



**MIDLANDS
ENGINE**

EDUCATION TECHNOLOGY

MIDLANDS CLUSTER SNAPSHOT 2023







Education Technology



Emerging education technology is a fast growing cluster (100% increase in businesses 2013-23) in the Midlands Engine, greatly boosted during the pandemic with some local government investments. With particular strengths at the Universities of Birmingham, Loughborough, Nottingham, and Warwick, and some 16,000 HE and FE graduates annually (with an impressive 97.3% remaining in the region to work 3 years later), the Midlands performs strongly in attracting both domestic and foreign investment - with 24% of all new Educational Technology jobs in the UK created in the Midlands (2017-21).

This cluster covers educational technology and services, with a notable cluster of high growth companies in Birmingham in particular, as well as significant business and employee clusters across the East Midlands.

Cluster in context

- 
Almost 1,700 jobs; 3% of national.
- 
17 high growth companies (14% of UK) and 2 £100m+ turnover companies (12% of UK).
- 
8% of Midlands university graduates studied relevant subjects to education technology, including from 4 of the top 25 UK universities for Education and Training.
- 
15% of Innovate UK funding to education technology since 2005 has been awarded to those with a Midlands address.
- 
Over 200 businesses; 16% of UK total and 100% growth since 2013.
- 
23% of cluster relevant UK Foreign Direct Investment Capex and 18% of cluster relevant UK education technology Domestic Direct Investment Capex 2017-2021.

Business Ecosystem



Total Cluster Business Count: **222**

16% of UK; largest region outside of London / SE.
100% growth since 2013.¹

£100m+ Turnover Companies: **2**

12% of all in the UK have a Midlands location.²

High Growth Companies: **17**

14% of all in the UK have a Midlands location.³

Incorporations 2017-22: **57**

14% of UK education technology incorporations between 2017 and 2022 have a Midlands location.⁴

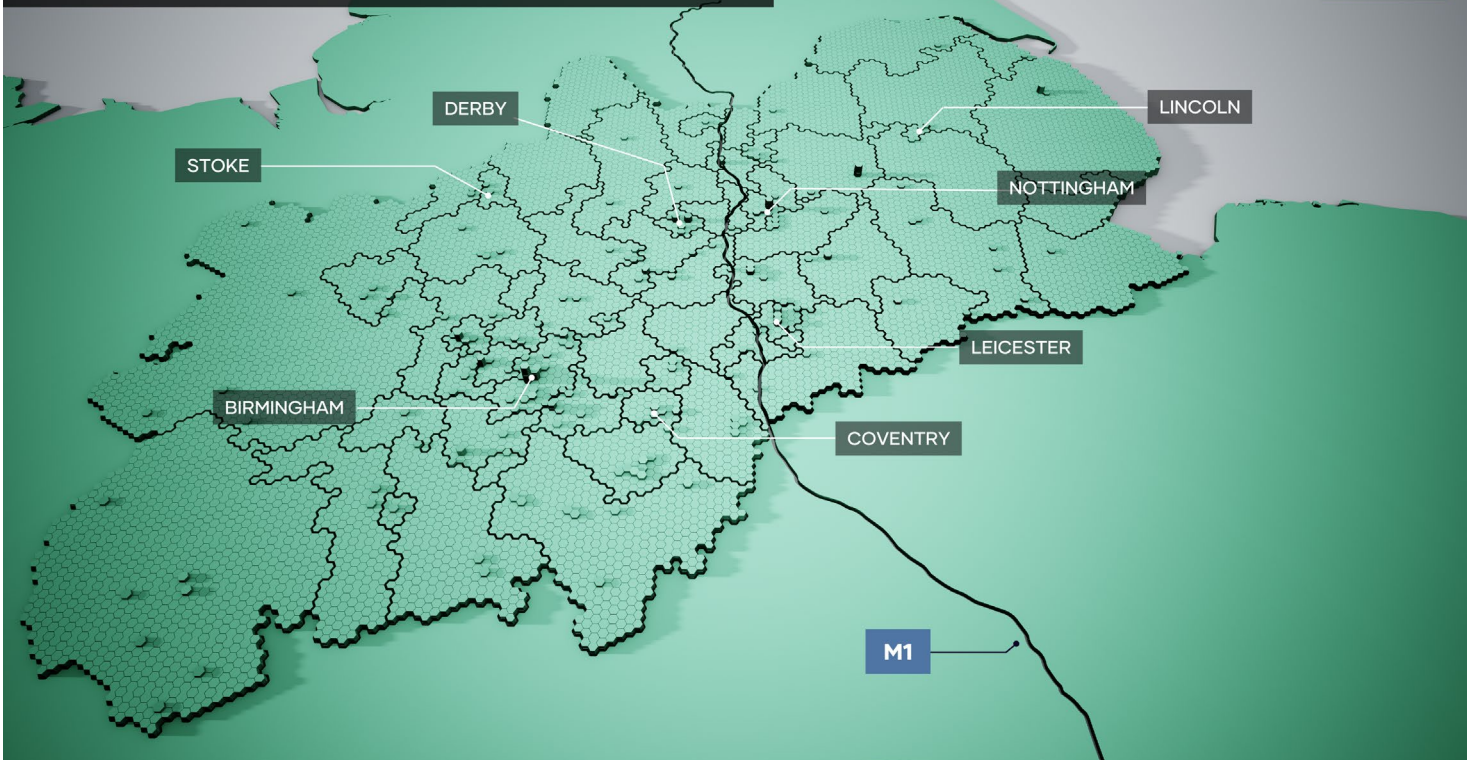
Foreign-owned enterprises: **6%**

14 are known to be foreign-owned; Higher proportion of foreign-owned than national average 9%).⁵

^{1,2,4,5} Data City 2023; ³Data City 2023: 20%+ company growth percentage per year.

EDUCATION TECHNOLOGY - Business Counts

MIDLANDS ENGINE



EDUCATION TECHNOLOGY - Turnover

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Education Technology



Innovation Ecosystem



Accelerator Engagement:¹

61

Relevant Cluster Organisations:

Association for Learning Technology

Relevant Spinouts:²

7

Relevant high performing HEI research:

Universities of Birmingham; Loughborough; Nottingham; Warwick

4 Midlands universities with high research ranking in relevant subjects.³

Significant Innovation Hubs:

Institutes of Technology; Learning Sciences Institute; EdTech Hubs

High Growth Company Grants⁴:

15

Innovate UK funding:

£1.2m since 2005

15% of Innovate UK funding to education technology had a Midlands location.⁵



¹Beaurost 2022: High growth companies utilised accelerators ²Beaurost, 2022, ³REF 2021 GPA >3.0 in Education ⁴Beaurost 2022, ⁵Data City 2023.



Education Technology



Talent Ecosystem



Estimated Employees:

1,698

3% of national total.¹

Earnings:

Average salary £33,743

National average £35,786 (5.7% lower in Midlands).²

Further Education Leavers:

4,800

More FE leavers (including higher level) in relevant subjects than in any other region.³

Relevant HEI High-Ranking Department:

Universities of Nottingham, Birmingham, Warwick, Leicester

4 universities high ranked: international presence and expertise.⁴

University Graduates:

11,725

8% of Midlands graduates studied relevant subjects to education.⁵

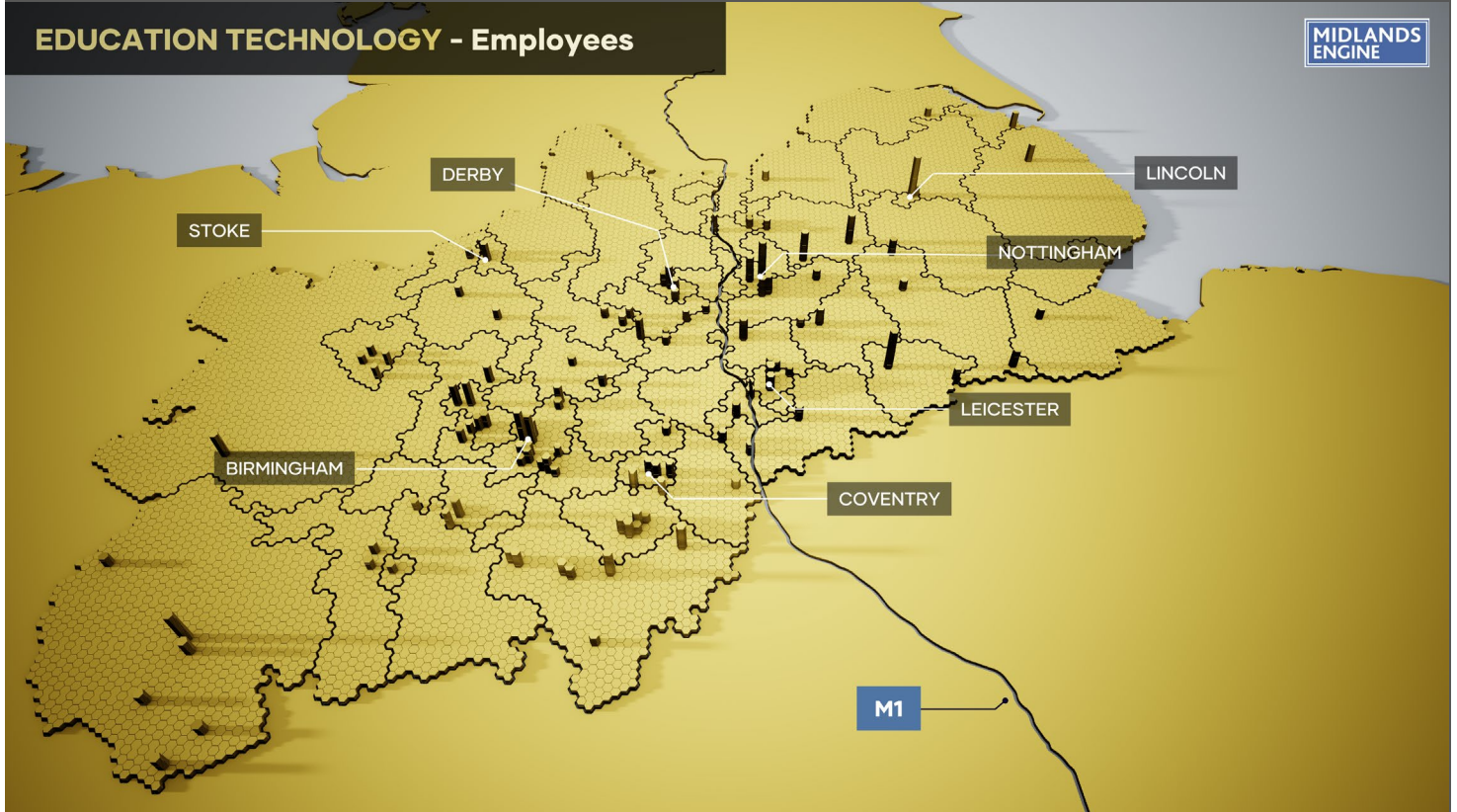
Graduate Retention: change over 3 years:

97.3%

There is a positive balance in graduate retention across the Midlands, driven by retainment success in the West Midlands. The West Midlands is the only region to attract more graduates into work than studied outside of London & South East.⁶

¹Data City, 2023, ²ONS ASHE, 2021, ³DfE Unit for Future Skills: Further Education leavers 18/19 in relevant fields, ⁴Graduates from relevant subjects 2021 (HESA), ⁵5560/5415 first degree graduates trained in region remain in 'Information and Communication' in 3 years of graduating in 2019 (attracted graduates from elsewhere). (DfE Graduate Outcomes by Industry).

EDUCATION TECHNOLOGY - Employees



Education Technology



Investment Ecosystem



Investment/Venture Capital Firms:
Funds HQ'd in Midlands Engine area
 313 Funds have offices in region.¹

200

FDI Jobs 2017-2021:
 30% of UK total.⁶

599 jobs

FDI into High Growth Companies:
 56 of 88 investments in High Growth Companies.²

64%

DDI Jobs 2017-2021:
 21% of UK total.⁷

718 jobs

FDI Capex 2017-21:
 23% of UK total.³

\$110.20m

FDI Projects 2017-2021:
 23% of UK total.⁸

10 projects

DDI Capex 2017-21:
 18% of UK total.⁴

\$48.25m

DDI projects 2017-2021:
 7% of UK total.⁹

9 projects

Fundraising Volumes:

Mean av. £261k fundraising investment

£23m in 88 investments (inc. £4.8m across 55 seed investments; £14.1m across 23 venture investments).⁵

¹Beauhurst 2022, ²Beauhurst 2022, ³Wavteq 2022, ⁴Wavteq 2022, ⁵Beauhurst 2022, ⁶Wavteq 2022, ⁷Wavteq 2022, ⁸Wavteq 2022, ⁹Wavteq 2022.





COMMENTARY

- The majority of FDI projects have a capex of less than \$10mn. One large project in Dec 2020 occurred that was valued a \$48.50mn.
- Educational services companies in the Midlands received 4.51% of the total equity received in the UK from 2017 to 2021 by high-growth companies in this sector, despite making up 11.2% of the sector's population. They also received 5.76% of all grant money received by companies in this sector.
- The top countries for foreign ownership of businesses in this cluster are the USA, and Sweden.



This data has been compiled from multiple sources, using classifications based on clusters as proposed by Midlands Engine Partners. Where necessary wider sector data has been used as a 'best proxy'. Unless otherwise stated, all data is contemporary as of May 2023, and is an aggregation of all known counts/data within the Midlands Engine's 65 Local Authorities. Unless otherwise stated, business, employee and turnover figures have been calculated via DataCity based on trading addresses within the Midlands Engine.