

Local authority members



GREATER BIRMINGHAM AND SOLIHULL LOCAL ENTERPRISE PARTNERSHIP

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ANNUAL REPORT
2015-2016

FOREWORD CHAIR

Five years on from the formation of Local Enterprise Partnerships (LEPs) we should stand back and ask ourselves whether this model of driving regional economic growth is working. In the case of Greater Birmingham and Solihull the answer is a decisive 'yes'.

The performance of our economy judged across many measures has seen a clear step up, both in actual numbers and relative to other areas of the country. We are amongst the leaders for the rate of private sector job creation, are the top performing LEP area for inward investment for the second year running, and importantly have halved the numbers claiming unemployment benefit since the high of February 2012.

These results have come about in part because of the collaboration which now exists across our region. Business, the public sector, and our education sector are, I judge, combining more effectively than ever before. Our one Strategic Economic Plan (SEP) is being pursued by member and partner organisations. It is delivering collectively, an outcome only achieved through

many individual parts playing in concert.

Moreover, our city region is speaking more confidently and ambitiously with central government. In turn they have chosen to back us as they see a growing record of delivery. Their support for our High Speed 2 (HS2) Growth Strategy and the extension of the Enterprise Zone to cover the Curzon Street area is clear evidence of this.

The LEP Board has been a strong supporter of the West Midlands Combined Authority (WMCA) since the outset. We are proud to have contributed to the ground-breaking Devolution Deal for our region; and trust that the collaboration which the LEP embodies will be reflected in how the Combined Authority (CA) develops. Our own formal

membership, alongside Coventry & Warwickshire and the Black Country LEPs and our shared leadership of the CA's economic plan confirms our intent.

This report describes progress across our area over the last year, through the leadership of our board directors, officers in Katie Trout's executive team and partner organisations. I trust you will judge that it shows real momentum, and I am very grateful to everyone who has contributed to this team achievement.

Nevertheless, there is still much to be done to realise our ambition for our city region to compete on an international stage. Specifically, we have to deliver the huge opportunity around HS2 and above all else we must apply our collective creativity to develop the capabilities of our current and future workforce.

These are real challenges, but we have momentum and five years on we've earned the right to be appropriately ambitious.



Andy Street
Chair
Greater Birmingham & Solihull
Local Enterprise Partnership

DEPUTY CHAIR

This time last year I was proud to report on the excellent Growth Deal funding package we had received from government.

Through our Strategic Economic Plan 'The SEP to Change Britain' we demonstrated that Greater Birmingham and Solihull was the place to invest to drive the future wealth and wellbeing of our country. Our reward was £379 million to enable a range of exciting schemes and programmes to unlock economic growth.

This year we have invested the first £47 million of that money into projects right across the LEP area. These projects are creating jobs and training opportunities for our young people, supporting the growth of our key sectors in science and technology and making it easier for businesses of all sizes to grow.

We are in the grip of an 'economic renaissance'. Anyone who has visited our towns and cities over the last year will have noticed the buzz of activity. Personally, it gives me great pleasure to watch the ongoing demolition work at Paradise in Birmingham city centre,

to see locals and tourists alike stop to photograph the heavy machinery at work and take in the emerging vista between Centenary and Victoria Squares.

As always, I must give my heartfelt thanks to the hard work of our partners in both the private and public sectors, especially the local councils. They do the heavy lifting to turn our shared aspirations into action. We've asked a lot of them and I'm pleased to say they have more than risen to the challenge. Of course, 2015/16 is just the first step. In the coming year, we are looking to do even more. We will invest a further £50 million over the next 12 months to create even more jobs, homes and business opportunities.

We will also be refreshing our SEP in 2016. The GBSLEP Board is *ad idem* that we have earned the right to espouse our global standing.

Alongside this, we will be lobbying government for more

Growth Deal money to fuel our area's continued success. Money that will enable us to make an even greater difference for those living, working and visiting our area.

We have demonstrated our credentials that support our strategic ambition to join the global elite. There is much to do – exciting times lie ahead!



Steve Hollis
Deputy Chair
Greater Birmingham & Solihull
Local Enterprise Partnership

“WE ARE AMONGST THE LEADERS FOR THE RATE OF PRIVATE SECTOR JOB CREATION AND ARE THE TOP PERFORMING LEP AREA FOR INWARD INVESTMENT FOR THE SECOND YEAR RUNNING.”



“THIS YEAR WE HAVE INVESTED £47 MILLION ... [GROWTH DEAL FUNDING] ... INTO PROJECTS RIGHT ACROSS THE LEP AREA. THESE PROJECTS ARE CREATING JOBS AND TRAINING OPPORTUNITIES FOR OUR YOUNG PEOPLE.”



GREATER BIRMINGHAM'S ECONOMIC PERFORMANCE

The LEP Board set out five challenging Key Performance Indicators (KPIs) in its Strategy for Growth. These support our vision to re-establish the city region as the leading economy outside of London and our aim to close the performance gap with the national average.

Performance against our target of increasing the number of private sector jobs remains strong and there have been further reductions in the levels of unemployment. Our target to increase Gross Value Added (GVA) by £8.25 billion also remains on track.

Despite this positive performance, other indicators show that significant challenges remain. The gap between GVA per head and the national average has increased according to the latest available data from 2014. The percentage of the working age population with NVQ3+ also remains lower than that of the Core City LEP average.

Addressing the underlying issues which affects performance in these areas will be a key focus for the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in 2016/17.

KPI dashboard

	Baseline (2010)	Latest data	Annual performance	RAG rating	
				Baseline	Previous year
119,000 PRIVATE SECTOR JOBS by 2020 <small>Source ONS/BRES – 2014 latest data available</small>	633,600	718,000	+40,800	↑	↑
INCREASE GVA BY £8.25bn by 2020 <small>Source ONS – 2014 latest data available</small>	£39,584m	£41,781m	+£668m	↑	↑
DECREASE UNEMPLOYMENT to the national average by 2020 <small>Source ONS/APS – 2015 latest data available</small>	2.7% point gap	1.6% point gap	0.6% point	↓	↓
INCREASE GVA PER HEAD to the national average by 2020 and to exceed national average by 2025 <small>Source ONS – 2014 latest data available</small>	-£3,451 per head gap	-£3,895 per head gap	+£212 per head	↑	↑
NVQ3+ Increase % of the working age population with NVQ3+ to Core City LEP average by 2020 <small>Source ONS/APS – 2015 latest data available</small>	2.7% point gap	3.1% point gap	0.0% point	↓	↔

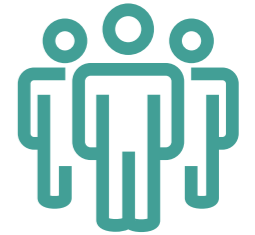
Attracted **73 NEW FDI PROJECTS**
9% more than any other LEPs



20,200 NEW BUSINESSES
born in the GBSLEP 2015




85,200 ADDITIONAL PRIVATE SECTOR JOBS
since 2010 – outperforming national growth rate



13.5% ECONOMIC GROWTH RATE
in the last five years



36.4k 
Unemployment claimant numbers reduced from 64.6k in 2013 to 36.4k today (2016)

<1% of people in Tamworth and Lichfield claim unemployment benefits

TOP UK REGIONAL CITY

Birmingham ranked top UK regional city for quality of life

(Mercer Living Index)



5,800 
people moved from London to Birmingham in 2014, the most popular destination of any UK city

£29bn 

West Midlands region exported £29bn of goods in 2015, more than any UK region outside London and the South East

GROWING BUSINESSES

"This year has seen the GBSLEP deliver against our commitment to create an environment where businesses are enabled to start, grow and succeed – the highlight being the launch of the Growth Hub.

This one-stop shop for business support embodies how the LEP best supports local businesses – through a genuine partnership approach with a focus on getting the right help for any client, wherever it may be found.

Access to finance also continues to be a major focus for the LEP.

One of the most exciting developments has been the work to create an Investment Fund as part of the Midlands Engine programme. This 'fund of funds', of at least £250 million, will offer a range of financial support for SMEs in the Midlands."



Saqib Bhatti
Board Director for
Growing Businesses



Pat Hanlon
Board Director for
Access to Finance

The Growth Hub

The **Greater Birmingham & Solihull Growth Hub** has enjoyed an outstanding start following its launch in October 2015. Through strategic and strong partnerships, it has established itself as a first-port-of-call for advice, funding and general business support. By the end of 2016, the Growth Hub will be on track to have exceeded its targets of dealing with 7,200 enquiries and working in depth with 500 businesses to help create 500 jobs.

With £1 million additional funding allocated from the Department for Business, Innovation and Skills (BIS), the GBSLEP will further develop the Hub's offer, reaching more Greater Birmingham businesses and helping them to grow our economy.

CASE STUDY

Global brand consultancy Brandscape, based in Balsall Common, Solihull, is one such beneficiary of Growth Hub support. The experiential programmes and event company wanted to grow its newly-formed consumer-focused arm of the business, to help maintain a competitive edge in a rapidly growing industry. The Growth Hub introduced the company to the NatWest Mid-Sized Business Growth Programme, run by Aston Centre for Growth. As a result, Brandscape was able to access practical workshops on strategy, brand and culture, digital marketing, financing, exit strategies and succession planning.

Managing Director, Ian Mulligan said: "This expertise has provided us with practical guidance on growing the business and has also inspired the team here to fully realise our Brandscape's potential. The experience has been transformational - our business is now exploring more avenues than ever before. Brandscape has become a more dynamic, creative and interesting place to work as a result of the energy and momentum the programme has given us."

The Growth Hub, six months on...

Supporting businesses to create

565 JOBS

Each month, helping around

600 BUSINESSES & ORGANISATIONS

HS2

To help deliver the economic benefits from HS2, a **supply chain and business support work stream** has been set-up covering the WMCA area. With the intention of developing a blue print for how the LEP engages with local businesses to assist them with the build, capacity and capabilities ensuring they can capitalise on the delivery of the HS2 investment programme.

Funding successes

A broad range of finance opportunities have continued to be offered to local businesses across GBSLEP.

A £24 million **National Tooling Funding Programme** launched by Finance Birmingham in 2014 is progressing well. So far, 20 projects have been approved, committing over £7.5 million in funding, creating 306 jobs and safeguarding a further 218 jobs.

The £9 million GBSLEP **Debt & Equity Fund** and the £56 million **West Midlands Mezzanine Fund** have also delivered significant contributions. Combined, they have supported 43 companies, committing funds of over £30 million, creating 372 jobs and safeguarding 502 jobs.

Over the last three years, the **Green Bridge Supply Chain Initiative**, the **Business Innovation Programme** and the **Business Development Programme** have helped 1,000 businesses to grow, creating and safeguarding over 4,500 jobs and leveraging £87 million in private sector investment.

Almost 600 SME supply chain businesses stand to benefit from a £32.6 million **Business Growth Programme (BGP)**, financed with £17 million of European Regional Development Fund (ERDF) and an equivalent amount of public and private sector match funding.

It is designed to respond to new opportunities, including those related to HS2, and will typically provide revenue and capital grants of between £10,000 and £200,000.

Access to finance will further improve through the creation of the **Midlands Engine Investment Fund**, of at least £250 million worth of funding. This 'fund of funds' is a financial instrument and will be run the British Business Bank. Importantly, it will be overseen by a local group of Midlands' financial experts drawn from the 11 LEPs across the East and West Midlands who truly understand the opportunities here.



Handmade Burger Co., supported by the Debt & Equity Fund via Finance Birmingham.



The GBSLEP Growth Hub launch event at the Birmingham Hippodrome, October 2015.

GBSLEP Debt & Equity Fund and West Midlands Mezzanine Fund supported

874 JOBS

More than

£250m

MIDLANDS ENGINE INVESTMENT FUNDING

KEY SECTORS & INNOVATION

“There has been renewed focus on the region’s key sectors, provided largely by our sector champions, and – by improving our innovation ecosystem.

Recent key achievements have included the attraction of huge interest in the region’s potential as a 21st century hub for life sciences.

The completion of the iCentrum building at the Innovation Birmingham Campus, marks the rapid growth of the region’s digital tech sector and combined with the Budget announcement of £14 million for the STEAMHouse project, this promises accelerated growth in our creative industries. Both projects will support the development of a culture of innovation.

We’ll be building on these achievements and ensuring that we fully capture the sector growth opportunities arising from new technology and major investments such as HS2, increasing demand for innovative products and services throughout regional supply chains.”



Professor Cliff Allan
Board Director for
Building Sector Strengths
and Opportunities



Matthew Rhodes
Board Director for
Stimulating Innovation

The LEP’s strategy to unlock specific sector strengths and opportunities has delivered some major successes in the past year, supported by 13 sector champions.

In **advanced manufacturing**, further education training facilities for aviation, automotive and engineering are being developed at Solihull, South & City Colleges and Redditch.

Drive West Midlands was launched in June 2015, with the dual aim of supporting inward investment into the area and developing the local supply chain. Since its launch, the creation of 265 jobs have been supported.

In **digital technology**, the iCentrum expansion of the Innovation Birmingham Campus has been completed and now houses the Serendip Smart City Incubator. The campus also co-locates promising start-up businesses with large existing commercial partners.

Cultural and creative industries have also enjoyed considerable success. The Creative City Partnership’s engagement with the BBC has seen the broadcaster locate its BBC Three base in Birmingham, alongside a hub for its proposed partnerships with local newspapers.

Additionally, the LEP secured £500,000 Arts Council funding and a Budget commitment of £14 million for Birmingham City University’s (BCU) STEAMHouse project, which will transform the former Typhoo Tea



The site of the new Engineering Centre of Excellence in Redditch, North Worcestershire.

Factory, harnessing the power of the creative and cultural sector, to drive new forms of innovation and the creation of up to 10,000 jobs.

The Greater Birmingham Life Sciences Commission report was published in July 2015 and revealed the strength, breadth and potential of the region’s life science assets, including the Institute of Translational Medicine (ITM), supported by £12 million of funding secured through the LEP’s City Deal, and the **Life Sciences Campus**, which has benefitted from Local Growth Funding (LGF).

Future plans for the sector include the establishment of a Strategic Leadership Group to drive a commercially sound strategy that will attract global investment. The LEP and its **business and professional services partner**, BPS Birmingham Ltd, continue to work together to identify opportunities to realise the huge potential of the sector, which has seen recent investments in the city centre by Deutsche Bank and HSBC.

Meanwhile, in the **food and drink sector**, work continues to develop the Growth Deal-funded Food Technology Skills Excellence Hub at University College Birmingham, while activity to develop the region’s **visitor economy** also continues.

At Innovation Birmingham, building has started on a purpose-designed **Universities Centre** with £2.5 million secured via the Growth Deal.



The new iCentrum expansion of the Innovation Birmingham Campus – an example of progress in the digital technology sector.

The Universities of Aston and Birmingham are partners in the **Energy Research Accelerator (ERA) partnership** of six internationally-renowned, Midlands-based universities, along with the British Geological Survey that has added £120 million of industry commitment to the £60 million of government funding previously secured.

Alongside other LEPs, local authorities, universities and industry partners, the GBSLEP has been successful in securing government support to undertake a **Midlands Engine Science & Innovation Audit**. This will map out local science and innovation strengths and identify emerging opportunities to inform future investment decisions.

Another focus for partner activity led by Birmingham Science City, has been supporting calls for the Research and Innovation strand of the new European Structural and Investment Funds (ESIF). The first project approved is the **European Bioenergy Research Institute (EBRI) BSEEN and Innovation Vouchers**, led by Aston University.

The GBSLEP supported **Venturefest West Midlands 2015**, an event at the NEC. This attracted nearly 500 delegates, £1.44 million financial returns and 1,410 new connections between innovators, entrepreneurs and inventors.



The Food Innovation Hub at University City Birmingham, supported by LGF.

265 JOBS

created through Drive West Midlands

£14m

for BCU’s STEAMHouse project

£120m

industry commitment to ERA

£2.5m

for building
Universities Centre
at Innovation
Birmingham


IMPROVING SKILLS

“2015–16 has been an incredibly busy year for our employment and skills agenda.

Investment in skills equipment to support our key growth sectors, the construction of the National College for High Speed Rail and the 100 work coaches initiative are all contributing towards our aim of creating a globally competitive workforce.

I would like to thank my predecessor, Alan Volkaerts, for his valuable contribution to the LEP’s skills and employment successes.

Our priorities over the coming months will be to look at what the Further Education Area Reviews mean for the region and support delivery of the WMCA Devolution Deal and maximise the positive impact of the Apprenticeship Levy across all businesses, large and small.”



Andrew Cleaves
Board Director for
Employment & Skills

Central to GBSLEP’s vision for employment and skills are three key themes; *Ignite*, *Accelerate* and *Retune*. Working with delivery partners in training and education, we aim to *ignite* interest in the jobs of the future, to invest in and *accelerate* the local workforces’ progression along the skills continuum, and to *retune* the skills of the adult workforce with training for those out of work or in declining industries to access job opportunities.

This year we have made good progress in working towards these goals.

Ignite

A series of **Sector Skills Action Plans** have been developed which set out the skills required to support our key growth sectors. These have helped to inform practical activity to both meet demand and ignite interest in future opportunities.

The GBSLEP had a strong presence, alongside the Black Country and Coventry & Warwickshire LEPs, at the national **Skills Show** hosted at the NEC in November 2015. Our presence helped to raise the profile of ‘the jobs of the future’ to young people from local schools and colleges.

£1.1 million of LGF is being used to support the formation of a University Technical College (UTC) in Solihull. The **Warwick Manufacturing Group Academy for Young Entrepreneurs** will be opening in September 2016.

Initiatives to encourage better connectivity between local **schools and businesses** have continued to be promoted by the LEP, including the Solihull ‘Step Up for Success’ programme, School Forum events run by Chase Chamber of Commerce, the CSR City and the recent partnership with the Careers & Enterprise Company.

Accelerate

The new **National College for High Speed Rail** in Birmingham and Doncaster is being established to address the skills needs of HS2 and to provide skills development opportunities to the wider rail sector.

It will be one of the first cornerstones established to address the skills shortage in the transport and infrastructure sector, ensuring that major infrastructure projects are not delayed, wages are not inflated and economic growth in the UK can continue.

In its first five years, the National College for High Speed Rail is expected to train 3,682 learners who will become part of a workforce generating £386.7 million for the UK economy.

For the GBSLEP, which has invested £6 million alongside investment from Birmingham City Council, the college is part of a wider strategy to up-skill local people and delivering economic benefit for the region. This is a game-changing opportunity for thousands of talented young people across the region to access world-leading, cutting-edge rail technology on their doorsteps.

Investment has also been made in other skills capital projects, which support our key growth sectors.

Skills provision for the advanced manufacturing sector will be supported by funding allocated to Solihull College for an **Aviation Engineering Training Centre** and South and City College for a **Motor Vehicle Training Centre** and an **Engineering Centre for Manufacturing Support**.

£350,000 has also been approved to support the development of a new £1.5 million **Engineering Centre of Excellence** in Redditch, North Worcestershire, with Worcestershire LEP putting in an equal contribution. Match funding was provided by the Midlands Group Training Scheme. The new training facility will open in the autumn and train up to 200 young apprentice engineers over the next four years.

Another sector benefitting from support is **Life Sciences**, with a new facility being established by Solihull College with a contribution of £1.5 million from the LGF.



National College for High Speed Rail, established to address the skills needs of HS2.



The Aviation Engineering Training Centre at Solihull College, supporting the skills provision for the advanced manufacturing sector.

IGNITE ACCELERATE RETUNE

National College for High Speed Rail

TRAINING
3,682

learners for
HS2 workforce

GENERATING
£386.7m

for the
UK economy

IMPROVING SKILLS

Retune

This year, the GBSLEP has worked closely with work coaches from the Department for Work and Pensions (DWP), to help local people access local jobs. Funding for 100 additional work coaches was secured from government in the Budget.

This focused approach exceeded its targets by securing 13,351 work experience opportunities across Birmingham and Solihull, and supported 11,689 people into employment. The placements are vital in giving unemployed people the confidence and experience needed to secure employment. Due to the success of the initiative, a further £5 million has been announced by the Chancellor to enable the programme to continue for another year.



Huda, who has secured a job with the National College for High Speed Rail project team.

WORK EXPERIENCE CASE STUDY

Huda had a keen interest to work in the public sector but was unsure whether she would get to use her creative skills within that field. To help her get some exposure Huda's Jobcentre work coach set up a work experience placement for her at Washwood Heath Jobcentre. It was here that Huda was alerted to a further work experience opportunity at Birmingham City Council.

"I was fortunate to work closely with Aman and have him as my supervisor. Aman was very quick to identify my creative skills and supported me in all areas of my work - I was extremely excited when I learnt the job role would include using my creative skills! I was given the creative freedom and flexibility to put my design skills into practice and work on corporate marketing material."

Apart from being able to get her teeth into some real design and communications work within the public sector, Huda was helped by staff to look for a transition into full-time employment.

"I am delighted to announce I secured full-time employment with the new National College for High Speed Rail Project Team as the Executive Assistant to the CEO."

The **Birmingham and Solihull Youth Promise Plus** is an example of practical activity targeted to supporting young, unemployed people into work.

The £50 million plan, developed by a range of partners including Birmingham City Council and Solihull Metropolitan Borough Council on behalf of the GBSLEP and funded by European Social Fund (ESF), is designed to help over 16,000 young people aged 15–29 years from key target groups who are not engaged in education, employment or training. The project will create integrated and supported pathways for these individuals.

There are however, still some challenges; the levels of skills attainment in the LEP area remain low compared with the national average, employers continuously report challenges in finding people with the right skills for their business needs and the number of people out of work remains high.

The powers secured through the **WMCA Devolution Deal** will help to address some of these issues. The devolution of 19+ adult's skills funding from 2018 will give the WMCA the tools to determine the skills provision. Joint responsibility with the government to co-design employment support for the hardest-to-help claimants will also help to put in place a system that works for the local area. It is hoped that these powers can be built upon through future deals.

The **Area Based Reviews** of further education will also help to re-shape the current landscape. GBSLEP is helping to inform these and will be working with partners to support the implementation of recommendations.



The Skills Show, the UK's largest skills and careers event. Images supplied by WorldSkills UK Flickr.



Work coaches initiative

SECURED **13,351** work experience opportunities through work coaches initiatives

SUPPORTED

11,689 people into employment

Birmingham and Solihull Youth Promise Plus

£50m PLAN

HELPING

16,000 young people aged 15–29

GBSLEP ACHIEVEMENTS



2015

2016

- **Landmark announcements at global real estate show MIPIM**
 - M&G Real Estate to fund Three Snowhill in the largest ever city centre office development outside London
 - News of PwC's move to Paradise Birmingham
 - Launch of the Midlands Engine Pitchbook to attract FDI to the region
 - £40 million funding is committed to Birmingham Smithfield launch, part of the City Centre EZ

APRIL	MAY	JUNE	JULY	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	FEBRUARY	MARCH
<ul style="list-style-type: none"> • 1st year of Local Growth Fund spend starts 	<ul style="list-style-type: none"> • Competitive positioning project commissioned to promote the area internationally to businesses, tourists, the media and other organisations across the world 	<ul style="list-style-type: none"> • Edinburgh-based Graeme Massie Architects named Centenary Square design competition winner • GBSLEP launches 100 work coaches initiative with DWP to support local people into local jobs 	<ul style="list-style-type: none"> • HS2 Growth Strategy unveiled, setting out how HS2 can help create jobs, increase productivity and generate net national growth • An independent Life Sciences Commission publishes a report on the region's potential to become a leading global hub for life sciences • Launch of the WMCA's Statement of Intent • Google launches a Digital Garage at the Library of Birmingham in partnership with GBSLEP • Summer budget includes case to support the extension of the Enterprise Zone (EZ) to cover the Curzon Masterplan area of the city 	<ul style="list-style-type: none"> • GBSLEP agrees to become a non-constituent member of the WMCA • Stage three of the GBSLEP and Black Country Strategic Housing Needs Study (SHNS) is published 	<ul style="list-style-type: none"> • Skills Show 2015 - GBSLEP, Black Country and Coventry & Warwickshire LEPs showcase 'Jobs of the Future' in the manufacturing and engineering sector • Growth Hub launched as a one-stop-shop of support for businesses 	<ul style="list-style-type: none"> • The GBSLEP and Birmingham City Council provide £6 million of grant support towards the cost of interior works at The Grand Hotel • The WMG Academy for Young Engineers in Chelmsley Wood receives a £1.1 million grant towards state of the art, industry standard engineering and IT • Historic Devolution Deal agreed for the West Midlands and government to make an annual contribution worth £40 million for 30 years to the WMCA to support an overall investment package worth £8 billion 	<ul style="list-style-type: none"> • Midlands Engine launches new prospectus setting out plans for the whole of the Midlands to work more collaboratively, to accelerate economic growth and productivity improvement • Birmingham's Paradise scheme hits crucial next phase as major clearance works at the £500 million Paradise regeneration scheme begins 	<ul style="list-style-type: none"> • £9 million Unlocking Housing Sites fund made available to help stalled housing sites in the GBSLEP area • £1.5m boost for Kingswood Lakeside Business Park. Remediation works at Kingswood Lakeside Business Park in Cannock to be completed two years earlier than planned due to a £1.5 million LGF investment 	<ul style="list-style-type: none"> • Birmingham City Centre EZ launches a relocation service in response to growing demand from people and businesses moving to the city • Budget wins includes an extension of funding for 100 work coaches programme and a £14 million commitment to STEAMHouse • LGF of £47.3 million allocated over the year to support 33 projects. Creating 32,000 jobs, 10,000 new homes, 500,000sqm of new commercial floorspace, leveraging nearly £500 million of match funding and private sector investment



IMPROVING CONNECTIVITY

“Creating a clear sense of place is one of the LEP’s principal priorities. Maximising the region’s physical assets, unlocking housing and employment land, and delivering world-class regional, national and international connectivity, underpin all of our ambitions.

Progress with delivering the Enterprise Zone Investment Plan has been one of the highlights of the past year. Nowhere is that more evident than when you stand in Birmingham’s Chamberlain Square and see the Paradise and Arena Central changes unfolding on a daily basis.

We have also taken major steps to ensure that Greater Birmingham will capitalise on the opportunities presented to us by HS2 through the development of the Growth Strategy, the extension of the Enterprise Zone and funding secured through the devolution deal.

Critically, investment is taking place across the LEP. Most recently, the LEP has approved funding for the Friarsgate development in Lichfield city centre, creating 900 jobs and growing the economy by £283 million, as well as building much-needed new homes.”



Simon Marks
Board Director for
Optimising Assets, and
Enterprise Zone Champion

Connectivity

A landmark document was published this year outlining our ambitions for maximising the benefits of HS2. By improving the connectivity of the region, developing skills and ensuring supply chains are prepared, the **Midlands HS2 Growth Strategy** will put the region at the heart of the UK’s economic future.

Aligned to this is the development of the **Midlands Connect** strategy, which will provide the region with a long term vision for improved connectivity to support growth and jobs. £5 million was secured from government in the summer Budget to support this work.

£300 million has been allocated through the LGF for investment in transport infrastructure within the GBSLEP, including the Midland Metro Extension, Hagley Road SPRINT and Hoobrook Link Road.

A major focus for the LEP is sustainable and innovative transport measures. Birmingham is set to become the first city in the UK to use **cutting-edge battery technology** that removes the need to attach overhead power lines to its historic buildings for trams. The £4.15 million LGF part-funded project will result in there being no need for overhead cables around the 182-year-old Town Hall in Victoria Square when



Midland Metro Extension – LGF part-funded the delivery of cutting-edge battery technology.

the city centre Metro line is extended through from New Street station to Centenary Square. The LEP recognises the increasing importance of the air quality challenge. This year we published our **Low Carbon Transport & Mobility Strategy**, which aims to support a move towards a lower carbon economy, delivering better air quality and a higher quality of life through more choice and greater efficiency.

Improving digital connectivity is also key for economic growth. Take up of a Digital Birmingham voucher scheme has resulted in around 4,000 businesses being supported with broadband connections, placing the region third in the UK in terms of adoption.

HS2 progress

In 2026, the West Midlands will become home to the first phase of the **HS2** line. It will benefit from an Interchange Station at UK Central in Solihull, near Birmingham Airport and the NEC, and a terminus station at Curzon Street in Birmingham city centre.

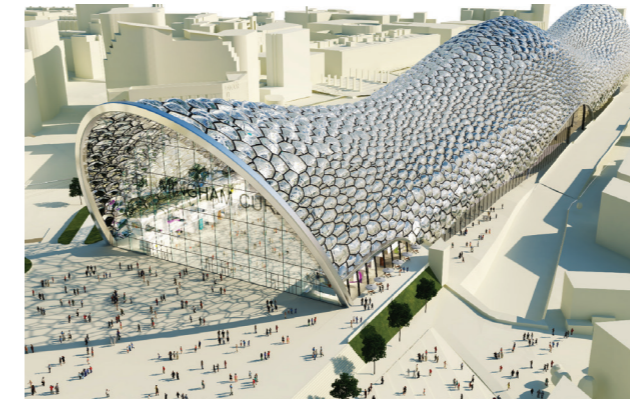
The past year has seen significant progress in getting the foundations in place to maximise the opportunity of this once in a generation investment.

The **Midlands HS2 Growth Strategy** was published in July 2015, its development has been part-funded by £2.5 million received by GBSLEP as part of its Growth Deal.

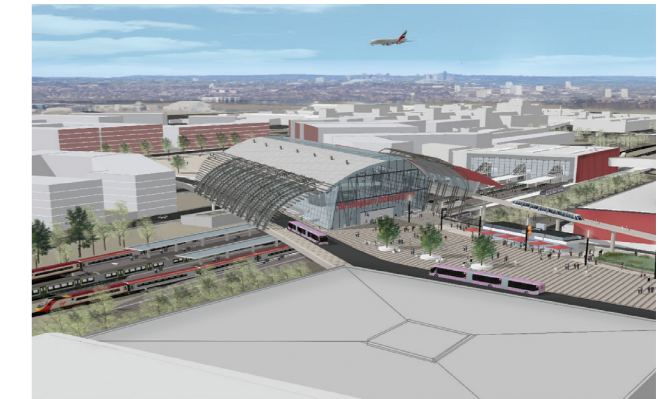
The Strategy was endorsed by government as part of the WMCA’s **Devolution Deal**. Funding was secured to support the HS2 Connectivity Package and the extension of the Midland Metro Eastside Extension to Adderley Street. Further commitments were given to consider business cases for the East Birmingham and Brierley Hill Metro Extensions. The deal also included the approval of the extension of the City Centre EZ to support the delivery of infrastructure across the Curzon area.

A **regeneration company** was formed in November 2015 to progress the Curzon development. An **Urban Growth Company** for UK Central has also been established to drive forward plans for the Interchange station.

HS2 Ltd’s headquarters in Birmingham were officially opened in February 2016 by the Secretary of State for Transport. The office at 2 Snowhill will house up to 1,000 staff, from engineers who will help design the railway to procurement specialists.



Curzon Street station in Birmingham city centre.



CGI of Interchange Station at UK Central in Solihull.

£300m

LGF allocated to transport infrastructure

4,000 BUSINESSES

supported with broadband connections

1,000 STAFF

HS2 Ltd’s headquarters home to over

£2.5m

funding for HS2 Growth Strategy

OPTIMISING ASSETS

Competitive positioning

Marketing Birmingham was commissioned by the GBSLEP to explore the area's competitive position and help the region stand out in a fiercely competitive environment across the globe.

The concept – **'Make Your Mark'** – was selected to differentiate the area following widespread consultation, which conveys both the regions' heritage in design and making, and its continuous aspiration to be a leading location for innovation.

The concept has been enthusiastically welcomed and accepted, both within the LEP and by partners across the region. It is now moving to the next phase of implementation and will focus on facilitating adoption across a broader West Midlands geography.

Enterprise Zone

Development activity within the City Centre EZ increased significantly over the past year, supported by the GBSLEP's £275 million Investment Plan funded

by Birmingham City Council borrowing against future business rate uplift. A total of 1,700 jobs and 125,000sqm of floorspace have been created to date with £325 million of private sector capital investment leveraged.

December 2015 saw the major clearance works at the £500 million **Paradise regeneration scheme** start, with PwC Midlands announced as the first occupier in March 2016.

Works on the **Arena Central** development started on site in the summer of 2015. When completed in 2017/18 it will create approximate 2,500 jobs in the EZ and house the UK head office for HSBC's personal and business banking operations.

Birmingham City University (BCU) completed their phase 2 campus in summer 2015. This has supported the **unlocking of the Eastside Locks site**. The Assay Office also moved into a state-of-the-art, purpose-built facility fronting Ickniel Street in the Jewellery Quarter in July 2015.

In June 2015, the Centenary Square project saw the announcement of the international design competition winner as Graeme Massey. The Edinburgh architects produced a striking **'Hall of Columns' design**.

The government has agreed to extend the **City Centre EZ** model, both in terms of geography and time to

support the delivery of the ambitions for **Curzon Station** in the HS2 Growth Strategy. The GBSLEP will now be able to retain business rate growth for the whole EZ until 31st March 2046.

Assets

In February, the **Unlocking Housing Sites Programme** was launched thanks to £9 million secured from the LGF. The ambition is to bring forward at least 500 new homes across the area by delivering targeted assistance to sites which are ready for development, or where there are existing constraints.

The LEP has awarded £1.5 million of LGF money to support the **East Staffordshire Regeneration Programme**, which involves releasing three strategic brownfield sites for development. This scheme has the potential to deliver nearly 300 high quality, new homes, new commercial floor space and up to 700 jobs. The LEP has also approved £2.4 million for the **Friarsgate development** in Lichfield city centre.

The LEP was one of a number of partners contributing to a £16 million fund to complete the new **Hoobrook Link Road** connecting Stourport Road to Kidderminster Road on the South Kidderminster Enterprise Park. The new road is expected to open in summer 2016, easing congestion around the town and unlocking further development opportunities in the area.

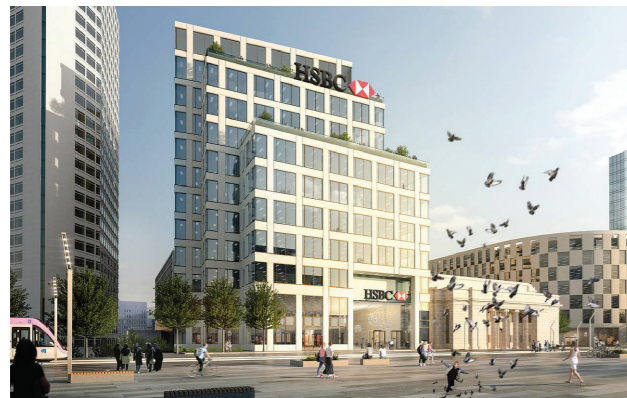
Through the Growing Places Fund the GBSLEP supported the much needed restoration of the Grade II* listed **Grand Hotel**, Birmingham, with £6 million of grant monies to help bring one of the city's finest buildings back into active use.

The City Deal **Public Assets Accelerator** in conjunction with the Homes and Community Agency (HCA) is unlocking sites that have been stalled for a considerable time.

In May 2015, £1.04 million was allocated to acquire additional land to extend the benefits and area of the Aston Manufacturing Hub for employment use. Business cases are currently being prepared for other projects including Bordesley Park, Yardley Brook and Bromford in Birmingham. This work is being complemented by the recently launched **WMCA One Public Estate Phase 3** programme, which is seeking to support new homes and additional employment land through better use and release of public land.

The development of the **Spatial Plan for Growth** has continued to support the strategic planning process, through the completion of the staged Strategic Housing Needs Study with the Black Country.

Finally, a **Midlands Engine pitch book** was launched at MIPI in March 2016 to attract further foreign direct investment to the region.



CGI of HSBC's UK head office for personal and business banking in the EZ.



The new Joseph Priestly Building (BCU) at Eastside Locks. Image supplied by Goodman.



Friarsgate regeneration, supported through the LGF programme.



Restoration of the Grand Hotel, supported by the LEP's Growing Places Fund.

City Centre EZ creating

1,700 JOBS

125,000 sqm of floorspace

£9m Unlocking Housing Sites Programme

300 NEW HOMES delivered by East Staffordshire Regeneration Programme

HOW IT ALL FITS TOGETHER

GBSLEP WMCA AND MIDLANDS ENGINE



BUSINESS-LED PARTNERSHIP OF PRIVATE, PUBLIC AND ACADEMIC CENTRES

The area covered by the GBSLEP has a population of nearly 2 million, contains 918,000 jobs and has a GVA of about £35.5 billion. It enjoys a concentration of economic drivers second only to London.

Unique characteristics:

- A voluntary business-led partnership of the private, public and academic sectors set up as a Company Limited by Guarantee
- Spans nine local authority areas
- Tasked with setting the area's economic strategy through its SEP and delivering through partnerships
- Focused on creating jobs and economic growth
- Negotiates deals with government in return for LGF, freedoms and flexibilities.



LEGAL BODY WITH POWERS OF DECISION MAKING

WMCA is based on the functioning economic geography of three LEP areas: GBS; Black Country and Coventry & Warwickshire. Ninety per cent of the area's population of 4 million live and work in this area. The region's economy is worth £80 billion of GVA.

Unique characteristics:

- A legal body with powers of decision making granted by parliament
- Currently seven constituent members (LA) with ultimate voting rights and eight non-constituent members (five LAs and three LEPs), with more LAs to formally join
- A metro mayor for the West Midlands will be elected in May 2017
- Will drive forward a series of joint objectives in support of economic growth and public service reform as outlined in its SEP
- Negotiated a Devolution Deal with the government to receive powers and funding from Whitehall, made possible due to the strong governance arrangements in place.

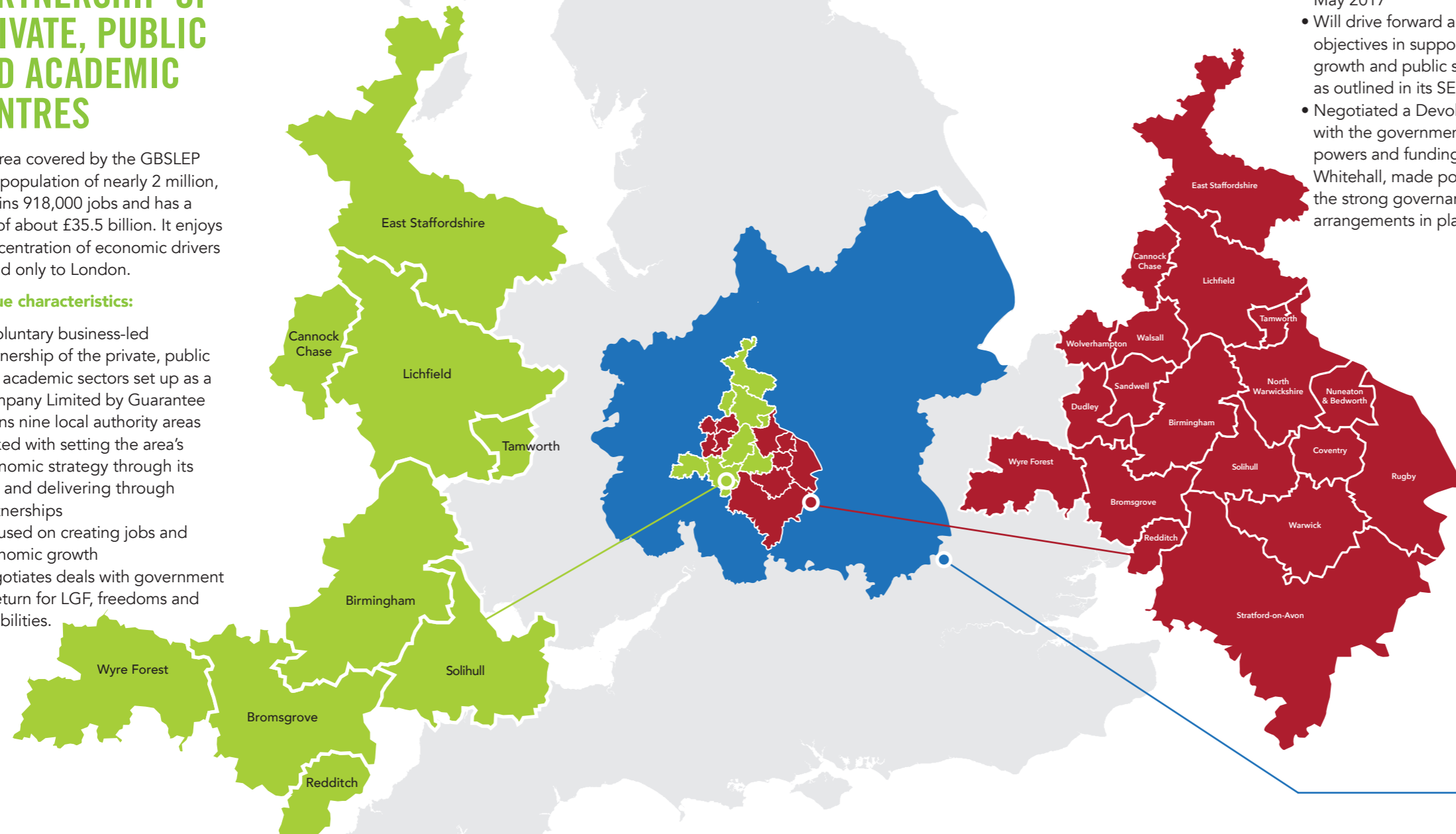


COLLABORATION OF 11 LEPS, 86 LOCAL AUTHORITIES, 27 UNIVERSITIES

The Midlands Engine region stretches from Wales to the North Sea and the northern Home Counties to the Peak District. It covers a population of just over 11.5 million people and makes an annual contribution of £222 billion in GVA to the national economy.

Unique characteristics:

- A collaboration of 11 LEPs, 86 LAs, 27 universities, businesses and wider partners
- Sets the private sector as the primary driver of economic growth
- Designed to accelerate greater economic growth and productivity improvement
- Sponsored by the Secretary of State for Business, Innovation and Skills
- Focused on connectivity, innovation, skills and promotions & marketing
- Will not receive devolved powers or funding streams from Whitehall
- Able to make bids to government for funding for programmes and projects.



BOARD DIRECTORS

Greater Birmingham and Solihull Local Enterprise Partnership directors are drawn from the private sector, local authorities, colleges and universities. A new position has been added to the Board in 2016/17, that of Deputy Chair for Delivery, recognising the importance and commitment to this area. This brings the total number of directors to 19.

Business representatives*



Andy Street
Managing Director, John Lewis
Chair

Steve Hollis
Former Midlands Chairman,
KPMG
Deputy Chair for Strategy

Chris Loughran
Vice Chairman, Deloitte
Deputy Chair for Delivery



Anita Bhalla
Chair, Performance
Birmingham Ltd
**Responsible for
Creative City Partnership**

Saqib Bhatti
Associate, Younis
Bhatti & Co Ltd
**Responsible for
Growing Businesses**

Andrew Cleaves
Principal and
Chief Executive,
Birmingham
Metropolitan College
**Responsible for
Improving Skills**



Pat Hanlon
Handelsbanken
**Responsible for
Access to Finance**

Simon Marks
Partner, Arcadis
**Responsible for
Optimising Assets**

Matthew Rhodes
Managing Director,
Encraft Ltd
**Responsible for
Stimulating Innovation**

Local authority representatives



Cllr John Clancy
Birmingham City Council

Cllr George Adamson
Cannock Chase
District Council

Cllr Richard Grosvenor
East Staffordshire
District Council



Cllr Mike Wilcox
Lichfield District Council

Cllr Bob Sleigh
Solihull Metropolitan
Borough Council

Cllr Steve Claymore
Tamworth District Council

Cllr Greg Chance
on behalf of the North
Worcestershire local authorities

Education representatives



Mike Hopkins
Principal, South & City College
**Further Education
Representative**

Professor Cliff Allan
Vice-Chancellor,
Birmingham City University
**Higher Education
Representative
Responsible for Building
Sector Strengths**

Mark Rogers
Chief Executive
Birmingham City Council

Outgoing directors
Alan Volkaerts
Tracy Westall
Sir Albert Bore
Cllr John Campion

Company secretary

Sector champions

GBSLEP has appointed a number of Sector Champions to drive forward growth in our key sectors. These individuals bring in depth knowledge and networks, leadership skills and business acumen so that opportunities to grow each sector can be maximised.

Advanced Manufacturing
Andy Mueller,
Aero Engine Controls
(Skills Champion)

Digital & Creative
Anita Bhalla (Board Director);
Jonnie Turpie, Maverick TV
(Skills Champion)

**Emerging Technologies
& Industries**
Professor Paul Maropoulos,
Aston University; Professor
Julian Beer, Birmingham City
University; Professor Andy
Schofield, University
of Birmingham

**Low Carbon & Environmental
Technologies & Service**
Pat Laughlin, UK Business
Council for Sustainable
Development; Des Correia,
Arup (Skills Champion)

New Maker Economy
Beverley Nielsen,
Birmingham City University

Digital & Tech
Dr David Hardman MBE,
Innovation Birmingham
(Skills Champion)

Life Sciences & Healthcare
Graham Silk, Chair of Life
Sciences Strategic Leadership
Group; Tony Davies,
West Midlands Academic
Health Science Network
(Skills Champion)

Tourism & Hospitality
Val Birchall,
Birmingham City Council

Business & Financial Services
Ahmed Farooq,
BPS Birmingham

Education
HE: Cliff Allan (Board Director);
FE: Mike Hopkins
(Board Director)

Social Enterprise
Melanie Mills,
Big Society Capital

Construction & Infrastructure
Mike Reade, Balfour Beatty;
Simon Dingle, Carillion
(Skills Champion)

* At the time of going to print, the process to recruit to the role of Board Director for Improving Connectivity has not concluded.

LEP EXECUTIVES



Left to right:

Helen Harper PA to LEP Chair
Maria Lopez Skills
Roger Mendonca Delivery
Nick Glover (seated, front) Improving connectivity
Naima Ahmed Executive support
Katie Judge Key sectors
Katie Trout Director
Daniel West Midlands Engine
Lisa Hamilton (seated, front) Growing businesses
John Hall Skills
Jo Maguire Marketing and communications
Lesley Edwards Growth Deal delivery

Missing from the photo:

Ian McLaughlan, Growth Hub
Tom Fletcher Growth Deal delivery
Rachel Egan Skills

FINANCIALS

Whilst Greater Birmingham and Solihull Local Enterprise Partnership does not hold its own budget, the Board manages and directly oversees the expenditure of a number of funding streams. These include a number of grants from government for specific activity and funding generated locally through the Business Rates Pool.

Birmingham City Council acts as the Accountable Body for all of the funds shown in the table below.

No remuneration was paid to LEP Non-Executive Directors in 2015/16.

Income/expenditure for 2015/16

Funding stream	Total income (£)	Total expenditure (£)	Total committed (£)	Balance (£)
Core Fund*	878,340	817,882	0	60,458
Strategic Economic Plan*	750,000	321,475	100,324	328,201
Business Rate Pool**	308,000	200,701	97,615	9,684
Growing Places Fund*** (capital)	20,792,081	10,931,676	19,460,670	5,362,751
Growing Places Fund*** (revenue)	1,928,415	1,115,000	1,606,130	51,047
Transport Delivery Excellence	32,000	0	0	32,000
Greater Birmingham Growth Hub	625,000	625,000	0	0

*The table shows total income for these funds, received over a number of years. A further £500k is being grant funded from government to the GBSLEP in 2016/17 across these two streams.

**40% of the retained levy in the GBS Business Rate Pool is allocated to the GBSLEP to support economic development. This table refers to the allocation from the pool for 2014/15 and commitments made against it. At the time of drafting, the allocation for 2015/16 has not been finalised.

***The table shows the total allocation, received in 2011. The Balance includes the additional income generated from the interest accrued from the loans and the uncommitted Balance.

FORWARD PLAN

2016/17 brings further exciting opportunities for the GBSLEP, not only in setting and delivering its own ambitious agenda, but also by helping to drive forward the priorities of the WMCA and the wider Midlands Engine.

Key activities will include:

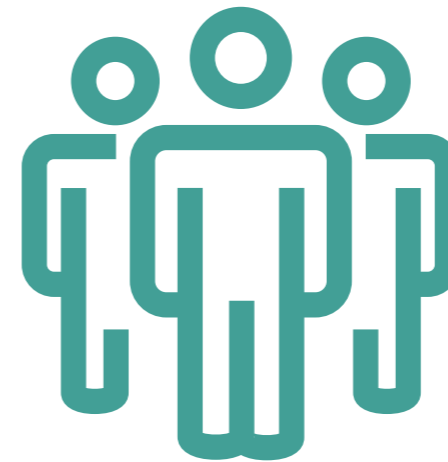


STRATEGIC FOCUS

- Delivery of £50 million **Growth Deal** funding over 2016/17 and the realisation of agreed outcomes, including jobs created, homes built and people upskilled
- Launching a refresh of the **GBSLEP's SEP** and supporting the delivery of the WMCA's SEP
- Developing a set of **investible propositions** to attract further private and public sector funding
- Negotiating a further **Growth Deal** with the government to support the delivery of the SEP, working jointly with the Black Country and Coventry & Warwickshire LEPs to secure funding for WMCA-wide programmes
- Further influencing the allocation of the **ESIF programme** to deliver local priorities
- Supporting the implementation of the WMCA's **Devolution Deal** and the negotiation of further deals
- Embedding the use of the '**Make your Mark**' brand across the GBSLEP and wider WMCA

BUSINESS

- Developing the next phase of the **Growth Hub's** expansion to provide further support to thousands of local businesses
- Launching an **Investment Fund** of at least £250 million to support SMEs across the 11 LEPs that make up the Midlands Engine
- Supporting Midlands Engine **trade and investment missions** to target new markets and key growth sectors
- Utilising the outcomes of the Midlands **Science and Innovation Audit** to support key sector strengths
- Agreeing a vision and commercially focused strategy to unlock the potential of our **life sciences** assets
- Maximising the **benefits of HS2** by supporting businesses to access opportunities



PEOPLE

- Identifying **local business and growth sector skills** needs and supporting the alignment of skills development (FE/HE/Skills Providers) to exceed employer expectations
- Continuing to work with the DWP to support local people into local jobs through 100 dedicated **work coaches**
- Supporting the implementation of recommendations from the **Area Based Reviews** of further education colleges and further promoting links **between businesses and schools**
- Establishing an **Apprenticeship Organisation** across Birmingham and Solihull's further education colleges to increase the number of apprentices
- Successfully bid to government to establish an **Institute of Technology** to provide clear progression routes to higher level Science Technology Engineering Maths skills
- Continuing the construction of the **National College for High Speed Rail**



PLACE

- Launching a public consultation of the GBSLEP's **Spatial Plan for Growth**
- Implementing the **EZ extension** to cover the **Curzon Masterplan** area, helping to fund redevelopment and improved connectivity
- Supporting the unlocking of further growth opportunities at **UK Central**, including the development of the **Interchange Station**
- Supporting growth in **local centres and town centres** across the GBSLEP
- Driving forward the **Midlands Connect** programme, with the aim of securing greater investment in transport priorities across the West and East Midlands
- Unlocking further sites for employment and housing use through the **Public Assets Accelerator**