

MIDLANDS ENGINE

Midlands Engine Executive Board Reports Pack

20 JULY 2022

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Midlands Engine Executive Board Agenda 20 July 2022 13.00 -15.00 Venue: Microsoft Teams

Membership:	Sir John Peace (SJP) Chairman, Midlands Engine, Cllr Alan White (AL) Leader, Staffordshire County Council, Cllr David Mellen (DM) Leader, Nottingham City Council, Cllr Simon Geraghty (SG) Leader, Worcestershire County Council, Cllr Martin Hill (MH) Leader, Lincolnshire Council, Cllr Barry Lewis (BL) Leader, Derbyshire Council, Anthony May (AM) Chair, Midlands Engine Operating Board, Cllr Chris Poulter (CP), Leader, Derby City Council, Andy Street (AS) Mayor West Midlands Combined Authority, Cllr Abi Brown (AB) Leader, Stoke-on-Trent Council, Prof. Trevor McMillan (TM), Vice Chancellor, Keele University, Prof. Edward Peck (EP), Vice Chancellor Nottingham Trent University.
Members in attendance:	Sir John Peace (SJP) Chairman, Midlands Engine, Cllr Alan White (AL) Leader, Staffordshire County Council, Cllr David Mellen (DM) Leader, Nottingham City Council, Cllr Simon Geraghty (SG) Leader, Worcestershire County Council, Cllr Martin Hill (MH) Leader, Lincolnshire Council, Cllr Chris Poulter (CP), Leader, Derby City Council, Andy Street (AS) Mayor West Midlands Combined Authority, Cllr Abi Brown (AB) Leader, Stoke-on-Trent Council, Prof. Trevor McMillan (TM), Vice Chancellor, Keele University, Prof. Edward Peck (EP), Vice Chancellor Nottingham Trent University, Cllr Bruce Laughton (BLa), Nottinghamshire County Council for Anthony May, Cllr Bob Sleigh (BS) Deputy Mayor, WMCA for Andy Street.
Observers in attendance:	John Henderson (JH), Chief Executive, Staffordshire County Council, Prof. Delma Dwight (DD) Director Midlands Engine Observatory, Rachel Shaw (RS) Director External Affairs, Midlands Engine. Roger Mendonca, (RM) Director of Delivery, Rowena Limb (RL) Area Director, Cities and Local Growth Unit, Marian Sudbury, (MS) DIT Director for UK Regions.
Apologies:	Cllr Barry Lewis (BL) Leader, Derbyshire Council, Anthony May (AM) Chair, Midlands Engine Operating Board, Rachael Greenwood (RG) Executive Director, Midlands Engine, Maria Machancoses (MM) Director, Midlands Connect.
Guests in attendance:	Grant Peggie, (GP) Director, UK Funding Team and Jody Tableporter (JT), Director UK & Regional Funds, British Business Bank British Business Bank.
Chairman:	Sir John Peace

Item	Timing	Topic	Paper No.	Lead
1.1	13.00 - 13.10	Chairman's welcome		Chairman
1.2	13.10 - 13.15	Declarations of Interest and minutes of last meeting	EB22.07.1	Chairman
1.3	13.15 - 13.45	Midlands Engine Investment Fund	Presentation	GP/JT
1.4	13.45 – 14.05	Midlands Engine Update report	EB22.07.2	RM
1.5	14.05 - 14.50	Governance Review	EB22.07.3	RM
1.6	14.50 - 15.00	AOB and date of next meeting		Chairman
Date of next meeting: 12 October 2022 13:00 - 16:00				



=Draft= Minutes of the Midlands Engine Executive Board – 27 April 2022

In attendance:

Members	
Name	Position
Sir John Peace (SJP)	Chairman of the Board
Cllr Abi Brown (AB)	Leader, Stoke-on-Trent Council
Cllr Simon Geraghty (SG)	West Midlands Councils. Leader Worcestershire County Council
Cllr Martin Hill (MH)	Leader, Lincolnshire Council
Cllr Barry Lewis (BL)	East Midlands Councils. Leader, Derbyshire County Council
Cllr David Mellen (DM)	East Midland Councils. Leader, Nottingham City Council
Cllr Chris Poulter (CP)	East Midlands Councils. Leader, Derby City Council
Andy Street (AS)	Mayor West Midlands Combined Authority
Cllr Alan White (AW)	West Midlands Councils. Leader, Staffordshire County Council
Prof. Edward Peck (EP)	Midlands Enterprise Universities. Vice Chancellor, Nottingham Trent University
Officers and Observers	
Roger Mendonça (RM)	Interim Director of Delivery, Midlands Engine
Maria Machancoses (MM)	Programme Director, Midlands Connect
Gayle Aughton (GA)	SEO, Midlands Engine
Rachel Shaw (RS)	Director of External Affairs, Midlands Engine
Dr Helen Turner (HT)	Director, Midlands Innovation
Rachel Dickenson (RD)	Areas and Analysis Directorate, Cities and Local Growth Unit, DLUHC
Professor Delma Dwight (DD)	Director Midlands Engine Observatory
Shehzad Chaudhary (SC)	Deputy Director Midlands Engine, Department for International Trade (DIT)
Josh Hawkins (JH)	Lead Officer (International), Midlands Engine
Alex Favier (AF)	Director Global and Investment, Midlands Engine

Apologies:

Name	Position
Rachael Greenwood (RG)	Executive Director, Midlands Engine
Kevin Harris (KH)	East Midlands LEPS. Chair, Leicester and Leicestershire LEP
Rowena Limb (RL)	Regional Director, HMG Cities and Local Growth Unit
Anthony May (AM)	Chair, Midlands Engine Operating Board. Chief Executive, Nottinghamshire County Council
Professor Trevor McMillan (TM)	Chair, Midlands Innovation Universities. Vice Chancellor, Keele University
Mark Stansfield (MS)	West Midlands LEPS. Chair, Worcestershire LEP
Marian Sudbury (MS)	Regional Director, HMG DIT
John Henderson (JH)	Chief Executive Staffordshire County Council

Item	Narrative
1	Items for discussion
1.1	<p>Chairman’s welcome</p> <p>The Chairman welcomed Members to the meeting.</p> <p>Apologies listed above.</p>
1.2	<p>Declarations of Interest, minutes of last meeting and matters arising</p> <p>No declarations of interest recorded.</p> <p>The Board approved the minutes from the meeting held 21 July 2021.</p>
1.3	<p>Trade and investment activities</p> <p>The Chairman invited AF to update Board Members on the Midlands Investment Portfolio and update on other investment activities.</p> <p>Midlands Investment Portfolio - The Midlands Investment Portfolio will be launched w/c 16 May at UKREIIF in Leeds on the 18 May.</p> <p>Investment potential of clusters - Working with 4 suppliers (CBI, WavTeq, Beauhurst, The Data City Innovations) and due to complete in September/October 2022. This work will: identifying emerging, growing and established clusters across the Midlands that have the potential to attract FDI now and in the future.</p> <p>Universities as drivers of trade and investment pilot - This piece of work has 4 distinct elements including;</p> <ul style="list-style-type: none"> - Developing a ‘FDI into university R&D’ strategy and campaign in partnership with universities, regional partners and national government - International Trade and Investment Champions/ Navigators for all Midlands universities to improve connections with local partners and government. - Student and graduate placements into SMEs to support international trade and exports - Leveraging universities' international alumni networks to support trade, investment, and the visitor economy <p>Internationalisation scorecard This piece of work has been developed jointly with the ME Observatory and the DIT, part of developing an evidence-based approach for regional performance in internationalisation covering;</p> <ul style="list-style-type: none"> - Trade - Investment - Visitor Economy - Universities (students, research funding). <p>Action: AF circulate slides shared during the meeting to the Board. The Chairman invited Members to provide any comments or observations from Members of the Board.</p>

	<p>Members observations included:</p> <ul style="list-style-type: none"> - Agreed that there is a need for data that provides insight and analysis that can then be used to advocate to government and help them understand the situation across the pan region. - Policy implications are for partners to take forward - Exports of goods are key to the success of the region and urgently need to be supported following recent poor figures - There is now a community of practice-based forum in place to help partners - AF advised that there is investment training available for partner staff in LAs, LEPS and MCAs <p>Action: All partners who are interested in receiving training and/or requires more details please contact AF and share the opportunity with colleagues.</p> <p>Action: All to share knowledge of the Midlands Investment Portfolio with colleagues and interested partners and promote when it goes live w/c 16 May.</p> <p>The Chairman thanked AF for the presentation</p>
2	Business Items
2.1	<p>Executive Director's Report</p> <p>The Chairman invited RM to present the Executive Director's report.</p> <p>RM provided examples of convening and advocacy activity and an update on action plans for priority areas and confirmed that an update will be bought the July 2022 meeting of the Executive Board. RM reported an update on the outcome of the recent audit, annual performance and review and governance review.</p> <p>Action: Action plan update to be bought the July meeting of this Board</p> <p>The Chairman thanked RM for the update and invited Members to provide any comments or observations Members of the Board.</p> <p>Members of the Board agreed the governance review be concluded and recommendations are ready for the next Board in July.</p> <p>Action: ME Executive Team to arrange a workshop with Board members to review the governance arrangements in May/June.</p>
3	AOB
	<p>No matters of AOB</p> <p>The Chairman thanked participants and closed the meeting.</p> <p>Date of next meeting: Next meeting 20 July 2022, 13:00-16:00</p>

Actions		
Item	Action:	Date:
1	AF to circulate the slides to the Board.	Complete
1	All partners who are interested in receiving training and/or requires more details to contact AF and share the opportunity with colleagues.	Complete
1	All to share knowledge of the Midlands Investment Portfolio with colleagues and interested partners and promote when it goes live w/c 16 May.	Complete
2	ME Executive Team to arrange a workshop with Board members to review the governance arrangements in May/June.	Complete

Security Level:	Confidential	Restricted	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive
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Meeting & Date:	Midlands Engine Executive Board – 21 July 2022
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Subject:	Directors Update Report
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Attachments:	None
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Author:	Director Delivery, Midlands Engine	Total no of sheets: (incl. cover sheet)	4
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Papers are provided for:	Approval	Discussion	Information <input checked="" type="checkbox"/>
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Summary & Recommendation:

This paper updates the Executive Board on activity undertaken by the Midlands Engine Partnership since May 2022.

Recommendation

Executive Board members are asked to note the paper, in particular:

- The recommendation from Operating Board to take receipt of £2.9m of Government funding to extend the Mental Health Productivity pilot and extend the contract with Coventry University to deliver the pilot
- Ongoing development of the business case for the Regional Gigahubs project, and the intention to select a local authority partner to take receipt of circa £8m of Government funding to deliver the project (subject to Operating Board sign-off in September of a contribution to partner running costs from the Midlands Engine)

Public Affairs update

Chairman's activities

The Chair of the Midlands Engine will provide a verbal update at the meeting on his recent activity to promote the region to key decision-makers. Recent correspondence has included:

- A joint letter with Professor Melanie Davies, Co-Chair, Midlands Health Alliance, to all Midlands MPs - alerting key health-focused Ministers and Shadow Ministers, and an extensive list of public health experts and clinicians in our region highlighting the recommendations in the Diabetes Blueprint (including a copy of the report).
- A letter of support for the West Burton A STEP Fusion site, highlighting the exceptional potential it presents for levelling up.

Recent and planned meetings (although these are now subject to events in Whitehall) include:

- Alex Norris MP, Shadow Minister for Levelling Up (May 2022 with a further in-depth meeting on levelling up planned for August 2022)
- Sir Iain Duncan Smith, Chair of Social Justice Policy Group (May 2022)
- Dr Alan Whitehead MP, Shadow Minister for Energy and Green Growth (June 2022)
- Liz Kendall MP, Shadow Minister Health and Social Care (July 2022)
- Bill Esterson, Shadow Minister Business and Industrial Strategy (July 2022)
- George Freeman MP, Minister for Science, Research and Innovation (TBC)
- Lord Grimstone, Minister for Investment, Department for International Trade (TBC)
- Amanda Solloway MP, Parliamentary Under Secretary of State at the Department for Business, Energy and Industrial Strategy (TBC)
- The Rt Hon Anne-Marie Trevelyan MP, Secretary of State for International Trade (TBC)

Forward plan of key Midlands Engine stakeholder events and activities June – August 2022

Rosalind Campion, Director of the Office for Life Sciences (Department for Business, Energy and Industrial Strategy/ Department of Health and Social Care) has accepted an invitation to take part in a roundtable with the Midlands Engine Health Board (at Charnwood Campus) and visit a life sciences facility. The provisional date of 5 July has had to be cancelled due to parliamentary business and a new date is being sought.

A parliamentary reception will be held in Portcullis House (Jubilee Room) on 13 September - an opportunity to champion five years of working in pan-regional partnership for the benefit of our region. All APPG members will be invited, Sir John will be in attendance and Michael Gove has been invited to speak and take questions. A full agenda is in train.

Midlands Engine will attend all three Party Conferences in the autumn and will hold a fringe event at the Conservative Party Conference with the theme: Celebrating Five Years of Pan-Regional Collaboration. We are seeking Ministerial support for this event.

On 16 September 2022, the Midlands Observatory will hold its Quarterly Economic Briefing focused on green investment - opportunities and challenges. If members of this Board would like to attend, please contact Gayle.Aughton@midlandsendengine.org

On 29 September, Morningside Pharmaceuticals will host a business-focused roundtable. This was due to be co-chaired by Sir John and Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy. There will also be an opportunity for the Secretary of State to meet with/visit some innovative businesses from across the Midlands. A full agenda is in train and being planned with support from the Centre for Social Justice.

Midlands Engine All Party Parliamentary Group (APPG) – Notes from subgroup meetings can be accessed by following this link: <https://midlandsengine.inparliament.uk/>

Meetings of the Midlands Engine APPG held since the last meeting of this Board:

- May: High Street Regeneration, Chaired by Baroness Verma
- June: Health (Diabetes focus), chaired by Darren Henry MP

The forward plan of meetings for the Midlands Engine APPG (subject to change due to parliamentary business) is as follows:

- July: Nuclear, plus Annual General Meeting, chaired by Lord Ravensdale and Darren Henry MP
- September: Green Growth, chaired by Darren Henry and Lord Ravensdale
- October: TBC
- November: Visitor Economy, chaired by Lord Taylor
- December: Digital, chaired by Lord Coaker

All-Party Parliamentary Groups (APPGs) are informal cross-party groups that have no official status within Parliament. They are run by and for Members of the Commons and Lords, though many choose to involve individuals and organisations from outside Parliament in their administration and activities. If members of this Board are interested in observing a APPG then please register interest by contacting Gayle.Aughton@midlandsengine.org

Finance update

A formal Grant Determination letter is anticipated from Government (DLUHC) by the end of July and it is anticipated that funding will be confirmed at £1.5m per year for three years. This has been postponed due to reasons outside the control of the Midlands Engine.

Working on this premise the Midlands Engine Partnership has an identified draft total budget of £4.579m which includes DLUHC funding, programme-linked continuity spend/carry forward from 21/22, partner contributions and sponsorships. The draft budget will be revised once we have received the grant determination notice.

Of this, £3.194m has been allocated for 22/23 activities. The remaining balance of £1.385m relates to deferred projects/underspends from previous years which will be transferred to a reserve to ensure programme continuity in future years.

The Mental Health and Productivity Pilot is expecting to receive extension of £2.9 million funding to continue its work up to December 2023. At their meeting on 6 July, Operating Board members agreed to recommend the Midlands Engine accept this funding and extend the contract with Coventry University to deliver the pilot. There is a remaining balance on the original grant of £0.142m, which relate to the management fees for the contract and evaluation costs, this balance will be carried forward to support the contract management and evaluation support for the extension.

Programme/Observatory/Regional Gigahubs

An overview of recent and planned programme and Observatory activity is set out in the attached Brochure pages. Members attention is particularly drawn to the emerging Regional Gigahubs project, which was discussed at Operating Board on 6 July.

Gigahubs is a Building Digital UK (BDUK)¹ programme designed to bring gigabit fibre to rural areas by connecting public sector 'hub' buildings to the network (mostly schools and GP surgeries). The cabling used to connect a Hub should make it more economical for providers to go on and connect nearby commercial and residential locations, thereby delivering a significant economic boost for the region. However, because of Subsidy Control restrictions, this wider connectivity is not a formal output of the programme - the only direct output is the number of Hubs connected. Consequently, the only economic benefits that can be claimed by the project are the de minimis ones associated with a better connected school or GP surgery.

BDUK are working with national bodies (such as DfE and NHS Digital) and local authorities (including Leicestershire and Lincolnshire) to deliver the Gigahubs programme. They have also approached the Midlands Engine partnership about applying for a regional level programme. This would cut across multiple counties and different host sites, and could accelerate delivery. This would be the first time a programme has been run in this way.

To secure a regional programme, Midlands Engine needs to submit a business case. This is currently in development and is currently forecast to be submitted in the autumn. Assuming the business case was agreed by BDUK by the end of the year, procurement of a supplier would be expected to complete by the start of the next financial year. Assuming the procurement is successful, delivery would then commence and is forecast to take at least 30 months.

Currently, nine Tier 1 local authorities² have indicated a willingness to be part of a regional project, but all have retained the right to drop out at the next project stage gateway (when the final business case completed). Within these nine areas there is currently a total of around 300 sites. This is half the original number of sites projected at the beginning of the programme. This reduction is due to a mix of local authorities dropping out of the programme and cleansing of BDUK's original data. Discussions are ongoing with NHS Digital about additional sites that could be added to the procurement but be outside the BDUK procurement. Current estimate is that this could be a further 100 sites.

Based upon the 300 BDUK sites, it is estimated that the additional funding Midlands Engine could bring to the region from BDUK through the programme is circa £8m of capital funding. In line with the reduction in the number of sites in the programme, this is under half the original £17m figure discussed with BDUK. If any further local authorities drop out at full business case stage, the level of capital funding will reduce further.

Whilst the project development has been led by Midlands Engine, the intention is for one of our local authority partners to become funding recipient and take the lead role (and the risk involved) in delivery as they have the necessary skillsets and capacity to run the programme. However, as there is no revenue funding as part of the project, we expect they will require support from the Midlands Engine for each of the three years of the programme. We are awaiting proposals for how much this would be, but it is expected to be in the range of £100-150k per annum. The project is unlikely to go ahead without this financial input from the Engine. A detailed funding proposal, including the potential opportunity cost, is due to be considered by the Operating Board in September.

¹ BDUK are an agency of DCMS

² Derbyshire, Nottinghamshire, Shropshire, Staffordshire, Telford & Wrekin, Warwickshire, Worcestershire, Rutland and Herefordshire
EB22.07.2

May to June 2022 Highlights

The **26th edition** (May 2022) of the **Regional Economic Impact Monitor** was published, covering the ongoing cost-of-living crisis and also highlighting how the Midlands region is under threat of being left behind from Levelling Up. The monitor also provided analysis of the UK Shared Prosperity Fund and the funding gap for the region, plus the latest statistics for business innovation and digital connectivity.

The Observatory produced two factsheets for the Midlands Engine focusing on **Town and Cities Regeneration and Health** within the region.

The quarterly meetings of the **Midlands Engine Intelligence Community** (12 May) and **Research Partnership** (19 May) took place. The **Intelligence Community** focused on East Midlands LSIP Trailblazer, a presentation by Starcount, a showcase of the Midlands Engine clusters research and identification work, and finally discussion on Levelling Up and Shared Prosperity indicators. The **Research Partnership** included presentations on recent ESRC productivity funding awards from universities within the region who have secured over £6m for research into access to finance, mental health and well-being, and servitisation.

Two interns from the University of Birmingham have joined the Observatory team over the summer and will be supporting our research into green and digital skills in the region, including an opportunity to define what green skills really are.

In June 2022, the **Quarterly Economic Briefing** (17 June) focused on investment - opportunities and challenges for the Midlands. It was attended by over 50 partners and involved a panel discussion with key partners including Nigel Driffield, Professor of International Business, Warwick Business School, Bek Seeley, Managing Director, Lendlease, and Lydia Rusling, Assistant Director for Economic Growth, South & East Lincolnshire Councils Partnership.

A **deep dive edition** (June 2022) of the **Regional Economic Impact Monitor** was published focusing on global and investment including trade in goods and services, business, foreign direct investment, higher

education and tourism, all alongside the **Midlands Engine investment scorecard**.

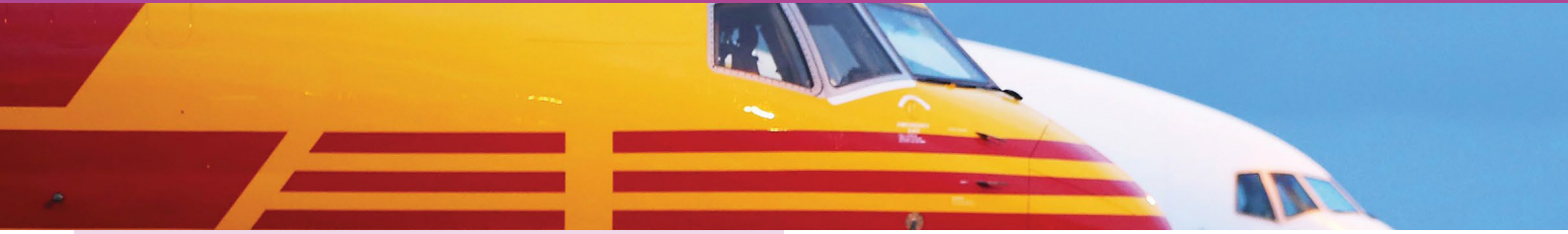
The **27th edition** (June 2022) of the **Regional Economic Impact Monitor** was published.

Looking Ahead - July to August 2022

- Commissioning deep dive research into **smart energy** including development a comprehensive definition of smart energy and a forward-looking vision and potential impact for the Midlands region.
- In partnership with Hydrex the commissioning of an end-to-end deep dive of the skills, qualifications and training required by **hydrogen technologies** to enable the transition to net zero
- Publication of the **July edition of the Regional Economic Impact Monitor**.
- **Midlands Engine Intelligence Community (8 July) Research Partnership (14 July) and MEO Programme Board (19 July) meetings**
- Presentation of **Thematic Scorecards** which allows for tracking of achievements in key theme areas to MEO Programme Board.



Clockwise from top left, we have, Nigel Driffield, Professor of International Business, Warwick Business School, Bek Seeley Managing Director, Lendlease, Lydia Rusling, Assistant Director for Economic Growth, South & East Lincolnshire Councils Partnership and Roger Mendonça, Director of Delivery, Midlands Engine



UK Real Estate Infrastructure & Investment Forum

Midlands Engine partners had a highly successful UKREiIF from May 17 to 19, with Midlands Engine-led events including:

- A roundtable hosted by Ian Stuart (CEO, HSBC) discussing the future of place-based investment and attended by 21 business leaders (C-suite) and both Lord Grimstone, Minister for Investment, and Stuart Andrew MP, Minister for Housing. The discussion was conducted under Chatham House rules and brought together the heads of many of the country's major capital investors, master developers, cities and end users. Among others, this included the Government Property Agency, Astra Zeneca, Legal & General, JLL, Queensbury, EmDevCo, British Property Federation, Harrison Street, Placefirst, Openreach, Investec, Berkeley Group and Martin Lockheed.
- A panel session on 'Why Invest in the Midlands?' hosted by Sir John Peace and attended by around 100 audience members. This featured Bek Seeley, Managing Director of Lendlease; Lynda Shillaw, CEO of Harworth Group; Jackie Wild, CEO of SmartParc, and Richard O'Boyle, Executive Director of Trinity Asset Management.
- A Midlands Investment Reception at which the Midlands Engine launched the Midlands Investment Portfolio. This was attended by almost 300 people and was the largest fringe event that day. Partners, investors and developers all attended, with partners reporting many productive discussions and connections.

Midlands Engine partners plan to return to UKREiIF next year and discussions are already underway with DIT and local authority partners about how to most effectively present the Midlands and support partners in doing so.



Two government Ministers joined the roundtable with C-suite leaders of major national investors and developers

Midlands Investment Portfolio

After many months of work in partnership, the Midlands Investment Portfolio was publicly launched at UKREiIF. Bringing together the priorities of all upper tier local authority partners, LEPs and IPAs, the portfolio presents 72 investment opportunities across the region. The portfolio also incorporates the 12 DIT High Potential Opportunities across the Midlands and identifies the 24 propositions in the West Midlands Combined Authority's 2022 investment prospectus.

The Portfolio has been well received by partners and investors alike, with significant national investors such as Aviva making contact to use the portfolio to generate leads, requesting introductions to relevant leads in local authority partners.

The design has also been deemed effective, with discussions to expand/replicate it for some partners to use for their local opportunities underway.





Next Steps to July 2022:

- Validation of regional Clusters and research on their potential to attract investment in coming years, including private sector roundtables and the production of scorecards and associated policy and activation commentary
- Further development of the Midlands Investment Portfolio
- Aggregation of regional research and development assets and development of university FDI proposition, and the development of pilot campaigns to support trade and investment
- Development of the Investment Academy



An investment opportunity in Nuneaton

Universities as Drivers of Trade and Investment

This programme continues apace, with a cross-Whitehall group led by BEIS having been established to work with and respond to the asks raised by this work.

Roundtables are being planned with major investors from key markets (Germany, Singapore, South Korea, Australia), to build an evidence base (and support a HEPI paper) that articulates how international sources invest in Universities, the different modes and how to leverage more investment.

Underpinning this, the Midlands Engine is working with the two main regional university groups to refresh the comprehensive audit of R&D assets.

Category	Metric	Data Source	Concept score	R&D trust	Information partner and insight	Granularity of data available	References to literature
Business capabilities	High growth business capabilities	1	1	1	Midlands Engine	Midlands Engine	① The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)
	High growth business capabilities	2	2	2	Midlands Engine	Midlands Engine	② The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)
Cluster support	Cluster support	1	1	1	Midlands Engine	Midlands Engine	③ The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)
	Cluster support	2	2	2	Midlands Engine	Midlands Engine	④ The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)
Competitive advantage	Competitive advantage	1	1	1	Midlands Engine	Midlands Engine	⑤ The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)
	Competitive advantage	2	2	2	Midlands Engine	Midlands Engine	⑥ The Impact of COVID-19 on the UK Economy (2020) (HM Treasury)

Portfolio priority site locations (May 2022) The CBI is drafting an analytical framework to articulate the investment potential of clusters

Investment Potential of Clusters in the Midlands

The project to investigate and articulate the investment potential of clusters in the Midlands is well underway, with a hypothesis set of 100 business clusters across the region refined to around 70 (or 30 pan-regional clusters) by Beauhurst and The DataCity - both have assessed relative share and significance of clusters through key metrics such as high growth companies, employee and business count, and turnover.

Waveq have delivered an investment trends analysis at the regional level, presenting both foreign and domestic investment activities, their determinants by sector, and future forecasts. Meanwhile, the CBI have conducted a comprehensive literature review to develop a robust understanding and methodology for defining and measuring clusters, as well as interpreting key drivers for attracting inward investment. This has led to a proposed analytical framework of key measures and commentary.

The group is now working to produce the analytical framework and associated commentary for each regional cluster. This will involve the CBI running eight roundtables with the private sector in specific clusters to test policy recommendations and wider understandings.

The project will deliver cluster scorecards back to partners to support promotion, and a final public report in September ahead of party conferences.

Midlands Engine Digital Connected Map

To make sure that all partners are aware of and benefitting from this important resource, all tier 1 local authorities have been approached regarding access and usage. Responses have been positive, and additional licences have been purchased to meet the increased demand.

The scale and power of the map is now showcased in a video that demonstrates its huge potential To view [‘Click here’](#).

Digital Connectivity Infrastructure Accelerator (DCIA)

The DCIA Pilot programme is being managed by WM5G on behalf of the WMCA. They are working with cross-regional partners to ensure that the lessons learned from this crucial piece of work are shared with partners as it progresses over the course of the year.

Potential outputs include:

- Testing the process required to digitise elements of the site acquisition process.
- Building evidence of whether the use of a digital asset management platform enables more efficient industry access to public sector assets.
- Assessing the potential commercial models and economic viability of running a digital asset management platform.
- Increasing expertise and reach an understanding of what resource is required to expedite telecommunications infrastructure deployment.
- Demonstrating the application of a digital asset management mapping platform across a diverse range of geographies and socio-economic profiles.
- Demonstrating that the platform has been tested with multiple asset types.

GigaHubs

GigaHubs will use up to £110 million to connect public buildings, such as rural schools, doctors’ surgeries and libraries, to gigabit broadband. This will help GPs provide remote video consultations and allow whole classes of schoolchildren to be online, at once, with no interruptions.

We are continuing to explore and develop a possible regional approach to GigaHubs that will accelerate delivery and reduce the administrative burden to local areas. To date eight local authorities have confirmed that they are interested in moving forward with a collaborative pan-regional model.

Unfortunately, BDUK has advised that there are no additional external funds to provide management resources to the programme. As a result, we are continuing to review potential costs and timings to see if this new model is feasible.

Midlands Engine Digital Action Plan

The outline and format of the Midlands Engine Digital Action Plan has been shared with partners from both the Midlands Digital Strategy Board and Steering Group at joint meetings since the New Year.

Partners have made suggestions as to what themes are the most important to the pan-region and which can be measured using a series of metrics proposed in partnership with our Observatory.

Volunteers are also being sought to lead on and/or be involved in developing the different themes, which include:

- Digital Connectivity
- Digital Skills
- Digital Adoption – particularly by SMEs

A final draft of the Plan will be discussed and agreed by members of the Board and Group on 19 July, with the final version due to approved by the Digital Board on 28 July.

Mental Health and Productivity Pilot

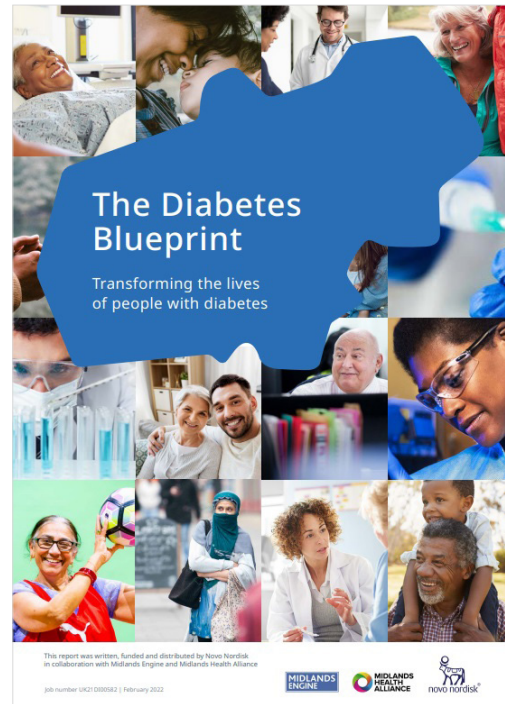
The Mental Health and Productivity Pilot has been awarded a continuation grant of £3m to extend its work to December 2023. Formal confirmation was made by Jonathan Marron, Director General for the Office of Health Improvements and Disparities, Department of Health and Social Care on the 22 June.

A workshop was held with staff from the Employers, Health and Inclusive Employment team at the Department for Work and Pensions. This event provided an opportunity to examine the current findings of the pilot and an interim update on the ongoing evaluation programme. Some initial findings are that firms are deprioritising wellbeing in the workplace. Budgets have been reduced and the number of workplace champions declined. Further research will investigate whether this is due to the perceived end of the pandemic or companies seeking to reduce expenditure in the current economy.



Novo Nordisk Diabetes Blueprint

On 21 June, Midland Engine and our partners presented the Diabetes Blueprint to a meeting of the All Party Parliamentary Group for the Midlands Engine. The presentation was delivered by Dr Sam Seidu, Professor of Primary Care and practicing Leicester GP and Dan Beety, Senior Director of Corporate Affairs, Novo Nordisk. This follows a successful dissemination campaign that included [a comment piece](#) from type 2 diabetes sufferer and former MP Tom Watson.



Director of OLS visit

Work is underway to host a visit by Rosalind Campion, the Director of the Office for Life Sciences (OLS). The OLS will be a critical partner in the pursuit of our strategic aims of increasing investment and research activity in the Midlands, so this meeting promises to be a useful and productive one. The event will be held at Charnwood Campus in Loughborough and will include a site visit at the [drug development company Almac](#). Representatives of businesses in the health and life sciences sector have been invited to take part in a roundtable session with Rosalind.





Midlands Forest Network

Ten Point Plan: Nature's Recovery

The Midlands Engine Observatory, in partnership with the National Forest and Woodland Trust, is creating a National Lottery Heritage Fund funding bid to support a two-year development phase aimed at enabling a 'Midlands Forest Network' to be delivered. This will involve identifying where landscape scale habitat creation, protection and restoration could be achieved, informed by the Observatory data. The development phase aims to identify a pipeline of projects and investment-ready propositions for public and private funding. An initial site visit took place in June and partners are now consulting with local authority and key stakeholders regionally in preparation for the bid submission in August.



Midlands Green Innovation Network

Ten Point Plan: Actions 8.1, 8.2 & 8.3

A high number of innovative organisations are present. In collaboration with the Energy Research Accelerator, the Midlands Engine is supporting the creation of a Midlands Green Innovation Network, the first meeting of which took place in Birmingham on 22 June. This Network will provide an opportunity for businesses to come together with academics and specialists with an interest in developing green innovations and technologies. As ERDF funding terminates across the region, the Network will provide an avenue to explore the continued support of green innovation in the region.



Hydrogen Skills Expression of Interest

Ten Point Plan: Low Carbon Hydrogen Theme

Midlands Engine and HyDEX are collaborating to explore the necessities of a greener workforce with a particular focus on low carbon hydrogen technologies. An expression of interest is currently out for procurement with the research focusing on the growth potential and workforce opportunities presented by low carbon hydrogen in heating, transport and logistics. Research will look to map common occupations, functions and skills to identify mechanisms to: facilitate the transition from fossil fuels; analyse where these are new jobs/skills or adaptations of traditional jobs; and determine what skills and qualifications will be needed going forward.

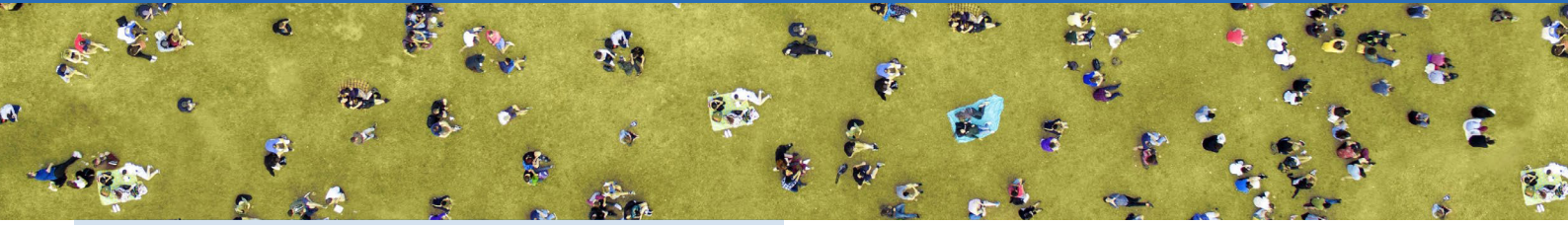


Smart Energy Research

Ten Point Plan: Actions 7.1, 7.2 & 7.3

We are commissioning research to highlight the smart energy opportunities and solutions for the Midlands. This thought leadership will clarify the definition of 'smart energy' for market segments, aggregate and demonstrate work already underway in the Midlands, and conduct a deep-dive (including supply chains) into how we can scale up smart energy activity within the region.





Publications and campaigns

Following the launch of the [Diabetes Blueprint](#) on World Health Day in April, we commenced the physical mailing of the report to Midlands MPs, peers and parliamentarians with a policy interest in public health. This mailing took place during UK Diabetes Awareness Week and pre-empted the Midlands Engine APPG Health meeting. We also launched the [Midlands Investment Portfolio](#) at UKREiiF with support from Minister for Investment, Lord Grimstone, Minister for Science and Innovation, George Freeman MP and Levelling Up Minister, Neil O'Brien MP. In addition to the physical launch, we delivered a comprehensive online campaign with media coverage in the local press and public support on social media from local stakeholders including MP for Loughborough, Jane Hunt.



Midlands Engine Communications Advisory Group

Following the presentation of the Midlands Engine Communications Strategy, plans are in train to establish an advisory group comprising a core of key communications contacts from partner organisations to better identify and amplify opportunities for participation, publications and products. A supporting information sharing platform is also being considered to encompass all wider communications contacts.



Digital communications

The timely promotion of the Diabetes Blueprint, Health Factsheet, Towns and Cities Regeneration Factsheet and a number of [Observatory reports](#) have provided opportunities for continued stakeholder engagement on social media. The delivery of the week-long launch of the [Midlands Investment Portfolio](#) on twitter provided ample opportunity to tag local authorities, industry stakeholders and parliamentarians whilst highlighting the scale of work and possible investments in the region. Social channels have also been used to drive traffic to the Midlands Engine website, which continues to publish key stories from Midlands Engine and partners.

Due to this, the month of May saw significant outreach on Twitter and LinkedIn. For the former, the Midlands Engine account saw 36.4k tweet impressions (up from 19.5k in April), 10.7k profile visits (up from 5.1k), and 139 mentions (up from 67). On LinkedIn, the Midlands Engine account received 487 visitors (up 27.5%), and 7,000 impressions (up from 5,300). Both also continued to steadily grow in follower numbers since the last board report, with 41 new Twitter followers and 129 on LinkedIn.

Voice to government

The focus on parliamentary engagement has been sustained, with continued ministerial outreach and further success in engaging with key opposition stakeholders. Meetings have been held or secured between Sir John Peace and: Shadow Minister for Social Care, Liz Kendall MP; Shadow Minister for Business and Industrial Strategy, Bill Esterson MP; Shadow Business Secretary, Jonathan Reynolds; Chair of the Levelling Up Committee, Clive Betts MP; and a follow-up meeting has been scheduled with Shadow Minister for Levelling Up, Alex Norris MP. Pauline Latham OBE MP, Kate Griffiths MP, Steve McCabe MP, Lord Coaker and Baroness Verma all attended APPG meetings on high street regeneration and diabetes. In addition, APPG Co-Chair and MP for Brompton, [Darren Henry](#), [highlighted the exceptional potential of the Midlands Engine Hydrogen Technologies Strategy](#) for our region in a Westminster Hall Debate in June.

[Read more about how the Midlands Engine APPG works to bring about change in key legislation that impacts our region.](#)

Security Level:	Confidential	Restricted	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive
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Meeting & Date:	Midlands Engine Executive Board – 21 July 2022		
Subject:	Governance Review		
Attachments:	None		
Author:	Director Delivery, Midlands Engine	Total no of sheets: (incl. cover sheet)	6
Papers are provided for:	Approval <input checked="" type="checkbox"/>	Discussion <input checked="" type="checkbox"/>	Information

Summary & Recommendation:

Summary

This paper seeks Executive Board agreement to the proposed changes to the governance arrangements for the Midlands Engine.

Recommendations

That members approve the revised terms of reference (Annex A), which proposes the following changes to the partnership’s governance arrangements:

- Executive Board to sign off an annual Business Plan and maintain strategic oversight of its implementation, thereby reinforcing that the Midlands Engine is partnership-led
- Establishment of a Finance, Audit & Risk Committee (FARC) by the Executive Board to assist them ensure good governance
- Co-option of three new members of the Executive Board from the private sector – reducing by two the public sector contingent to maintain Board size at a manageable level
- Three new Vice Chair roles on the Executive Board established to support the independent Chair of the Executive Board and deputise for them when required. One Vice Chair to be nominated by each of the public, academic and business sectors and each to serve a three year term.
- Reconstitution of the Operating Board as a Partnership Board responsible for the development of the Business Plan, ensuring co-ordination and collegiate working across the partnership to deliver it, and reporting to the Executive Board on progress
- Thematic Boards to be established as required by the Partnership Board to support them in the delivery of their remit. Thematic Board Chairs to attend Partnership Board.
- Clarification that while the Executive Director would report to the CEO of the Accountable Body for pay and rations purposes, line management sits with the independent Chair of the Executive Board
- Clarification that the Executive Board would meet three times a year, the FARC 3 times a year, and the Partnership Board 4 times a year

Background

Regional partners have come together collectively in the Midlands Engine Partnership to augment their individual efforts to create a thriving, inclusive and green business environment. The Partnership provides a platform to:

- Establish and maintain both a regional evidence base and the pan-regional partner networks to support business case development and identify new cross-regional opportunities, and
- Amplify the voice of partners to external decision-makers

A review was commenced at the start of 2022 to explore how far existing governance arrangements were enabling the Engine to add value for partners whilst ensuring propriety.

Following discussion of the initial findings with the Executive Board at their May meeting, proposals were developed by the Operating Board, discussed at a workshop on 20 June and agreed at their July meeting.

Next Steps

Subject to the Executive Board signing off the revised terms of reference, all new arrangements are to be implemented by the end of Q3. Board membership changes would follow discussion between Chair and affected bodies, whilst nominations for Vice Chairs / FARC membership and the transition of the Operating Board into a Partnership Board can begin immediately. Executive Board members may wish to set up a Nominations Committee to support with the process.

The changes to the Executive Director line management arrangements would need to go through Accountable Body HR processes as required. Initial work on the Business Plan for 2023/24 has begun and the Partnership Board will aim for sign-off by Executive Board at the start of Q4.

The scheme of delegation will need to be updated to reflect the changes in the governance structure. An updated version will be brought to the Executive Board in October.

Appendix A

1. The name of the organisation shall be the Midlands Engine.
2. The Midlands Engine shall work through a governance model partnership and be subject to the Midlands Engine Assurance Framework and compliance with relevant polices as set out within the Midlands Engine Assurance Framework.

Membership

3. Board membership is subject to the Board Recruitment Policy. A Nominations Committee may be established by the Executive Board to oversee the process of recruiting to any of the roles, Boards and Committees set out below.

Executive Board

4. The Executive Board ensures overall responsibility for the good governance of the Engine, and will appoint a Finance, Audit and Risk Committee to assist them in this role. The Accountable Body and representatives of the sponsoring Government Department will also be members of this Committee. The Executive Board sets the overall vision for economic growth through the Midlands Engine and is responsible for:
 - a. setting the overarching vision and strategies for economic growth in the Midlands Engine area
 - b. ensuring the delivery of economic growth in the Midlands area
 - c. determining the operating structure and governance arrangements of the Midlands Engine, including making appropriate appointments to the Executive Board and other groups
 - d. Signing off the annual Midlands Engine Business Plan, and maintaining strategic oversight of its implementation
 - e. working in partnership across public and private sectors, ensuring the Midlands Engine is business led and that the business voice influences the economic strategies for the region
 - f. championing the Midlands as the place to do business
 - g. facilitating an entrepreneurial environment in which business can start-up, prosper and grow.

Finance Audit and Risk Committee (FARC)

5. The Finance, Audit and Risk Committee (FARC) is responsible for advising and reporting to the Midlands Engine Executive Board on the integrity of the Midlands Engine budget, risk management and the work of the external auditors.

Members of the FARC will be appointed by the Midlands Engine Executive Board to assist them to carry out its duties in its overall responsibility for good governance. The Accountable Body and representatives of the sponsoring Government Department will be members of this Committee along with Members as nominated by the Midlands Engine Executive Board.

The FARC will meet three times a year and be responsible for the following:

- a. Oversight of the Midlands Engine Corporate Risk strategy and for the review and management of the effectiveness of internal control and risk management arrangements.

- b. Provide consideration to the formulation of the finance planning for the organisation by the Midlands Engine Executive, ensuring compliance with agreed spend against budget, in line with the Midlands Engine Scheme of Delegation.
- c. Review Midlands Engine the annual budget setting against agreed priorities and undertake reviews of the budget three times annually (start of year, mid-year and end of year) reporting to the Midlands Engine Executive Board ensuring the financial health and solvency.
- d. Reviewing the actions from Auditors and ensuring audit actions are completed in line with the agreed timetable.
- e. Ensure identified opportunities to influence Government and wider policy in pursuit of the Midlands Engine priorities, ensuring that public expenditure is not incurred in retaining the services of lobbyists to influence public officials, Members of Parliament, political parties.

Partnership Board

6. The Executive Board will appoint a Partnership Board consisting of senior level officers from within the partners. The Partnership Board will ensure effective collegiate working through all of the Midlands Engine's work and be accountable for the development of the Midlands Engine annual Business Plan and the co-ordination of partners to ensure its successful delivery. Specifically, the Partnership Board will be responsible for:
 - a. developing the Midlands Engine annual Business Plan to put forward to the Executive Board for agreement, including a specific responsibility to ensure the wider engagement of businesses and other stakeholders in this process
 - b. developing proposals for the Midlands Engine operating structure to put forward to the Executive Board for agreement
 - c. Proposing to the Executive Board strategic targets for all programmes, as set out in the Midlands Engine annual business plan, against which performance will be monitored
 - d. determining strategic communications for all Midlands Engine programmes
 - e. reporting at least three times a year to the Executive Board regarding delivery of the key programmes as set out the in the Midlands Engine annual business plan
 - f. identifying opportunities, and making arrangements, to influence Government and wider policy in pursuit of the Midlands Engine priorities

Thematic Boards

7. The Partnership Board may appoint Thematic Boards to carry out specific functions within its remit on its behalf. The number and purpose of these groups will be reviewed as required by the Partnership Board

Chair and Vice Chairs

8. The Chair of the Executive Board and Partnership Board shall be appointed by the Executive Board (who may delegate the search and selection process).
9. The Chair shall be appointed for terms of up to **two years** and a maximum of three terms. The Executive Board may vote to remove the Chair should they have concerns regarding their performance by a 2/3 majority of the voting members. Concerns could include (but not limited to):

- a. declaration of interests
- b. fraud & misconduct
- c. attendance at meetings
- d. delivery of Midlands Engine objectives.

Duties of the Chair will be to:

- a. Provide leadership in the delivery of the vision, strategic objectives, targets, and outputs
 - b. Chair meetings of the relevant Board and ensure their smooth and effective operation
 - c. Have responsibility for taking a casting vote in the event of a tie in any vote undertaken at Board meetings
 - d. Build cohesion within the Midlands Engine, ensuring that all partners work together for the best outcomes for Midlands
 - e. Represent the Midlands Engine at high profile events, engaging in national and local discussions and public relations opportunities as required
 - f. Undertake public affairs activity and policy
 - g. Provide line management to the Executive Director
10. Up to three Executive Board members may be nominated as Vice Chairs to serve a three-year term. Their role is to assist the independent Chair in their duties and to deputise for them when they are not available. One Vice Chair may be nominated by WMCA and local authorities, one by the Universities, and one by the private sector.

Representation and Attendance

11. Only full members of the respective Board may take part in any vote. Observers or guests at the meeting may participate in discussion if invited to do so by the Chair but are not entitled to vote.
12. Substitution arrangements are only permitted with agreement from the Chair of the respective Board.
13. A meeting is quorate with 2/3 of the board members present.

Decisions

14. In the event that a consensus cannot be achieved on a matter requiring a decision, that decision shall be taken by vote and carried if it is supported by over 50% of those members present. Each Board member shall have one vote and the Chair shall have a casting vote if required.
15. Notice of all matters which are to be discussed at a meeting will be by way of circulating the meeting agenda to members, five clear working days in advance of the meeting.
16. The Chair may decide to seek agreement to a proposal via the Electronic Procedure. Decisions will be made on the same basis as that outlined in paragraph 11

Meetings and Papers

17. The Executive Board shall meet at three times per year. A calendar of future meetings will be set for a year at a time.

18. The Partnership Board shall meet quarterly
19. Themed Groups and Boards shall meet as and when required, subject to individual needs.
20. Minutes of the meetings of Board meetings shall be approved in draft form by the Chair and disseminated to Board members. Minutes shall remain draft until approved at the Board's next meeting.
21. The Secretariat will maintain a central electronic store of all paperwork pertaining to the Executive and Partnership Board meetings including, but not limited to agendas; minutes; terms of reference; register of interests; and record of decisions taken outside of meetings.
22. Arrangements for the publishing of meeting agenda and papers are set out in the Transparency Code.

Conflicts of Interest

23. The Executive and Partnership Boards shall be subject to the Midlands Engine Register and Conflicts of Interest Policy.

Membership

24. Board membership is subject to the Board Recruitment Policy.

Accountable Body

25. The Midlands Engine will ensure that there is an accountable body agreement in place with Staffordshire County Council who manage all financial matters on behalf of the Midlands Engine. For responsibilities of the Accountable body, please refer to the Accountable Body Agreement.

