



# Compact between the West Midlands Combined Authority and East Midlands Combined County Authority

March 2025



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### **Introduction:**

This is an exciting time for the East and West Midlands. As the UK Government advances its Growth Mission, relationships between major pan-regional economies like ours will be central to unlocking national prosperity. Together, the East and West Midlands represent a £132.6 billion economy, 147,355 businesses, and a population of 5.2 million. Our combined economic scale drives the national growth mission. With globally significant clusters in advanced manufacturing, automotive, aerospace, life sciences and clean energy, we form a critical part of the UK's industrial and economic landscape at the very heart of the country.

This Compact formalises the shared commitment for deeper collaboration between the West Midlands Combined Authority (WMCA) and the East Midlands Combined County Authority (EMCCA). By working together, we will amplify our impact, delivering benefits for our businesses and communities, while reinforcing the Midlands' role in the UK's economic and political landscape.

Through the English Devolution White Paper, Government is resetting the relationship with local and regional government, empowering local leaders and Mayors to make the right decisions for our communities, and working together to grow an inclusive economy, reform public services and secure better outcomes.

The Midlands has a track record of collaboration and partnerships across business, academia, and the public sector – and this Compact takes into an exciting new era. We draw upon the best of what's worked – collaborations led by private and public partners – along with clear-eyed focus on delivering tangible benefit for our businesses and residents.

As we drive new Local Growth Plans and momentum for our regions in 2025, this Compact prioritises five initial areas where joint action will have the greatest impact – Clusters and Strategic Supply Chains; Foreign Direct Investment (FDI); Transport and Infrastructure; Research and Intelligence; and Wider Regional Leadership.

By forging this new partnership, we commit to harnessing our collective strengths, celebrate our heritage and build our future.

## 1. Clusters and Strategic Supply Chains:

- **Context:**

- Collectively, the East and West Midlands have strengths across all eight priority sectors in the modern Industrial Strategy, but we have identified sectors where those industrial strengths are complementary:
  - Advanced Manufacturing, Materials & Engineering
  - Automotive and rolling stock
  - Clean Energy Industries (Net Zero, Clean Energy & CleanTech)
  - Health & Life Sciences
  - Creative Industries
- These capture the principal industrial strengths in our emerging Local Growth Plans (below) based on our local understanding of supply chains, labour markets and infrastructure connections and dependencies.

### ***East Mids Sector Strengths:***

- Green Energy
- Advanced Transport Manufacturing
- Aggregates, Minerals & Low Carbon Construction
- Medtech & Life Sciences
- The Visitor, Cultural & Creative Economy

### ***West Mids Sector Strengths:***

- Advanced Engineering & Manufacturing
- CleanTech
- Health & Medical devices, diagnostics, digital healthcare
- Digital, tech & creative
- Next gen professional & financial services

- **Objective:** Strengthen and expand sustainable industrial clusters and strategic supply chains across both regions.
- **Actions:**
  - We will support private sector-led cluster leadership bodies as best fits the shape of industry. This includes, for example, mature collective arrangements with the Midlands Aerospace Alliance, and emerging models for the creative, automotive and life sciences sectors.
  - We will personally lead a joint ‘collaboration and challenge’ seminar to establish how Delivery Plans for the East and West Midlands Investment Zones and the East Midlands Freeport can go further to capture and exploit sector growth potential across neighbouring areas.

- We will share approaches to supply chain transition work, which help SMEs pivot to the new opportunities from the Investment Zones and wring full value from innovation assets across the East and West Midlands and beyond. For instance, this may mean connecting with Original Equipment Manufacturers in each other's areas so businesses can benefit from new supplier opportunities.
- We will share and collaborate on plans to invest in innovation-led growth. For example, we will support university partnerships like Midlands Innovation to drive economic growth, including ventures like Midlands Mindforge.

## 2. Foreign Direct Investment (FDI):

- **Context:**

- As well as much needed direct investment and job creation, Foreign Direct Investment can bring other benefits, including enhanced exporting potential, knowledge transfers and filling strategic gaps in supply chains. In recent years, the West Midlands has performed strongly, becoming the leading destination outside of London and the South East by attracting over 7,000 jobs in 2023/24 alone.
- The West Midlands has developed a draft International Strategy in conjunction with Department for Business and Trade and local partners, building on the success of the Business and Trade Programme in support of the 2022 Commonwealth Games legacy.
- Both Mayors championed local investment priorities at the UK International Investment Summit, hosted by the Prime Minister in October 2024 and lead their region's respective delegations on major international trade missions and investment conferences.

- **Objective:** Attract and expand foreign direct investment in both regions, creating high-quality jobs for residents.

- **Actions:**

- We will work together on plans to improve the capacity and capability of our systems to support inward investment across the Midlands, and share good practice with each other on establishing expert capacity to boost FDI and strengthen capacity. This includes sharing information about plans for major presence at targeted trade shows and conferences like MIPIM and UKREiF.
- We will lead partnerships of local authorities, business groups and universities to establish ways of working with DBT and the Office for Investment to promote and land priority foreign investment which genuinely generates benefits for local residents and supply chains.
- We will work together with the Dept for Business and Trade and the Foreign & Commonwealth Office to exploit opportunities from our pan-regional delegation to China in March 2025, which we led on behalf of all UK Mayors.

### 3. Transport and infrastructure:

- **Context:**

- The Midlands is the UK's connectivity heartland, strategically located and linking key national and international markets. Our transport networks serve as vital enablers of economic growth, supply chain resilience, and labour market mobility.
- Despite this, the region has suffered from underinvestment in transport infrastructure, impacting business productivity, commuting efficiency, and the ability to attract investment. The cancellation of key elements of HS2 has reinforced the need for a coordinated regional approach to transport investment to address connectivity gaps between the East and West Midlands.
- The East and West Midlands share critical transport corridors, including the M1, M6, M42, A50, and major rail routes. Strengthening these links, whilst ensuring they align with our economic priorities, will be key to unlocking our full potential.
- Both the West Midlands and East Midlands have ambitious plans for transport infrastructure, from metro extensions and mass transit schemes to major road network upgrades and freight connectivity improvements. Coordinating our approach will help secure greater investment and deliver better outcomes for our residents and businesses.
- Furthermore, major investment is urgently needed in grid upgrades, gas pipeline repurposing for clean fuels.

- **Objective:** Enhance economic connectivity and common infrastructure development to support economic growth, our net zero ambitions, and enables the efficient movement of people and goods across the Midlands and beyond.

- **Actions:**

- We will work together on plans to improve the capacity and capability of our transport systems through sharing our evidence base, strategic plans as they evolve, and take the opportunities to develop and publish shared investment case for Government and private sector funding in key transport corridors that link the East and West Midlands.
- We will work with Network Rail, Midlands Connect, West Midlands Rail Executive and the Dept for Transport to secure commitments for rail enhancements, including faster links between our cities, , decarbonisation of train services and improved East-West connectivity through investment in key cross-regional projects such as the Midlands Rail Hub and the Coventry – Leicester/Nottingham scheme.
- We will share best practice and collaborate on the expansion of integrated, low-carbon transport networks, including bus reform, tram/metro development, and active travel infrastructure.
- We will support the development of green transport technologies, including hydrogen and electric vehicle infrastructure, and battery hybrid trains through shared learning and industry collaboration across both regions.

- We will take a joint approach to advocating for the Midlands in the National Infrastructure Plan so it reflects our pan-regional priorities and ensuring they are fully considered in Government investment decisions.
- We will share best practice and offer mutual support to our respective aspirations for greater local accountability through rail reform, with the view to making sure that both regions' rail networks are capable of being integrated into their respective wider transport networks.
- We will collaborate with the National Energy System Operator (NESO) on the development of the Regional Energy Systems Plans (RESPs), and with GB Energy and the National Wealth Fund to scale clean energy projects in the Midlands.



#### 4. Research and Intelligence:

- **Context:**

- The East and West Midlands MCAs are committed to evidence-based policy. This requires different enabling activity, including research, modelling, analysis, engagement and evaluation. There is expertise across the MCAs, local authorities, academia (especially in the form of Local Policy Innovation Partnerships) and business groupings.
- The West Midlands MCA and bodies like the Midlands Engine have a suite of research tools and products, including the annual 'State of the Region' report, online data portal, monthly research bulletins and use of modelling tools on economic, transport and environmental matters.
- The West Midlands MCA has established data sharing partnerships with central Government, including with MHCLG and Innovate UK.

- **Objective:** Enhance the research and intelligence capabilities of both regions.

- **Actions:**

- We will share and publish our annual 'Areas of Research Interest' to pinpoint opportunities for joint projects that address our common economic and social challenges.
- We will explore the joint commissioning - potentially with other MCAs - of strategic intelligence tools, such as economic models and large-scale business and population surveys.
- We will share experience of developing data sharing arrangements with Government departments and agencies.
- We will explore how we can use conferences, community and business engagement to test and disseminate research findings and promote knowledge exchange.



## 5. Wider Regional Leadership:

- **Context:**

- We are proud that the East and West Midlands are at the forefront of devolution and growth in the wider region. We welcome that the Government is working with local leaders to extend devolved, strategic leadership across the wider region. We stand ready to convene and assist colleagues in neighbouring areas to implement their own devolved arrangements and support with our shared experience in the West and East Midlands.
- The English Devolution White Paper commits Government to mechanisms like the Council of Nations and Regions and Mayoral Council to amplify Mayors' voices in national decision-making to improve outcomes for our residents and businesses.
- To accelerate devolution, Government has looked to established MCAs to lead and convene activities across a broader footprint – examples include business programmes like Made Smarter and some aspects of spatial and infrastructure planning.

- **Objective:** Provide effective leadership and governance for the wider region, its residents and businesses.

- **Actions:**

- We will advocate for the interests of the Midlands at the national and international levels, including the Council of Nations and Regions and Mayoral Council, and *commit to championing links between the East and West Midlands in our Investment and Growth Summits.*
- We will work with neighbouring areas beyond our Combined Authorities to deliver programmes and activities efficiently, and to the mutual benefit of wider areas, where joint action can have the greatest impact.
- We will work with civic leaders in neighbouring areas of the wider East and West Midlands to convene steering groups to consider the strategic opportunities presented by the English Devolution White Paper/Bill.
- The Chief Executives of the East and West Midlands Combined Authorities will convene a broader forum on behalf of the Mayors to explore opportunities for enhancing our regional architecture to strengthen a deepen devolution and our collective markets together, a report of the Chief Executives will be presented to the mayors supported by key anchor institutions of both regions.
- We will develop shared approaches to stewardship of our natural environment, working closely with national and regional partners.

Review and impact:

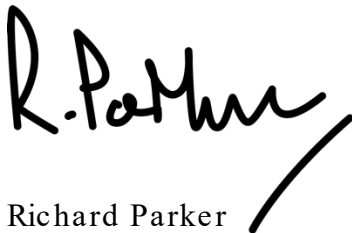
- We are champions for devolution in the Midlands. In support of the Government's ambition to deliver universal coverage in England of Strategic Authorities, we will work proactively with leaders across the Midlands as they respond to the opportunities in the English Devolution White Paper.
- We commit to review this Compact annually to ensure its areas of focus remain well targeted on actions that serve our regions.
- This agreement shall remain in effect until amended or terminated by mutual consent.

Signatories:



Claire Ward

Mayor & Chair, East Midlands Combined County Authority



Richard Parker

Mayor & Chair, West Midlands Combined Authority