

# West Midlands Logistics and Distribution Cluster: Terms of Reference (ToR)

November 2024

The Logistics and Distribution Cluster (L&D Cluster) in the West Midlands is one of nine primary clusters identified and developed through extensive research to determine where the West Midlands has an inherent regional competitive advantage, and where there is a track record of businesses investing in the region.

The WMCA approaches the aims of this cluster in line with the vision set out in the West Midlands' economic strategy - through the existing [Plan for Growth](#) and emerging Local Growth Plan - aiming to leverage investment, create more high paying jobs, upskill the existing workforce, reduce unemployment and foster an innovative approach to tackling issues faced across the wider industry and ecosystem development. To support this, the L&D Cluster will support this vision by drawing attention to, generating improvements in three areas that are vital to the economic growth and prosperity of the region. This will contribute to the region's wider economic vision and aims to spark above-average growth over the next several years further, capitalising on the potential for collaboration and community building and supporting enterprises in their journey from innovation to commercialisation. These are:

1. **Transport modes:** the means of moving goods on transport infrastructures including several types of road-based vehicles (HGVs, vans, micromobility vehicles), and rail freight cargo trains, aircraft and ships.
2. **Transport Infrastructure:** the infrastructure needed to enable logistics and distribution to occur.
3. **Warehousing and Freight Management:** defined as the process of storing and overseeing the delivery of goods

Cross-cutting themes that will be addressed include:

- a. Skills provision
- b. Talent attraction and retention
- c. Innovation and R&D including decarbonisation
- d. International trade and FDI
- e. Digitalisation and optimisation of operations

The core governance of the cluster will be provided through an Advisory Board with its own terms of reference separate from this document. It will include representation from the West Midlands Combined Authority (WMCA), Connected Places Catapult (CPC), small and medium enterprises, Tier 1 operators, investors, academia, trade associations, education providers, and technology research organisations, to help provide strategic direction for the cluster. The board will convene stakeholders and address challenges and opportunities in the West Midlands, providing a link between the cluster membership and the WMCA. The CPC as the cluster lead in the immediate term, will be delivering this L&D Cluster to help generate the above-average growth that the WMCA estimates in this sector.

# The L&D Cluster will:

## 1. Support the entire innovation spectrum

The L&D Cluster will broker relationships between SMEs, corporates, infrastructure partners, academia, and investors, to encourage the development of a vibrant collaborative environment, where innovation thrives through R&D collaborations, commercial partnerships and joint initiatives. Ecosystem mapping and development will create the opportunity for the cluster to be robust, inclusive, and collaborative.

## 2. Create awareness of the regional logistics and distribution sector

The L&D Cluster will build and share a deep understanding of the sector for policy-makers, infrastructure providers, skills providers and innovators, highlighting opportunities for collaboration, sector cross-pollination and ultimately, economic growth. The L&D cluster will also serve as a platform which members can leverage accordingly to improve their own visibility and seek synergies.

## 3. Encourage investment into the L&D industry

One of the main L&D Cluster objectives is to raise awareness and encourage investment in the industry. The cluster aims to educate members about funding opportunities available in the sector, including providing introductions to potential investors and advisors, and innovative ways to de-risk innovation development while enhancing impact. The cluster will also work with regional resources to build a strong L&D proposition, able to draw in foreign direct investment (FDI) into the West Midlands region.

## 4. Expand skills provision and labour attraction in the Distribution and Logistics sectors

The cluster will engage with the WMCA, and other stakeholders, including the education sector (schools, colleges and universities), to improve the perception, accessibility and acquisition of distribution and logistics skills and training. The cluster will identify skills' barriers to reduce the risks associated with the growth potential of this sector, and initiatives that can attract high-quality labour into the region. The Cluster Lead will be able to demonstrate their understanding of the skills gaps in the region, and the results of activities undertaken to address them.

## 5. Encourage accessibility, diversity, and equality in Logistics and Distribution.

In alignment with WMCA's demographics, the L&D Cluster will support the inclusion of underrepresented groups, increase diversity and access to equal opportunities, directly contributing to the long-term resilience of the L&D sector in the West Midlands.

## 6. Provide a platform to address issues, concerns and limitations facing the Cluster and the wider L&D sector

The cluster will engage with its membership to understand and generate insights on problems and key challenge areas faced by the sector. Findings will be fed back to the WMCA, CPC, and subsequently feeding back to national government, with the aim of informing future activity and identify potential solutions.

The ownership of the L&D Cluster will remain in the hands of the WMCA and will be managed by the CPC, being actively guided by the Advisory Board in a bi-directional approach. As demonstrated in *Figure 1*, WMCA will provide top-down direction to the Advisory Board ensuring alignment with the regions' priorities. This will ensure the Cluster, and its membership are kept abreast of potential future decisions and regulations that will affect the region. The Advisory Board in turn will represent and advocate for the cluster membership, which will provide strategic oversight of cluster activities and make recommendations to the WMCA.



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## Role of the Advisory Board

Adopting a bi-directional approach, the Advisory Board will be instrumental in steering the direction of the cluster, while being informed and in line with the priorities set by the WMCA. The Advisory Board will also act as an intermediary between cluster members and the WMCA, the Connected Places Catapult (CPC) and HMG Government, ensuring alignment with regional and national plans, ensuring accountability to the logistics and distribution sector's needs, and a responsibility to ignite above-average growth in the WMCA region.

## Role of the Cluster Lead

The cluster lead will manage more regular engagement with the stakeholders of the cluster, meeting regularly, ensuring that projects are on track. Activities will include:

**Project management** - overseeing the operation of cluster projects, providing a project management function to ensure that activities are accountable and able to be managed on a timely basis.

**Stakeholder management** - Acting as a mediator between stakeholders, ensuring that all perspectives are considered.

**Risk management** - Evaluating and monitoring risk to ensure outcomes meet the cluster goals

**Communication** - Providing updates to stakeholders and the board about progress and changes within the cluster.

## Role of the Membership

The role of the membership will be to actively engage and participate in the cluster, aiming to take advantage of the learning, investment and funding opportunities involved. We would strongly encourage to share their learnings with other members of the cluster to ensure that the membership as a whole benefits.

Geographically, the core focus of the cluster is on the 7 Local Authority areas that make up the WMCA's devolved area (Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton); however, the wider West Midlands region is acknowledged as being a fundamental part of the region's strength in logistics and distribution, hence the cluster will have a broader, more flexible geographic remit.

## Short-term Cluster Outcomes

1. Identify Quick wins to showcase the value of the cluster
2. Ecosystem Mapping to ensure that we can target already established groups of L&D businesses
3. Thematic Masterclasses to quickly improve access to skills, knowledge and investment readiness
4. Industry Days to broker cross-sector intermodal collaboration and engage in disruptive talks and conversations
5. Challenge-led Workshops to gather primary intelligence and map out key opportunities and major gaps within selected sub-sectors.
6. Knowledge Exchange Calls with local academic providers as they aim to showcase their research

## Strategic Activities of the Cluster

1. Upskilling sessions to educate and instruct members navigating the sector.
2. Investment training and investor days, to enable access to investment, alternative funding opportunities and growth.
3. Creating an investment proposition for the region to generate increased FDI into the West Midlands
4. Monthly newsletter outlining progress and showcasing members' opportunities.
5. Engage with, and support consultations with the WMCA and DfT on an as-needed basis
  - a. This will include submissions to consultations as appropriate on behalf of the cluster.
6. Supporting businesses to implement new and innovative products, services and internal processes within their businesses to increase productivity and economic growth.
7. Members will commit to supporting the cluster for monitoring and evaluation to ensure the continued relevance and ability of the cluster to be aware of its membership.
8. Providing an ecosystem for convening industry stakeholders and raising awareness of key local and national issues related to the logistics and distribution sector.