



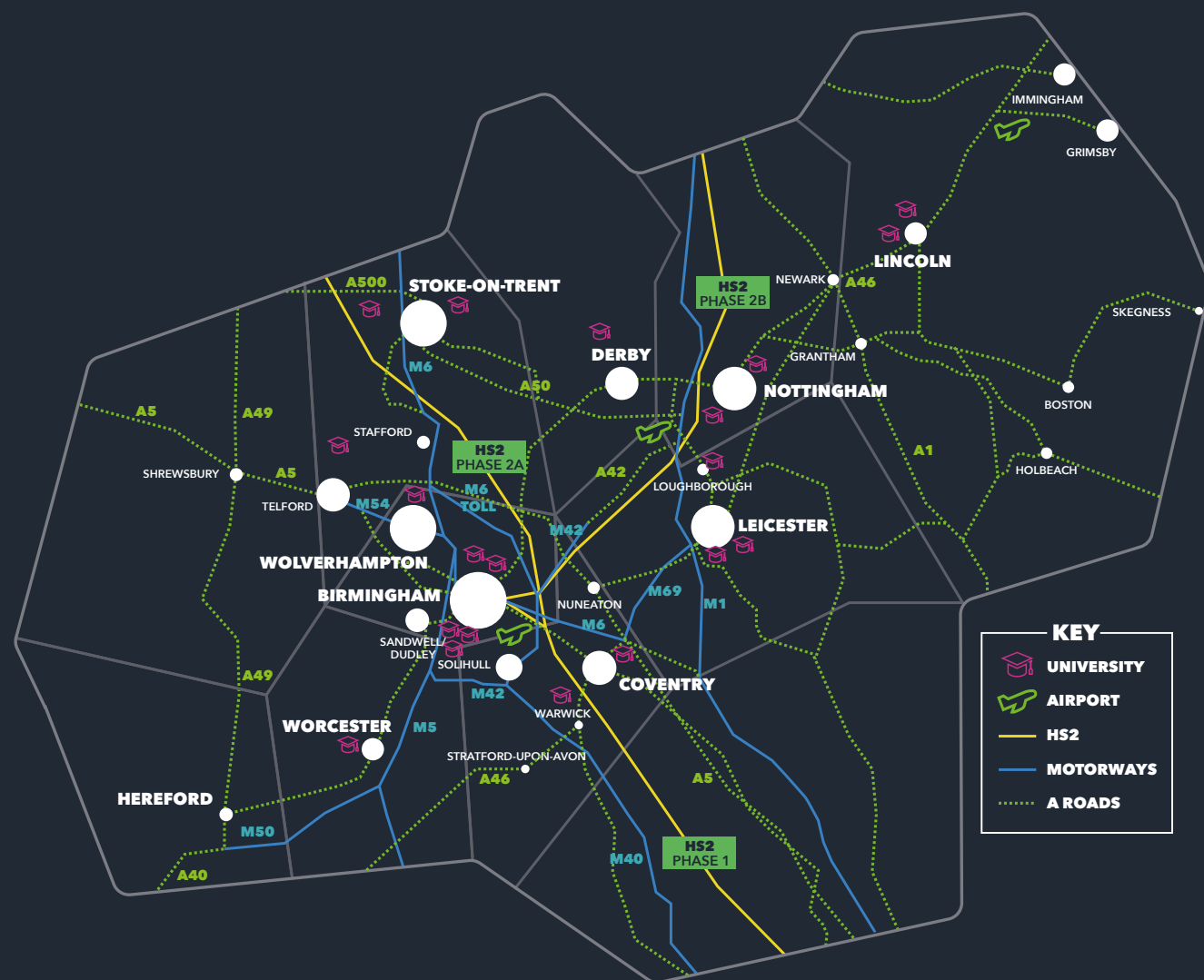
# **MIDLANDS ENGINE REVIEW 2019**

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HIGHLIGHTS AND PARTNERSHIP ACHIEVEMENTS

[www.midlandsengine.org](http://www.midlandsengine.org)

# THIS IS MIDLANDS ENGINE...



**MIDLANDS  
ENGINE**

## WELCOME



**SIR JOHN PEACE**  
CHAIRMAN, MIDLANDS ENGINE

I am delighted to be bringing you our first ever end-of-year review. With so much achieved right across the Midlands Engine in 2019, we should rightly pause to celebrate what's been a year of real progress as we work together for the benefit of our people, places and businesses.

2019 has been characterised by a clear focus on the future of our partnership and I am delighted that we have been able to set a refreshed and even more ambitious vision and strategy together, building on shared foundations. You will find a few highlights and achievements from 2019 in the attached review, demonstrating just some of our work together. This includes our exceptional partnership presence at both MIPIM and the party conferences and the awarding of the Fifth UK-China Regional Leaders Summit to the Midlands, all of which are playing their part in putting our region firmly on the map, overseas and at home.

You will all be familiar by now with the work of our Midlands Engine Economic Observatory, but it's worth

reflecting on just how new this initiative is and yet how quickly our Observatory data has become deeply valued by all partners, underpinning our forward plans.

From our drive to improve the region's rail network and exciting collaborations across our universities, to focusing on the mental health of our workforce, raising skills levels, a drive to enable access to finance for our businesses and so much more, it is clear that the Midlands Engine has become a real force in partnership working. Together we are achieving more.

Of course, it has also been a year of dynamic politics, culminating in a General Election. 2020 promises to be a year in which we can grow our partnership further, moving forward together to deliver our collective ambitions of prosperity and growth in every corner of our region.

**WITH MY WARM WISHES  
FOR CHRISTMAS AND 2020.**

*John*

# PROMOTING OUR REGION AND REPRESENTING OUR PARTNERS AT THE PARTY CONFERENCES

## OUR MOST SUCCESSFUL CONFERENCE SEASON YET!

Even with a dynamic political climate, working together with partners we secured high profile representation through the conference season at all three main party conferences. Our visual presence was strong and positive, and we were able to easily articulate the essence of the Midlands Engine with eye-catching stands staffed by partners throughout.

Working together across Midlands Engine, including Midlands Connect, as well as with Nottingham and Leicester Universities, we achieved strong collective impact. Midlands Engine sponsors were represented powerfully at each conference too, with conference materials carrying our sponsoring partner information.



ENGAGING IN DISCUSSIONS AT THE LIBERAL DEMOCRAT PARTY CONFERENCE. Later, *ITV News* gave coverage on their 6pm programme.



PROFESSOR PAUL MONKS, LEICESTER UNIVERSITY, spoke passionately about our region to a packed room - part of an excellent fringe event at the Labour party conference, supported by colleagues from Midlands Connect, partners and Lord Kennedy of Southwark, Labour Communities spokesperson.



AT THE CONSERVATIVE PARTY CONFERENCE we held many conversations with sitting MPs as well as prospective candidates. Our fringe event was significant for the powerful speeches delivered by our Chairman Sir John Peace as well as Professor Iain Gillespie, Chairman of the Midlands Engine Innovation and Enterprise strategic group.

# REFRESHING OUR PARTNERSHIP STRATEGY TO CREATE EVEN MORE OPPORTUNITY FOR THE MIDLANDS

## MIDLANDS ENGINE STRATEGY REFRESH

Invited by Government to jointly author a refreshed strategy for the Midlands Engine, mid 2019 onwards saw an active and collaborative approach across our partnership to help jointly shape the development work to inform the strategy refresh.

The result of this partnership work was a strategy refresh paper, lodged with Government in the autumn and well received.

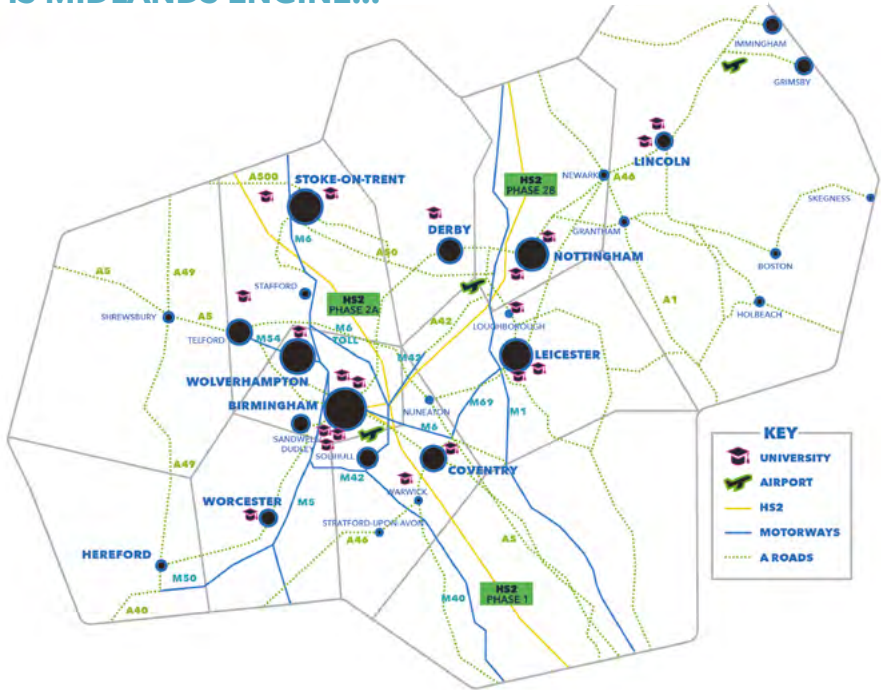
Our approach within the strategy to focus on those areas where we can collaborate regionally, bring additionality and make more impact together has resonated well with emerging policy priorities. The timing of the refresh - with a new Government just installed - creates a strong opportunity for the Midlands Engine. Our forward focus on four bold ambitions for achieving the Midlands Engine vision

sets out our shared priorities for collective action across Midlands Engine to benefit our communities, our business and to grow our economy.

2020 will bring the opportunity for us to work across our partnership and with Government to start to deliver our strategy - and in doing so, grow prosperity for every community in our region.

OUR STRATEGY REFRESH AMBITIONS WILL POWERFULLY SUPPORT GROWTH IN EVERY COMMUNITY ACROSS OUR REGION

### THIS IS MIDLANDS ENGINE...





# CONTRIBUTIONS

## FROM PARTNERS WORTH £2 MILLION RECEIVED

### A YEAR OF OUTSTANDING PARTNER SUPPORT

Partner contributions, whether as cash investment, cash match to Midlands Engine projects or in-kind, such as hosting meetings and events mean the reach of our partnership is growing all the time. These contributions, growing each year, are just one illustration of the commitment given by so many partners to enable the work of Midlands Engine and to deliver results, in partnership, for our communities and our businesses.

At the time of publishing this review, in the financial year 2019/20 we had received contributions from partners totalling a staggering £2 million. Midlands Engine partner contributions and the underpinning support our partners bring to deliver shared programmes and projects are the essence of our Midlands Engine partnership! Thank you to all our partners for your continued and valued investment.



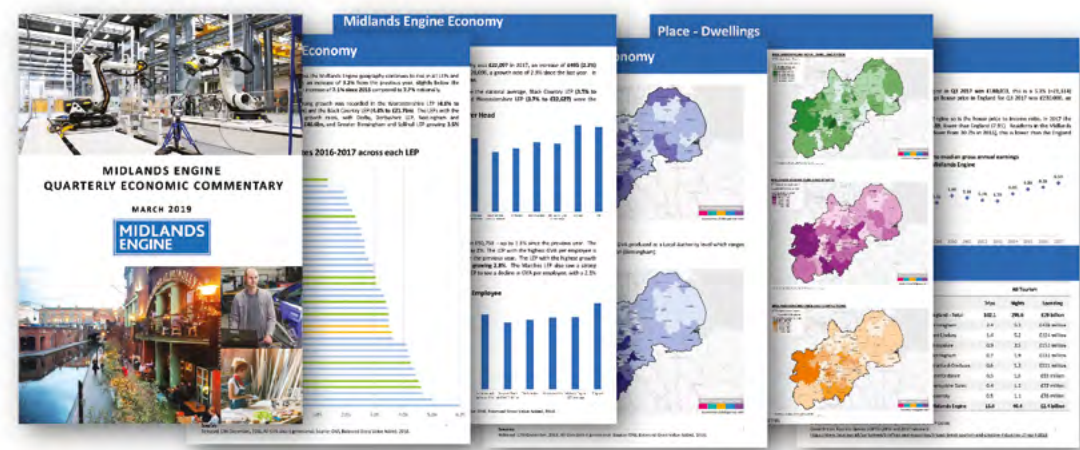
# BOOSTING

## ACCESS TO DATA AND EVIDENCE

### MIDLANDS ENGINE ECONOMIC OBSERVATORY

This year, the Midlands Engine Economic Observatory, which was established towards the end of 2018, gathered significant traction. Designed to provide open access to data for our partners and bring forward a comprehensive evidence base to help inform policy and strategy, this key initiative was established with Midlands Engine funding to:

- Provide quarterly economic commentaries for partners and maintain a contemporary evidence database.
  - Undertake an Independent Economic Review, gathering evidence and insight on raising the productivity of the Midlands, narrowing performance gaps with the UK.
  - Create nine Local Enterprise Partnership (LEP) economic profiles together with a regional overview, produced in collaboration with each of the 9 Midlands Engine LEP's.
- Our Observatory is already producing essential regional data and evidence to support regional growth - with high impact insights and robust evidence.



MIDLANDS ENGINE ECONOMIC OBSERVATORY QUARTERLY REPORT

# A £3.5 BILLION IMPROVEMENT PROGRAMME TO TRANSFORM OUR REGION'S RAIL NETWORK

## MIDLANDS ENGINE RAIL

Launched by Midlands Connect in September 2019, Midlands Engine Rail is an ambitious £3.5 billion plan comprised of seven projects spanning the region which could result in up to 60 locations benefitting from improved services, with 736 more passenger trains on the network every day.

Delivered in stages from 2022 to the completion of HS2 Phase Two, the project will produce a much-needed capacity boost for local, regional and national rail services. Improvements will include faster, more frequent services, and critical new direct connections. Communities Secretary and Midlands Engine ministerial champion, Robert Jenrick MP, helped launch the programme, describing the plans as high quality, high-value-for-money proposals.

Midlands Engine Rail's flagship project is the Midlands Rail Hub, a package of new and improved infrastructure to enable 24 extra passenger trains every hour on the regional network, reduce journey times and make space to shift more than 4,300 lorries'

worth of freight from the road to the railway every day.

The Conservative Government pledged to invest in the Midlands Rail Hub in its 2019 election manifesto, to strengthen rail links between towns and cities including Birmingham, Leicester, Nottingham, Coventry, Derby, Hereford and Worcester. This support paves the way for further development funding for the project during 2020, bringing it closer to reality.

"Millions of train journeys are made in the Midlands every week and rail companies are working together to improve services, with new and refurbished trains being introduced to run more services. Further investment as part of Midlands Engine Rail will improve journeys for passengers between towns and cities across the region and power economic growth by unlocking new business opportunities."

**ROBERT NISBET, DIRECTOR  
OF NATIONS & REGIONS,  
RAIL DELIVERY GROUP**



**MIDLANDS CONNECT CHAIRMAN SIR JOHN PEACE (FAR LEFT) AND DIRECTOR MARIA MACHANCOSSES (MIDDLE) JOIN MIDLANDS ENGINE MINISTERIAL CHAMPION ROBERT JENRICK MP AND PARTNERS INCLUDING EAST MIDLANDS AIRPORT, NETWORK RAIL, COUNCILS AND BUSINESS GROUPS TO SUPPORT MIDLANDS ENGINE RAIL AT OUR LAUNCH AT BOMBARDIER IN DERBY**

# PARTNERSHIP WORKING TO PRIORITISE £600 MILLION IMPROVEMENTS TO THE MIDLANDS' MAJOR ROAD NETWORK

## MIDLANDS CONNECT

Midlands Connect represents a diverse partnership of 22 local authorities, nine local enterprise partnerships, eight chambers of commerce, Birmingham and East Midlands airports and national delivery bodies HS2 Ltd, Network Rail and Highways England.

It is this partnership which drives the strategic priorities being taken forward to secure a better transport deal for the Midlands. This was exemplified in 2019 when Midlands Connect was empowered by the Department for Transport (DfT) to work with its 22 council partners to submit priority schemes to improve local roads in the region, as part of a £3.5 billion national fund available from 2020-2025.

The fund covers upgrades to the Major Road Network

(MRN), a new category of the busiest and most economically important local authority 'A' roads, and "Large Local Majors" (LLM) schemes, which focus on bigger upgrades to local roads.

Following detailed consultation with councils and a rigorous assessment, Midlands Connect submitted seven priority MRN schemes and four LLM schemes to the DfT for consideration, with a government funding request of £596 million to deliver them.

Two of the schemes have already secured development funding, taking them closer to completion, with further announcements expected in the early months of the new government. Midlands Connect is looking forward to working with councils and government to fund improvements that will reduce

congestion, support housing and employment growth, encourage people to walk, cycle and use public transport, and provide better links to motorways and major trunk roads.

"By speaking with a collective voice on behalf of the Midlands, we believe each of the schemes submitted has provided all the evidence the government needs to fund them in full. Investment like this will be vital as the government commits to an infrastructure revolution which will level up the economy and unleash the country's potential."

**MARIA MACHANCOSSES,  
DIRECTOR OF MIDLANDS  
CONNECT**





# ANNOUNCING

## A ONCE-IN-A-DECADE OPPORTUNITY: SHOWCASING OUR REGION TO THE WORLD'S SECOND LARGEST ECONOMY

### FIFTH UK-CHINA REGIONAL LEADERS' SUMMIT

In July 2019, we were delighted and proud to announce that the Midlands Engine partnership had been awarded the honour of hosting the Fifth UK-China Regional Leaders Summit, which will take place in Birmingham 2020. The Foreign Secretary awarded this prestigious summit to our region after a strong bid was submitted together with the widespread backing of our partners.

This event is a once-in-a-decade opportunity to demonstrate the incredible talent and diversity of what the Midlands region has to offer – a unique platform on which to highlight the fantastic economic and cultural partnerships already in place between the UK and China, and to showcase the wealth of potential ahead.

In February 2020 our invited guests, including national leaders in business and Government from the UK and China, will experience a range of exceptional events planned to showcase the very best of our extensive bilateral partnerships, paving the way to build further on these to grow both shared prosperity and friendships across our nations in the years ahead.

“Hosting this internationally significant event is a great honour for the Midlands and is a clear endorsement of the great work that the region has done to develop strategic connections across China. We look forward to the extensive opportunities the event will bring to both our nations and the powerful legacy of civic and economic partnerships which will result.”

SIR JOHN PEACE  
CHAIRMAN, MIDLANDS ENGINE



PROUDLY HOSTED BY MIDLANDS ENGINE

# GROWING

## OUR PRESENCE ON THE WORLD STAGE

### MIDLANDS ENGINE INTERNATIONALISATION STRATEGY

The Midlands contributes more than £90 billion to the national economy through its international activities and we have an ambition to grow this by £26 billion. To support this ambition, in February we launched the Midlands Engine Internationalisation Strategy, a strategy developed with extensive input by partners from every part of our region.

Our Internationalisation Strategy brings forward our aim of driving growth and prosperity in the Midlands and wider UK economies. We are now underway delivering our strategy – which focuses partnership efforts making existing infrastructure work more effectively for our region across six key themes:

- Trade
- Foreign direct investment
- Higher education
- Civic and cultural links
- Tourism
- Foreign capital investment



In 2017 the Midlands accounted for **22% of England's total exports**



**Second largest** region overall in terms of % **international students from outside the EU**



In 2017, the Midlands accounted for **one-third of all UK FDI projects and jobs in manufacturing**



Selected to host **Commonwealth Games (Birmingham 2022)** and **Coventry City of Culture (2021)**



It is the **fastest growing UK region for international tourism** (9.2% growth over 5 years)



Our **sector strengths** are underpinned by **technology and innovation**

OUR STRATEGY HIGHLIGHTS A RANGE OF MIDLANDS ENGINE KEY STRENGTHS AND INTERNATIONAL TRADE SUCCESSES

# DEEPENING CIVIC AND ECONOMIC TIES BETWEEN THE MIDLANDS AND CHINA

## ZHEJIANG GOVERNMENT PARTNERS WITH MIDLANDS ENGINE

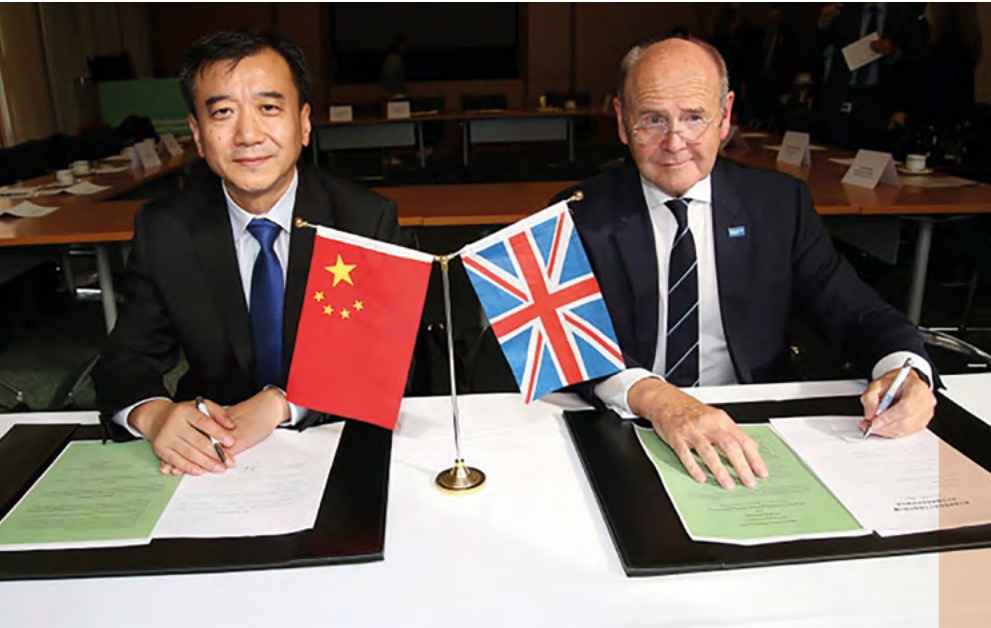
In September 2019, a new agreement was signed to promote science and technology co-operation between the Midlands Engine and the Province of Zhejiang in China.

The Memorandum of Understanding paves the way for the Midlands Engine and Zhejiang to encourage co-operation among businesses and research organisations across a wide range of areas, including Green Energy, Manufacturing, Digital and Creative Services, and Life and Health Science Technology. The Midlands has long-standing partnerships with

Zhejiang, where the China campus of the University of Nottingham is located, the first of its kind in China.

"I am delighted with the signing of this agreement which will enable business growth and further strengthen the capabilities of our world class universities. Across the Midlands, we have already built strong relationships with businesses and universities in some of China's most important regions which our partnership, moving forward today, is committed to deepening further."

IAIN GILLESPIE, CHAIRMAN OF THE MIDLANDS ENGINE INNOVATION AND ENTERPRISE STRATEGIC THEME GROUP AND PRO-VICE-CHANCELLOR RESEARCH & ENTERPRISE AT THE UNIVERSITY OF LEICESTER



MOU SIGNED BY MR GAO YINGZHONG, ON BEHALF OF ZHEJIANG'S SCIENCE AND TECHNOLOGY DEPARTMENT, AND SIR JOHN PEACE, CHAIRMAN OF THE MIDLANDS ENGINE

# SHOWCASING THE MIDLANDS AT THE WORLD'S LARGEST REAL ESTATE EVENT

## MIPIM 2019

For the third year in a row, 2019 saw the Midlands UK MIPIM delegation convene our region's public and private sector leaders to promote the Midlands to an international audience with a series of successful events at the global property show: MIPIM World in Cannes.

Our showcase events attracted potential investors, property agents, developers and the media from across the globe, and were an excellent opportunity for networking and building

vital future investor links. We also unveiled our 'The Midlands Engine is here' film, highlighting the people, potential and opportunities across our region.

Nick Spencer, Director of Property, Non-Production Purchasing and Trading Division at Jaguar Land Rover, on attending MIPIM, said "We are delighted to support the Midlands delegation at this year's MIPIM. The Midlands is a fantastic place to live and work and by conveying this message to investors from around the world we hope to

continue attracting investment into the region. We remain optimistic and continue our commitment to the region."

IN 2020, THE MIDLANDS ENGINE, WILL ONCE AGAIN BE PART OF THE MIDLANDS UK DELEGATION AT MIPIM ON 10-13 MARCH.



2019 WAS OUR MOST SUCCESSFUL MIPIM TO DATE - PARTNERS PROMOTING INVESTMENT OPPORTUNITIES ACROSS OUR REGION ON THE WORLD STAGE

# PARTNER

## SUCCESS IN SUPPORTING SMES TO SECURE FUNDING FOR GROWTH

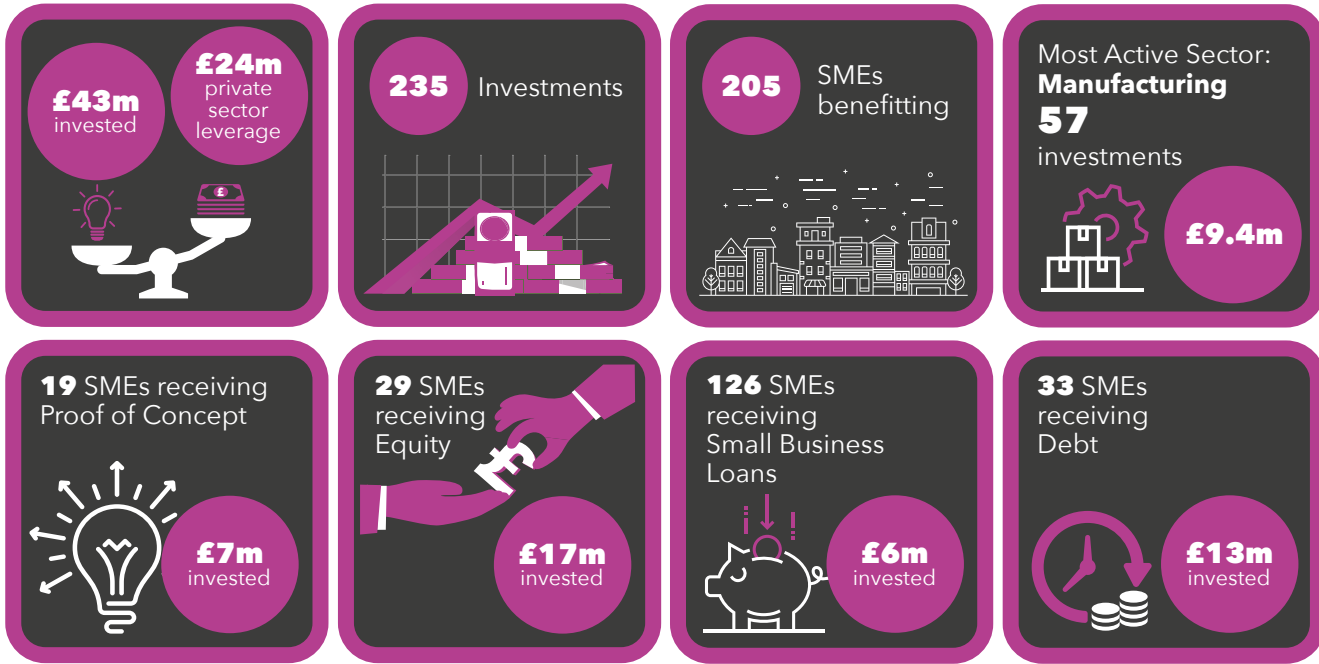
### MIDLANDS ENGINE INVESTMENT FUND

The £250m+ Midlands Engine Investment Fund (MEIF) was launched in March 2018, catalysed by our partnership through a coalition of ten LEPs and the British Business Bank (BBB). The BBB is now delivering large-scale EU and private fund-of- funds for the Midlands. Two years in to this ten-year project and the results so far are already very positive, with funding showing a clear impact on skills, R&D and innovation, supporting growth in individual companies through both debt and equity.

We're ambitious for more – of course! Together with LEP partners from across the Midlands, we will continue to work with the BBB to make sure that our business community have access to the finance they need to continue to grow.

Since 2018, over £50m of UK equity investment has been secured by Midlands SMEs.

**MEIF IMPACT 2018/2019**



# PRIORITISING

## THE MENTAL WELLBEING OF OUR REGION'S WORKFORCE

### THE MENTAL HEALTH AND PRODUCTIVITY PILOT

April 2019 saw the launch of an innovative three-year pilot programme which will work to address the impact mental health issues in the workplace can have on productivity, with £6.8 million of Government funding awarded by the Midlands Engine to a partnership of organisations.

Led by partners including Coventry University, Warwickshire University and the West Midlands Combined Authority, the Mental Health and Productivity pilot will seek groundbreaking ways to cut levels of sickness absence and reduce the number of people out of work due to mental health conditions. The pilot brings together an impressive partnership of 20 organisations from across the Midlands, including businesses, local authorities, public health bodies, key charities, NHS Midlands, Midlands Innovation Universities and the West Midlands Combined Authority.





# ENABLING PEOPLE ACROSS THE REGION TO ACCESS DEDICATED REHABILITATION

## NATIONAL REHABILITATION CENTRE

**M**idlands Engine partners have led work to advance the National Rehabilitation Centre (NRC) - making significant progress this year towards creating the first national centre dedicated to rehabilitating people following a period of serious injury or illness. The programme is creating a clinical centre for patients in the East Midlands and a national research and training hub for the UK. There will be both national and international opportunities at the NRC. It is expected that the NRC will be complete and open towards the end of 2023.

This year the clinical model has been agreed with a wide range of stakeholders, including current patients, which will enable access to rehabilitation for many more people in the East Midlands. The plans for the NRC will go to public consultation in spring 2020 and any feedback incorporated into the business case.

There is still much to do before the Government-allocated £70m can be drawn down and we can start building, but it is hoped that the first business case stage for this innovative and transformational programme will be submitted to the Department of Health and Social Care in August 2020. As we have moved forward during 2019, partner support has been strong and an overwhelmingly positive response was received to the invitation for expressions of interest to become the academic partner, alongside Nottingham University Hospital Trust, to deliver the training and research elements of the NRC.

2020 will be another exciting year for the NRC programme with the academic partner selected, investment gained in the wider concept and building - and a robust timeline in place for next steps.



AN ARTIST'S IMPRESSION OF THE PLANNED NRC

# EVIDENCING THE IMPORTANCE OF MEDTECH TO OUR REGION

## MIDLANDS MEDTECH SECTOR ANALYSIS



COMPREHENSIVE REPORT NOW AVAILABLE  
ON THE MIDLANDS ENGINE WEBSITE

**A** key piece of work for the Midlands Engine in 2019 was the funding of a new report which highlights the critical importance of the Medical Technologies (MedTech) sector to the Midlands economy. The report focuses upon the nature and scale of the MedTech sector, its contribution to the regional economy, what Midlands businesses need to achieve growth, and barriers faced.

Commissioned by Midlands Innovation Health, the independent report highlighted

key findings including:

- MedTech contributes an estimated £1.6 billion in GVA for the region annually
- The sector is a driver of high productivity, with GVA per worker standing 40% higher than the Midlands average
- There are close to 1,000 MedTech businesses operating in the Midlands - the largest number in any region in the UK
- The MedTech sector employs 23,600 people - our region has the second highest number of MedTech jobs across UK regions

# DEVELOPING A LEADING SPACE-MANUFACTURING CLUSTER

## SPACE PARK LEICESTER



INVESTING IN STATE-OF-THE-ART  
SPACE R&D FACILITIES

**F**ollowing a funding call from Midlands Engine, the Leicester and Leicestershire Enterprise Partnership (LEEP) responded and successfully secured funding to bring forward the Space Park Leicester site and develop its plans.

Opening spring 2021, Space Park Leicester comprises ~10,000m<sup>2</sup> of state-of-the-art R&D facilities. It will house industry together with

academia to drive innovation and commercial applications for space and space-enabled industries. It is a collaborative environment that will support our region's business growth and inward investment, boosting jobs and exports, and raising productivity.

The Space Park will be a real asset for the city and region, and supports the UK's aim to capture 10% of a £400 billion global market in space.

The project is being developed by the University of Leicester in collaboration with local, regional and national partners. There have already been public announcements by Airbus and the Satellite Applications Catapult, amongst others, to locate staff to the Space Park.



# ONCE IN A GENERATION

## OPPORTUNITY TO SUPERCHARGE OUR ECONOMY

### MIDLANDS ENGINE DEVELOPMENT CORPORATION

In 2019, the UK government invested £2 million to help shape and establish a new locally led body - Midlands Engine Development Corporation.

Its purpose will be to act swiftly on the once in a generation, transformational opportunity that now exists around three strategically important sites:

- East Midlands HS2 Hub, Toton
- East Midlands Airport
- Ratcliffe on Soar Power Station

Throughout 2019 work has developed at pace, led by partners from across the East Midlands to drive forward the emerging concept of this powerful catalyst for sustainable economic growth and regeneration.

"We cannot afford to miss this opportunity. Our Development Corporation is a catalyst for growth that has the potential to improve the life chances of children and families in the region for years to come by creating something that is not just nationally significant but will attract interest from around the globe."

**SIR JOHN PEACE, CHAIRMAN  
MIDLANDS ENGINE**



MASTERPLAN FOR THE  
DEVELOPMENT CORPORATION

# SKILLS

## DEVELOPMENT TO TACKLE BARRIERS FOR NON-NATIVE ENGLISH SPEAKERS

### ENGLISH FOR SPEAKERS OF OTHER LANGUAGES

2019 saw the launch of an important skills pilot across Midlands Engine - to enable accredited providers to deliver English for Speakers of Other Languages (ESOL) for Midlandsers who are in employment and those not currently employed. The pilot was developed recognising the need to ensure that across our region, skills needed for businesses are not lost due to language barriers.

Midlands Engine awarded £1million of Government funding in total to ten adult education providers to test new ways of delivering ESOL training, with pilots due to conclude in April 2020.

Feedback already indicates that many learners are motivated to continue onto more formal training either in English, functional skills or other employment related courses. Those who have

completed their learning reported improved confidence in work as well as in the wider community.



EARLY SUCCESS BY ESOL STUDENTS





midlandsengine.org



Midlands Engine  
Trent Bridge House  
Fox Road  
West Bridgford  
Nottingham  
NG2 6BJ

Email [info@midlandsengine.org](mailto:info@midlandsengine.org)