

The purpose of this note is to set out what the Midlands Engine is (and isn't), its aims and ambitions, how it is organised and its successes to date.

Geography

The geography of Midlands Engine was set by government in 2015. It covers 86 local authorities and the following 11 LEPs:

- Black Country LEP
- Coventry and Warwickshire LEP
- D2N2 (Derby & Derbyshire, Nottingham & Nottinghamshire) LEP
- Greater Birmingham and Solihull LEP
- Greater Lincolnshire LEP
- Leicester and Leicestershire LEP
- Northamptonshire Enterprise Partnership
- The Marches LEP
- South East Midlands LEP
- Stoke-on-Trent and Staffordshire LEP
- Worcestershire LEP



Key facts

- The region covers 17.9% of the UK population and an economy worth £222bn, 14.6% of the UK total. It contains two core cities, 11.5 million citizens, 27 universities, 23 science parks and three international airports.
- It accounted for 16% of the UK's overall exports in 2013, selling to over 178 countries worldwide. It provides university education to 533,000 students and employment through nearly 460,000 SMEs.
- Major employers include; Walgreens Boots Alliance, Alstom, Barclays, Bombardier, HSBC, Jaguar Land Rover, JCB, Mondelez, PepsiCo, Rolls-Royce and Toyota.

As a brand, the aims and ambitions of Midlands Engine are to:

- **Collaborate** with Government, business, local authorities, skills and training providers, universities, 11 Local Enterprise Partnerships (LEPs), community and voluntary groups to grow the economy, identify and promote best practice and comparative advantage, and embrace our strengths and diversity.
- **Close** the productivity gap (the GVA per employee is £7,000 lower than UK average) and put skills at the heart of economic revival (current working age with NVQ4+ is 30.6%, lower than national average of 35.8%). For example, it aims to deliver a 100% increase in the number of apprenticeships by 2020, 40% of which will be higher level skills.
- **Create** 300,000 extra jobs by 2020 and boost the UK economy by £34 billion by 2030.
- **Connect** existing centres and networks more effectively both physically and virtually, developing a business visitor and tourism offer and producing a regional strategic transport strategy to help save businesses nearly £500 million.
- **Communicate** our ambition and attractiveness as a place in which to work, study, live and grow.
- **Compete** in global markets and attract foreign investment. 20 trade missions over the next three years will showcase the region's strengths, capacities and comparative advantages of its goods, services and location.

The Midlands Engine is not designed to:



- × Be a separate independent authority or instrument controlled by central government
- × Re-invent or re-establish Regional Development Agencies (abolished in 2012)
- × Usurp local democracy or devolved powers
- × Create a super-LEP

Business Secretary **Sajid Javid MP** is the Midlands Engine ministerial sponsor. He officially launched its Prospectus at Birmingham University in December 2015. Midlands Engine is accountable to the Secretary of State for Business for delivering its aims and ambitions.



Key areas of work and organisation

The Midlands Engine has a Strategic Leadership Group overseeing work in seven theme areas. The ~28 members of the Group are senior leaders drawn from universities, further education, local authorities and LEPs from across the East and West geographies. Each theme group has a range of detailed activities:

1. **Economic planning** - develop economic analyses, comparative metrics and integrated benefit analyses for the region
2. **Finance for Business** – oversee the Midlands Engine Investment Fund of £250 million and other sources of finance to support SMEs
3. **Innovation** – deliver the government's Science and Innovation Audit to identify future opportunities for investment and strengths to promote
4. **Midlands Connect** – develop a long term transport investment strategy by 2017 that will identify the major infrastructure priorities needed to improve the region's connectivity and reduce journey times
5. **Promotion** – promote and support the Midlands Engine brand, bring investable sites to market, develop compelling propositions of the region's strengths, assets and opportunities to key target domestic and overseas audiences and to build a business visitor and tourism offer
6. **Skills** – develop and oversee a Midlands Manufacturing Skills Investment Plan and a manufacturing Apprenticeship proposition
7. **Supply chain** – develop and implement a multi-sector staged approach to improving operational performance, competitiveness, and strategic clarity to 1,000 SMEs, for example in the automotive, aerospace, rail and nuclear industries

Successes to date

Though early in its evolution, the Midlands Engine has:

- Attracted total funds of £180m for the **Energy Research Accelerator** – an innovative partnership between the six Midlands research universities and the British Geological Survey, set to deliver a step change in the nature and impact of energy research in the UK. This partnership will support the development of new technologies through the High Value Manufacturing Catapult programmes.
- Established a **JEREMIE funds of funds** totalling £250m (£50 million more than first envisaged). This is a financial instrument, run by the British Business Bank, whose Investment Strategy will be overseen by a local group of Midlands' financial experts. This fund-of-funds will combine ERDF and BBB funding with matched lending from the European Investment Bank (EIB) and legacy returns from previous programmes to establish a comprehensive range of financial support for the SME growth ambitions of the Midlands. These sub-funds will be launched by 5 December 2016.
- Successfully became one of five regions working with BIS to pilot **Science and Innovation Audits**. Our ambitious expression of interest involved universities, LEPs and other key business partners working collaboratively across the region. By the end of summer 2016 this audit will collect evidence and assess the region's capabilities and opportunities for research and innovation excellence. This will attract and drive future investment across transport technologies; advanced manufacturing and engineering; energy and low carbon technologies; healthcare, life sciences and translational medicine; creative digital and design; and agri-food and drink manufacturing and production.
- Secured support for 20 future **trade missions** beginning in April 2016 with a three day visit to the USA and Canada led by Sajid Javid focusing on Advanced Manufacturing, Automotive and Food and Drink.
- Launched the first ME **pitchbook** in March 2016 at MIPIM (where the leading property developers meet annually). It contained 33 projects worth £14.4 billion, with the potential to help create 170,000 jobs.

What do we want in the future?

To provide the fuel for future investment, Midlands Engine needs resources, time and continuing trust in our collective strengths. With private and public sector support, delivery of our prioritised investments will transform the economic and living landscape of the region, accelerate productivity and further employment opportunities. It also needs support to communicate with its partners, stakeholders and government and to use its existing networks and build more, so it can share its successes and learn from each other in a rapid and proactive manner.