Development Select Committee to finalise the Council's response to the West Midlands Economic Strategy (WMES) Review consultation on Policy Choices.
- 2.2 That based on the general approach set out in Annex 1 and 2.1 above Cabinet authorises the Chief Executive, to submit a formal Council response to the Consultation on the Draft Strategy in mid 2007.

3. Key Issues

- 3.1 The Review of the West Midlands Economic Strategy (WMES) was launched in March 2006 and is due to be completed by September 2007. Following the production of various technical reports (building the evidence base), the first of two formal consultation stages has now been reached. The formal consultation on Policy Choices started on 13 November, 2006 and will cease on 28 February, 2007. A further consultation on the Draft Strategy will commence in May ending in July 2007.
- 3.2 This is the first full review of the WMES since Advantage West Midlands (AWM) was formed in 1999, and is considered timely in respect of issues such as the enlargement of the European Union, the review of the Regional Spatial Strategy (RSS) and the emerging debate on City Regions.
- 3.3 The main message from the work on building the evidence base, is that as a whole the economic performance of the West Midlands Region remains weak in comparison to most other regions in the UK. As a consequence it is forecast that the gap between the growth in GDP in the Region and that of the UK, currently estimated at £10bn, is expected to grow.
- 3.4 The evidence gathering also identified that there are increasing disparities within the Region. For example, there is generally low productivity across the Region with one or two notable exceptions such as Solihull. Equally, there are also significant disparities in terms of educational performance, innovative manufacturing and new firm formation. As a result of this, the researchers have developed the concept of the E³I belt running 10-25 miles beyond the boundaries of the West Midlands conurbation within which high levels of economic, entrepreneurial and innovative dynamism are combined with positive environmental attributes. It should be noted that Cannock Chase District falls within the so-

called E³I belt which may have a bearing upon how the formal response to the policy choices should be pitched.

- 3.5 The Policy Choices consultation identified six key factors, which are generally based on the main drivers of productivity, which will determine the shape and performance of the Regions economy. These are:-
- Enterprise
 - Innovation
 - Skills
 - Economic Activity
 - Infrastructure
 - Quality of Life
- 3.6 For each of these factors there is a detailed analysis of the current situation, relative performance, barriers to growth, and then a series of policy choices with their scope, priorities, rationale, potential impact and types of possible intervention clearly set out.
- 3.7 In addition to the key factors, the consultation also gives consideration to geographical and sectoral issues within the WMES. The potential overlap with the Regional Spatial Strategy (RSS) is noted, as are the implications of City Regions and the E³I belt. With reference to sectoral issues the consultation suggests that whilst business clusters have been identified as a key delivery mechanism for the WMES, it is still too early to fully assess their suitability and robustness, but suggests that they have started to deliver strategic added value and offer the potential to do so in the future.
- 3.8 The WMES Consultation on Policy Choices can be viewed at www.advantagewm.co.uk
- 3.9 Whilst the E³I belt includes Cannock Chase District by virtue of above average new business formation, this is achieved against a background of low productivity, low wage levels and poor educational performance. This consultation provides an opportunity to demonstrate that Cannock Chase District can make a positive contribution to strengthening the regional economy especially if problems in these areas can be tackled.
- 3.10 The response to consultation also provides an opportunity to support the conclusions of the Southern Staffordshire Towns Study produced by Ancer Spa Consultants. This argued that specific policy mechanisms were required to support the regeneration and economic growth of towns across the Southern Staffordshire area.
- 3.11 Members are asked to endorse the general approach as set out in Annex 1, and to authorise the Chief Executive, in consultation with the Cabinet Leader for Access to Skills and Economic Development and the Chair of the Access to Skills and Economic Development Select Committee to finalise the Council's response.

REPORT INDEX

Background	Section 1
Details of Matters to be Considered	Section 2
Contribution to CHASE	Section 3
Section 17 Implications	Section 4
Human Rights Act Implications	Section 5
Data Protection Act Implications	Section 6
Risk Management Implications	Section 7
Legal Implications	Section 8
Financial Implications	Section 9
Human Resource Implications	Section 10
Conclusions	Section 11
Background Papers	Section 12
Annexes	

Section 1Background

The West Midlands Economic Strategy (WMES) sets out what the West Midlands Region needs to do to improve economic performance by both building on strengths and addressing the market failures that hold the regions economy back. The WMES is in the process of being reviewed to ensure that it remains relevant and continues to provide the right responses for the future.

The current review of the WMES will consider the agreed actions which will be required to ensure existing targets for 2010 are met but will also look beyond that milestone to 2020 to establish what the region will need to do to strengthen future economic performance.

This is the first full review of the WMES since Advantage West Midlands (AWM) was formed and is considered timely in respect of:-

- The enlargement of the European Union
- Continued globalisation and the emergence of China and India as fast growing economies
- The continued growth of the South-East of England
- The Review of the Regional Spatial Strategy
- A new European funded Competitiveness and Employment (RCE) Programme (2007-2013)
- Potential linkages to Local Area Agreements especially Block 4 (Economic Development & Enterprise)
- The emerging City Region debate

The review of the RES was launched in March 2006 with the following timetable:-

Phase 1:	Building the Evidence Base	March – July 2006
Phase 2:	Develop Policy Options	August – October 2006
Phase 3:	Consultation on Policy Choices	November 2006 – February 2007
Phase 4:	Consultation on Draft Strategy	May to July 2007
Phase 5:	Publication	April – September 2007

As can be noted from the above, the consultation on policy choices is the Council's first opportunity to submit comments. A further opportunity to comment will be in mid 2007 when the Draft WMES is published.

The Evidence Base

Guidance issued to the Regional Development Agencies (RDAs) requires them to undertake a detailed analysis of the performance of their regions and sub-regions set against the key drivers of productivity and employment. To this end AWM commissioned a number of reports, which, collectively form the evidence base for the review of the WMES. The reports are:-

- Future Prospects for the Regions Economy produced by the Institute of Employment Research at Warwick University.
- Factors Influencing the Relative Performance of the West Midlands Economy produced by the Economics and Strategy Group at Aston Business School, Aston University.
- Functioning Economic Geography of the West Midlands produced by the school of Geography, Earth and Environmental Sciences at Birmingham University.
- Evaluation of the Impact of the West Midlands Economic Strategy undertaken by GHK Consulting.
- Evaluation of the WMES Delivery Mechanisms also undertaken by GHK Consulting

A summary of each of those reports is available for inspection in the Member's Room.

Unfortunately, the main messages from these reports is that as a whole the economic performance of the West Midlands Region remains weak in comparison to most other regions within the UK. As a consequence it is forecast that the gap between the growth in GDP in the Region and that of the UK is expected to grow. The studies also indicate that the Region's performance with reference to the key drivers of productivity is poor.

However, there is also acknowledgement that there are increasing disparities within the Region. For example productivity is poor across the Region with the major exception being Solihull. Equally, there are also significant disparities in terms of educational performance, innovative manufacturing, and the new firm formation. As a consequence, the researchers have developed the concept of the E³I belt running 10-25 miles beyond the boundaries of the West Midlands conurbation with which high levels of economic, entrepreneurial and innovative dynamism are combined with positive environmental attributes. It should be noted that Cannock Chase District falls within the so-called E³I belt by virtue of higher than average new firm formation.

Section 2

Details of Matters to be Considered

The Policy Choices

Following on from the production of the evidence base, Regeneris Consulting were appointed to develop a series of policy choices. The formal consultation on these started on 13 November, 2006 and will cease on 28 February, 2007.

The Policy Choices paper identified six key factors (which are based on the recognised drivers of productivity) which will determine the shape and performance of the Region's economy. These are:-

- Enterprise
- Innovation
- Skills
- Economic Activity
- Infrastructure
- Quality of Life

The selection of the above key factors is influenced by a £10bn output gap; being the additional GVA that would be generated if the region produced wealth at the current national average per head of population.

For each of these factors there is a detailed analysis of the current situation, relative performance, barriers etc. and then a series of policy choices with their scope, priorities, rationale, potential impact and types of possible intervention. They are not put forward as being mutually exclusive but the Consultation seeks views on the appropriate weight to be given to each of them or for any additional choices to be identified.

In addition to the key factors, the consultation also gives consideration to geographical and sectoral issues within the WMES. The potential overlap with the Regional Spatial Strategy (RSS) are noted, as are the implications of City Regions and the E³I belt. The document also identifies the variations in economic performance across the Region as a whole, with the declining economic performance of Stoke-on-Trent, the Black County and Herefordshire a cause for particular concern. The low Gross Value Added (GVA) position of Staffordshire and rural areas across the Region are also noted.

With reference to sectoral issues, the consultation observes that the current WMES puts great emphasis on the need to modernise and diversify the West Midlands manufacturing sector. It is also noted that whilst business clusters have been identified as a key delivery mechanism for the WMES, it is still too early to fully assess their suitability and robustness, but suggests that they have started to deliver strategic added value and offer the potential to do so in the future. On the basis that continued prioritisation of business clusters (or sectors) can be

justified; options could include concentrating on those sectors with the highest employment growth, those with the highest GVA and these businesses with a willingness and ability to innovate and compete.

Implications for Cannock Chase District

Whilst the nature of the policy choices consultation is confined to those matters described above (and does not extend to issues associated with delivery mechanisms), it is important that local needs and opportunities need to be addressed at this stage.

For instance, whilst the E3I belt includes Cannock Chase District by virtue of above average new business formation, this is achieved against a background of low productivity, low wage levels and poor educational performance. The consultation provides an opportunity to demonstrate that Cannock Chase District can make a positive contribution to strengthening the Regional Economy especially if problems in these areas can be tackled.

The response to the Policy Choices Consultation also provides the opportunity to support the conclusion of the Southern Staffordshire Towns Study produced by Ancer Spa Consultants. This argued that specific policy mechanisms were required to support the regeneration and economic growth of towns across the Southern Staffordshire area. A review of the main issues covered by the Policy Choices consultation and the basis for the Council's response is outlined at Annex 1.

Section 3

Contributions to CHASE

The WMES has a direct impact upon the economic future of the District. The Council's submission in response to the Policy Choices consultation is intended to ensure that the economic problems of the District are recognised together with its potential role in strengthening the performance of the regional economy. In this context a positive response to the Council's submission would complement the Access to Skills and Economic Development aspirations of the Council's Corporate and Performance Plan 2006-09.

Section 4

Section 17 (Crime Prevention) Implications

There are no Section 17 (Crime Prevention) Implications directly arising from this report.

Section 5

Human Rights Act Implications

There are no Human Rights Act Implications arising directly from this report.

Section 6

Data Protection Act Implications

There are no Data Protection Implications arising directly from this report.

Section 7

Risk Management Implications

There are no Risk Management Implications arising directly from this report.

Section 8

Legal Implications

Under Section of the Local Government Act 2000 the Council has the power to do anything which it considers likely to achieve the promotion of the economic wellbeing of their area.

An involvement in the West Midlands Economic Review, in particular responding to consultation documents, falls within this power and is designed to influence and maximise what benefits may accrue to the District from the review.

Section 9

Financial Implications

There are no financial implications arising for the Council as a result of this report.

Section 10

Human Resource Implications

There are no Human Resource Implications arising from this report.

Section 11

Conclusions

The Review of the WMES commenced in March 2006 with the production of a series of reports which examine the performance of the West Midlands economy (Building the evidence base). The Policy Choices consultation, launched in November 2006 and ending on 28 February, 2007 is the first formal consultation stage. A second consultation on the Draft Strategy will run between May and July 2007.

The Policy Choices consultation provides the opportunity to comment on a series of factors which are considered to have a major impact on the way in which the Region's economy needs to perform if the vision of the WMES is to be achieved.

In the case of Cannock Chase District it provides an opportunity to seek recognition for the problems the local economy faces, but also the contribution the District could make to the achievement of the West Midlands as a world-class region, in which to invest, work, learn, visit and live.

Section 12

Background Papers

1. Future Prospects for the West Midlands Economy and Employment, Warwick Institute for Employment Research
2. Factors Influencing the Relative Performance of the West Midlands, Aston Business School
3. The Functioning Economic Geography of the West Midlands, University of Birmingham
4. Evaluation of the West Midlands Regional Economic Strategy Final Report, GHK Consulting
5. West Midlands Economic Strategy (WMES) Review 2006-07 Consultation on Policy Choices

Annex

Annex 1: Extract from WMES Review 2006-07: Consultation on Policy Choices

**WEST MIDLANDS ECONOMIC STRATEGY (WMES) REVIEW: POLICY CHOICES AND IMPLICATIONS FOR
CANNOCK CHASE DISTRICT**

1. Introduction

1.1 The consultation provides the Council with the opportunity to contribute to the review of the West Midlands Economic Strategy (WMES) by responding to a set of 'policy choices' which will determine the direction of the next Economic Strategy. In providing this opportunity the consultation document identifies that the economic performance of the region is characterised by a £10bn output gap - namely the additional Gross Value Added that would be generated if the region produced wealth at the current national average per head of population.

1.2 Therefore, in responding to the Policy Choices consultation it is suggested that the Council's comments should focus upon the contribution the District could make to narrowing the £10bn output gap. In addition, it is suggested that the Council's response should also:-

- Highlight the significance of local initiatives and proposed schemes, and their potential contribution to the regional agenda;
- Identify overlaps with the actions currently emerging through the Local area Agreements, particularly those in Block 4 (Economic Development and Enterprise);
- Provide support, where appropriate to the formal responses being prepared by Staffordshire County Council and the Southern Staffordshire Partnership;
- Take the opportunity to comment on the need for AWM to consider a more flexible approach to delivery.

1.3 With reference to delivery vehicles it should be noted that the Policy Choices document does not explicitly invite comment on this issue. However, as Cannock Chase District has been excluded from most of those structures used to deliver the current WMES (Regeneration Zones, High Technology Corridors and Clusters) it is considered appropriate to use the Policy Choices document to provide comment and suggest a more flexible approach to delivery.

1.4 The remainder of this note uses the main headings within the Policy Choices consultation to describe the key issues, the potential responses (policy choices), the local dimension (implications for the District) and the suggested response.

2. Enterprise

2.1 The Policy Choices consultation notes that across the West Midlands as a whole the overall volume of business start ups is low and the level of enterprise activity, particularly in high value, high growth businesses, is insufficient to bring the region up to national wealth totals. Manufacturing productivity is 17% below that of England as a whole.

2.2 Within Cannock Chase District a similar picture emerges with comparatively low Gross Value Added (77.1% compared to 89% for the region as a whole) and manufacturing productivity also below average. However, VAT registrations per 10,000 of the working age population are marginally above the regional figure within the District (288 compared to 285).

2.3 The Policy Choices consultation identifies the potential choices associated with:

- A focus upon high growth, high value, externally trading enterprises;
- Encouraging uplift on start-up businesses across the board;

- Tackling enterprise gaps within minority groups;
 - Promoting a culture of enterprise and innovation in all companies;
 - To develop positive enterprise attitudes in society;
 - Promote the use and application of information and communications technology.
- 2.4 This is an important issue for the District, hence the proposals for an Enterprise Centre at Kingswood Lakeside. The Enterprise Centre will be instrumental in attempts to secure a culture of enterprise and innovation within the District. The reviewed WMES will need to facilitate this.
- 2.5 Furthermore, the emerging LAA (Block 4) highlights the need to increase the levels of new business formation and survival rates, especially in higher value added clusters and other locally important sectors.
- 2.6 It should also be noted that there are issues associated with low ambitions and aspirations amongst school leavers across the District; a feature of many former coalfield areas. Specific initiatives to target this issue have previously been progressed via the Phoenix programme (in Rugeley) and currently through Young Enterprise and the annual Choices Day.
- 2.7 Therefore, it is suggested that the policy choices with most relevance locally are those which will encourage more high growth, high value, externally trading businesses through the creation of high quality enterprise centres and employment sites. Also, those which seek to develop positive enterprise cultures and abilities, particularly within educational sectors.

3. Innovation

- 3.1 As with Enterprise, the region has inherent weaknesses when its performance on innovation is considered. For example, the West Midlands Region has the lowest regional proportion of expenditure on research and development as a proportion of Gross Value Added; the West Midlands having 1.1% compared to the best performing region (East of England) on 4.38%. However, the West Midlands is the second best performing region on product innovation in manufacturing.
- 3.2 Expenditure on innovation and research and development is also poor within Cannock Chase District, despite the higher than average levels of manufacturing activity. The local Business Innovation Centre have experienced slow take up of small scale grants to support innovation due to the impact of state aid regulations (which only allow intervention rate of upto 20%) and low profit margins (which makes it difficult for the SME's to provide the rest of the funds necessary). There is concern that the continued decline of manufacturing industry will exacerbate this situation further.
- 3.3 The potential policy choices are:
- To increase businesses and economic activity in sectors with high research and development expenditure;
 - To embed a culture of enterprise and innovation in all companies;
 - Increasing the amount of applied research and development activity in higher education institutions and businesses;
 - Focussed activity within small high profile opportunities;
 - Exploiting the existing knowledge base by improving links between users and providers.
- 3.4 It is suggested that the most appropriate response is one which facilitates increases business activity in those sectors with higher levels of research and development expenditure, as well as attempting to instil a culture of enterprise and innovation across all business sectors backed up by improved links with academic institutions.

3.5 This approach is considered to be the most appropriate for Cannock Chase District by virtue of the contribution this could make to increasing GVA, as well as enhancing current efforts to promote employer engagement between schools and businesses.

4. Skills

4.1 The West Midlands Region is characterised by low skill levels and comparatively poor educational attainment. In comparison the region is ranked at 6th out of 9 regions with reference to the proportion of the working age population that is qualified to level 4 or above; whilst it is the worst region in England in achieving Level 2 qualifications.

4.2 Within Cannock Chase District the situation is marginally worse hence the significance of education and skill issues within the Economic Regeneration Strategy. For instance the percentage of the working age population within Cannock Chase with level 4 qualifications is 12.9% compared to the regional figure of 21.1% (2004 data). Similar gaps exist with reference to GCSE attainment, despite the improved results secured by Cannock Chase schools in 2006.

4.3 The potential Policy Choices are:

- Focussing upon improvements to basic skills;
- Building a knowledge-rich workforce;
- Maximising the effective use of skills by encouraging businesses to increase their use of higher skilled staff thus increasing competitiveness;
- Developing a cohesive skills infrastructure that responds rapidly to changing needs;
- Embed a commitment to continual learning and personal development.

4.4 The need to improve skills across the region, Southern Staffordshire and Cannock Chase District is vitally important. There is widespread acknowledgement that poor skill levels are the most important challenge facing both the current and emerging WMES. Efforts to close the £10bn output gap referred to in the Introduction, will necessitate significant intervention within a number of the policy choice areas outlined above if sustainable improvements are to be achieved on skill levels.

4.5 The LAA for Staffordshire identifies the need to improve skill levels, especially to support growth in high value added businesses with a particular focus upon NVQ Levels 2 and 4 and above, skills for life and work based learning.

4.6 Furthermore, the Economic Futures report which was commissioned by the Southern Staffordshire Partnership identified a number of employment clusters where employment growth could be anticipated across the sub-region up to 2020. This suggested substantial growth in financial and business services, health and education and distribution and hotels. Each of these will require specific skills which will need to be facilitated by close working with the LSC, colleges and training providers.

4.7 Therefore, the most appropriate policy choices are those which complement the ambitions of the LAA, as well as those which will anticipate and respond to the future needs of businesses, and opportunities for vocational training.

5. Economic Activity

5.1 The analysis included within the Policy Choices consultation noted that in general terms the West Midlands Region has an ageing workforce which is poorly qualified and less willing to participate in learning. Furthermore, high rates of unemployment persist in some locations, with youth unemployment a particular problem in some areas.

5.2 A similar analysis applies within Cannock Chase District despite the increase in employment levels in recent years. However, the District still has a comparatively youthful age profile which means that the working age population is likely to still be increasing up to about 2025. It should also be noted that five of the District's wards (Cannock East, Cannock North, Cannock South, Hagley and Hednesford North) are generally the worst wards on a number of criteria including:

- Benefit claimants;
- Unemployment rates;
- Youth unemployment rates;
- Lone parents;
- Employment rates.

5.3 The Policy Choices with reference to Economic Activity are:

- Intensively targeting people with the most challenging employment prospects;
- Creating opportunities for new focus of economic activity and enterprise to provide routes into employment;
- Reducing barriers to employment by providing affordable care, improved transport to work etc;
- Encouraging alternative sources of labour i.e. older and migrant workers.

5.4 The LAA highlights the need to ensure that those in the most deprived communities and groups within the labour market can access the economic opportunities created across the economic opportunities created across the country as a whole. Within Cannock Chase District this translates into targeted actions which are designed to improve both the demand and supply sides of the employment equation, such as the following:

- Working to secure inward investment and expansion amongst indigenous employers;
- Improving work-based and vocational training opportunities;
- Developing bespoke training packages to meet the needs of new businesses;
- Initiatives to reduce local NEETs (those young people not in education, employment or training).

5.5 In the context of the Policy Choices this suggests that those which complement the Council's ambitions associated with intensively targeting people with the most challenging employment prospects whilst creating opportunities for new forms of economic activity, would meet the objectives of the LAA as well as local regeneration initiatives.

6. Quality of Life and Infrastructure

6.1 The Policy Choices document notes that the West Midlands is a diverse region which contains vibrant city centre locations, attractive rural locations and extensive commuter and residential areas. However, there are problems with lower than average employment rates (the West Midlands is the 6th worst English region) and poor housing; with 15% of households in property that is either unfit or in disrepair.

6.2 However, one of the strengths of Cannock Chase District over recent years has been the positive roll the quality of life (particularly the natural environment and its proximity to the main settlements) and its accessibility have played in securing and supporting economic growth.

6.3 Nevertheless, there is still scope for local infrastructure improvements which could support the continued regeneration efforts of the Council and its partners. For example, the Chase Line which was extended to Rugeley Town and Stafford in 1997 has seen significant passenger growth since then.

However, unreliability of the services is seen as a major problem which needs to be addressed to ensure that the growth of Rugeley does not suffer as a consequence.

- 6.4 Secondly, bus services across the District have suffered significant cuts in recent years. As a consequence bus services linking Cannock and the conurbation are now often more frequent than those linking settlements within the District. Furthermore, the bus connections to the main business estates are very poor which does little to support the principles of sustainable development or help those without access to a car to take up employment opportunities in such locations.
- 6.5 It should also be noted that in the context of the Regional Spatial Strategy (RSS) for the West Midlands, there may be capacity issues which will constrain the Black Country's ability to provide sufficient development land to meet its employment needs. In this context improved links between the Black Country and Southern Staffordshire could facilitate the channelling of development which could service both locations.
- 6.6 The choices within the consultation relating to quality of life are:
- To safeguard rural assets;
 - The creation of new cultural beacons;
 - Driving forward the greening of the region;
 - Focussing upon the social aspects of quality of life.
- 6.7 It is suggested that the Council's response should support those policy choices which most closely align with the ambition to make the District an attractive place to live in, work in and visit. In particular, those efforts to attract investment into the District's three town centres are important elements of the Council's regeneration strategy. This will also complement the LAA objectives which identifies the need to develop vibrant and sustainable town centres, market towns and rural villages as a priority.

7. Cross Cutting Themes

- 7.1 There are two principal cross cutting themes which the Policy Choices consultation deals with; the role of places and the role of sectors. The former has a close relationship with the RSS, Phase 2 of which is also the subject of ongoing consultation. In addition the cross cutting themes are also closely related to the delivery vehicles employed by the current WMES.
- 7.2 Whilst the RSS enshrines the policy of urban renaissance which seeks to direct growth towards the conurbations, there are strong arguments which would justify a more flexible approach. Equally, the delivery mechanisms within the current WMES places an emphasis on geographically based initiatives (e.g. regeneration zones, high technology corridors and market towns) which also may need to be applied more flexibly in the future.
- 7.3 Research commissioned by the Southern Staffordshire Partnership (the Towns Study) by Ancer Spa has noted that a lack of coherent policies, especially in the context of the WMES, to the particular needs of free-standing locations (towns) in the Shire Counties must be considered a weakness and reduces the scope for policy responses to industrial restructuring.
- 7.4 In addition it is worth noting that the evidence base supporting the review of WMES highlights significant variations in sub-regional and local performance. These do not necessarily accord with the geographic focus of the enterprise zones or the high technology corridors. The same evidence base also shows that there are only three parts of the region above or close to the GVA average for England (areas of Solihull, Birmingham, Coventry and Warwickshire), whilst rural parts of the region and Staffordshire have the lowest GVA. Out of all these areas with the lowest GVA all are catered for through the current delivery mechanisms, with the exception of large parts of Staffordshire, including the whole of Cannock Chase District.

- 7.5 Finally, it is noted that in evidence submitted to the House of Commons Select Committee investigation into Coalfield Communities in 2004 Advantage West Midlands stated their intention to commission research into such matters but have failed to do so. It is suggested that such work could have formed part of the evidence base for the WMES Review.