

MIDLANDS ENGINE

Executive Board

REPORTS PACK
24 October 2023

CONTENTS

1. Agenda

2. Draft minutes – 26 April 2023

3. Midlands Engine Chief Executive - report

Appendices:

- List of attendees at Party Conference events
- Look ahead - 2023 -2024
- Economic Dashboard - October2023

Midlands Engine Executive Board Agenda 24 October 13.30 -16.00

| | |
|-----------------------|--|
| Membership: | Sir John Peace (SJP) Chairman, Midlands Engine, Prof. Trevor McMillan (TM), Vice Chancellor, Keele University, Prof. Edward Peck (EP), Vice Chancellor Nottingham Trent University, Andy Street (AS) Mayor West Midlands Combined Authority, Cllr Alan White (AL) Leader, Staffordshire County Council, Cllr Simon Geraghty (SG) Leader, Worcestershire County Council, Cllr Martin Hill (MH) Leader, Lincolnshire Council, Cllr Barry Lewis (BL) Leader, Derbyshire Council, Cllr Baggy Shanker (BS), Leader, Derby City Council, Cllr David Mellen (DM) Leader, Nottingham City Council, Alun Rogers (AR), Chair Stoke on Trent and Staffordshire LEP, Andy Reed (ARd), Chair Leicester and Leicestershire LEP |
| Observers: | Shehzad Chaudhary (SC), DIT Deputy Director – English Regions, Peter Shakespear (PS), Deputy S151 Staffordshire County Council, Rowena Limb (RL) Area Director, Cities and Local Growth Unit. Rachel Dickinson (RD), Acting Deputy Director, Cities and Local Growth Unit, Georgia Elms (GE), Policy Adviser Cities and Local Growth Unit. |
| Apologies: | Andy Street (AS) Mayor West Midlands Combined Authority, Cllr Barry Lewis (BL) Leader, Derbyshire Council |
| In attendance: | Cllr Bob Sleigh, Deputy Mayor, WMCA, Roger Mendonca, (RM) CEO, Midlands Engine, Maria Machancoses (MM) CEO, Midlands Connect, Josh Hawkins (JH), Midlands Engine |
| Guests: | John Tatham (JT), Places for People, June Matte, (JM) Managing Director of PFM (UK Municipal Bond Agency Managed Service Provider) Christian Wall (CW) Director, PFM (UK Municipal Bond Agency Managed Service Provider) |
| Chairman: | Sir John Peace |

| Item | Timing | Topic | Paper No. | Lead |
|------|---------------|--|--------------|----------|
| | 13.30 - 13.40 | Chairman’s welcome | | Chairman |
| 1. | 13.40 - 13.45 | Declarations of Interest and minutes of last meeting | | Chairman |
| 2. | 13.45 – 14.00 | Midlands Engine Update – Chief Executive report | EB23.10.1 | RM |
| 3. | 14.00 - 14.15 | Midlands Observatory – Economic Dashboard | EB23.10.2 | DD |
| 4. | | Alternative approaches to public sector funding: How else can we delivery priority projects? | | |
| | 14:15 – 14:20 | Introduction | Verbal | RM |
| | 14:20 – 14:30 | UK Municipal Bonds Agency & Public Work Loans Board | Presentation | JM |
| | 14:30 – 14:40 | Midlands Green Bond Feasibility | Presentation | JH /CW |

| | | | | |
|--|---------------|--|--------------|----------|
| 5. | 14:40 – 14:50 | Asset Backed Vehicles | Presentation | RM / JT |
| | 14:50 – 15:30 | Discussion: how else can we deliver priority projects | Discussion | RM |
| | 15:30 – 15:45 | Harrington Review – key challenges and recommendations | Discussion | RM |
| | 15.45 – 16.00 | AOB | | Chairman |
| Date of next meeting: 30 January 2025. (13.00 – 16.00) | | | | |

In attendance

| Members | |
|-------------------------------|--|
| Name | Position |
| Sir John Peace (SJP) | Chairman of the Board |
| Prof. Nishan Canagarajah (NC) | Vice Chancellor University of Leicester for Prof. Trevor McMillan (TM) |
| Cllr Simon Geraghty (SG) | Leader Worcestershire County Council - West Midlands Councils |
| Cllr Martin Hill (MH) | Leader, Lincolnshire Council - East Midlands Councils |
| Cllr Barry Lewis (BL) | Leader, Derbyshire County Council - East Midlands Councils |
| Prof. Edward Peck (EP) | Vice Chancellor, Nottingham Trent University - Midlands Enterprise Universities |
| Cllr Chris Poulter (CP) | Leader, Derby City Council - East Midlands Councils |
| Andy Reed (AR) | Chair, Leicester and Leicestershire LEP representing East Midlands LEPS. |
| Andy Street (AS) | Mayor West Midlands Combined Authority - West Midlands Councils |
| Cllr Alan White (AW) | Leader, Staffordshire County Council - West Midlands Councils |
| Officers and Observers | |
| Gayle Aughton (GA) | Senior Executive Offer, Midlands Engine Secretariat |
| Shehzad Chaudhary (SC) | Deputy Director Midlands Engine, Department for Business and Trade (DST) |
| Prof. Delma Dwight (DD) | Director Midlands Engine Observatory |
| Rachel Dickenson (RD) | Areas and Analysis Directorate, Cities and Local Growth Unit, DLUHC |
| Roger Mendonça (RM) | Interim Chief Executive, Midlands Engine Secretariat |
| Paula Mullin (PM) | Head of Policy and Partnerships, Midlands Engine Secretariat |
| Rachel Shaw (RS) | Director of External Affairs, Midlands Engine Secretariat |
| Dr Helen Turner (HT) | Director, Midlands Innovation |
| Georgia Elms (GE) | Cities and Local Growth Unit, DLUHC |
| Katharine Ross | Interim S151 Officer and Deputy Treasurer, Staffordshire County Council for John Henderson |
| Guests | |
| Jodie Tableporter (JT) | Director UK Regional Funds, British Business Bank |
| David Tindell (DT) | Senior Investment Manager, British Business Bank |

Apologies:

| Name | Position |
|----------------------------|--|
| Cllr Abi Brown (AB) | Leader, Stoke-on-Trent Council – West Midlands Councils |
| Maria Machancoses (MM) | Programme Director, Midlands Connect |
| Prof. Trevor McMillan (TM) | Vice Chancellor, Keele University - Midlands Innovation |
| Cllr David Mellen (DM) | Leader, Nottingham City Council - East Midland Councils |
| Alun Rogers (ARo) | Chair, Stoke-on-Trent and Staffordshire LEP - West Midlands LEPS |

| Item | Narrative |
|------|--|
| | Welcome |
| 1 | <p>Chair's Opening Remarks</p> <p>The Chair welcomed everyone to the Executive Board. Congratulations to Roger Mendonça being appointed as the Midlands Engine Chief Executive from 01 May 2023. SJP also extended thanks to all partners who had been involved in the production of the ME Business Plan.</p> |
| | Matters of Governance |
| 2 | <p>Apologies - received from Maria Machancoses, Alun Rogers, Prof. Trevor McMillan, Cllr David Mellen, Cllr Abi Brown, John Henderson.</p> |
| | Declarations of Interest |
| 3 | None recorded. |
| | Minutes and matters arising |
| 4 | <p>Minutes – The minutes of the meeting held 25 January 2023 were recorded as an accurate record.</p> <p>Actions - RM confirmed that a nominations committee has been established, an agenda item below, and JT had been invited to attend the meeting and present.</p> |
| | CEO Update |
| 5 | <p><i>Business Plan</i></p> <p>RM outlined the process that had led to the production of the business plan for 2023-2026. The Partnership Board established a Task & Finish Group to enable this process, which was partnership-led, and involved around 300 partner organisations, across public, private and academic sectors being involved.</p> <p>Subject to Executive Board approval, the Business Plan will be published on the website, alongside a two-page executive summary, and circulated to all partners. This will then be followed by a 1-year action plan.</p> <p>The Board members approved the 2023-2026 Business Plan</p> <p>Further discuss confirmed:</p> <ul style="list-style-type: none"> • The Partnership Board will oversee delivery of the plan • The BP was developed by partners for partners and will not be subject to major publicity • The current economic context is far worse than expected and actions will be covered by the 1-year action plan <p><i>Finance</i></p> <p>RM presented the budget to the board for 2022-2023 and the draft budget for 2023-2024. Observations from members of the Board included:</p> <ul style="list-style-type: none"> • Lower partner contribution were expected for 2023/24 due to the closure of several LEPs • The potential for business contributors will be investigated in the future <p>The Board members approved the 2023-2024 draft budget</p> <p>Board noted the remainder of the report - Governance and Annual Performance Review.</p> |
| | Midlands Economic Observatory – Midlands Economic Performance Report |
| 6 | <p>The Chairman invited DD to update the board on current economic performance of ME contained in the economic dashboard circulated in the report pack.</p> <p>In summary:</p> <ul style="list-style-type: none"> • There has been a rocky recovery since COVID • Per capita output schedule to decline and is unique for UK |

| | |
|----------|---|
| | <ul style="list-style-type: none"> • Trade figures more positive, but not back to pre-COVID levels. • Internationally not as competitive. • Reduced demand for goods and services. • 40% reduction in number of products and services exported. • Optimism from Purchasing Managers Index • Expect growth and increase demand via new product development. • Centre for cities report shows trends are positive, but rising costs are having a negative effect <p>Observations from members of the Board included:</p> <ul style="list-style-type: none"> • Hydrogen has a lack of government support and direction and there is an urgent need for clarity for employers • Lots of opportunities, but a bit piece meal • Comparator areas are doing better why? What are the differences? • What are we going to do about it? What can we do in next year or so? • A need for closer LAs and universities working, with more collaboration and locally focussed economic resources leading to more spin outs and commercialisation • A need for better horizon scanning as ME cannot do everything • Take problems and solutions to government highlighting what is important • Need to speak with one voice <p>RM advised that the report goes to the heart of the ME rationale, that we need to amplify partner voices, work with partners and crack problems. These items will be in the 1-year action plan and will add value to partner activity.</p> <p>Action: Share deep dive on exports from Aston University with the board.</p> |
| | <p>British Business Bank – Midlands Engine Investment Fund (MEIF) update</p> |
| <p>7</p> | <p>The Chairman invited JT and DT to update Board Members on the future of the Midlands Engine Investment Fund 2.</p> <p>The MEIF covers small business loans, debt finance, proof of concept and equity finance. It is there to fund gaps, not replace existing lenders.</p> <p>MEIF 2 is currently worth £400m and the timelines for on-boarding were shared with the board.</p> <p>The Stakeholder Advisory Board (SAB) will form a key part of the Fund’s governance of the new fund.</p> <p>SAB members are expected to:</p> <ul style="list-style-type: none"> • Advise on local market conditions • Take account of strategic interests • Advocate MEIF 2 & promote at external meetings and events |
| | <p>Universities as Drivers of Trade and Investment</p> |
| <p>8</p> | <p>Presentation by AF</p> <p>What do universities do to support trade and investment? Through their global connections and linkages to the local innovation eco-system, universities <i>can and should</i> have a greater role in working with Government and local economic organisations and support the UK’s ambition to be a Science Superpower. They can do this by:</p> <ul style="list-style-type: none"> • Generating FDI • Being beneficiaries of FDI <p>The project is a proof-of-concept pilot to provide:</p> <ul style="list-style-type: none"> • Evidence and analysis • Proposition development |

| | |
|----|--|
| | <ul style="list-style-type: none"> • Campaign planning • Advocacy <p>Four FDI areas agreed as part of the pilot:</p> <ul style="list-style-type: none"> • Physical space • Direct investment into the research base • Equity investment and patient capital • How the University is integrated into local FDI offer <p>Future activity:</p> <ul style="list-style-type: none"> • LEP workshops • Embassy/ High-Commission workshops • Creative and Digital Industry pilot extension • Sector-focused proposition development • Collateral development <p>Observations from members of the Board included:</p> <ul style="list-style-type: none"> • Universities need to collaborate • Use alumni as FDI 25% of investment comes from international students • Harrington review of FDI shows it is vital to act in concert to get big investment. This happens in Australia, Germany and USA |
| | AOB and date of next meeting |
| 9 | Action: All need to reflect on the Business Plan and pull-out actions for the current year. The Chair thanked members of the Board for their attendance and closed the meeting. |
| 10 | Date of next meeting: The next meeting of this Board is scheduled for 24 October 2023 13:00-16:00. |

Action Log

| Item | Action | Owner | Deadline |
|------|---|-------|-------------|
| 6 | ME to share deep dive on exports from Aston University with the board. | GA | 12 May 2023 |
| 9 | All need to reflect on the Business Plan and pull-out actions for the current year. | All | 30 May 2023 |

| | | | | |
|------------------------|--------------|------------|--------------|------------------------|
| Security Level: | Confidential | Restricted | Unclassified | Commercially Sensitive |
|------------------------|--------------|------------|--------------|------------------------|

| | | | | |
|---------------------------------|--|--|-------------|--|
| Meeting & Date: | Midlands Engine Executive Board – 26 April 2023 | | | |
| Subject: | Midlands Engine Chief Executive Report | | | |
| Attachments: | Economic Dashboard – October 2023 Forward Look – September 2023 | | | |
| Author: | Chief Executive, Midlands Engine | Total no of sheets: (incl. cover sheet) | 20 | |
| Papers are provided for: | Approval | Discussion | Information | |

Summary & Recommendation:

This paper updates Executive Board members on activity undertaken since their last meeting in April 2023.

Recommendations

Executive Board members are asked to:

- *Note the report*

Introduction

The Midlands Engine amplifies partner efforts to deliver economic growth for the region by helping to attract investment, and working with Government to create a supportive policy environment. As set out in the Business Plan, approved by this Board in May 2023, our three levers are *Advocating*, *Convening* and *Evidencing*. This report details activity in these three areas since the last Executive Board meeting, as well as providing an update on governance matters.

Advocating on behalf of the region

Food Production and Security

In May, Sir John and Jackie Wild, SmartParc CEO, hosted a visit from DEFRA civil servants. Discussion focused on innovative approaches to food production and food security, and how clustering companies can result in mutual benefits/efficiencies. A further civil service visit is planned for autumn to discuss the planned Food Security White Paper and additional opportunities for collaboration and investment.

Midlands Rail Hub

In support of the Midlands Rail Hub project, Midlands Engine and Connect brought together Treasury, DBT and DfT officials with senior regional stakeholders in Birmingham to raise the profile of the city and gain insights into key economic development activities, Commonwealth Games legacy and wider investment opportunities.

Health Inequalities

At an in-person Midlands Engine APPG meeting in May, Lord Adebowale, Chair of the NHS Confederation, and Alex Archibald (Midlands Innovation), led a discussion on persistent healthcare inequalities in the Midlands ahead of planned publication of a commission report by end of year. Sir John subsequently met with Alex Norris (then Shadow Minister Levelling Up, Housing, Communities and Local Government) for a follow up meeting on tackling healthcare inequalities for social and economic benefit.

Levelling Up

Midlands Engine APPG Co-Chair Lord Ravensdale has been working to amend the Levelling Up and Regeneration Bill as it passes through parliament. Sir John has met with Dehanna Davison MP (former Minister in DLUHC) to discuss overall levelling up policy, and with Helen Morgan MP (Liberal Democrat Levelling Up Spokesperson) to discuss levelling up in rural areas.

Nuclear Fusion

In September Sir John chaired the inaugural STEP Collaboration Group meeting, which is developing an economic assessment and a narrative linking the West Burton opportunity to local and pan-regional socio-economic impact. Andrew Bowie MP Parliamentary Under Secretary of State (Minister for Nuclear and Networks) will visit the site on 19 October.

Energy Security

Lord Ravensdale will be working with the Midlands Engine to Chair a regional Task Force to lead on work to develop an Energy Security White Paper. Sir John has met with Professor Paul Monks (Chief Scientific Adviser, DESNZ) to discuss the decarbonisation of heat with a particular focus on concerns raised by Worcester Bosch and others around home boiler policy, as well as wider clean growth opportunities in the Midlands. An agreement was made to host a future roundtable event.

Party Conferences

Private dinners were hosted at the Liberal Democrat, Conservative and Labour Conferences to provide a platform for partners to network with Parliamentarians and potential future Parliamentarians. Roundtables at the Conservative and Labour Conferences were held in partnership with the Institute for Government to consider the question "*How can local leaders design effective plans for local growth?*" Discussion covered: addressing the current fragmented approach to devolution and levelling up; devolving the skills agenda to local plans; improving

transport infrastructure within and between local areas; building a positive narrative to showcase regional opportunities; dialling up the regional investment bank; increasing pace of investment by establishing clear channels to government decision makers; and increasing capacity to deliver locally. A full report is in development. A full list of attendees at Party Conference events is included at Appendix [1].

Inward investment

The Midlands Engine Partnership submitted a written response to the Harrington Review into government's approach to inward investment support. This paper was drafted through consultation with partners and highlights challenges facing the region, as well as suggestions to improve policy around inward investment attraction.

Foreign Direct Investment

On the back of the part Midlands Engine funded project to better utilise University assets to attract FDI, a university-led campaign to attract foreign direct investment into the Midlands innovation ecosystem will begin in October with the publication and soft-market testing of five proposition brochures. These cover the region's strengths across Transport Technology, Net Zero Energy, Health & Life Sciences, Agri-Food Tech, and Creative & Digital Industries.

Capital Investment

Discussions have been ongoing with HM Treasury around mechanisms for attracting private investment (both equity and debt) to the region. Sir John has met with Dr Luke Evans MP, Adam Smith (Special Adviser to Chancellor of the Exchequer) and Beth Russell (Second Permanent Secretary, HMT), and members of the team have met with partners, senior bankers and financial institutions to develop proposals. The latest thinking will be shared later on the agenda.

UKREiiF

The UK Real Estate and Infrastructure Investment Forum (UKREiiF) has rapidly become the flagship domestic investment conference in the UK. Following successful engagement in the previous two years, for the 2024 event (May 21st – 23rd) Midlands Engine will be doing more to platform partners and present the economic opportunities of the Midlands. This will include sponsoring a 100sqm Pavilion, which has already had 9 partners sign up to use for their events, and hosting another Midlands Engine Partnership Investment reception. Other opportunities to provide useful space and profile to partners are being explored, such as another VIP roundtable and provision of off-site space for private meetings. As a sponsor, the Engine has an opportunity to shape the main event programming and will work with partners to ensure key speakers are nominated as speakers across the three days. UKREiiF will also be an opportunity to relaunch an updated Midlands Investment Portfolio, showcasing local government's priority capital investment propositions, as well as the developing innovation-based investment proposition campaigns with the region's universities.

Midlands Economic Summit

Over 450 local leaders gathered for the largest Midlands-wide business forum to discuss the state of the region's economy and strategies for future growth. Notable speakers included West Midlands Mayor Andy Street, Pat McFadden MP (then Shadow Chief Secretary to the Treasury), Saqib Bhatti MP, and Professor Paul Monks. Despite economic challenges, there was a positive outlook on the Midlands' role in the UK's transition to Net Zero and future security in energy and food. Achieving the Summit's goals requires strong collaboration across various sectors. The importance of clear regional vision and unified voice was emphasized. The pressing issues will be further addressed through the Midlands Engine 2023-24 policy and research program, including topics like food and energy security and a megatrends research report. Planning is underway for a 2024 Midlands Economic Summit, expected to take place in September 2024.

Quarterly Economic Briefings

The Quarterly Economic Briefings (QEB) are a seminar event to disseminate research findings and host panel discussions on relevant topics about the health of the region's economy. Approximately 100 participants join each session. The most recent QEB on 29 September included presentations on green finance and the Midlands Forest Network. We are also delighted to hold our first in person QEB at the Exchange in Birmingham on the 13 December looking to explore regional opportunities and feature

keynotes from Sir John Peace and Professor Aleks Subic.

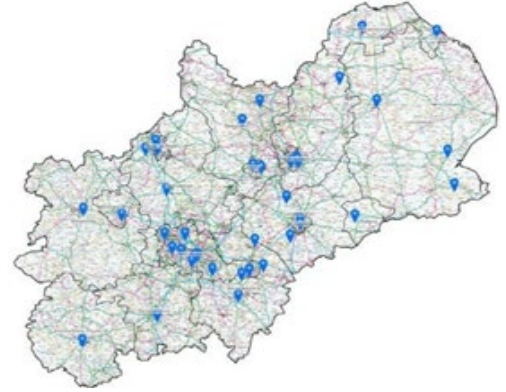
Forthcoming engagements

A series of APPG meetings, civil service roundtables and publications are in train as identified in the Forward Plan (attached). In October/November this includes publication of ‘policy snapshots’ on Science & Technology, Health, Care & Life Sciences, and Net Zero Transport, and a report focused on the Aerospace sector.

Convening regional partners

Driving Collaboration: A Six-Month Review of Partner Engagement

In the last six months, partner engagement activity has achieved major milestones, facilitating 47 in-person partner meetings and site-visits across the region. Led by Midlands Engine Chairman Sir John Peace and supported by the Midlands Engine Senior Leadership Team, these interactions have strengthened connections and gathered valuable partner insights, enriching the policy and advocacy positions of the partnership.



Refreshed Partnership Strategy: In early 2024, we will be launching a new phase of partner engagement. This means shifting from building relationships to building even stronger partnerships. We'll put more focus on discussing policy and investment priorities in each area and how Midlands Engine can actively support them. This aligns with our Business Plan 2023-2026, emphasising advocacy for regional needs, effective convening, and policy-driven leadership. This next step isn't just about strengthening existing relationships; it's about deepening partner collaboration in our broader efforts.

Convening through Boards & Industry Groups

The Midlands Engine Partnership Board, chaired by Ruth Carver (CEO Greater Lincolnshire LEP) is leading the way in implementing our Business Plan. They use a clear and detailed forward plan (found in the Appendix) to focus on the main growth drivers identified in the Business Plan and consider the national context. This sets out a clear plan for action. This streamlined strategy creates a unified regional position, supported by solid research and policy leadership.

| The Partners | Convening our Partners | Co-ordinating our Work | Strategic Leadership | Voice into Government |
|--|--|---|--|---|
| 65 Local Authorities | Partner led Reference Groups • Global & investment • Green growth • Food • Med-tech & life sciences • Digital | Midlands Engine Partnership Board Ensures effective collegiate working & oversight of the partnership business plan & resulting activity. | Midlands Engine Executive Board Overall strategic responsibility for the collective work of the partnership. | Convening Bringing together organisations across sectors to share and act on ideas at a regional level and identify priority areas where positive change in our region can be driven by collective action, in partnership. |
| 7 Local Enterprise Partnerships | Communities of interest • Business forum • Observatory board • Research & Policy Partnership • All Party Parliamentary group • Partner events • Quarterly Economic Briefing | Finance Audit & Risk Board Responsibility for the integrity of the Midlands Engine budget, risk management & work of external auditors. | | Advocating Working on behalf of our region to achieve greater impact within & across government & private sector decision makers, creating the right policy environment for growth & opening up further funding to help tailor investment decisions & outcomes to benefit our region. |
| 1 Combined Authority (*1 proposed) | | | | Evidencing Supporting economic growth by gathering insights and intelligence, providing policy led thought leadership on key priorities, and horizon scanning for future developments to open up further opportunities for the region. |
| 20+ Major Universities | | | | |
| 816k Businesses | | | | |
| 102 Members of Parliament | | | | |

Supporting Partnership Board are a number of Partner Led Reference Groups, Industry Groups and Communities of Interest, including:

- **Midlands Trade and Investment Advisory Forum:** Comprising ~60 regional officers to directors dedicated to attracting investment and fostering trade, this group convenes monthly. It serves as a platform to disseminate opportunities, share best practices, and shape the Midlands Engine Partnership’s international endeavors.
- **Midlands Future Food Alliance:** This group is leading work on a Midlands Engine Food Security White Paper, setting the stage for critical discussions on regional food security.

- **Green Growth Board:** Under the stewardship of a new Chair, this group has reinvigorated its work program. It takes the lead in the development of a Midlands Engine Energy Security White Paper, alongside industry-driven taskforces.
- **Health, Care and Life Sciences Board and Working Group:** This platform brings together partners from various sectors, including industry, NHS organizations, Integrated Care Systems, health and care user groups, and academia.
- **Research, Intelligence and Policy Partnership:** A fresh initiative bringing together over 100 regional experts in intelligence, research, and economic policy. This collaborative platform fuels thought leadership and the incubation of deep dive research. The meeting on the 12th of October focused on megatrends and innovation and devolution.
- **Observatory Research Meetings:** Similar to the RIPP, Observatory Research Meetings will serve as fresh initiatives to present our research and policy programme reports following their completion. These meetings will serve as deep dives and enable research leads to discuss their methodologies and findings whilst taking questions from the audience. There are two upcoming meetings, one focusing on the Green and Hydrogen Jobs report on the 27th of October and one on Clusters on the 17th of November.
- **Observatory Programme Board:** Under a new chair, the board meets three times a year to fully exploit the Observatory to its potential and serve as a more strategic counterpart to the Research, Intelligence and Policy Partnership. The board acts as a dispensary of regional intelligence, provides accountability, and provides a safe space for like-minded academic, and private and public sector organisations. The board last met on the 27th September to hear an update on Observatory activity including Megatrends alongside Local Skills Improvement Plans.

Evidencing Midlands opportunities, providing policy-led thought leadership and horizon scanning for future opportunities and challenges.

Research and Policy Programme

Since the approval of the Midlands Engine Business Plan 2023-2026, a comprehensive policy and research program has been established. This program is pivotal in realising the objectives outlined in the Business Plan, aiming to identify, shape, and deliver policy changes and investments that will foster economic growth in the Midlands. Work is supported by research and intelligence from the Midlands Engine Observatory and co-produced with partners.

In September, a report on [Green and Hydrogen Jobs](#) was published. The report was developed with the University of Warwick looking to quantify and showcase green and hydrogen jobs within the green economy in the Midlands.

By the end of the year, we are also looking to publish research on:

- **Physical Inactivity and Its Impact on Productivity** with Coventry University to examine whether there is a link between physical inactivity and productivity.
- **Aerospace** with the Midlands Aerospace Alliance. This is split into two work packages, the first is to map out the true size and extent of the Midlands aerospace sector. The second to understand levels of innovation funding within the sector itself.

The Policy and Research programme also includes:

- **Megatrends:** working in partnership with City-REDI at the University of Birmingham looking to develop our understanding of Megatrends, their relevance to the Midlands and their likely impact on the region. The report is due at the end of October 2023.
- **Clusters Development:** as part of the wider work on clusters, we will be publishing wider regional evidence on the 5 critical technologies highlighted within the UK Science and Technology Framework, including AI, Quantum Technology, Engineering Biology, Future Telecommunications, and Semiconductors. The work will take shape in five factsheets to published by the end of October 2023.
- **State of the Region 2023:** this is the Observatory's flagship annual report, providing a review of economic performance across the Midlands Engine pan-region. The report will serve as an outlook

for the year ahead. Its due to come out early-December and inform our in-person December Quarterly Economic Briefing.

- **Food Security White Paper:** we have commissioned a White Paper to articulate the region's significance and potential as a regenerative UK food system that will support sustainable, inclusive growth in the region and wider national policy. The White Paper is due in January 2024.
- **Digital Economy & AI** – working in partnership with Keele University, this project will review how Midlands businesses perceive AI and what potential the technology represents for the region. The project will also attempt to map AI capabilities within the Midlands for business growth and include case studies. The project is due at the end of March 2024.
- **Energy Security White Paper:** Midlands Engine is looking to commission a White Paper to evidence and demonstrate the significance of the Midlands to the UK's transition to a secure, low carbon energy system. The white paper will link with the previously mentioned Food White Paper, and is due in summer 2024.
- Following the successful publication of the '**Exploring the Investment Potential of Midlands Clusters**' report, the work has been cited in several subsequent reports and the team has been approached by several partners to take the work further and apply to local cases. As such, work is being done to prepare 'deep dives' into 3-5 of the clusters, working with partners to engage businesses and other local stakeholders to better understand clusters and places, and what is needed to foster further growth, including how the report's recommendations can be operationalised, and how the cluster can be presented as an investment proposition.

Intelligence briefings

Beyond these specific reports, ongoing economic monitoring will be conducted through our series of **Monthly Regional Economic Impact Monitors** and **economic performance dashboard**. The Observatory have also published a [Global and Investment Scorecard](#) providing a high-level summary of the region's performance, as well as **Clusters Snapshots** providing snapshots of the clusters identified in the Exploring the Investment Potential of Midlands Clusters report.

Regular intelligence briefings provide insights into the current performance of the Midlands economy. These provide a series of updates including Purchasing Manger Indexes, Regional Trade, Claimant Counts, Gross Disposable Household Income, Business Activity etc.

The Midlands Engine Intelligence Hub ([Available here](#)) is a website **showcasing the latest pan-regional data, research and expert insights from the Midlands Engine Observatory. The Hub serves as a regional evidence base providing accessible, up-to-date intelligence for Midlands Engine partners, business and Government.**

Governance, finance, audit and risk.

Governance

Following the refocus of the Partnership Board onto the development and delivery of the Business Plan, a Finance, Audit and Risk Board has been established to ensure the integrity of the Midlands Engine budget, risk management processes and audit. The terms of reference and membership of the Committee has been adopted and the Midlands Engine Finance Audit and Risk Board has met twice since the last meeting of the Executive Board in July 2023.

On 16 November 2023 the mid-year review will be conducted. This process will be supported by and attended by the Accountable Body and led by representatives from DLUHC and the Midlands Engine Secretariat. This review will be conducted to ensure compliance with the assurance in respect of our grant funding at a mid-point of the year, and the compliant operation of the partnership overall.

Finance

In line with the Midlands Engine Scheme of Delegation (Section 1.5 Annual Budget Setting) – Members of the Executive Board approved the draft 2023 - 2024 budget in April 2023. The budget has been ratified by the Accountable Body Section 151 Officer. The final grant payment from DLUHC for £750k is due at the end

of December 2023 and will be reported to this Board in January 2024.

The Finance Audit and Risk Board approved in October 2023 the receipt of grants received in the current financial year of £750,000 from DLUHC and £677,000 for the final Payment MHaPP Grant (DWP) phase 2 to be paid in April 2024.

In the preparation of the annual budget setting for 2024 -2025, the Midlands Engine the Finance Audit and Risk Board will recommend to this Board a 2024 -2025 draft budget for approval in May 2024.

Risk

On the 19 April the risk management approach was agreed by the Finance, Audit and Risk Board to ensure the Midlands Engine is well placed to maximise opportunities and manage exposure to risks in a pragmatic and cost- effective manner. The Board agreed that the approach will assist the Midlands Engine to make informed decisions, increases the likelihood of meeting its objectives, and helps it to respond effectively and efficiently to new challenges and opportunities. The Corporate Risk Register is monitored by the Midlands Engine secretariat team and will be brought 3 times annually to the Midlands Engine Finance, Audit and Risk Board with a high level risk report provided to the Midlands Engine Executive Board in May 2024.

Audit

We are anticipating the annual audit to take place in quarter 3 and any audit actions required will be reported to the Finance, Audit and Risk Board in will be reported in January 2024 and subsequently to this Board in May 2024.

- *Members are asked to note the report*

Appendices :

List of attendees at Party Conference events - 2023

Midlands Engine Look forward - 2023 to 2025

Midlands Economic Dashboard - October 2023

Appendix 1

The attendees to the Party Conference events 2023 were as follows:

Conservative Roundtable

- *Sir John Peace*, Chair, Midlands Engine
- *Katherine Bennett*, Chair, Western Gateway
- *Tim Bradshaw*, Chief Executive, Russell Group
- *Susan Bridge*, President, Royal Town Planning Institute
- *Irene Graham OBE*, CEO, ScaleUp Institute
- *Adam Hawksbee*, Deputy Director, Onward
- *Clare Hayward*, Chair, Cheshire and Warrington LEP; Acting Chair, NP11
- *Tom Newman-Taylor*, East Midlands Freeport
- *Maria Machancoses*, CEO, Midlands Connect
- *Lord Patrick McLaughlin*, Chair, Transport for the North
- *Thomas Pope*, Deputy Chief Economist, Institute for Government
- *Steve Rotherham*, Metro Mayor Liverpool City
- *Adrian Smith*, CEO, Nottinghamshire County Council
- *Vivienne Stern*, Chief Executive, Universities UK
- *Jackie Wild*, CEO, SmartParc
- *Sarah Windrum*, Horiba Mira

Labour Roundtable

- *Tim Bradshaw*, Chief Executive, Russell Group
- *Liam Byrne MP*, Birmingham, Hodge Hill
- *Irene Graham OBE*, CEO, ScaleUp Institute
- *Paulette Hamilton MP*, Birmingham, Erdington
- *David Hughes*, Chief Executive, Association of Colleges
- *Jane Norman*, Provost & Deputy Vice-Chancellor, Nottingham University
- *Adrian Nolan*, Senior Policy Lead, Economy, Liverpool City Region
- *Thomas Pope*, Deputy Chief Economist, Institute for Government
- *Nora Senior CBE*, Chair of East Midlands Freeport
- *Vivienne Stern*, Chief Executive, Universities UK
- *Adrian Smith*, CEO, Nottinghamshire County Council
- *Nick Temple*, CEO, Social Investment Business
- *Jackie Wild*, CEO, SmartParc
- *Sarah Windrum*, Horiba Mira
- *John Wilkinson*, Director, Western Gateway
- *Claire Ward*, East Midlands Mayoral Candidate

Private dinners at the Liberal Democrat, Conservative and Labour Conferences

These were also held with the following objectives:

- Providing a platform for partners to convene, in order to demonstrate to parliamentarians the strengths of the Midlands and the commitment to collaboration in our region as a means to drive inclusive economic growth
- Enabling networking to forge the relationships that are of value to our region and partner organisations
- Creating opportunity for partners to act as advocates for the Midlands Engine Partnership and its huge potential to influence policy, attract investment and drive growth

The attendees were as follows: *Liberal Democrat Dinner*

- *Sir John Peace*, Chair, Midlands Engine
- *Roger Mendonca*, Chief Executive, Midlands Engine
- *Rachel Shaw*, Director of External Affairs, Midlands Engine
- *Eric Robinson*, Lodestone (Organisers)
- *Helen Morgan MP*, Member for North Shropshire and Lib Dem Levelling Up Spokesperson
- *Chris Naylor*, PPC, South Shropshire, Kidderminster, Ludlow

- Dr David Nicholl, PPC, Bromsgrove, Redditch, Worcester
- Matthew Green, PPC (former MP), Ludlow, Shropshire
- Richard Dickson, Chair, West Midlands Region
- Cllr Kate Dickson, Kenilworth Town Council
- Cllr Alex Wagner, PPC for Shrewsbury and Atcham

Conservative Dinner

- Sir John Peace, Chair, Midlands Engine
- Marc Bayliss, Deputy PPC, Telford, Redditch, Shropshire, Worcestershire: Crime, Law and Order, Economy, Skills, Communities
- Ben Bradley MP, Mansfield, Nottinghamshire: Entrepreneurship, Local Government, Issues affecting Men and Boys
- Brendan Clarke Smith MP, North Nottinghamshire: Levelling Up, Foreign Affairs, Education
- Ruth Carver, Chair, Midlands Engine Partnership Board
- Margot James, Executive Chair, Warwick Manufacturing Group
- Tom Newham-Taylor, East Midlands Freeport
- Tom Randall MP, Gedling
- Adrian Smith, CEO, Nottinghamshire County Council
- Sir Bill Wiggin MP, North Herefordshire
- Sarah Windrum, Horiba Mira
- Leonie Mathers, University of Nottingham
- Katherine Bennett, Western Gateway

Labour Dinner

- Sir John Peace, Chair, Midlands Engine
- Mayor Andy Abrahams, Mansfield District Council
- Lucy Caldicott, Policy Director for Richard Parker (West Midlands Mayoral Candidate)
- Prof Robin Clark, Warwick University
- Dan Cooper, Senior Communications and Stakeholder Manager, East Midlands Freeport
- Dean Fathers, Chair, Midlands Engine Health Care & Life Science Board
- Hamish Falconer, PPC, Lincoln
- Natalie Fleet, PPC, Bolsover
- Professor Martin Freer, Director of the Birmingham Energy Institute
- Paulette Hamilton MP, Birmingham, Erdington
- Maria Machancoses, CEO, Midlands Connect
- James Naish, Leader of Bassetlaw Council
- Samantha Niblett, PPC, South Derbyshire
- Adrian Smith, CEO, Nottinghamshire County Council
- Dr Adam Thompson, PPC, Erewash
- Claire Ward, Labour Candidate for East Midlands Mayor
- Jackie Wild, CEO, SmartParc
- Sarah Windrum, Horiba Mira
- Professor Jane Norman, Provost and Deputy Vice-Chancellor, University of Nottingham

ECONOMIC DASHBOARD¹

OCTOBER 2023

| Theme | Indicator | Latest Data/ Comparison to UK | Midlands Short-Term Change (1 Year) | Midlands Long-Term Change (5 Years) |
|---|--|--|--|--|
| Economic Growth | Business Activity (regional) ² | WM: 50.0 EM: 47.1 UK: 48.6 | ↑ | ↓ |
| | Future Business Activity Index (regional) ³ | WM: 78.5 EM: 69.6 | ↑ | ↑ |
| | GVA per Hour (unsmoothed) ⁴ | £33.80 UK: £38.68 | ↓ | ↑ |
| | Gross Domestic Product (GDP) - Chained Volume Measures (CVM) Index (2019 = 100) ⁵ | 96.4 UK: 95.7 | ↑ | ↑ |
| Enterprise and Innovation | Number of Enterprises ⁶ | 407,825 | ↑ | ↑ |
| | UKRI Spend per Head (regional) ⁷ | £97 UK: £110 | ↑ | N.A. |
| | Innovate UK Spend per Head (regional) ⁸ | £40 UK: £23 | ↑ | N.A. |
| The Labour Market | Employment Rate ⁹ | 73.9% UK: 75.4% | ↑ | ↑ |
| | Youth Claimants ¹⁰ | 52,145 (4.6% of pop.) UK: 3.9% of pop. | ↑ | ↑ |
| | Total Claimants ¹¹ | 272,815 (3.2% of pop.) UK: 2.8% of pop. | ↑ | ↑ |
| | Apprenticeship Starts ¹² | 67,570 | ↑ | ↓ |
| | Apprenticeship Vacancies ¹³ | 7,133 | ↑ | ↑ |
| | Unique Job Postings ¹⁴ | 393,706 | ↑ | ↑ |
| | Internationalisation, Trade & Investment | FDI Projects (regional) ¹⁵ | 265 | ↑ |
| New FDI Jobs (regional) ¹⁶ | 11,091 | ↓ | ↓ | |
| Exports in Goods (regional) ¹⁷ | £60.0bn | ↑ | ↑ | |
| Infrastructure – Digital | Gigabit Broadband Availability ¹⁸ | 75.4% UK: 73.6% | ↑ | N.A. |
| Energy | Carbon Dioxide Emissions ¹⁹ | 60,602 kt CO ₂ e | ↑ | ↓ |

¹ Each indicator has been rated - Green shading shows a positive change in direction, orange shading indicates change but at a slower rate than the UK and red indicates a negative change. Excluding Business Activity Index and Future Business Activity Index where change is based on local growth performance and for Apprenticeship Vacancies and Unique Job Postings where it is based on local change.

² NatWest, UK regional PMI (Purchasing Manager Index) report for August 2023 - released September 2023. Update due October 2023. Please note, figures above 50 indicate growth.

³ NatWest, UK regional PMI report for August 2023 - released September 2023. Update due October 2023.

⁴ Office for National Statistics (ONS), Subregional productivity in the UK (for 2021): released June 2023. Update due June/July 2024.

⁵ ONS, Regional economic activity by gross domestic product, UK 1998 to 2021 - released May 2023. Update due March 2024.

⁶ ONS, Business Demography for 2021 - released November 2022. Update due November 2023.

⁷ UK Research and Innovation for the financial year 2020/21 - released May 2022. Update TBC.

⁸ UK Research and Innovation for the financial year 2020/21 - released May 2022. Update TBC.

⁹ ONS, Annual Population Survey (APS), year ending March 2023 - released August 2023. Update due October 2023.

¹⁰ ONS/Department for Work and Pensions (DWP), claimant count, provisional figures for August 2023 - released September 2023. Update due October 2023.

¹¹ ONS/DWP, claimant count, provisional figures for August 2023 - released September 2023. Update due October 2023.

¹² Department for Education, apprenticeships and traineeships for academic year 2021/22 - released November 2022. Update due November 2023 (TBC) for the full academic year.

¹³ Lightcast, for August 2023 as of September 2023. Update due October 2023.

¹⁴ Lightcast, for August 2023 as of September 2023. Update due October 2023.

¹⁵ Department for International Trade, inward investment results for financial year ending 2022/23, released June 2023. Update due June/July 2024.

¹⁶ Department for International Trade, inward investment results for financial year ending 2022/23, released June 2023. Update due June/July 2024.

¹⁷ HM Revenue & Customs, UK regional trade in goods statistics, for the year ending June (Q2) 2023 - released September 2023. Update due December 2023.

¹⁸ Ofcom, Connected Nations for May 2023, released September 2023. Update due December 2023.

¹⁹ Department for Energy Security and Net Zero, UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2021, released June 2023. Update due June 2024.

| | APRIL TO AUGUST 2023 | SEPTEMBER 2023 | OCTOBER 2023 | NOVEMBER 2023 | DECEMBER 2023 | JANUARY 2024 | FEBRUARY 2024 | MARCH 2024 | 2024/2025 | |
|-------------------------------------|---|---|---|--|---|---|--|--|--|---|
| Thematic Focus | Completed Activity | Partnership/Vision | Science & Innovation | Global & Investment | Megatrends & Productivity | Food & Agri-tech | Advanced Manufacturing | Green Growth | Themes to be agreed | |
| Advocacy Milestones 'Magic Moments' | <ul style="list-style-type: none"> UKREiIF 2023 (May) Midlands Engine Business Plan 2023-26 Launch (May) Midlands Economic Summit 2023 (June) | <ul style="list-style-type: none"> Midlands Nuclear Launch (June) Midlands Forest Network Funding Announcement (July) | <ul style="list-style-type: none"> APPG Parliamentary reception Harrington Review Waverley Review East Midlands H2 Launch | <ul style="list-style-type: none"> Party Conferences World Hydrogen Congress Scale Up Games X4 University-Linked Regional Investment Proposition Prospectuses | <ul style="list-style-type: none"> UK Global Investment Summit COP 28 | <ul style="list-style-type: none"> APPG meeting | <ul style="list-style-type: none"> APPG meeting | <ul style="list-style-type: none"> Midlands Investment Portfolio Update | <ul style="list-style-type: none"> MIPIIM APPG meeting | <ul style="list-style-type: none"> UKREiIF 2024 Midlands Economic Summit 2024 |
| Policy Pieces | <ul style="list-style-type: none"> Midlands Good Work Charter (June) Midlands Economic Summit Insights (July) | <ul style="list-style-type: none"> Regional visioning piece | <ul style="list-style-type: none"> Science & Technology policy snap shot Net Zero Transport policy snap shot Health Policy Snapshot | <ul style="list-style-type: none"> Midlands GIS publication (TBC) | | | <ul style="list-style-type: none"> Food Security White Paper | <ul style="list-style-type: none"> Energy Security White Paper | | |
| Research Pieces | <ul style="list-style-type: none"> All Cylinders – The Role of the Midlands Engine in the British Economy (May) Exploring the Investment Potential of Midlands Clusters (May) Midlands International Trade: State & Challenges (June) X12 Midlands Cluster Snapshots* | <ul style="list-style-type: none"> Green Skills & Hydrogen Jobs in the Midlands Midlands Global & Investment scorecard X11 Midlands Cluster Snapshots** | <ul style="list-style-type: none"> Midlands Aerospace Industry & Innovation report Five Critical Technologies in the Midlands cluster snapshots | <ul style="list-style-type: none"> Midlands H2 Rail Feasibility Study Physical Inactivity & Productivity report | <ul style="list-style-type: none"> Megatrends State of the Region Report Midlands Green Bond Feasibility Study & Roadmap | | | <ul style="list-style-type: none"> Digital Economy & AI Report | | <ul style="list-style-type: none"> Firm productivity Infrastructure Planning International Trade Clusters |
| Meetings | <ul style="list-style-type: none"> Executive Board (April) Quarterly Economic Briefing: Productivity of Cities & City Centres (May) Megatrends Workshop (May) Midlands Engine Business Forum (May) | <ul style="list-style-type: none"> Research, Intelligence & Policy Partnership (June) Partnership Board (Green Growth) (June) Green Growth Board (June) Civil Service Birmingham Visit (August) | <ul style="list-style-type: none"> Health, Care & Life Sciences Board Quarterly Economic Briefing: Green Investment | <ul style="list-style-type: none"> Executive Board Partnership Board (Global & Investment) Green Growth Board Research, Intelligence & Policy Partnership Food Security White Paper Steering Group Energy Security Taskforce | <ul style="list-style-type: none"> Midlands Forest Network Stakeholder Launch Economy & Productivity Civil Service Midlands Visit Food Security White Paper Steering Group | <ul style="list-style-type: none"> Quarterly Economic Briefing: State of the Region 2023 | <ul style="list-style-type: none"> Executive Board Partnership Board (Food & Agri-Tech) Green Growth Board Energy Security Taskforce | <ul style="list-style-type: none"> Research, Intelligence & Policy Partnership Energy Security Taskforce | | <ul style="list-style-type: none"> Health, Care & Life Sciences Board Partnership Board (TBC) (Spring) Partnership Board (Infrastructure) (Autumn) Green Growth Board |
| Roundtables | <ul style="list-style-type: none"> Energy White Paper Workshop (April) Food Security White Paper Workshop 1 (April) Food Security White Paper Workshop 2 (May) | <ul style="list-style-type: none"> Midlands Good Work Summit (June) Defra and DLUHC food sector roundtable NHS Confederation Roundtable (July) | | <ul style="list-style-type: none"> Party Conference Roundtables Midlands H2 Rail Stakeholder Workshop Pan Regional Partnership roundtable (London) | <ul style="list-style-type: none"> Aerospace Roundtable Food Security Civil Service Roundtable | <ul style="list-style-type: none"> Future Energy Requirements Roundtable 1 | <ul style="list-style-type: none"> Food Security Opportunities Roundtable Future Energy Requirements Roundtable 2 | <ul style="list-style-type: none"> Energy Security Civil Service Roundtable | | <ul style="list-style-type: none"> Optimising Investment Landscape Roundtable (June) |

*May to August completed cluster snapshots: Space Technologies; Automotive Manufacturing; Ceramics, Metals & Materials; Rail Manufacturing; Disruptive Technologies for Professional & Financial Services; Cyber; Nuclear; Circular Economy; Brownfield Regeneration; Offshore Wind; Net Zero Transport Technologies; Aerospace Manufacturing.

**September cluster snapshots: Logistics & E-Commerce; Textiles; Extractive Industries; Modern and Low Carbon Utilities; Health & Life Sciences; Data Driven Healthcare Innovation; Food & Drink; Agri-Tech; Education Tech; Digital Creative & Video Games; Connected Device.