

Report to the Greater Birmingham and Solihull Supervisory Board

2nd April 2015

Progress report on delivering the Strategy for Growth from the Chair of GBSLEP

1. Purpose of the Report

- 1.1. To provide an update to the Supervisory Board on progress of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in delivering its Strategy for Growth.

2. Recommendations

That Members are asked to:











- 2.1. Note and comment upon the progress of GBSLEP in delivering its Strategy for Growth.

3. Background

- 3.1. In May 2013, the GBSLEP published its Strategy for Growth which set out its vision of re-establishing Greater Birmingham's role as the major driver of the UK economy outside of London. The Strategy outlined the need to focus on three pillars of Business, People and Place and six strategic enablers: Growing Businesses; Building sector strengths; Stimulating Innovation; Improving our skills talent pool; Improving Connectivity; and Optimising Assets. The Strategy also committed the GBSLEP to a set of stretching performance targets.
- 3.2. On 20th June 2014, the GBSLEP published its Annual Report for 2013-14 which provided a summary of achievements over that time period and detailed key areas of focus for 2014/15. This report provides an update on progress and recent developments against this agenda and has been split into the following categories: KPIs; Strategic; Business; People; Place; Governance; and Operational. It should be noted that not all of the LEP's activity has been included in this report.

4. Performance against KPIs

- 4.1. There has been positive performance against the five KPIs in the Strategy for Growth over the past year as shown in the table below.
- 4.2. It should be noted that following the Growth Deal (see para 5.1), the LEP Board agreed to increase the private sector jobs creation target by 19,000 jobs to show the added value of the Deal.

KPI	Baseline (2010)	Current	Progress	RAG Rating	
				Baseline	Previous Quarter / Year
Create 119,000 private sector jobs by 2020	633,600	677,100	43,500		
Increase GVA by £8.25bn by 2020	£39,470m	£41,327m	£1,859m		
Decrease unemployment to the national average by 2020	2.7% point gap	2.3% point gap	0.4% point gap		
Increase GVA per head to the national average by 2020 and to exceed national average by 2025	-£3,115 per head gap	-£2,786 per head gap	£329 per head gap		
Increase the % of working age population with the NVQ3+ to Core City LEP average by 2020	2.7% point gap	3.2% point gap	-0.5% point gap		

5. Strategic Issues

- 5.1. **Growth Deal** – in July 2014, the Government announced a £357.4m Deal with GBSLEP to support 34 transport, regeneration and further education projects. Revenue funding was also secured to support the establishment of a Growth Hub and the development of a HS2 Growth Strategy. In January 2015, the Deal was expanded with a further £21.4m to be invested in the area between 2016 and 2021. Our Growth Deal is estimated to deliver up to 29,000 jobs, 7,000 homes and upskill 12,500 people. It will also leverage in £170m public and private sector investment. A key focus now is on ensuring that the Deal is delivered.
- 5.2. **European Structural and Investment Fund (ESIF)** – since the development of its ESIF Strategy, the GBSLEP has been preparing for the start of the programme by producing a draft Local Implementation Plan, supporting the development of a pipeline of projects and establishing a ESIF Committee. It has recently become clear that LEPs will not have a decision-making role in the ESIF Programme 2014-20 so it is critical that the LEP develops and maintains a string influencing role over the agenda to ensure that ESIF is allocated to best support the Strategy for Growth.
- 5.3. **Business Planning** – draft business plans have been approved for each of the six strategic enablers within the Strategy for Growth. These set out activity required over the next two years to support the delivery of the GBSLEP’s strategy. Resources are now being reviewed to ensure we have the capacity to deliver against the agreed programme of activity.
- 5.4. **Long-term economic plan** – the GBSLEP Board has agreed to undertake some detailed economic analysis to underpin the case for investment in the area. This work will significantly strengthen the ability to prioritise, commission and quantify the impact of different strategic interventions. It will be used to inform the development of a pipeline of projects, offers and asks of Government for any future ‘Deals’.
- 5.5. **Greater Birmingham Competitive Positioning** – GBSLEP has commissioned Marketing Birmingham to lead on this project which will result in a shared narrative that can be used to more effectively market the city region and attract further investment. A

series of 121 meetings and focus groups have taken place and public consultation to inform the work will be launched shortly.

- 5.6. **HS2 Growth Strategy** – the GBSLEP is on-course to submit its HS2 Growth Strategy to Government at the end of April 2015. The strategy will set out how benefits of HS2 will be maximised across the two stations at Curzon and Interchange and by improved connectivity both to the stations and between them. The strategy will also outline how the critical employment and skills opportunities will be met, how the supply-chain will be supported and how inward investment will be attracted.

6. Business

- 6.1. **Growth Hub** – the provision of a Growth Hub to provide support to businesses has been progressing supported by £625k of funding from the Growth Deal and £200k from the business rates pool. Tenders for the development of the Knowledge Bank and CRM system are about to be let and a Growth Hub Manager will be recruited shortly. Marketing and engagement of the Hub is also being secured and there will be a contract for a desk-based and mobile adviser team to engage with, and respond to, businesses targeted by the Hub. The Growth Hub is due to be launched in June 2015.
- 6.2. **Access to Finance Portal** – GBSLEP working in partnership with BPS Birmingham (Business Professional Services) launched a new access to finance portal on 6 March 2015 which aims to help SMEs to find the right pathway to potential funding. The portal can be found at www.accesstofinancegreaterbirmingham.co.uk. The portal will be integrated into the Growth Hub's Knowledge Bank once procured.
- 6.3. **Funding streams** – this year has seen the creation of some new funding streams (such as the £9m RGF Growth Fund) and the continuation of some existing ones (such as the Tooling Fund and Greenbridge Supply Chain initiative) by the LEP's partners which have all helped to increase the availability of finance for businesses. A key success was the creation of the £56m Mezzanine Fund by Finance Birmingham which draws down funding from the West Midlands Pension Fund and is supported by £10m of GBSLEP's recycled Growing Places Fund.
- 6.4. **JEREMIE** – work has continued to develop a fund of funds for the West Midlands, supported by an allocation of ESIF from all of the six West Midlands LEPs. If approved this will be the first time that such a fund has been created in the region.
- 6.5. **Institute of Translational Medicine** – The end of June 2015 will see the opening of this cutting edge facility that will accelerate the UK's next generation of life science discovery from the laboratory to the patient, enabling drugs and medical devices and products to be tested and brought swiftly to market. Led by Birmingham Health Partners, and supported by £12.5m from the GBSLEP's City Deal, the ITM will bring together clinicians, academics and IT to support clinical trials. The ITM is expected to generate 600 new jobs in the first five years.
- 6.6. **Life Sciences Commission** - An independent Commission for Greater Birmingham was launched on 3rd March 2015. The Commission, which will involve a wide range of stakeholders, will create a roadmap for developing the area's potential as a hub for Life Sciences investment, building on existing strengths including accelerated trials and medical technologies. It will build on the
- 6.7. **Inward investment** – since being named as the LEP with the highest number of foreign direct investments (both jobs and projects) in 2013/14, this year has seen further strong performance in this area led by Marketing Birmingham. Greater Birmingham joined Leeds and Bristol at an Investors event at No 10 in January 2015. The presentation on investible propositions in the city was well received and interest from the event is being

followed up. The area also had a strong presence at MIPIM, the property convention in Cannes in March 2015, which resulted in significant levels of coverage.

7. People

- 7.1. **Skills Strategy** – the Employment & Skills Board has been reviewing the LEP’s strategic narrative on employment and skills and is currently developing this for inclusion in the HS2 Growth Strategy that will be submitted to Government at the end of April. This will include strong markers around what we would like to see in a skills devolution deal and the support that we need from Government to work towards this. A secondee from the Department for Business, Innovation and Skills has been supporting this work. A key focus over the coming months will be on further developing a series of ‘offers’ and ‘asks’ that could form the basis of a Deal under the next Government. Delivery of our skills ambitions present significant skills resource issues which are being considered in a separate discussion.
- 7.2. **National College for High Speed Rail (formerly referred to as HS2 College)** – in September 2014 it was announced that Birmingham had won the national competition to host the HS2 College jointly with Doncaster. The aim is for the college to open in September 2017 and the first formal step was recently taken with the Secretary of State recently approving the application for incorporation of the college. Designs for the site are currently being developed and additional funding from the Growth Deal extension to supplement the College infrastructure and equipment is being considered.
- 7.3. **Skills Show** – GBSLEP gave strong support to the national Skills Show hosted at the NEC in November 2014, including the local “Have a Go” series of events across the LEP, raising awareness of the event and supporting schools and parents to attend. The showcase of education and careers was well attended and well received. GBSLEP also hosted a National Skills Summit with the theme of ‘benefits provided from education-business partnerships’ at the Skills Show which was attended by 14 LEPs.
- 7.4. **Work coaches** – in his speech outlining a long-term economic plan for the Midlands, the Chancellor agreed to fund 100 new work coaches for Birmingham and Solihull to enable local people to access local jobs. The GBSLEP committed to encouraging businesses to give advance warning of recruitment opportunities to the Department of Work and Pensions to enable them to give support to job seekers to help them fare better through the process.
- 7.5. **BBC Academy** – GBSLEP has been working with the BBC to encourage it to increase investment in the region. As a result, the BBC has announced that it will be moving its Academy to Birmingham. The Academy is the centre for recruitment and talent development and its move to the city will mean that in future all BBC employees will visit Birmingham at some point in their careers.
- 7.6. **Support for Sector Champions** – the Employment & Skills Board commissioned consultants in January to work with each of the five Growth Sector Champions and in support of skills for HS2 to develop additional baseline intelligence around the supply and demand for training covering very specific skills within the LEP ESB’s priority growth sectors and to kick start practical activity that will address these skills to meet business needs. The end product of the commission will be a series of concise 3 year sector action plans. The work is due to be completed by the end of May.
- 7.7. **City Deal Skills Capital investment** – the second round of £500,000 of capital investment for equipment secured through GBSLEP’s City Deal has been distributed to four Further Education Colleges in the LEP area. Projects were shortlisted following an open call in July 2014 for projects that supported the five growth sectors. Colleges needed to match the investment on a 50:50 ratio and chosen projects were selected

with the involvement of the relevant Sector Growth Champions and Sector Skills Councils.

8. Place

- 8.1. **Spatial Plan** – work has continued to develop a spatial plan to cover the GBSLEP area which is generating a lot of interest in Government as the LEP is seen to be a trailblazer in this area. This non-statutory document is being informed by a Housing Needs Assessment which has been commissioned with the Black Country LEP, an employment needs study and a sustainability appraisal. The next iteration of the Plan will be ready for consultation in early 2016.
- 8.2. **Enterprise Belt** – focused work is being undertaken to support the development and marketing of key sites across Solihull, North Worcestershire and South Staffordshire. The aim of which is to secure greater investment for the area and realise its full potential. The outcome of this work will be launched in the summer 2015.
- 8.3. **Enterprise Zone (EZ)** – strong progress has been made against the delivery of the £275m EZ Investment Plan. The EZ has spent £18m in the last financial year, which has brought about 60,000 sqm of new and refurbished space and nearly 1,000 employment positions being filled as a result of EZ investment. Major EZ sites in the city have been delivered including Two Snowhill, the new base for Wragge, Lawrence, Graham & Co, Birmingham City University Phase One in Eastside as well as Phase One of University College. £88m of funding from the Plan has enabled the start on site of the Paradise development, a £500m project which will create more than 10,000 jobs.
- 8.4. **Growing Places Fund** – over the last two years £20.2m has been allocated to a range of shovel ready infrastructure projects including the Advanced Manufacturing Hub Phases 1 to 3, Hoobrook Relief Road Phase 2 in Kidderminster, Women's Enterprise Hub, Red Carpet Cinema in Barton-under-Needwood and Solihull Town Centre Gateway. In total, these projects are forecast to create almost 10,000 jobs, more than 1,000 homes and 28,000 sq metres of commercial space in the next 10 years. Round 4 of the Fund has just closed.
- 8.5. **Midlands Connect** – GBSLEP has been taking a lead role in helping to drive forward this project which spans the East and West Midlands. It will result in a united position on road and rail investment priorities, drawn from a robust evidence base.
- 8.6. **Public Assets Accelerator** – the first site to be supported through the City Deal Public Assets Accelerator came to market in January 2015. The site on the Advanced Manufacturing Hub benefited from this bespoke model which utilises capital receipts from ex-Advantage West Midlands sites to bring forward land for employment and housing use.
- 8.7. **Green Deal Accelerator** - £3m of funding secured through the City Deal has been used to test Green Deal interventions on hard to treat properties like tower blocks. Learning from these pilots is now being rolled out across the wider programme.
- 8.8. **Visitor Economy Strategy (VES)** – developed in conjunction with the Black Country LEP, the VES has been published and is being used to inform where investment and intervention is required to support this important sector.

9. Governance

- 9.1. **Changes in Board Membership** – the last few months have seen a couple of changes at Director level with Mike Hopkins, Principal of South and City College joining the Board to represent the further education sector, and Saqib Bhatti, President of the

Institute of Asian Businesses also be coming a Director. A recruitment exercise is about to begin shortly to find a replacement for Chris Webster, formerly CEO of Miller Construction, who is stepping down from the Board after three years. Chris has driven forward the Optimising Assets agenda over that time and contributed greatly to the LEP's agenda.

- 9.2. **Sector Champions** – a series of champions have been appointed to represent each of the GBSLEP's growth sectors. These individuals will bring in-depth sector knowledge and networks, leadership skills and business acumen so that opportunities to grow each of the sectors across Greater Birmingham can be maximised.
- 9.3. **Governance Review** – a review of the structure below the LEP Board has been undertaken to ensure that it is fit for purpose to deliver the Strategy for Growth. The Employment and Skills Board also took the opportunity to review its structure and governance in January to ensure it is set to drive forward its objectives. The structure has been designed to ensure the LEP can deliver the business plans developed for each of the six strategic enablers (see para 5.3)
- 9.4. **Cross-LEP Protocols** - on 29th October 2014, the Chair of GBSLEP signed Joint Protocols with the Chairs of the Stoke & Staffordshire LEP (SSLEP) and the Worcestershire LEP (WLEP). These protocols demonstrate a commitment to working together to maximise opportunities for businesses across the West Midlands, while critically minimising complexity and any duplication of effort.
- 9.5. **ESIF Committee** – along with the other 38 LEPs, GBSLEP has established a committee to influence the allocation of ESIF. Although sitting outside the formal structure of the GBSLEP, the committee members will use the forum to try and ensure alignment of funds to activity that supports the Strategy for Growth. Thematic groups will support the development of a pipeline of projects with local stakeholders that can respond to the calls emanating from the ERDF and ESF priorities.

10. Operational

- 10.1. **Programme Delivery Director** - The LEP's new Programme Delivery Director started in February 2015. Mike Carr, formerly of Nottingham University and East Midlands Regional Development Agency, is responsible for delivery of the Growth Deal and wider LEP agenda.
- 10.2. **Joint Economic Unit** - the GBSLEP has given its support to the creation of a joint economic unit that can be commissioned to serve the demands, inter alia, of the growing LEP programmes going forward. Plans for the unit are currently being developed by Birmingham City Council and Solihull Metropolitan Borough Council.

11. Conclusion

- 11.1. This report provides a summary of the key areas of work that have been taken forward by the GBSLEP over the past year. They demonstrate that good progress is being made against all areas of the Strategy for Growth. This is only possible through the strength of partnership across the public, private, education and voluntary sectors a true "Team Greater Birmingham" effort!
- 11.2. Whilst there is much in this report that is positive, there is still a lot of work that needs to be done to ensure the LEP delivers its vision of re-establishing Greater Birmingham's role as the major driver of the UK economy outside of London. A key focus over the next year has to be negotiating a 'Skills Deal' as well as delivering on the Growth Deal agreed in the summer.

Prepared for: Andy Street, GBSLEP Board Chair

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