



## Collaborating for a better future

# INSIGHTS

### True collaboration in action at the Midlands Economic Summit

The inaugural Midlands Economic Summit, held on 7 June 2023 at the Vox Conference Centre Birmingham in the UK Central Hub Solihull, was the largest Midlands-wide business forum ever held in the region. Bringing together over 400 business, government, academic and third-sector leaders from the East and West Midlands, the event aimed to celebrate and continue building a shared pan-regional vision.

Despite taking place during a time of undeniable disruption for the regional economy, there was a tangible sense of optimism for the region's prospects and its pivotal role in the UK's transition to Net Zero and future energy and food security. The day's proceedings were also underpinned by a clear ambition and commitment from attendees to work together to secure a better future for the region.

Vital to making all the ideas and actions discussed at the summit a reality is intense collaboration and partnership across the private, public, academic and third sectors. The importance of place-based vision and leadership was also highlighted, accompanied by the need for our diverse region to speak up for itself loudly with one voice.

#### Other key areas of consensus coming out of the summit included:

- Broad support for a **long-term industrial strategy** to give greater certainty and encourage more private sector investment
- Desire to see **much better coordination across central government**
- Need for **more public investment in the region** – including for affordable housing and brownfield regeneration, infrastructure, R&D and support for small and medium sized enterprises (SMEs)
- Call for **more devolved decision-making over spending** with single pots for local government to enable place-specific integrated solutions.

## Addressing the midlands' most pressing issues

Through a diverse series of panels and interviews, participants at the summit raised and discussed questions around some of the most pressing issues for the region, including:

- Turbo-charging the region's economy and **closing the region's productivity gap** – reinventing the economy for the future.
- Understanding the **urgency of the Net Zero transition** — and the need to **secure the right energy mix for businesses and households**.
- **Accelerating innovation and technology adoption** to secure critical supply chains, including in food and manufacturing, and to drive higher productivity
- **Tackling workforce skills gaps** and developing the **workforce of the future**.
- **Attracting more investment into the region** – both public and private and, particularly, foreign direct investment in a “fast moving and fiercely competitive world.” (Paul Thandi, CEO, NEC Group)

*“[Net Zero]..the greatest investment opportunity in history” (Lord Ravensdale), “of the scale of the industrial revolution, but to be achieved in the timeframe of the digital revolution”*

**Professor Paul Monks, Chief Scientific Adviser, Department for Energy Security and Net Zero**

*“Our people are our greatest asset.”*

**Pat McFadden, MP**



## The path to fulfilling the region's potential

A common view emerged during the summit around four of the main challenges and opportunities facing the region and the policies that could be put in place to address them.

### 1. Net Zero transition

**Opportunities:** harnessing the region's strengths in engineering and manufacturing and clean technologies to accelerate the transition to Net Zero. There are also regional opportunity sites for clean energy generation and storage including disused power station sites.

Net Zero opportunities are set out in the Midlands Engine Partnership's publications: ['Ten Point Plan for Green Growth'](#), ['Smart Energy – An Energy System for the 21st Century'](#), ['Hydrogen Technologies Strategy'](#), ['Review of Green Innovation in the Midlands Engine'](#), and ['Review of Nuclear and Related Industries.'](#)

**Challenges:** the massive scale of investment urgently needed within an urgent timeframe to deliver the transition to Net Zero, including to retrofit the housing stock; limited grid capacity and slow pace of investment in additional grid connections to renewable sources; risks to the region's critical industrial base; and limited local government capacity to lead the transition locally.

**Policy proposals and asks:** to rapidly bring forward investment opportunities on regional opportunity sites including disused power station sites with existing grid connections – as per the UKAEA's prototype STEP fusion power plant at West Burton – *“The development of the first commercial fusion project at the previous coal generation site of West Burton, exemplifies the transition that our energy system will go through as we move from fossil to fusion”* (Rachael Glaving, EDF); to safeguard and support industry supply chains – designating them as critical national assets;

and funding to increase local government capacity to lead the transition at local level.

### 2. Skills

**Opportunities:** wide stakeholder commitment to the importance of upskilling the region's workforce, and ambition to work together to resolve the issue.

**Challenges:** to align the education and skills system better to business and investor requirements, particularly to support greater adoption and commercialisation of emerging digital technologies, and to meet the skills needs associated with the transition to Net Zero.

**Policy proposals and asks:** greater cross-sector collaboration to ensure that education and skills provision is aligned with current and future needs – particularly as regards digital skills – backed up by an industrial strategy, and with reform of the Apprenticeship Levy to be more aligned to business needs.

### 3. Innovation

**Opportunities:** the Midlands is *“a business-led innovation region”* (Dr. Helen Turner, Director, Midlands Innovation) with many innovative businesses including large, R&D intensive firms and a well-connected science and innovation based for translating and commercialising new ideas and discoveries. There are strong networks and collaborations including between the region's universities who are working together to accelerate the impact of their research through initiatives such as Midland Mindforge.

[Midlands Mindforge](#) is a patient capital investment company formed by the Midlands Innovation collaboration of research-intensive universities to accelerate the commercialisation of university spin-outs and other early-stage IP rich businesses.

Research has shown that by bringing the Midlands in line with R&D spend per head across the most benefitting regions, there is potential to generate up to £7bn additional GVA and 127,000 new jobs in the region (source: Oxford Economics).

**Challenges:** to accelerate the adoption and commercialisation at scale of emerging technologies and new business models to secure resilient, competitive and productive supply chains – including in energy, food and manufacturing – enable the urgent transition to Net Zero and drive better social outcomes, including in health. A key challenge for the region is to increase diffusion of innovation and best practice from Tier 1 to Tier 2 and 3 suppliers.

**Policy proposals and asks:** a long-term, industrial strategy; more public R&D investment into the Midlands; collaboration to create clear routes to market; targeted support for technology adoption within supply chains and the wider business base; and further initiatives to increase access to finance, including patient capital, for early-stage tech firms and scale-ups.

**4. Investment**

**Opportunities:** the UK remains the leading destination for Foreign Direct Investment (FDI) in Europe, and the Midlands is an attractive location, receiving around 10% of UK FDI and 18% of UK Direct Domestic Investment (DDI). Opportunities through Midlands’ innovation-led clusters and collaboration between government, local growth partners and universities to drive FDI into the region, drawing on evidence and learning from the Midlands Engine Partnership’s Cluster Programme and the ‘Universities as Drivers of Trade and Investment’ Midlands Pilot.

**Challenges:** to remain competitive for global investment in a “fiercely competitive world” (Paul Thandi, CEO, NEC Group) via developing strong investment propositions; offering investment incentives for ‘anchor’ investments; being more responsive to investor requirements through joined-up, agile government; making effective use of policy tools including the Freeports programme; and investing more in regional infrastructure.

**Policy proposals and asks:** strengthened collaboration between central government, regional and local partners to develop and deliver strong regional investment propositions; incentives and subsidies for initial ‘anchor’ investments; more joined-up, agile government in responding to investor demands; more devolved funding for investment in regional infrastructure and skills.

17 universities in the Midlands (Midlands Innovation & Midlands Enterprise Universities) are collaborating with local economic growth partners on a proof-of-concept ‘Universities as Drivers of Trade and Investment’ Midlands pilot, co-funded by government, to develop innovation-based investment propositions; university infrastructure to support inward investment, and to leverage universities’ vast international connections to drive exports in SMEs and local visitor economy growth.



## Achieving the prize of levelling up

Summing up the way forward for the region, Midlands Engine Chair, Sir John Peace reminded the summit participants that levelling up can only be achieved by bringing together dynamic voices and ideas from across industry, academia and local government, and through real, proactive collaboration to capture opportunities for green, inclusive growth – enabling more people across the region to work in meaningful, well-paid jobs.

*“Levelling up isn’t the process, it’s the prize – it is not in itself a political process or solution; it is the desired economic outcome and impact on society.”*

**Sir John Peace, Chair, Midlands Engine Partnership**

The role of third sector organisations in delivering social value and supporting vulnerable workers was also an important highlight from the summit with Saqib Bhatti, MP calling for actions and interventions to reflect the different economies and community needs across the Midlands. Only by ensuring this inclusive route, will the many participants in attendance at this landmark summit truly be able to support levelling up.

*“We have to bring our communities with us on this journey.”*

**Saqib Bhatti, MP**

### Senior business and industry leaders from regionally-significant sectors included:

#### Arts and entertainment

BBC Midlands  
Nachural  
NEC Group

#### Digital

WM5G

#### Energy

EDF

#### Food

SmartParc

#### Logistics

DHL Supply Chain

#### Manufacturing and engineering

Bosch Thermotechnology  
Digital Concepts Engineering  
Schumacher Packaging

#### Professional & employment services

EY  
Pertemps Network Group  
Steps to Work

#### Real estate & finance

Bruntwood  
Pioneer Group  
RCL Partners

### National and regional figures speaking at the event included:

Sir John Peace, Chair,  
Midlands Engine Partnership  
Andy Street, Mayor of the West Midlands  
Saqib Bhatti MP  
Pat McFadden MP  
Lord Harrington  
Lord Ravensdale

### Expert speakers sharing their insights included:

Professor Nishan Canagarajah,  
University of Leicester  
Professor Paul Monks, Department for Energy Security and Net Zero  
Professor Martin Freer, Birmingham Energy Institute  
Professor David Greenwood, University of Warwick  
Professor Warren Manning, University of Derby  
Dr. Helen Turner, Midlands Innovation  
Rosa Wells, University College Birmingham  
Olly Bartrum, Institute for Government  
Edward Glossop, EY

# The Midlands Economic Summit 2023

Speaker

Organisations

bruntwood

The Business  
Influencer

nachural

East Midlands  
Freeport

UNIVERSITY OF  
LEICESTER

UNIVERSITY OF  
DERBY

UNIVERSITY  
COLLEGE  
BIRMINGHAM

UNIVERSITY OF  
BIRMINGHAM

INSTITUTE  
FOR  
GOVERNMENT

EY  
Building a better  
working world

BBC

RCL  
PARTNERS

MIDLANDS  
INNOVATION

MC Midlands Connect  
Transport | Investment | Growth

DCE DIGITAL  
CONCEPTS  
ENGINEERING

THE UNIVERSITY OF  
WARWICK

DHL

nec group

WM 5G

STEPS  
TO  
WORK

SmartParc  
Food Production Reimagined

Pertemps  
Network  
the face of recruitment

West Midlands  
Combined Authority

Pioneer

schumacher

DCE DIGITAL  
CONCEPTS  
ENGINEERING

edf  
ENERGY