

The Strategic Economic Plan to Change Britain

Foreword

We are pleased to submit our SEP. This builds upon the LEP's journey since our formation in 2011, and represents the next critical stage in our mission to re-establish Greater Birmingham as the pre-eminent regional economy and thus "rebalance" Britain's economy as all political parties' desire.

We believe it has the power to transform the Greater Birmingham region, and is therefore of national significance.

Our city region now has consensus about its economic future, and is collaborating well across all sectors to deliver our vision. That vision was founded in our original "Strategy for Growth", was evident in our City Deal, developed in "the Greater Birmingham Project" which we undertook with Lord Heseltine, and will be taken to new levels in this SEP.

It is ambitious, featuring a number of "game changers" which are both unique to Greater Birmingham, and are utterly aligned to national policy. However it is also practical with realistic "asks" for 2015 which will make a quick difference to performance.

Importantly it also contains a new delivery capability which reinforces our commitment to make good on our promises. Indeed it builds the LEP's proven track record for delivery, and will ensure that the decisive upturn in economic performance in Greater Birmingham is accelerated further.

Finally we have been grateful for the widespread engagement in the formation of the SEP. The breadth of endorsement it has received reflects a region which is now united in its view of its potential, and is set to deliver.

We look forward to your support,

Andy Street
GBSLEP Chair

Steve Hollis
GBS LEP Deputy Chair

Executive Summary

[Initial draft – to be refined]

In the past few years Greater Birmingham has completely transformed, attracting more foreign direct investment than any other LEP. However, we know that there is more to do to ensure we capitalise on our potential to create jobs and deliver transformational economic growth. The challenge is to maintain our momentum and secure the long-term future of the area.

There is a strong consensus about the action that we need to take. We have a clear vision to re-establish Greater Birmingham's role as the major driver of the UK economy outside London. We have made it our mission to create jobs and grow the economy and in doing so raise the quality of life for all of the LEP's population. We are looking to the future, in this strategy set out a bold plan that addresses the challenges and opportunities unique to our area. This will be achieved through working in partnership with the private, public and third sectors to address barriers to growth.

We have coupled our ambition with a clear and credible plan for delivery, the result being an extra 50,000 jobs (on top of the 100,000 jobs we have already committed to) and becoming a net contributor to the Exchequer.

We have developed a programme of activity that combines a series of game-changing opportunities with shovel-ready projects to deliver jobs and growth in the short and medium term. This coupled with a robust governance structure shows that we can deliver and provide the assurance for the delivery of our Growth Deal.

This strategy sets out how we will achieve this over the next five years.

Challenges and opportunities

Greater Birmingham is well positioned to deliver growth, the area contains a young and diverse population of 2 million people and is one of the most connected locations in the UK by road, rail and air. Further, there is a world class higher education and further education offer with 79,000 student population in the area's universities.

However, there are a number of challenges that need to be addressed these include fragmented business support, a shortfall of housing and employment land, a transport network that is at capacity and weak connectivity into the city centre and across the wider area.

The arrival of HS2 provides unparalleled opportunities to transform the area, with catalytic effects for the wider region and UK. In addition, the area's sector strengths provide a real opportunity to deliver growth and strengthen and diversify the economy through increasing exports and building an international reputation as a world leader in these fields.

Competing on the world stage - the Game Changers

There is a unique opportunity in Greater Birmingham to become the leading regional economy, attracting inward investment to the UK. Five game-changers are fundamental to this (and our plan to drive growth):

- Exploiting HS2 – this presents three game-changing opportunities:

Item 8 – App 1

- Birmingham Curzon - delivery of a truly international station, accessible via an extended Metro, and enjoying improved public realm and world-class connectivity
- UK Central and the Interchange - unique concentration of strategic economic assets that together provide managed growth
- HS2 Connectivity Package - will deliver a £2bn package of infrastructure investments across the West Midlands, doubling the economic impact of HS2.
- Greater Birmingham Growth Hub – a single front door through which businesses, including social enterprises, can access a world class business support ecosystem to help them to meet their ambitions and to deliver business growth and new jobs.
- “Birmingham trained me to compete” - mobilising resources to capitalise on opportunities around Advanced Manufacturing, Life Sciences, Creative and Digital and the HS2 College.

Each of these game changers is interconnected, providing the potential for truly transformational impact on our local economy. Realising these game-changers forms a key part of our programme of delivery.

Investing in growth

We have identified four programmes of delivery. These contain X projects across the LEP area that have been prioritised based on their strategic fit, economic return on investment (including jobs created) and risk and deliverability. The four programmes are:

- Growing Business – supporting the provision of activity to enable the formation, growth, attraction and retention of businesses across Greater Birmingham
- Enhancing the Regional Economic Hub - strengthening Birmingham City Centre as the regional hub for economic activity
- UK Central, the Enterprise Belt and the wider Birmingham area - unlocking long-term growth potential on a national scale and targeting early investment to create housing and jobs
- Enhancing our Growth Sectors - supporting delivery of key sites, infrastructure, skills and innovation.

In total our Growth Deal will deliver 50,000 jobs, X houses, X floorspace, X GVA, X leverage.

Ready to deliver

We have a strong track record of delivery and have established robust mechanisms that effectively align and deploy all of the resources in pursuit of our growth ambitions. In addition we will establish the Growth Team a body charged with ensuring the delivery of the Strategic Economic Plan with the powers to disburse any resources allocated from the Local Growth Fund.

To deliver our growth agenda we require £Xm from Local Growth Fund alongside specific freedoms. Through our track record, integrated programme approach and robust governance we have established the mechanisms to deliver, we now need the freedom to deliver growth through a ‘no-strings’ pot to continue the momentum and Greater Birmingham’s journey to prosperity.

Introduction

Greater Birmingham is rapidly regaining its position as the engine of growth of the UK economy. A unique combination of business, people and place provides opportunity to exploit our potential as innovators across a wide range of sectors. On the pages that follow we set out how we will realise the truly transformational potential of our region. Key to our approach is matching our ambition with delivery on the ground to ensure that the region continues to prosper and grow and drive the new economy.

- Section 1 – provides an overview of the socio-economic context and analysis of the barriers and drivers to growth specific to Greater Birmingham, this in turn forms part of the evidence-base that has informed our vision and strategic direction for the area.
- Section 2 – outlines our plan to deliver jobs and growth across Greater Birmingham and is split into four programmes of activity, each of which details the work already underway, a pipeline of projects that will be delivered over the lifetime of the plan and a series of freedoms and flexibilities to transform the economy.
- Section 3 – sets out our governance structure and provides assurance that arrangements are in place for effective decision-making, resource allocation and delivery, thereby ensuring accountability and streamlined process to deliver growth.

Together this represents a coherent plan to change Britain and re-establish Greater Birmingham's role as the major driver of the UK economy outside London and to capitalise on the opportunities presented by the arrival of High Speed Two (HS2).

[Introduce SPRG Map]

Section 1

Economic Overview

Greater Birmingham and Solihull is a major economy of national significance with an annual Gross Value Added (GVA) of £36.5bn, 848,000 jobs and 63,000 businesses. The area is home to one of the largest professional and financial centres outside of London, burgeoning creative industries and the location of choice for world leading companies such as Cadbury, Deutsche Bank, Jaguar Land Rover and JCB.

The Midlands and the West Midlands in particular¹ is England's manufacturing heart, home to a critical cluster of the UK's most important and biggest manufacturing businesses and leading centres of advanced engineering research.² Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) has a particularly competitive offer in the following high growth, high value add sectors: advanced engineering – automotive and aerospace; business, financial and professional services; digital and creative industries; life sciences; and low carbon and environmental technologies and services.

The GBSLEP comprises the local authority areas of Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth, and Wyre Forest. The area has a young and diverse population of 2 million people. It is home to six universities and student population of over 79,000, this alongside 9 major colleges provides a world class learning environment.

Greater Birmingham is located at the centre of the UK's motorway and rail network and geographical position means that it is within four hours travel time of 90% of the UK's population and business. The area has the most developed cultural infrastructure outside the capital, making it one of the most significant leisure and tourism destinations in the country. Birmingham Airport provides international connectivity, including links to growth markets. GBSLEP has worked with partners to enhance the effectiveness of our own transport plans, the West Midlands Cross-LEP Transport statement highlights areas for investment in our transport network which release sustainable long term economic growth for the benefit of the UK and West Midlands.³

The area attracts more foreign direct investment (FDI) than any Local Enterprise Partnership (LEP) and has widely recognised prospects for growth. The GBSLEP area is rated in the top five for economic potential – the top performing UK region.⁴ Birmingham is ranked in the top 20 European Cities of the Future (2014/15), the top three for FDI strategies of large cities (the only English city to feature in this category) and was voted global 'FDI Destination of the Future' (2013). Exports from the region are also growing at a faster pace than for the UK as a whole.

¹ The LEPs of the Black Country, Coventry & Warwickshire, Greater Birmingham & Solihull, the Marches, Stoke-on-Trent & Staffordshire and Worcestershire.

² The full pan-LEP economic statement is available at Appendix X.

³ The full statement is available in Appendix X.

⁴ fDI magazine (February 2014) The European Cities and Regions of the Future 2014/15 rankings are based on categories including the economic potential, infrastructure and business friendliness of a city or region. Birmingham was shortlisted in the five categories listed above.

These strengths provide us with unparalleled opportunities to transform the local economy and drive the resurgence of UK Plc. This strategy draws on an evidence-based understanding of our strengths, weaknesses, opportunities and threats to ensure that we maximise our potential to unlock prosperity and deliver jobs and growth. The full SWOT is available in Appendix X.

GREATER BIRMINGHAM
ECONOMIC OVERVIEW

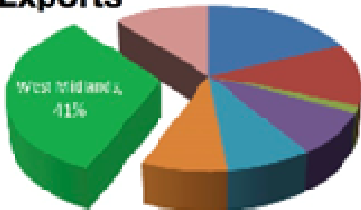
1.96m People
848,000 Jobs
£36.5bn GVA

£18,628 GVA per head
22.5% Workplace-based employment in knowledge based industries
124 Languages spoken by our 78,000 bi-lingual residents

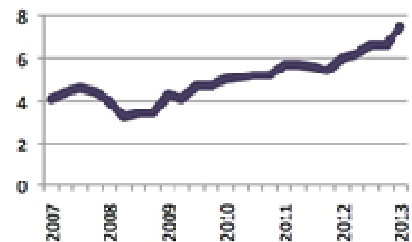


FE Colleges

Exports



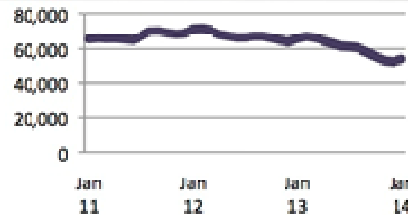
£7.5bn Value of West Midlands Exports
41% Proportion of WM exports to UK
30% Increase in the last two years



WM Exports 07-13

Jobs and employment

42,000 New private sector jobs since 2010
17,654 Less unemployed people than two years ago

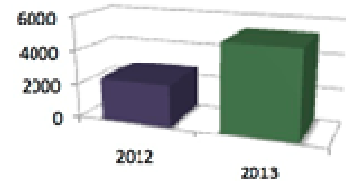


GBSLEP Unemployment 11-14

16,000 New business created in Birmingham in 2013
£6bn Value of the visitor economy
£64bn Value of infrastructure investments up to 2020

Foreign Direct investment

88% Increase in FDI 2012 to 2013
2,304 Jobs created 2013
2,774 Jobs safeguarded 2013



Jobs created and safeguarded in GBSLEP through FDI

SWOT

Strengths:

- **Strategic location** – our excellent physical connectivity at the centre of the UK's motorway and rail network and Birmingham Airport providing 143 direct connections to growth markets.
- **Growth sectors** – competitive offer in advanced engineering – automotive and aerospace; business, financial and professional services; ICT, digital and creative industries; life sciences; low carbon & environmental technologies & services; food and drink⁵ and strong alignment with UK Industrial Strategy
- **High levels of FDI** – strong track record in attracting investment with an increase of more than 50% in 2012/13
- **Growth in exports** – exports in the West Midlands reached a record high of £7.5bn during the final quarter of 2013, scoring the largest percentage increase of all English regions. Exports have grown by 30% in the region since 2011 (compared to a UK average of 2%)
- **Private sector led recovery** – since 2010 we have created 42,000 private sector jobs, this includes 19,000 new jobs in 2012.
- **Entrepreneurial** - Birmingham is a start-up 'hotspot' that is home to more new businesses than any location outside of the capital.⁶ The Digbeth Social Enterprise Quarter is the largest concentration of social enterprises in the country, employing more than 750 people and having a combined turnover of £20m.
- **Knowledge and innovation assets** – 22.5% of workplace based employment in 'knowledge intensive' industries (above the core city LEP and national averages), a world class university offer with national and international specialist strengths and several high-tech business parks
- **Physical and cultural assets** – the area boasts excellent conferencing and entertainment venues including the NEC, ICC, NIA and a strong visitor economy generating £6bn of expenditure, including producing companies such as a Birmingham Royal Ballet, the City of Birmingham Symphony Orchestra and Birmingham REP and the world-class facilities of Symphony Hall and Birmingham Hippodrome - the UK's single busiest theatre.

Weaknesses:

- **Weak private sector jobs growth** – in the decade leading up to the recession private sector employment fell (-5.2%) this was in contrast to a national increase of 4.6%. In absolute terms, this fall of 33,400 private sector jobs in the GBSLEP area was largely located in Birmingham (-31,100), much of this was attributable to job losses in the manufacturing sector (-50,000 jobs) while private sector service jobs increased

⁵ All of these sectors have been identified as key to attracting inward investment, with the exception of low carbon which is recognised as a high growth, high value added sector (PA Consulting (2012) *Key Sectors for Inward Investment*)

⁶ StartUp Britain (2014)

- **Weak skills profile** – there is a low proportion of the working population with degree level (28.1% against core city LEP average of 29.8%) or higher level qualifications and a higher than average proportion with no qualifications (13.7% compared to a core city LEP average of 11.3%). The percentage of the population with NVQ3+ is 48.2% compared to the national average of 54.9%.
- **Low GVA per head** - GVA per head (£18,628) is below the national average (£19,125 excluding London)
- **Low proportion of high growth firms** – there are a relatively small proportion of companies that are high growth (5.6%) compared to the national average (6.9%), contributing the poor private sector growth record of the area
- **Innovation** - in the Regional Innovation Scoreboard the West Midlands is the joint lowest performing region
- **High unemployment and benefit dependency** – the highest unemployment of all Core City LEP areas, in January 2014 the claimant count was 6.1% compared to 3.9% nationally
- **Low economic activity rates** – below average economic activity rate (74.3% compared to core city LEP average of 75.6%) and very low female activity rates
- **Weak connectivity across the LEP** – some arterial road and rail connections are over capacity and suffer from congestion and this is forecast to worsen and there is a lack of connectivity to major economic opportunity areas, particularly outside the core.

Opportunities:

- **HS2** – our excellent physical connectivity will be further enhanced by two HS2 stations (Curzon and Interchange), these will open up new markets, providing catalytic effect for transformational regeneration, skills uplift and job creation.
- **UK Central** – located in Solihull, UKC consists of four economic opportunity zones (Zone 1 includes Airport/NEC/Interchange) with the potential to generate 100,000 jobs and increase the area's contribution to GBSLEP output from £4.5bn to £18.7bn.
- **Birmingham Airport** – the runway extension (to be completed in 2014) will open up new long haul markets, with new direct flights to China having just been announced, and provide capacity for 27 million passengers
- **Enterprise and Economic Zones** – six significant spatial opportunities in Birmingham aligned closely with our sector strengths, together have the potential to attract £1.5bn investment
- **Enterprise Belt** – a network of sites and development opportunities 20-40km from Birmingham that span southern Staffordshire, Solihull and north Worcestershire, located in this belt are places that have significant growth potential⁷

⁷ Bryson and Taylor (2006) The Functioning Economic Geography of the West Midlands

- **Academic excellence** – the area is home to world class research and knowledge economy, and vibrant higher and further education institutions.
- **Young and diverse population** – Over a third of the population is aged 24 and under - well above the UK average of 30.6% and the highest percentage of any LEP in the country. Over a quarter of population is from a BME background compared to 12% nationally. Birmingham has a particularly high BME population and is heart to a phenomenon termed superdiversity⁸ with an unprecedented variety of cultures, identities, faiths, and languages that have transformed the social landscape, home to 187 nationalities and recognised as the best core city in terms of languages spoken.
- **Forecast employment growth** – across a range of sectors (including business and professional services and residential services) and occupations (such as higher skilled managerial, professional and technical occupations)

Threats:

- **Public sector reliance** – there are high levels of public sector employment, around one in five (20.3%) of people employed in the area work in the public sector compared to 18.6% nationally.
- **Reliance on key firms / sectors** – several firms dominate employment and skills in the area, for example, Jaguar Land Rover, Cadbury, JCB and Molson Coors both directly through jobs and indirectly through the supply chain
- **Inadequate housing growth** –The scale of long-term growth could be up to 50% higher than the levels of provision in existing development plans (with a potential gap of over 40,000 homes).⁹ There are a number of market failures including the provision of land, resources and targeted interventions to bring forward stalled sites.
- **Weak digital connectivity outside urban core** – if this is not addressed there is a risk of a digital divide impacting both on competitiveness and social inclusion
- **Fragmented business support offer** – the current system is complex resulting in low levels of advice being sought and impacting on business growth and start up survival, the growing creative sector also requires specialist business support
- **Limited access to finance** – the recession has restricted access to finance, particularly finance for higher-risk finance to support innovation and the need for financial support for new and existing businesses has grown.
- **Skills shortages** - growth in key sectors is dependent on businesses being able to tap into a supply of highly skilled workers and individuals being enabled to start up in self-employment.

⁸ Bishop of Birmingham *Making Birmingham an Inclusive City: White Paper* (March 2013)

⁹ GBSLEP (2013) Strategic Plan for Recovery and Growth

- **Land and property constraints** - we need a good supply of employment land which is available and commercially developable. Under current projections Birmingham's supply will run out in 2023 resulting in the need to maximise opportunities elsewhere in GBSLEP.
- **Congestion** – a significant issue in the area and offers a clear threat to the LEP being able to provide the high quality connections by road, rail, bus, walking, cycling and digitally, that are all vital to the our future economic prosperity and social inclusiveness.

In summary, there are a number of challenges and areas of growth potential that when addressed will unlock the local economy and deliver jobs. These include:

- **Business Support** – while the area is recognised as having a high level of start-ups, there is a fragmented support offer and limited access to finance that hinder business survival rates and growth.
- **Connectivity** – the area's strategic location provides excellent connectivity, however, the network is at capacity in some places and congestion hinders growth opportunities. Further, connectivity outside of the core is weak. The arrival of HS2 provides additional opportunities however a coherent package is needed to ensure that the benefits for the area are maximised.
- **Land and property** – the area faces a shortfall of housing and employment land, however there are a host of sites that with the right intervention provide significant development opportunities, these include those in the UK Central, Enterprise Belt, and those in the City Deal Assets Accelerator.
- **Sectors** – the area's sector strengths provide a real opportunity to deliver growth and strengthen and diversify the economy through increasing exports and building an international reputation as a world leader in these fields.
- **Skills** - there is a need for high quality skills support to address the area's low skill base, skills shortages faced by employers, and to increase the number of people with NVQ3+ skills to ensure GBSLEP's population is able to access jobs and meet business demand.

Underpinning this, it is imperative that the growth potential of GBSLEP is communicated and marketed to national and international investors to ensure we continue to attract the high levels of FDI that we have in recent years. Together, this will ensure that we grow the number of jobs, and become a net contributor to the Exchequer

Strategic Vision

GBSLEP’s vision is to re-establish Greater Birmingham’s role as the major driver of the UK economy outside London. This means overcoming the area’s output gap, and establishing the preconditions for economic leadership on a worldwide scale, and in doing so raise the quality of life for all of the LEP’s population.

We have a cross-cutting approach to the economy – supported jointly by three pillars of business, people and place, six strategic enablers and five targets so that we know that we are achieving our vision.

Table X: Our Strategic Approach as set out in the **Strategy for Growth**

<i>Vision</i>	To re-establish Greater Birmingham’s role as the major driver of the UK economy outside London.					
<i>Pillar</i>	Business			People	Place	
<i>Enabler</i>	Growing the number of successful businesses	Building sector strengths and opportunities	Stimulating innovation in products, services & businesses	Improving our skills talent pool	Improving physical and digital connectivity	Optimising physical, cultural and environmental assets
<i>Targets</i>	<ul style="list-style-type: none"> • A net increase of at least 100,000 private sector jobs between 2011 and 2020 • A net increase of at least £8.25bn GVA between 2011 and 2020 • A decrease in unemployment across the LEP to fall in line with at least the national average by 2020 • An increase in GVA per-head across the LEP to meet the national average by 2020, and exceed the national average by 2025 • An increase in the percentage of the working-age population with NVQ3+ to be above the Core City LEP average by 2020, and out-perform the national average by 2025. 					

Our Strategic Context

GBSLEPs Strategic Economic Plan sets out our overarching strategic ambition for the area alongside the interventions to deliver growth on the ground. We have built on strong foundations, that started with the **Greater Birmingham City Deal** (September 2012).¹⁰

The **Strategy for Growth** (launched in May 2013) was built from the views and expertise of the area’s businesses, universities, local authorities, third sector organisations, and representative groups and sets a bold plan to address the challenges and opportunities unique to our area.¹¹ This was informed by the **Greater Birmingham Project** where we worked with Lord Heseltine to apply his recommendations in ‘No Stone Unturned’ and demonstrate the potential of significant devolution of responsibility and resources to Greater Birmingham (see Figure X for a high level summary of the strategic journey).

[Journey diagram – to be amended?]



¹⁰ the Greater Birmingham City Deal secured a bespoke package of measures to drive economic growth designed to exploit the area’s economic assets and address its challenges (encompassing GBS Finance, Skills for Growth Accelerator, Public Assets Accelerator, Life Sciences Accelerator, Green Deal Accelerator).

¹¹ This includes consultation on the Strategy for Growth White Paper (see Appendix) and building on the evidence and analysis set out in the Greater Birmingham Project (see Appendix).

Supporting Plans

To deliver the vision, GBSLEP has developed the Skills for Growth Plan and the Spatial Plan for Recovery and Growth to identify the key actions for the people and place pillars.

- **Skills for Growth Plan** – (launched in June 2013) developed to support the effective use of skills in the area and to create an upward spiral of skill development and economic growth. This is based on effective partnerships between education, employers and other key stakeholders including Local Authorities and key government departments, agencies and programmes.
- **Spatial Plan for Recovery and Growth** (SPRG) – the emerging spatial framework developed collaboratively with local authority and planning partners (published in September 2013) identifies and addresses strategic and high level spatial implications of the economic strategy.¹² A key part of the SPRG is to establish a more consistent understanding of the supply of housing and employment sites across the area, leading to a more strategic approach to supply.

However, there is more to do to ensure that our growth opportunities are maximised. This strategy maps out a series of game-changers, interventions, and freedoms and flexibilities that will transform both the local and national economy.

Delivering the Vision

Our vision will be delivered through a combination of local resources, including aligning and/or pooling our spend on growth (for example, through the pooling of Business Rates through the GBS Retention Scheme Pool), maximising private sector leverage (for example through the Enterprise Zone), the **European Structural and Investment Fund (ESIF)** and the resources negotiated through the Growth Deal.

Our vision will only be realised by harnessing all resources and working together with local, regional and national partners to ensure the transformational potential is optimised. As such, this Strategic Economic Plan sets out all of the action that will be taken to unlock growth.

Refer to Additionality of the SEP here?

¹² GBSLEP is one of the only LEPs to take on this challenge and has been highly commended in the Strategic Planning Category at the Place Making Awards.

Partnerships, Engagement and Endorsement

We have facilitated strong and inclusive partnership working within the LEP, across LEPs and with key stakeholders in the business community, education and voluntary sectors and national agencies.

Joint working with partners across Greater Birmingham has produced strong outputs, including the creation of GBS Business Rates Pool, the successful alignment of Core Plans in the SPRG and the prioritisation of Local Major Transport Schemes.

Cross-LEP working is a point of particular strength for GBSLEP and big strides have been taken over recent years in working with our neighbours to produce strong outcomes for the region.

The Chairs of the West Midlands LEPs (the Black Country, Coventry & Warwickshire, Stoke & Staffordshire, The Marches and Worcestershire) meet on a regular basis to discuss matters of regional importance and sub-groups meet to focus on specific issues such as transport and access to finance. Outputs of this collaboration are included in programmes that follow.

Engagement

From our inception, we have sought to engage as widely and in as much detail as possible. In particular, we contacted 60,000 businesses as part of the consultation process on the Strategy for Growth White Paper, gaining 400 unique responses from over 2,000 companies. A further 400 contributions were made from stakeholders as part of the Greater Birmingham Project. The Strategy for Growth and the principles contained within it have been the bedrock on which this Strategic Economic Plan has been developed. In addition, around 115 organisations pro-actively engaged in the consultation for the SPRG through either written responses, online responses or through participation in the consultation events.

In developing this Strategic Economic Plan, we have engaged with partners, Government departments, national agencies and wider stakeholders via Board Sub Groups and associated groups, a series of engagement events held across Greater Birmingham and public consultation. Views expressed have helped to shape every aspect of the Plan.

Endorsement

As a result of widespread engagement, our plans have received wide-ranging buy-in and support from businesses, business organisations, agencies and local MPs and MEPs. We are proud to present a list of endorsements at Appendix X.

Section 2

Implementation

The GBSLEP SEP will implement the Strategy for Growth. Whilst the Strategy for Growth identifies three strategic pillars of 'Business', 'People' and 'Place', the SEP will implement it through a series of programmes which either have a thematic or spatial focus, namely:

- Programme 1: Growing Business – supporting the provision of activity to enable the formation, growth, attraction and retention of businesses across Greater Birmingham
- Programme 2: Enhancing the Regional Economic Hub – strengthening Birmingham City Centre as the regional hub for economic activity
- Programme 3: UK Central, the Enterprise Belt and the wider Birmingham area – unlocking long-term growth potential on a national scale and targeting early investment to create housing and jobs
- Programme 4: Enhancing our growth sectors – supporting delivery of key sites, infrastructure, skills and innovation.

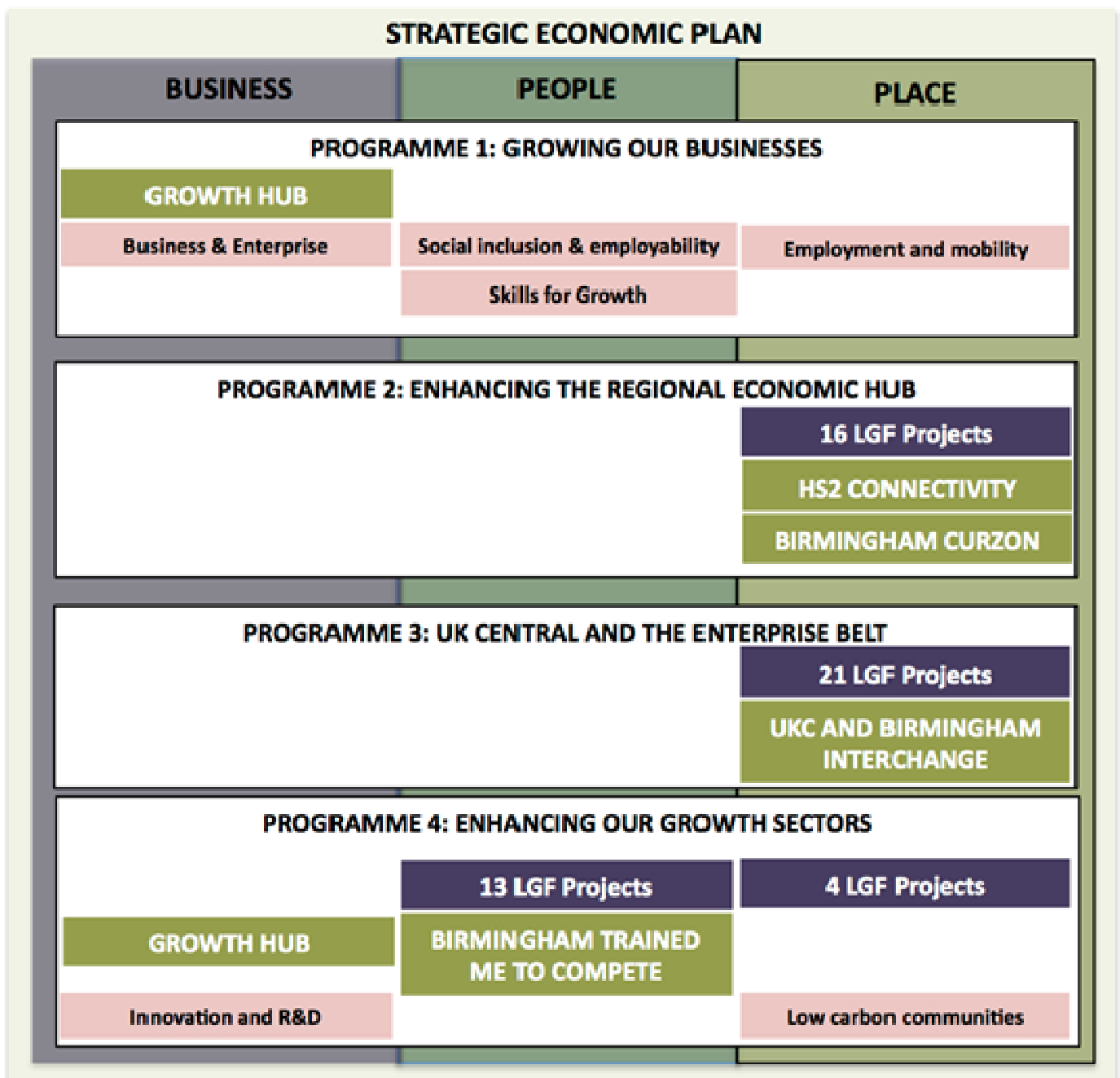
Each programme contains a pipeline of capital and revenue projects deliverable over the lifetime of the SEP. A number of projects are already in progress funded via local or external resources (e.g. City Deal and Enterprise Zone), and there are series of projects that could be delivered by Local Growth Fund or ESIF. However, more could be achieved if specific freedoms are granted.

Within these programmes are five game-changers that have transformational potential beyond the immediate LEP area. These are:

- Greater Birmingham Growth Hub (Programme 1)
- 'Birmingham Trained Me To Compete' (Programme 4)
- Exploiting HS2:
 - Birmingham Curzon (Programme 2)
 - UK Central and the Interchange (Programme 3)
 - HS2 Connectivity Package (Programme 2)

Each of these game changers is interconnected, providing the potential for truly transformational impact on our local economy. The SEP seeks to maximise and add value to each of these game changers, showcasing an 'offer' to Government and also an 'ask' to enable us to drive growth.

Diagram **x** below shows how the elements of the SEP come together.

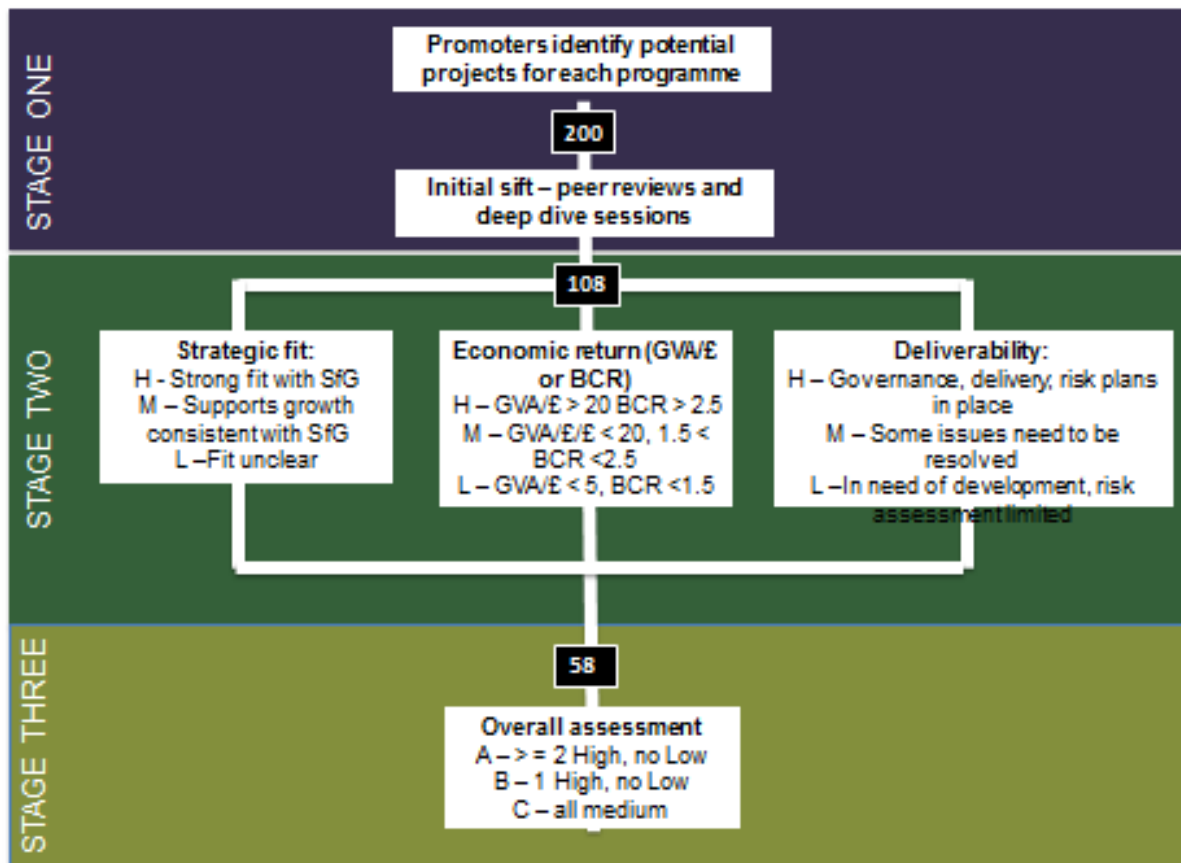


100,000 (+50,000) new jobs by 2020
£8.25bn increase in GVA by 2020
Unemployment decrease to national average
GVA per head to meet national average by 2025
Increase in % of working age population with NVQ3+ to above Core City LEP average by 2020

KEY
<div style="background-color: #8ebf42; color: white; padding: 2px; display: inline-block;"> GAME CHANGERS </div>
<div style="background-color: #e09288; padding: 2px; display: inline-block;"> ESIF Theme </div>
<div style="background-color: #4b4b8b; color: white; padding: 2px; display: inline-block;"> LGF Projects </div>

Prioritisation and Programming of SEP Capital Projects

The programmes were defined to enable all projects which will contribute to the same broad objectives to be grouped and then prioritised. The assessment and prioritisation process is set out in [diagram X with full details in Appendix X](#). From a starting point of 200 projects that support the aims of the Strategy for Growth, 58 priority projects have been identified, 44 of which seek LGF spend in 2015/16 and therefore have business cases - with transport schemes being web Tag compliant.



Post Allocation Programming

It is recognised that between now and the allocation of funding there may be changes for a small number of projects. Therefore it is proposed that the prioritisation and sequencing exercise is re-run in September. This will enable any changes to be reflected and the prioritised schemes can be matched to the actual allocation.

Overlap Areas

Projects which lie in LEP overlap areas have been prioritised through both LEPs' prioritisation processes. Where priorities are broadly aligned the LEPs have agreed the sequencing to ensure delivery and funding is aligned and split as appropriate in the respective programmes. [For a very small number of projects the priorities differ significantly. In these instances the sequencing of the project in the respective programmes has been agreed through discussions between the two LEPs and the project promoter.]

Programme Details

Programme 1: Growing Business

This programme will support the provision of activity that will enable the attraction and retention of businesses: their formation, growth and success. It is focused on revenue funded activity and is intended to complement the focus on physical development of some of the other programmes.

There are four strands to the Programme:

- Stimulating Business and Enterprise
- Skills
- Inward Investment
- Strategic marketing

This programme will support the whole life cycle of business development and growth and the main funding mechanism for this programme is ESIF.

Objectives

The objectives of this programme are to:

- Create a world class business support offer, including export advice;
- Support Small and Medium Enterprises;
- Increase access to a wide range of finance;
- Improve the skills talent pool;
- Establish a business-friendly planning and regulatory environment;
- Increase levels of FDI;
- Develop a 'Brand Greater Birmingham', characterised by our location, vibrant cultural, heritage and leisure offer, excellent accessibility and national and international connectivity.

Outcomes

The establishment of the Growth Hub will result in 10,000 businesses p.a. accessing information and tools and 20% more take-up of national schemes.

Working age population with NVQ3+ will be above the Core City average by 2020, and out-performing the national average by 2025.

Creation of 12,500 new private sector jobs through FDI by 2020 [check with MB]

ESIF will deliver a series of specific outputs in this Programme:

- 8,520 Enterprises (SME) assisted

- 850 new Enterprises (SME) supported (start-up)
- 4,565 jobs created
- 68,900 participants assisted / trained, of which 50,800 are unemployed

Focus of programme

The diagram below encapsulates Programme 4 – showing the economic opportunities and market failure it is trying to address; the interventions to be undertaken and how they are funded and the outcomes and outputs.

Table x below that sets the rationale, current progress and future activity for growing our businesses.

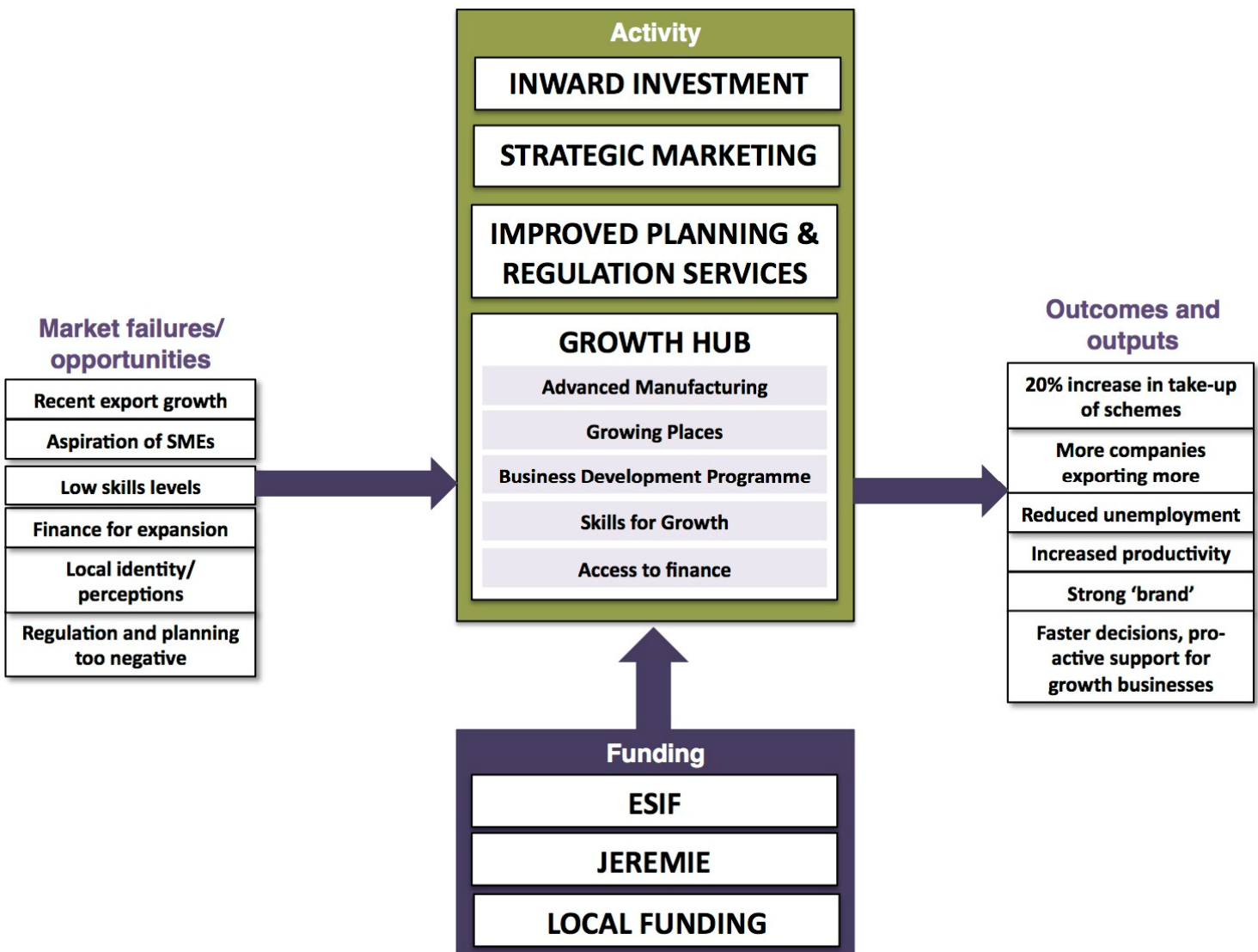


Table X

Rationale	Current Progress	Future
Stimulating Business and Enterprise		
<ul style="list-style-type: none"> • Businesses need access to business support and fair and relevant finance to start up and grow • Nationally only 50% of businesses seek advice,¹³ however, those companies which do seek help are twice as likely to grow as that do not. • Insufficient access to finance (in particular up to £100k); • Fragmented business support offer. • Slightly lower five year survival rates than the UK as a whole; 	<ul style="list-style-type: none"> • A Central Business Portal accessible via gbslep.com sign posts businesses to the support and access to finance • Growing Places Fund - £21m has been used to boost economic growth and kick start stalled projects, supporting 193 businesses and creating 4,795 jobs. • Business Development Programme - £4.6m has been committed to provide comprehensive business support to existing SMEs in the LEP area combined with an intensive coaching and mentoring scheme called great200leaders • Funding is also available via Finance Birmingham for business unable to obtain funding from traditional sources of finance, to fund businesses to grow and expand helping to create and or safeguard jobs these include: <ul style="list-style-type: none"> ○ Greater Birmingham Solihull (GBS) LEP Loan / Equity Funding Programme a £9m 	<ul style="list-style-type: none"> • Growth Hub (see Game-Changer) providing a single front door through which businesses, including social enterprises, can access a world class business support eco-system to deliver business growth and new jobs. The Growth Hub will include three new delivery programmes: • Six West Midlands LEPs have agreed to establish a fund-of-funds operated under an EU JEREMIE utilising 50m Euros+ of their ESIF budgets • West Midlands Mezzanine Funding Programme is to be launched shortly using local resources to match funding from Regional Growth Fund and West Midlands Pension Fund. • Creation of a Creative City Investment Fund – comprising support from public sector, private sponsors and individuals

¹³ BIS Survey 2010 – check reference

Rationale	Current Progress	Future
<ul style="list-style-type: none"> • Relatively small proportion of companies that are high growth (5.6%) compared to the national average (6.9%) • Export levels are high in the region – growing by 30% since 2011. However, there is significant potential to further increase levels of FDI and exports, with 75% of firms having a wholly local or UK market for example. • Low female activity rates 	<p>funding programme funded through Regional Growth Fund. The programme provides loan/equity funding from £50k to £1m per.</p> <ul style="list-style-type: none"> ○ Birmingham City Council (BCC) Loan / Equity Funding Programme - funding for Birmingham businesses from £50k (only for high tech companies otherwise from £100k) up to £1m per business • ART Loan Funding Programme - provides funding from £10k up to £100k per business to fund businesses across Birmingham and Solihull to grow • Aston Business School is delivering excellent growth outcomes for small businesses recruited to the Goldman Sachs 10,000 Small Businesses programme; • Innovation Birmingham has aided the establishment of 90 tech-start-ups since November 2009 through the 'Entrepreneurs for the Future' Programme and 'Entrepreneurs in Residence' • Programme developed to deliver long-term growth of MSBs as part of national MSB pathfinder working with Enterprise Research Centre and key 	<ul style="list-style-type: none"> • Working jointly with BPS Birmingham to develop further the Portal to provide a better information gateway to access to finance. The website will launch in May 2014

Rationale	Current Progress	Future
	<p>stakeholders.</p> <ul style="list-style-type: none"> • Research undertaken with social enterprises to understand business support needs to create the conditions in which the sector can flourish and make even more of an impact in our area. • Women’s Enterprise Centre – part-funded through Growing Places to support women to start-up businesses and boost employability rates, business skills and confidence. 	
<ul style="list-style-type: none"> • The planning system less complex and more accessible (as set out in the National Planning Policy Framework). • Perception that planning is a barrier to growth • Businesses want consistency in planning issues between local planning authorities (LPA). 	<ul style="list-style-type: none"> • Planning Charter sets out how we will support growth through the planning system making it easier to understand and engage with. • A review of development management practice and procedures intended to streamline processes and lead to best practice. • Agreeing a common approach toward pre-application advice, and applying a LEP wide validation checklist to aid LPAs and prospective developers. • Planning Summit held in April 2013 to inform the Spatial Plan for Recovery and Growth (SPRG) which has since been published and consulted on. 	<ul style="list-style-type: none"> • The final version of the SPRG will be informed by the consultation responses alongside additional technical work that is either under way or to be commissioned shortly. • Strategic Housing Needs Study (commissioned with the Black Country) with the interim report expected mid-April. • Review of large employment land development opportunities and Strategic Environmental Assessment/Sustainability Assessment to be undertaken to inform the SPRG.
<ul style="list-style-type: none"> • Business regularly identify 	<ul style="list-style-type: none"> • one of two national pathfinders working with the 	<ul style="list-style-type: none"> • Develop a ‘single point of contact’ offer for

Rationale	Current Progress	Future
<p>excessive, disproportionate or badly-enforced regulation as a concern</p> <ul style="list-style-type: none"> Alignment with government priority of reducing the regulatory burden on business (for example via the Red Tape Challenge). 	<p>Better Regulation Delivery Officer (BRDO) we have developed practical ways to improve the trading environment through regulatory support.</p> <ul style="list-style-type: none"> Launched regulator and business partnership charter under the ‘Better Business for All’ brand. Created a single point of contact for local regulation via a web portal that has been developed and branded ‘Talk to Reg’ by Lichfield District Council. 	<p>Inward Investment via a regulatory liaison officer. Prospective and current businesses will be signposted to this contact as part of their initial engagement with Marketing Birmingham with a view carrying out an initial diagnostic of regulatory needs and providing clear advice, guidance and signposting.</p> <ul style="list-style-type: none"> Develop a best practice on line case study approach to sharing our success cross LEP and wider utilising the GBS LEP website. Aspiration to roll out the ‘single point of contact’ offer to other LEP sub/sector group, where it can enhance existing offers. Align regulatory offer to the Growth Hub proposals.
Skills		
<ul style="list-style-type: none"> Business needs an appropriately skilled workforce to draw on Weak skills profile Low proportion of the working population with degree level (28.1% against core city LEP average of 	<ul style="list-style-type: none"> Launched Skills for Growth Plan setting out how we will deliver our skills targets with the Strategy for Growth Launched Skills for Growth Compact (following City Deal) that will commit employers, colleges and schools to building a best-in-class skills service to link pupils and learners to real-world work opportunities. This is being delivered through local Employment and Skills Board supported projects 	<ul style="list-style-type: none"> The Skills for Growth Hub a “virtual” entity (linked with the Growth Hub), connecting a number of discrete but associated activities, which link employers to sources of recruitment, training and skills provision within the LEP (and from other sources nationally), and providing a gateway to opportunities for individuals seeking access to learning, jobs and skills.

Rationale	Current Progress	Future
<p>29.8%) or higher level qualifications and a higher than average proportion with no qualifications (13.7% compared to a core city LEP average of 11.3%).</p> <ul style="list-style-type: none"> The percentage of the population with NVQ3+ is 48.2% compared to the national average of 54.9%. 	<p>such as ‘Step Up’ campaign in Solihull and activity around the Birmingham Bacallaureate.</p> <ul style="list-style-type: none"> Established an Apprenticeship Hub and delivered 2373 AGE grants paid and in the pipeline. 	<ul style="list-style-type: none"> See Programme 4 for sector specific skills activity. Delivery of a demand-led and sector-specific approach to ensure the skills eco-system works more effectively and that the range of FE, HE, third sector, private sector and other providers organisations demonstrate the capability and capacity to respond flexibly and quickly to the skills demand generated. Develop a skills environment where Higher Education curricula is in touch with the local technology eco-system to jointly design projects and activities that prepare students to enter the fast changing technology workplace; responding flexibly and quickly to the higher level skills gaps identified by businesses, Higher Level Apprenticeships creation and focussed technical training which facilitates a “ladder of skills progression” for all.
<p>Inward Investment (see Appendix x – SEP Strategy for Inward Investment Attraction)</p>		
<ul style="list-style-type: none"> Strong performance in attracting FDI – the West 	<ul style="list-style-type: none"> Undertaken research to identify seven key industries for Greater Birmingham¹⁵. Used this to 	<p>SEP Strategy sets out activity in three areas:</p>

¹⁵ PA Consulting

Rationale	Current Progress	Future
<p>Midlands region is the fastest growing area of the UK for FDI, growing at a rate in excess of 20.5% since 2007¹⁴.</p> <ul style="list-style-type: none"> • GBS LEP is leading this growth – with 5,078 jobs in 2012/13, 36% higher than the next LEP. • FDI destination of the Future 2013 – global 1st place (FDI Awards) • LEP projects only represent 3% of UK total with 40% of FDI channelled to London and other devolved administrations 	<p>inform the development six economic zones in Birmingham to combine the city’s economic development, planning and inward investment strategies (see page x)</p> <ul style="list-style-type: none"> • Business Birmingham oversees an ERDF-funded “Investing in the City” project to position Birmingham, the Black Country and Solihull as leading inward investment locations and major engines of UK growth. • In conjunction with UKTI, formed the West Midlands Investment Forum (WMIF) comprising the six inward investment leads from West Midlands LEPs, • Match funded pilot with UKTI to deliver more effective approach to strategic relationship management with foreign owned automotive companies. • Birmingham has established a Mobile Investment Fund to provide financial incentives for foreign investors coming to the city and creating jobs. Modelling suggests if fund is applied to 15 companies in pipeline it would create 4000 jobs. 	<p>(need to check for all what year the ‘asks’ are)</p> <p>Build</p> <ul style="list-style-type: none"> • LGF funding requests for some of the economic zones will support their implementation and catalyse investment by private sector developers (see Programme 4) <p>Attract</p> <ul style="list-style-type: none"> • Expand the Mobile Investment Fund • Develop and promote internationally a comprehensive ‘contract’s database listing commercial opportunities for overseas investors • Develop a Life Sciences visa pilot (see page x) • Create an SPV to support the growth of the ‘M1 Enterprise Corridor’, initially focusing on GBS [add more info?] <p>Retain</p> <ul style="list-style-type: none"> • Expand co-funded UKTI and Business

¹⁴ FDI Markets, Financial Times, 2013

Rationale	Current Progress	Future
		Birmingham automotive sector pilot to other key sectors
Strategic Marketing (see Appendix x - Place/Strategic Marketing the Greater Birmingham Economy)		
<ul style="list-style-type: none"> • There is not a current agreed “Greater Birmingham” brand. • Evidence from other leading European cities indicates that Birmingham could expect a growth in GDP and jobs created by employing a strategic approach to city-region marketing - Amsterdam, Barcelona, Berlin and Stockholm have all seen growth of between 5% and 10%. 	<ul style="list-style-type: none"> • The LEP Board has agreed to commission work to establish a branding strategy for the Greater Birmingham city region funded through local resources. The aim is to establish and reinforce Greater Birmingham’s reputation as the regional capital and principal economy outside London for attracting investment, successful businesses and skilled workers. • MIPIM 2014 – joined together with 25 partners from across Greater Birmingham to promote flagship schemes and infrastructure projects. 	<ul style="list-style-type: none"> • The branding work will: <ul style="list-style-type: none"> • Define and agree the Greater Birmingham vision for a 6 year period, • Establish the Greater Birmingham growth model which will focus effort across sectors, markets, channels, resources which defines the catalytic point(s) to create a step change, • Develop a proposition model to convey Greater Birmingham character and vision which can be a shared resource across the region. • There is a need for resources to fund the implementation of Brand Greater Birmingham in the long-term. A business case will be developed through the branding process which may seek additional support from Government in future LGF rounds in order that we achieve a step-change in performance.

Game-Changer Case Study: Growth Hub

Opportunity

The Growth Hub will provide a single front door through which businesses, including social enterprises, can access a world class business support ecosystem to help them to meet their ambitions and to deliver business growth and new jobs (see Appendix x for detail). It will include four new delivery programmes:

- A cross LEP Advanced Manufacturing & Engineering (AME) Growth Hub in early 2014, with Black Country and Coventry & Warwickshire LEPs and possible with Stoke & Staffordshire LEP, to provide dedicated support for this growing supply chain helping to develop and improve the competitiveness and growth of businesses within it.
- An Advanced Manufacturing Recruitment & Training Agency in our LEP which will deliver end to end business solutions to meet local supply chain skill needs by connecting a number of discrete but associated activities.
- A new support programme for mid-sized businesses (over 250 staff) in our LEP that is targeted at the specific needs of this type of businesses that in a number of cases are businesses with higher potential growth.
- A new engagement programme with larger businesses in our LEP to establish and develop strategic relationships with them over time to gain intelligence of their future intentions, to help them deal with various issues which would help to safeguard existing jobs and possibly to help them to create new job opportunities.

Offer

- 15,000 businesses p.a. accessing information and tools (of which 5,000 in the AME sector)
- 20% more take up of national schemes (e.g. Growth Accelerator)
- 500 advanced manufacturing businesses to double their growth over four years.
- 200 AME companies becoming new exporters
- 250 AME companies introducing new products and processes
- [include Skills impact]

Ask

- Revenue funding in Y1 of £XXXXXX and recurring funding for Y2-5 of £XXXXXX pa so a total funding requirement of £Xm. [JG to provide latest figures]

Programme 2: Enhancing the Regional Economic Hub

Context

Birmingham city centre is the region's economic hub and is rated as the most attractive city outside of London for quality of life, in part due to the strength of its cultural offer. Situated at the heart of the strategic road and rail networks, and with frequent public transport services to Birmingham Airport, the city centre enjoys strong national and international connectivity—and stands to benefit significantly from the arrival of HS2.

Birmingham is also the region's cultural capital. Its assets and world-class facilities are the most developed outside the capital. In addition, its cultural programmes cover micro-festivals to major international events and represent a diversity of genres that attract 33m visitors to the city every year.

This programme will strengthen Birmingham city centre as the regional hub for economic activity, preparing the area to ensure that benefits and catalytic effects arising from the investment in HS2 throughout the project and its eventual arrival at Curzon Street are maximised.

The programme has two complementary strands:

- **2a: core business assets and connectivity**, with a focus on delivering sites in the core and maximising connectivity between the existing and new infrastructure, and
- **2b: wider connectivity to the hub**, which will improve connectivity between the hub and the wider LEP area and beyond.

Rationale

There is a growing shortage of Grade A office space in the city centre, which is expected to tip into undersupply during 2016. Take up of space over the past five years has averaged at 632,000 square feet per annum – but demand is forecast to exceed 800,000 square feet per annum over the next five to ten years¹⁶. Diminished speculative development, combined with poor quality public realm and sites with remediation and/or access issues has resulted in severely under-utilised sites within and close to the city centre.

Our growth proposals are also forecast to place increasing demands on our transport system, which already sees high levels of traffic congestion (see figure x.x) and overcrowding on public transport networks. Without intervention and a strong focus on a shift to more sustainable modes, the transport network is likely to act as a significant barrier to growth, particularly in the context of an expanding population, our ambitious plans for new jobs, economic growth and the need to connect HS2 with the wider LEP and journey to work area (see figure x). In addition, there is a strong need to strengthen connectivity to Birmingham Airport and maximise underutilised capacity that could accommodate up to 27 million passengers per annum in the context of the soon to be opened runway extension.

¹⁶ GVA 2014, Birmingham future office demand

While the city centre is well-served by second-generation digital connectivity (with ubiquitous 4G wireless access due to roll-out soon), access to the ultra-fast broadband that modern businesses (including our digital and creative industries) require is constrained by a lack of open-access infrastructure.

Objectives

The objectives of this programme are to:

- Further strengthen the city centre Enterprise Zone and providing attractive sites for businesses, particularly those that benefit from enhanced connectivity enabled by HS2;
- Deliver excellent connectivity between HS2 and the existing transport network, wider LEP geography and travel to work area, Birmingham Airport and the city core
- Increase the use of sustainable modes; and
- Significantly improve the availability of ultra-fast broadband in the city centre

Outcomes

- [Include LGF figures]
- The Enterprise Zone (EZ) will deliver 1.3m sqm of new floorspace, 40,000 new jobs, and contribute over £2bn to the economy in GVA per annum at the end of the lifetime of the EZ.
- The Curzon Street Masterplan will result in 14,000 (net) new jobs; 600,000 sqm of new business space; 2,000 new homes and £1.3 billion economic uplift
- HS2 Connectivity Package will generate 26,000 jobs and a £2.2bn uplift by the time the Y-network is operational, and will be supported by a devolved rail franchise and personal travel accounts that facilitate a single method of payment across all modes of public transport
- Birmingham Airport will handle significantly more passengers per annum with direct long-haul flights to key markets and significantly improved direct local transport connections, including late night and early morning services and improved services to its east – benefitting exporters and the visitor economy
- A high quality “destination” to include a new cultural facility, housing a national collection of visual art, will complement existing world class cultural provision and provide a counterfoil for the new daytime leisure tourism offer.
- Ubiquitous access to 30mbps wireless broadband across the city centre, with significantly improved access to ultrafast broadband infrastructure and district energy networks

Current progress

The city centre has seen significant sums invested in recent years, including a committed £450m redevelopment of Paradise Circus, the £600m transformation of Birmingham New Street Station and a £127m extension to the Midland Metro system. The £190m Library of

Birmingham opened last year, while the £12m investment in Eastside City Park significantly enhances the public realm by adding 2.73 hectares of green space to the city centre.

Birmingham City Council adopted the Big City Plan¹⁷ in 2011 and this provides the strategic framework for the growth of the city centre which is providing developers with the confidence they need to invest. It extends the city core by 25% and will ultimately deliver 50,000 new jobs and 20,000 new homes. The Big City Plan sets out a blueprint for how the city centre, already an important economic asset, should be transformed to reach its potential as a driver of the regional economy and a major contributor to UK Plc.

A major element of the Big City Plan is the EZ¹⁸, the one city centre EZ in the country. The EZ comprises 26 sites across the city centre in seven clusters identified as offering significant growth opportunities. The EZ Investment Plan¹⁹ has set out an initial programme of activity worth £128m (funded by Birmingham City Council via borrowing against future uplift in business rates), and is already providing £63m to support the flagship Paradise Circus development, which will provide much-needed Grade A office space for the central business district.

There are firm proposals for many of the EZ sites, which will ensure the hub offers an increasing range of quality locations. The table below shows a summary of site delivery by 2015:

Development	Floorspace Created / Refurbished (GIA)	Type of Accommodation	Jobs	Status
Two Snowhill	30,500 sqm	Grade A offices, plus retail	1,750	Completed, awaiting occupation
Birmingham City University (Phase 1)	18,300 sqm	Education facilities	200	Completed and occupied
Former Post and Mail Building (Phase 1)	20,000 sqm	Car park	0	Under construction
University College of Birmingham (Phase 1)	7,000 sqm	Education facilities	25	Under construction

¹⁷ <http://bigcityplan.birmingham.gov.uk/>

¹⁸ <http://bigcityplan.birmingham.gov.uk/ez-main/>

¹⁹ <http://bigcityplan.birmingham.gov.uk/wp-content/uploads/2013/01/EZ-Investment-Plan.pdf>

BCU Phase 2, Eastside Locks	24,300 sqm	Education facilities	265	Under construction
Ladbrook House, Typhoo Wharf	2,100 sqm	Hotel	15	Under construction
Assay Office, St George's Urban Village	5,700 sqm	Office and light industrial	150	Due to start on site Spring 2014
JQ Hotel, St George's Urban Village	4,100 sqm	Hotel	40	Under construction
109-111 Pope Street, St George's Urban Village	640 sqm	Offices	5	Due to start on site Summer 2014
Garrison Data Centre 1, Great Barr Street	7,500 sqm	Data Centre	30	Due to start on site Spring 2014
Extensions to existing businesses, Warwick Bar	480 sqm	Offices	65	Due to start on site Summer 2014
Hotel, Newhall Square	7,770 sqm	Hotel	35	Due to start on site Spring 2014
Total Floorspace	128,390 sqm	Total Jobs	2,580	

A further £43m of investment will support economic connectivity, of which £16m will support further extensions to the Midland Metro network to the west of the city through to Centenary Square, building on the extension from Snow Hill to Moor Street station, (which is currently under construction and scheduled for completion in 2015). The EZ is also benefitting from a £9.4m package of improvements to the Ring Road, which is funded jointly by the EZ, Department for Transport Local Pinch Point Fund grant and Centro. In addition, sustainable connectivity is being enhanced as part of Birmingham's £26m Cycle City Revolution project, which will see x miles of new cycle routes and complementary infrastructure implemented by 2015.

Birmingham City Council recently consulted on its draft Birmingham Mobility Action Plan (BMAP)²⁰, a twenty-year vision for improving transport in the city and overcoming poor connectivity both in the city centre, and to the wider geography. The BMAP aims to change the way that people and businesses think about travel into and around the city, reinventing

²⁰ <http://www.birmingham.gov.uk/bmap>

the city's transport system to meet mobility challenges and facilitate strong, sustainable economic growth. In addition, BMAP aims to tackle social inequality by improving accessibility to the centre from the most deprived areas of the city, meaning people will be better able to access the employment opportunities that will be created by our growth proposals.

The City Council has also published its Smart City Roadmap²¹, and has awarded a contract to provide a mobile broadband experience of unparalleled speed, simplicity and coverage, allowing operators to roll-out the latest wireless technologies across the city by using street lighting columns. Birmingham, supported by the Urban Broadband Fund and ERDF, has also developed a voucher scheme that will begin shortly, and will overcome barriers for SMEs in connecting to high speed broadband services by covering the costs. A parallel programme will support businesses to maximise the benefits of connectivity and internet use.

The Future

[need to include something on Snow Hill]

HS2 will be a truly transformational project that will act as a catalyst for growth and regeneration. The proposal for the Birmingham Curzon station is integral to future plans. Learning from experience on the continent of developing and implementing high speed rail to maximise its impact²², the recently published Curzon Street Masterplan²³ provides a plan for an iconic station building and the complementary development of nearby sites. The massively enhanced connectivity which the station will provide will result in substantial increases in land value²⁴ and discussions with HMG have commenced with the aim of identifying the optimum method of retaining uplift and the most suitable delivery mechanism for the major regeneration of the area.

The business case for the delivery vehicle is in preparation with the aim of making a decision this autumn. Milestones for the discussions with HMG are suggested to ensure that productive discussions result in the most effective joint delivery mechanisms.

[INSERT GAME CHANGER ON BIRMINGHAM CURZON]

In the immediate future, plans are well advanced for a number of projects which will provide improved connectivity within and to the city centre, benefitting existing and pending developments. These schemes are drawn from the HS2 Connectivity Package.

[INSERT GAME CHANGER ON HS2 CONNECTIVITY PACKAGE]

Some of the projects from within the Connectivity Package have already been prioritised by the GBS Local Transport Board (LTB) to be delivered using the £23.9m non-competitive

²¹ <http://birminghamsmartcity.wordpress.com/>

²² <http://www.theitc.org.uk/docs/115.pdf>

²³ <http://www.birmingham.gov.uk/birminghamcurzonhs2>

²⁴ Could use some of the research into property prices from Cross Rail 2?

allocation from the Local Growth Fund. One Station (4) will significantly improve the connectivity and public realm between Moor Street Station (adjacent to Curzon Street HS2 Station) and New Street Station. This improved interchange space will also improve access to a number of sites within the Enterprise Zone. The Metro extension to Centenary Square and the Hagley Road SPRINT (7) (bus rapid transit) will significantly improve connectivity between the Paradise Circus EZ developments, the city centre stations, the Broad Street/Five Ways business district and the south west of the city. The Making the Connections project will provide world class public realm linkages between Curzon Street, New Street and Moor Street stations with key EZ development sites.

In addition to the above, a further upgrade to the Ring Road at Ashted Circus has been prioritised for delivery in 2015 to align with proposed HS2 highway alterations, while major maintenance works to the A38 (M) Tame Valley Viaduct are essential in ensuring access to the city centre and EZ from the Strategic Road Network is maintained and growth supported.

Further projects to enhance connectivity to the economic hub include xxx xxx xxx

Sustainable access to the regional economic hub is strongly supported by the LEP, with three Local Sustainable Transport Fund (LSTF) type projects prioritised for delivery in 2015/16. These projects comprising the continuation of Birmingham's Cycle City Revolution project, a package of public transport journey time reliability improvements and a wayfinding programme are intended to complement and enhance 'smarter choices' bid proposals currently being submitted by transport authorities within the LEP geography to the DfT's LSTF revenue fund.

Investments in transport infrastructure will be complemented by investment in digital connectivity, as set out in the Smart City Roadmap²⁵. We will innovate around the provision of ticketing options and personal travel accounts for multi-modal payments, supporting improved traveller experiences based on better journey planning and seamless payments across different modes. We will ensure that affordable and reliable digital connectivity will be available from anywhere in the city and will encourage investment in digital infrastructure, including fibre-optic cabling and smart grids, to coincide with urban developments through the local planning process. HS2 provides a perfect opportunity to support the city centre and the wider LEP area with its ambitions for world-class digital connectivity by providing open access ducting infrastructure as part of its works programme. We will align the civil works relating to the building of HS2 to establish an open access ducting infrastructure for digital connectivity and combine it with district energy networks as it is recognised that the most significant barrier to telecommunications providers in growing their networks is the costs of building the physical infrastructure. The open access infrastructure will act as an incentive to new and smaller companies to come to the city and provide new innovative products, introducing new competition to the market and lower product prices.

The £33m extension of Birmingham Airport's runway, due to open in spring 2014, will facilitate direct flights to long-haul destinations on the west coast of America and the Far

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http://birminghamsmartcity.files.wordpress.com/2014/03/birmingham_smart_city_roadmap_03_03_20141.pdf

East. In addition, GBSLEP will continue to work with Birmingham Airport to define its Surface Access Strategy that will bring forward proposals for transport infrastructure investments to ensure greater accessibility, both to the Airport and onward to key destinations. The strategic marketing and inward investment elements of Programme 1 will play a key role in supporting investments in infrastructure.

In addition to investment in transport infrastructure, proposals are being taken forward by the six LEPs across the West Midlands for a devolved rail franchise to make the best use of the infrastructure already in place. In the medium term this will allow the region to directly influence how people access jobs through initiatives such as reducing the cost of travel to jobseekers, support city and town centre regeneration and make it easier for us to enhance services, such as the earlier and later connections to Birmingham Airport that are cited as key to stimulate demand. In the longer term, rail devolution will provide a locally controlled vehicle through which we can most effectively utilise the capacity on the existing rail network that will be unlocked by HS2 in support of regional growth priorities.

Further projects have been identified which may contribute to the objectives of this programme but require further development to justify before their inclusion. The **PROJECT SUMMARY DOC** also provides a summary of the funding, outputs, deliverability and risks for each project, including those which are not currently prioritised but may in due course join the pipeline.

There is potential to strengthen the visitor offer and increase the opportunity for overnight visits, which are key to driving the visitor economy. In particular, a high quality “destination” to include a new cultural facility housing a national collection of visual art, will complement existing world class cultural provision and provide a counterfoil for the new daytime leisure tourism offer. A city centre redevelopment site is being considered for this purpose with a bid in preparation to Arts Council England’s process for becoming a home for its national collection of contemporary art.

Case Study: Birmingham Curzon

[to be developed]

The Opportunity

The new city centre HS2 station will place the city at the heart of the national high speed rail network. It will have a transformational impact, unlocking significant regeneration and development potential across the city, bringing new economic activity, investment and jobs.

Building on the strategic vision of the Big City Plan, the City Council launched a detailed Birmingham Curzon HS2 Masterplan²⁶ on the 27th February 2014 covering 141 ha of the city centre extending across Eastside, Digbeth and the eastern fringe of the city centre core, with the HS2 terminus station at the centre of the area.

The Birmingham Curzon HS2 Masterplan seeks to maximise the regeneration and

²⁶ <http://www.birmingham.gov.uk/birminghamcurzonhs2>

development opportunities of the area around the City Centre terminus which will include:

- 14,000 (net) private sector jobs;
- 600,000 sq.m of additional employment floorspace;
- 2,000 new homes; and
- an uplift to the economy of £1.3bn each year.

Achieving the outcomes of the jobs, investment and economic growth will require a bespoke approach to delivery including the establishment of a delivery vehicle, identification of funding streams and creation of governance arrangements. There will be a need to invest locally in infrastructure to facilitate development activity and business growth. It will require a partnership approach between both local and national bodies combining their resources and powers.

It should be noted that even without HS2, the opportunity for this site remains exceptionally strong. While the HS2 station provides a significant catalyst for the growth envisioned, it does not provide the sole rationale for regeneration.

Our offer

We will contribute to the delivery of a truly international station, accessible via an extended Metro, and enjoying improved public realm and world-class connectivity. We will develop a delivery vehicle to facilitate wider regeneration, bring development plots to the market and ensure necessary strategic infrastructure is in place.

We have a strong track record of aligning local and national resources: the redevelopment of the New Street Gateway and the Enterprise Zone (and associated investment plan) are good examples of local strategic leadership taking risk to support growth.

If the ambition in the Masterplan is fulfilled, it will unlock wider regeneration with the largest site being Southern Gateway which sits adjacent to it. We are in the process of relocating the markets and exploring how to fund infrastructure and enabling works for this site which represents a huge economic and residential opportunity to extend the City Core southwards.

Our ask

The ability to realise the transformational potential of HS2 will depend on the extent to which the mechanisms and funding are in place to enable growth and unlock sites for development. Experience shows that intervention, supported by national or local funding, is necessary to facilitate regeneration and development activity. The intervention in the form of the HS2 line and new city centre terminus station will be a significant catalyst in its own right. This will however need funding to ensure the station is “right” for the location and unlocks growth. It will also mean further interventions across a wider area to bring complex urban sites, with huge potential, to the market.

Work is being undertaken to develop a detailed business case setting out the resources and powers required to achieve our ambitions and the scale of our local contribution. This will be

finalised by start of 2015. Our ask of Government is therefore to have a conversation at this point to discuss the development of an appropriate financial and governance model' linking with the work on the Interchange Station

Case Study: HS2 Connectivity Package

Opportunity

Ensuring faster, more efficient and more affordable travel throughout Greater Birmingham is key to truly maximising the benefits of HS2 and integral to the delivery of our ambitious plans for Birmingham City Centre and UK Central.

Working with Centro, the three Metropolitan LEPs in the West Midlands have developed the HS2 Connectivity Package – a series of bus rapid transit, Metro and heavy rail investments that will effectively “plug in” local connections with our new high speed rail stations. These investments will facilitate a step-change in door-to-door connectivity and, in tandem with a devolved rail franchise, unlock the released capacity on the West Coast Mainline, providing access to a larger pool of employees for businesses, improving productivity and reducing costs while enhancing connections to a wider range of markets.

Our offer

If delivered in full across the West Midlands, the Package has been modelled to more than double the economic impact of HS2 – delivering a total of:

- 50,000 net additional jobs (26,000 of which would be in Greater Birmingham)
- an increase of £4bn of economic output per annum and
- a GVA increase of £680 per worker.²⁷

While the aggregated benefits are significant, each scheme in the Package will be subject to a rigorous green book appraisal b

We will seek to provide a significant local contribution for the delivery of these schemes, and will look to utilise the delivery model(s) to be agreed for Birmingham Curzon and the Interchange.

The full list of schemes that fall within Greater Birmingham can be found in Appendix X.

Our ask

- That strategic alignment to HS2 is a key priority criterion for investment in Network Rail's Control Period 6. Prioritising the heavy rail elements of the Connectivity Package ensure the best use of the capacity released by HS2 on the West Coast Mainline
- A guaranteed annual revenue funding allocation for project development for a minimum

²⁷ http://www.centro.org.uk/media/17256/HS2_Y_Network-new.pdf

of five years, commencing April 2016 to enable schemes in the HS2 Connectivity Package to be worked up. The total estimated cost of scheme development is £Xm. Local contributions are expected to cover one third of this, leaving a total ask of £Xm from Government at £Xm per annum.

Prioritised projects - core business assets and connectivity

Some of the projects from within the HS2 Connectivity Package have already been prioritised to be delivered using the £23.9m non-competitive allocation from the Local Growth Fund, and are high priorities within the wider SEP context. One Station (4) will significantly improve the connectivity and public realm between Moor Street Station (adjacent to Curzon Street HS2 Station) and New Street Station. This improved interchange space will also improve access to a number of sites within the Enterprise Zone. The Metro extension to Centenary Square (5) and the Hagley Road SPRINT (7) (bus rapid transit) will significantly improve connectivity between the Paradise Circus EZ developments, the city centre stations, and the Broad Street/Five Ways business district, while Making the Connections (6) will create high-quality public realm corridors from Birmingham New Street to connect with key employment, civic and retail destinations.

In addition, Tame Valley Viaduct is a hugely significant piece of major transport infrastructure not only for the city centre, but for Greater Birmingham as a whole.

Table 2a

General		Funding					BCR (Benefit-Cost Ratio)	Bucket
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)		
4	One Station	£7.00	£2.00	£1.50	£3.50	£3.50	5.30	A
5	Midland Metro Centenary Square Extension and Complementary Highway Measures	£42.40	£5.00	£29.40	£4.60	£8.00	2.90	A
6	Making the Connections	£8.00	£0.40	£0.80	£3.30	£6.80	5.00	A
7	Hagley Road SPRINT	£12.24	£0.74	£3.41	£8.09	£8.09	2.56	A
171	Ashted Circus	£6.60	£2.25	n/a	£3.09	£4.07	10.16	A
13	Snow Hill Station: Phase 1	£9.99	£1.00	£1.00	£1.06	£4.66	2.50	B
20	Tame Valley Viaduct - Phase 3	£82.01	£3.98		£0.00	£72.01	2.64	B
32	Midland Metro Extension –Centenary Square - Edgbaston	£67.50	£7.70		£0.00	£59.80	1.90	B
33	Midland Metro Birmingham Eastside Extension	£103.50	£62.10	None yet identified	£2.20	£41.40	2.10	B
	Prioritised projects	£339.24	£85.17	£36.11	£25.84	£208.32		

	for further development							
12	Snow Hill Station: Phase 2	£2.66	£0.63	£0.63	£0.25	£1.25	n/a	D
15	Aston Road North Bridge	£10.10	£0.91		£0.36	£9.09	tbc	D
16	Birmingham Ring Road Improvements	£6.48	£0.50		£0.80	£4.98		D
18	Southern Gateway	£40.00	£30.00	£0m	£0.00	£10.00		D
19	Land and Property Development	£50.00	£20.00	£30.00	£2.00	£10.00		D
		£109.24	£52.04	£30.63	£3.41	£35.32		

Prioritised projects - wider connectivity to the hub

Projects under development and currently prioritised for delivery after 2015/16 include rail enhancements (Snow Hill line (8) and Chase Line (24)), bus rapid transit (A34 Walsall Road (37) and Bartley Green (38)), and focussed highway improvements (Journey time reliability (43))

The Snow Hill Line Enhancements project enjoys cross-LEP support and is a priority for both GBS and Black Country LEPs. The Metro Extension in Solihull (36) will support connectivity to the key assets around UK Central, while the Longbridge Connectivity Scheme (23) will support a key economic zone for the city.

Table 2b

General		Funding					Outputs				Notes	
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	jobs (no)	Houses (no)	ROI (GVA/£)	BCR (Benefit-Cost Ratio)	Bucket	Funding from two LEPs
23	Longbridge Connectivity Scheme	£8.18	£0.76	£2.43	£2.51	£4.99	3,864	1,089	23.36	3.53	A	
37	A34 Walsall Road SPRINT	£40.00	£0.00	£5.00	£0.00	£35.00	0	0	0.00	4.78	A	
38	Bartley Green SPRINT	£30.00	£0.00	£5.00	£0.00	£25.00	0	0	0.00	4.78	A	
43	Journey Time Reliability Improvements to Growth Areas	£2.69	£0.27		£0.62	£2.42	198	0	13.39	5.90	A	
8	Snow Hill Line Enhancements	£20.50	BC LEP and C&W LEP		£0.00	£9.50	1,240	0	5.49	1.70	B	
14	A457 Dudley Road	£30.00	£2.00	£2.00	£0.00	£22.41	500	0	1.62	2.04	B	
24	Chase Line Electrification Package	£8.4m (capital) £120k pa	£2.7m capital; £1.5m	TBA	£0.00	£0.00	0	0	0.00	TBC	B	Also in SS LEP, NR funding
35	A45 Rapid transit	£50.00	£0.00	£15.00	£0.00	£35.00	0	0	0.00	1.53	B	
	Prioritised projects	£161.37	£3.03	£29.43	£3.12	£134.32	5,802	1,089				
	For further development											
17	Highgate Road	£13.25	£1.30	£1.30	£0.00	£10.60	0	0	0.00	n/a	D	
30	Water Orton (Birmingham – Tamworth / Nuneaton) Rail Corridor Enhancement	£3.00	Construction would be fully funded	To be determined	£0.00	£3.00	0	0	0.00	To be determined	D	
31	Camp Hill Chords and New Stations	£210.00	The local rail stations could be	To be determined	£1.00	£60.00	1,920	0	2.32	To be determined	D	
34	Metro Extension East Birmingham – Interchange northern route (Serving Eastern Growth Corridor/UKC)	£470.00	To be confirmed	To be confirmed	£1.50	£400.00	1,000	0	0.08	Medium	D	
36	Metro Extension Solihull Town Centre to Interchange Station	£250.00	To be confirmed	To be confirmed	£1.50	£200.00	1,000	0	0.38	Medium	D	
44	Wayfinding, Signage and Information	£3.06	£0.17		£0.55	£2.89	0	0	0.00	3.29	D	
170	A38 Sutton Coldfield Bypass - Maintenance	£3.45	£0.49		£1.55	£3.11	0	0	0.00	n/a	D	
		£952.76	£1.96	£1.30	£6.10	£679.60	3,920.00	0.00				

Supporting projects

[NG: needs to be worked up]

- Airport and the Visitor Economy – infrastructure supported by the Strategic Marketing piece?
- Growth Sectors – Creative, and possibly Digital?

Figure X – Prioritised Projects in Programme 2

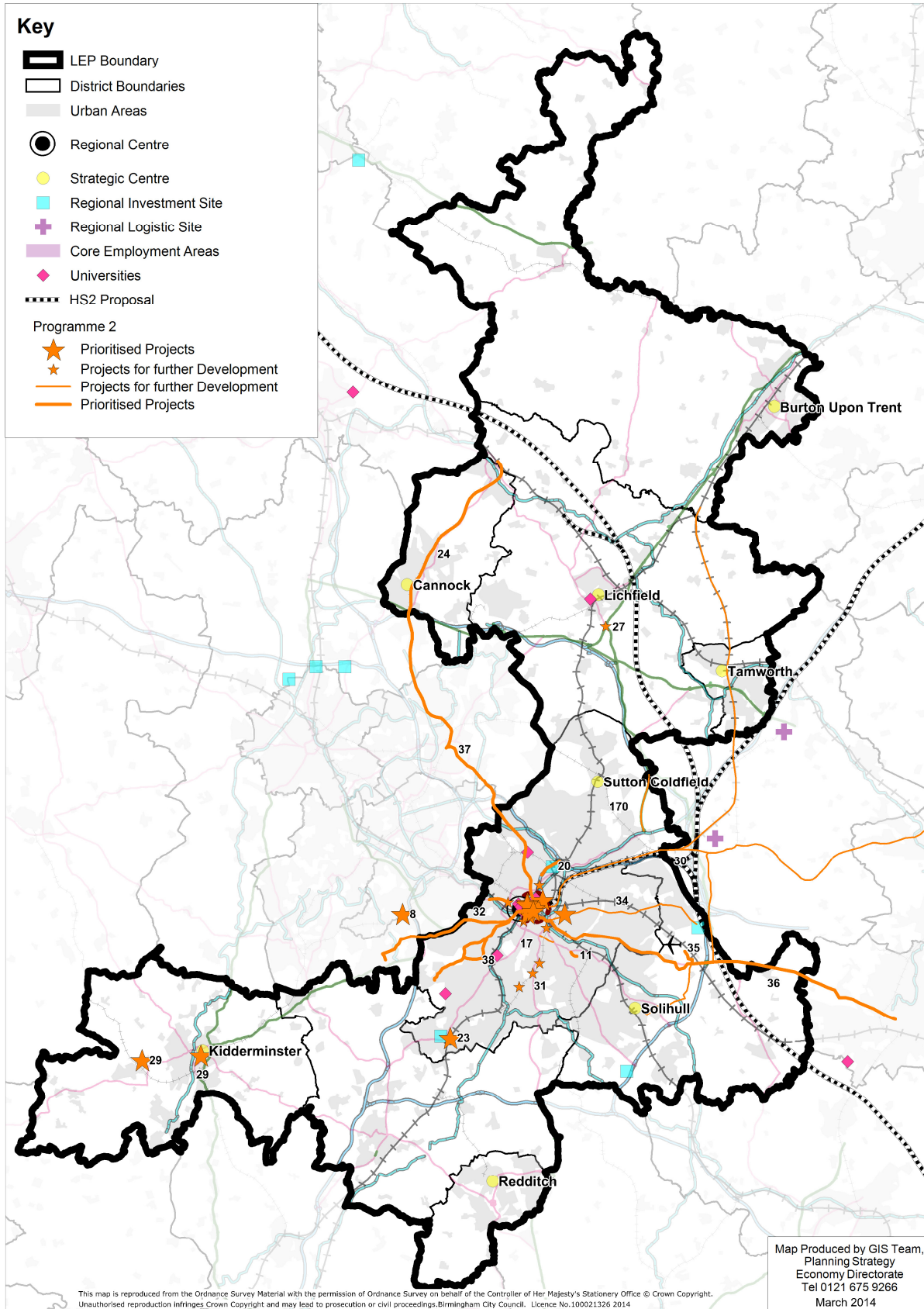
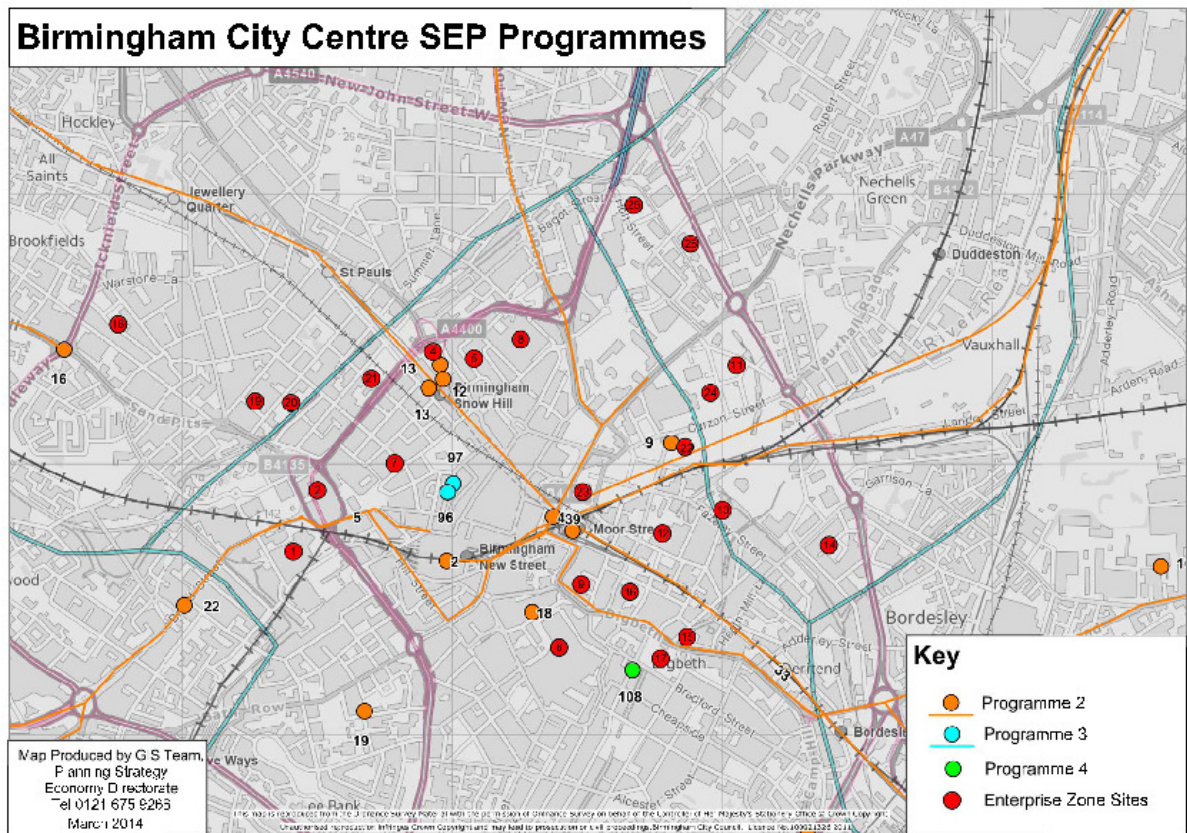


Figure Y

Priorities to be highlighted. HS2 – change colour.



Programme 3: UK Central and the Enterprise Belt – unlocking growth

This programme is designed to deliver significant jobs and growth through unlocking the area outside of the Regional Economic Hub – with a particular focus on enabling the delivery of UK Central (UKC) – one LEP’s economic game changers (see case study below). We also have significant opportunities and growth potential that can be realised immediately across the Enterprise Belt and wider Birmingham.

UKC contains four economic opportunity zones, with Zone 1 being the most significant one as it includes the Airport/NEC/HS2 Interchange station. It is a unique concentration of strategic economic assets and infrastructure at the heart of the UK’s transport network is already a key driver of the regional economy, attracting investment and job creation.

A UK top three location for enterprise and top 10 for business (Santander 2013), it is the best place to live in the UK (uSwitch Quality of Life Index 2013) – with outstanding quality of life and one of the greenest environments in the country. The central location, skilled workforce and national and international connectivity attract the investment that is already delivering economic growth rates over 150% higher than the national average.

The area is further enhanced by the Enterprise Belt, some 20-40km on the edge of Birmingham, spanning southern Staffordshire and north Worcestershire. Southern Staffordshire contains significant development opportunities with potential to create 23,000 jobs in the next few years²⁸ and in North Worcestershire there are opportunities to invest in enabling infrastructure to drive GVA, employment growth and upskill the local workforce to unlock a number of strategic employment sites that will lever in significant levels of private sector investment. The most significant opportunities are in Kidderminster, where a unique opportunity exists to accelerate the re-development of the former British Sugar site, to create a high quality mixed use site, creating almost 800 new jobs and in Redditch, where development of the Eastern Gateway site has the potential to instil a ‘step change’ in the local economy, creating over 1,300 new jobs and enhancing the area’s status as a hub for advanced manufacturing.²⁹

The growth of the Enterprise Belt has been attributed to innovative and advanced manufacturing, the presence of knowledge intensive firms, high rates of business creation, access to the national transportation network and attraction of the high quality of life and residential and leisure environments located within it. The latest BRES figures show private sector jobs growth of nearly 4.3% between 2011 and 2012 across the Enterprise Belt as a whole³⁰, above the GBS rate of 2.8% (and well above national growth of 1.6%).

The Enterprise Belt provides a unique opportunity to make a significant contribution to the LEP’s growth and jobs targets; and local investment will help support sustainable

²⁸ Southern Staffordshire Enterprise Growth Prospectus

²⁹ The growth of the Enterprise Belt has been attributed to innovative and advanced manufacturing, high rates of business creation, access to the national transportation network and attraction of the high quality of life and residential and leisure environments located within it.

³⁰ North Worcestershire districts; southern Staffordshire districts and Solihull Metropolitan Borough areas

development of the market towns on the edge of the conurbation. There is a broad range of investment opportunities across a range of sites of varying size. For the first time we can develop a strategy that can carefully secure the maximum potential of the environmental and economic assets evident in the Belt, alongside those of the urban core to create a step change in growth.

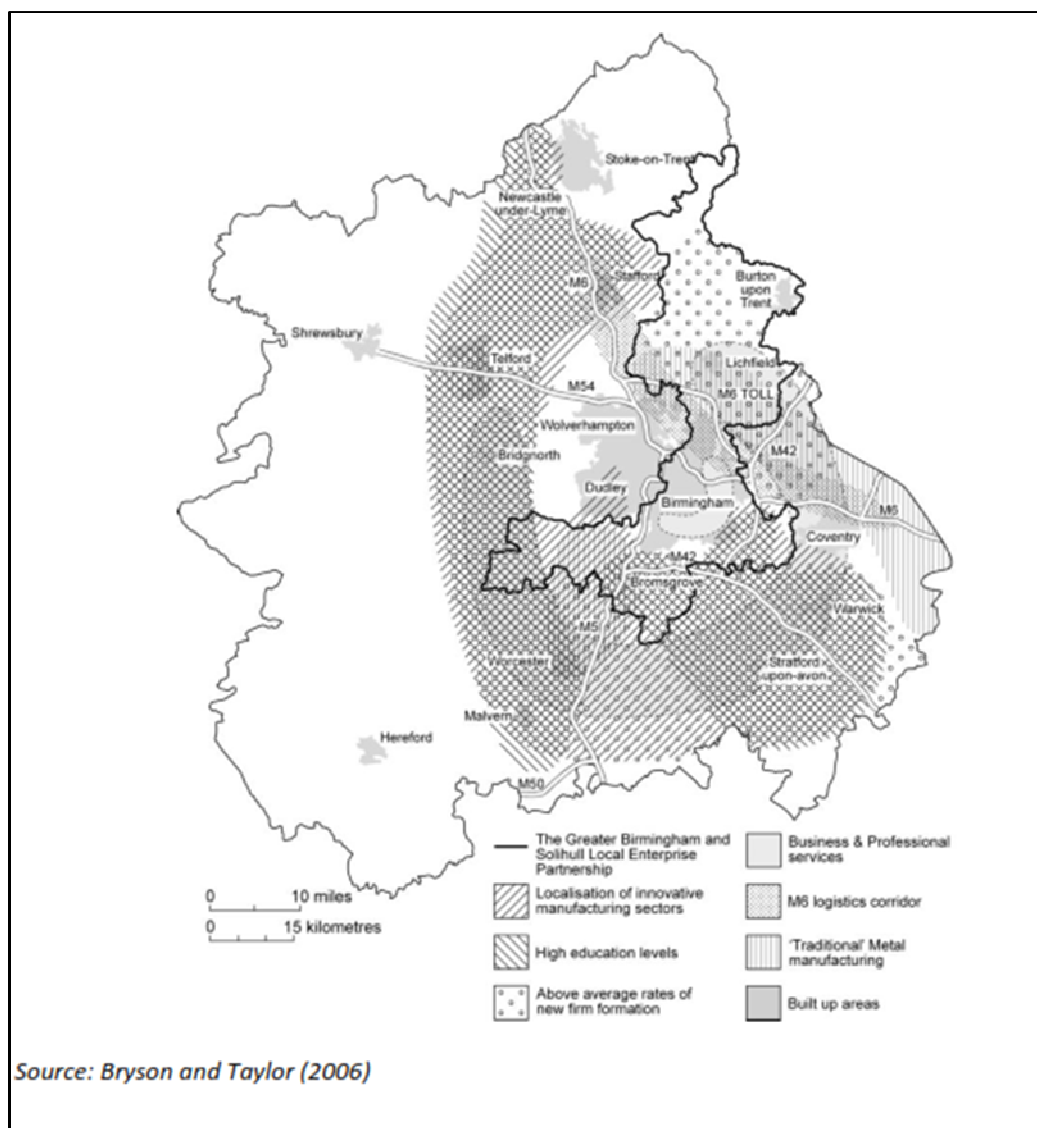
The programme also includes interventions needed in the wider Birmingham area (i.e. those outside of the Regional Economic Hub) that have significant growth potential.

The programme will deliver a targeted series of interventions will deliver immediate impacts including: connectivity (enabling us to maximise the regional economic benefits of high speed rail), housing, employment sites and town centre regeneration.

- Strategic Infrastructure and Local Connectivity
- Key Sites (Business and Housing)
- Local Regeneration

The potential of the area is truly transformational and intrinsically linked with Programme 2 – the Regional Economic Hub, for example the HS2 Connectivity Package is an essential part of realising the full potential of UK Central.

Figure X: The Enterprise Belt – Need a new map



Map to be changed as discussed

Rationale

The area faces a number of challenges but has significant opportunities for both employment and housing growth. There is weak connectivity across the area, with some routes suffering from congestion hindering economic growth and there is also a lack of connectivity to major opportunity areas. For example, in Southern Staffordshire there are capacity constraints on the A5 and the A38 that will act against further growth and investment, and a clear need to improve some of our rail hub facilities and services. In addition, in North Worcestershire, Kidderminster’s growth potential has been hindered through poor connectivity to the wider Birmingham conurbation and the strategic motorway network. This is despite the area having access to a number of strategic site opportunities which could result in a ‘step change’ in local economic performance.

Poor connectivity acts a barrier to certain types of inward investors locating in the area and has also contributed to creating a low wage economy within the wider Wyre Forest district.

Meanwhile, under-investment in public transport provision and facilities has led to a gradual decline in rail use and increased congestion in the road network.

In addition, there is a need to act in order to secure the wider benefits of public investment in HS2, with clear international evidence that the wider regional economic impacts of high speed rail are realised when there is clear integration of national with local proposals, targeted investment in wider infrastructure, accessibility to local transport networks and clear leadership in delivery planning and implementation.

A second challenge is the difficulty in bringing forward a number of our identified employment and housing sites and, whilst the area provides significant opportunities to address the housing challenge faced by GBSLEP, the current rate of provision is well below what is required to meet the demands of a growing region. The LEP is already responding to this longer term challenge with Housing market study, with the Black Country, underway.

There are a number of market failures that need to be addressed, these include unlocking public sector assets and unblocking of land through the use of resources and targeted interventions to bring forward stalled sites. Programme 3 will increase the levels of house building and employment sites (providing housing units and floor space) to assist in the delivery of levels growth across the LEP. The provision of a quality housing offer and attractive major investment sites is a key strength of the area and further investment is necessary to maintain this strength.

There is additional potential to enhance local centres to increase economic vitality, attract investment and create new jobs and opportunities. The area is comprised of a mix of market towns and urban centres that have faced an increasing challenge over recent years to attract investment, diversify, and provide the range of retail, leisure, cultural and service offer that local residents need; and which also act as a key aspect of the wider visitor economy offer.

Objectives

The objectives of this programme are to:

- Enable the delivery of HS2 Interchange (and wider UK Central), through our Offer to and Ask of Government, and the HS2 Connectivity Package
- Deliver targeted investment in strategic infrastructure to unlock long term job creation and growth potential and capture the full economic benefits of HS2 for GBS and the wider West Midlands
- Enhance connectivity and access across a network of strategic sites and opportunities
- Bring forward new sites for commercial and residential development, and
- Enhance key local centres across the LEP.

Outcomes

As a result of delivering the programme, by 2019/2020 the impact will be:-

- [x] new jobs and [x] new homes created from priority projects
- Needs looking at

Current progress

There are a number of projects underway to realise the transformational potential of UKC, Enterprise Belt and wider Birmingham area.

In terms of strategic infrastructure the Birmingham Airport Runway Extension is nearing completion. There has been investment in enhancing local connectivity via the £33m of funding secured through Highways Agency and Local Pinch Points programmes aimed at removing bottlenecks and barriers to economic growth that exist on the transport network. The delivery package comprises schemes at M42 J6, J9, J10 and M5 J4; and M6 J6 on the Strategic Road Network (SRN), while local schemes include upgrades to Birmingham's Ring Road; access enhancements to the Aston Advanced Manufacturing Hub; increased park and ride provision to be delivered by Centro; Gungate in Tamworth; and Hoobrook Link Road in Worcestershire.

There has been significant investment in key sites in UK Central, for example, Tata has invested a further £1.5bn investment into Jaguar Land Rover's Solihull advanced manufacturing facility. Other examples include a £150m investment by Genting into Resorts World at the NEC (the first Resorts World development in Europe); and a £60m investment by Aero Engine Controls (Rolls Royce) in a new advanced technology facility on Birmingham Business Park.

The Enterprise Belt is attracting new investment in advanced manufacturing, including: employment growth in JLR suppliers in Redditch and Morgan Advanced Materials creating a new Global Materials Centre of Excellence in Wyre Forest. Established logistics and distribution sites such as Fradley Park in Lichfield are continuing to attract investment and expansion, including Tesco, and will be complemented by new investment sites across the Belt area such as Kingswood Lakeside in Cannock, the South Kidderminster Enterprise Park and the Redditch Eastern Gateway.

In order to meet the growing housing need, GBSLEP is taking action to increase the supply of new housing coming forward over the next 20 years including the preparation of a new Strategic Spatial Plan for Recovery and Growth (SPRG) that will establish the broad scale and distribution of long term growth across the LEP area. To establish housing needs across the area a joint Strategic Housing Needs Study has been commissioned and will be completed by the end of May 2014. This is alongside public sector investment and resources, for example via the Public Asset Accelerator (created as part of the City Deal) is unlocking the potential of under-used public land by kick starting housing development, this has the potential to deliver 2,800 homes in Birmingham by 2022 (see Appendix X)

There has been investment in improving places and unlocking the potential of stalled sites via Growing Places - a revolving fund, with money paid back and reinvested into infrastructure projects. Growing Places is projected to support 193 businesses, creating 1,137 housing units and 4,795 jobs – leveraging in £89m of external funding. Projects include: Red Carpet Cinema in East Staffordshire (63 jobs); Icknield Port Loop delivering

1,000 housing units and 800 jobs; and Hoo Brook Road Phase 1 (£1.25m) to unlock the first phase of redevelopment of the former British Sugar site in Kidderminster delivering up to 250 housing units and 4 hectares of employment land.

The future

The priority projects for this programme are focussed on coordinated packages of complementary short and longer term initiatives that will deliver:

- Local connectivity improvements,
- New sites and the creation of new jobs and homes in 2015/16 and 2016/17, and
- Plans and funding mechanisms for new strategic infrastructure investment to enable the delivery of UK Central and maximise the impact and benefits of HS2.

Game-Changer: UK Central

Located in Solihull, UK Central (UKC) is both the principal international gateway of the West Midlands and a unique concentration of strategic economic assets. The UKC Masterplan launched in 2013 identified four distinct economic opportunity zones that offer significant investment and development potential both now and to 2040. The most significant opportunity area (Zone 1) includes the HS2 Interchange Station, Birmingham Airport, the National Exhibition Centre, Jaguar Land Rover and high quality investment sites that together form a compelling international investment proposition, delivering wider benefits across Greater Birmingham and Solihull and for our neighbouring LEPs.

Offer – to be revised following Lord Deighton report

- Continue to fund development work (with an initial commitment of £300k GBSLEP Growing Places Fund and £500k Solihull MBC resources, and a further allocation of GPF to move the growth strategy forward, including detailed financial modelling)
- Produce an exemplar High Speed Rail Growth Strategy to serve as a model for future development and investment in the UK

Ask – to be revised following Lord Deighton report

- Include the M42 J6 improvements in the first Highways Agency Roads Investment Strategy
- Agree a bespoke growth deal consisting of package of national and private value capture, including wider business rate retention, that will allow us to deliver the upfront infrastructure investment needed

Impact

- Unlocking the full economic potential of UKC will create not only a world class international gateway, but a distinct, vibrant and attractive place – complementing both Birmingham and Coventry and securing new investment and jobs for Greater Birmingham & Solihull and the UK
- By 2040 the total impact could be: over 100,000 additional jobs (including 10,000 by

2020) and a £14.2bn GDP boost for Greater Birmingham and Solihull; accelerating the delivery of over 8,600 new homes and unlocking up to 230 hectares of potential development and investment sites

Prioritised projects – Strategic Infrastructure and Local Connectivity

Priority is being given to the initial phases of the UKC Connectivity Package (including LRT/BRT proposals and integration with HS2; and to local connectivity packages in North Worcestershire, Southern Staffordshire and the core urban area that will secure the greatest short term impact, open up new sites for housing and commercial development, improve access to employment, improve connectivity to the Regional Economic Hub and demonstrate the LEP's ability to deliver growth

Work is already underway to develop a long term solution for J6 M42 which is essential to unlocking growth. The Highways Agency is working with Solihull MBC on detailed design and feasibility work, and significant international investor interest is already being stimulated by UK Central's economic opportunity zones.

Item 8 – App 1

Table 3a

General		Funding					Outputs				Notes	
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	jobs (no)	Houses (no)	ROI (GVA/£)	BCR (Benefit-Cost Rat)	Bucket	Funding from two LEPs
11	Battery Way Extension, Tyseley	£1.57		£0.15	£0.20	£1.26	700	0	41.23	n/a	A	
29	Improving connectivity and linking key economic assets in Wyre Forest	£5.25	A degree of match-funding is	3	£5.25	£5.25	0	0	0.00	6.43	A	In overlap but GBS only ask
75	University Station Interchange	£3.09	£0.50		£0.11	£2.59	0	0	0.00	3.00	A	
81	South Kidderminster Enterprise Park – Hoobrook Link Road	£12.45	£4.9m (secured from the	£0.84	£3.00	£3.00	632	170	9.09	4.04	A	£3m ask from each LEP
83	Iron Lane	£9.70	£1.95	£0.00	£1.86	£5.00	0	0	0.00	6.85	A	
84	Redditch Eastern Gateway	£3.00		TBC	£1.50	£1.50	1,136	0	36.56		A	£1.5m ask from each LEP
92	Churchbridge Interchange	£6.00	£1.50	£1.50	£0.00	£0.00	0	2,300	65.31	TBC	A	SS LEP ask only
97	Birmingham Cycle Revolution Phase 2	£8.00	£2.00		£2.00	£6.00	0	0	0.00	4.90	A	
178	UK Central M42 Junction 6	£300.00	TBC	TBC	£0.00	£0.00	0	0	0.00		A	
85	A460 Eastern Way Cannock Dualling	£2.35		£0.35	£0.00	£0.00	3,874	0	31.09	TBC	B	The LGF ask for this project is from the
	Prioritised projects	£351.41	£5.95	£2.84	£13.92	£24.60	6,242.00	2,470.00				
	for further development											
27	A38(T) Lichfield Access Improvements (Hilliard's Cross, Fradley South and Swinfen)	£10.00	£5.00	£2.00	£0.00	£0.00	0	0	0.00		D	SS LEP ask
61	Tamworth Gateways	£3.50	£0.50	£0.50	£0.72	£2.50	0	0	0.00		D	
69	Lichfield LSTF Public Transport Package	£8.00	£4.90	£1.00	£0.00	£0.00	0	0	0.00		D	SS LEP ask
70	Burton Town Centre LSTF Transport Package	£4.00	£0.80	£1.10	£0.00	£0.00	0	0	0.00		D	SS LEP ask
71	Rugeley Transport Package	£2.00	£0.30	£1.20	£0.00	£0.00	0	0	0.00		D	SS LEP ask
73	Tamworth Town Centre LSTF Transport Package	£4.00	£0.80	£1.10	£0.00	£0.00	0	0	0.00		D	SS LEP ask
86	A5(T) Tamworth Access Improvements (Stoneydolph)	£1.00	£0.70	£0.20	£0.10	£0.10	0	0	0.00		D	SS LEP ask
87	A5(T) Lichfield Access Improvements	£6.50	£5.00	£0.50	£0.00	£0.00	0	0	0.00		D	SS LEP ask
88	Lichfield Southern Bypass (part), Lichfield	£6.00	£0.00	£1.50	£0.00	£0.00	0	0	0.00		D	SS LEP ask
89	Lichfield Trent Valley Station Gateway, Lichfield	to be determined	Not known		£0.00	£0.00	0	0	0.00		D	SS LEP ask
93	A5(T) Cannock Access Improvements	£1.00	£0.40	£0.40	£0.00	£0.00	0	0	0.00	TBC	D	SS LEP ask only
95	Six Ways, Erdington	£5.41	£1.12		£1.15	£3.72	0	0	0.00	4.43	D	
98	Cannock Chase LSTF Bus Connectivity	£2.90	£0.80	£1.00	£0.00	£0.00	0	0	0.00	TBC	D	SS LEP only ask
141	A435 Corridor	£0.05	£0.03	tbd	£0.00	£0.02	0	0	0.00	tbd	D	
142	A 38 improvements	£17.30	tbd	tbd	£0.00	£0.00	0	0	0.00	tbd	D	
143	Churchfields, Kidderminster – Ringroad Access Upgrade	£4.23	Worcestershire County Council	£0.28	£0.00	£3.50	0	0	0.00		D	
172	St Peter's Bridge Transport Corridor	£6.00	£1.55	£1.50	£0.00	£3.00	0	0	0.00		D	
175	Five Ways Junction Improvement		£0.20	£0.30	£0.00	£0.00	0	0	0.00		D	SS LEP only ask
177	UK Central Hub Cycle Improvement Scheme	£2.42	£0.12	£0.05	£0.00	£0.00	0	0	0.00	-	D	
		£84.31	£22.22	£12.63	£1.97	£12.84	0	0				

Prioritised projects – Key Sites (Business and Housing)

A series of commercial and housing opportunities have been prioritised on the basis of their ability to deliver short – term economic impact and enable additional housing development. Future opportunities will be brought forward on a phased basis to maintain a robust development pipeline and accommodate new business investment and house building.

In addition to bringing forward specific sites for housing and employment land development there are several bespoke interventions that we have identified that will enable us to address the housing shortfall. These include:

- A £9m small sites unblocking programme will support the acceleration of housing delivery by identifying small SHLAA sites which appear to be stalled. A pipeline of sites has been identified which could – with the right intervention – deliver 2,000 homes (**See Appendix**). The programme will include pro bono support from across the professional services sector and gap funding where all other options have been exhausted. The pro bono support will range from events to help site owners to link up with developers through to small scale feasibility and viability reviews.
- An increase in the HRA borrowing cap by £116m will enable a number of local authorities to deliver 974 units of public sector stock on currently available sites (**see appendix and explanatory box below**).

The GBSLEP will also support any future bids from the HCA’s Local Infrastructure Fund which will deliver larger housing sites (from April 2015) and we will continue to pilot innovative approaches to addressing the housing challenge across the LEP area.

Item 8 – App 1

Table 3b

General		Funding					Outputs				Notes	
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	Direct jobs (no)	Houses (no)	ROI (GVA/£)	BCR (Benefit-Cost Rat)	Bucket	Funding from two LEPs
47	Unlocking Birmingham's SUE	£11.11	£1.11	£5.00	£2.33	£5.00	9,079	6,000	46.19	18.69	A	
53	Kingswood Lakeside Internal Access Works	£3.08	£1.08		£1.20	£1.20	1,300	0	27.71	TBC	A	The LGF ask for this project is 50% from
104	Selly Oak New Road Phase 1b	£6.19	£0.53	£2.02	£0.11	£3.63	2,700	0	31.22	n/a	A	
169	A34 corridor - Perry Barr	£3.50	£0.50	£0.50	£3.50	£3.50	1,650	300	27.84	N/A	A	
179	Unblocking small housing sites	£10.00	£0.00	£1.00	£9.00	£9.00	0	2,000	9.19		A	
10	Bordesley Park	£90.00		£83.00	£1.00	£7.20	3,000	0	5.69		B	
51	Mid-Cannock road/rail freight interchange	£16.75	£3.75	£11.70	£0.60	£1.30	50	0	7.32	Awaiting GRIP 2	B	
52	East Staffordshire Growth and Regeneration programme	£5.70	£4.20		£1.50	£1.50	707	306	29.53		B	GBS only ask
54	Mill Green	£3.50	£0.00	£0.00	£3.50	£3.50	974	0	17.77	TBC	B	GBS ask only
55	Moss Road Estate Redevelopment Scheme	£21.40	£7.80	£12.80	£0.40	£0.80	0	150	5.59	TBC	B	GBS ask only
	Prioritised projects	£171.23	£18.97	£116.02	£23.14	£36.63	19,460.00	8,756.00				
	for further development											
48	Kerria and Tinkers Green Housing Regeneration	£19.50	£13.60	£0.00	£5.90	£5.90	15	38	0.19		D	
49	Anker Valley Access Package	£500.00	£1.40	£481.60	£0.90	£7.50	300	975	2.68		D	GBS and SS each £7.5m
50	Redditch & Bromsgrove Business Growth and Investment Sites	To be determined			£0.10	£0.10	0	0	0.00		D	
94	Sutton Coldfield Relief Road	£6.68	£0.91	TBC	£0.00	£4.68	0	0	0.00		D	
173	A38(T) Bransdon Interchange			£3.00	£0.00	£0.00	0	0	0.00		D	SS LEP only ask
174	Lichfield Park Site Access	£6.00		£2.00	£0.00	£0.00	0	0	0.00		D	SS LEP only ask
176	North of Bonehill Road Access			£2.50	£0.00	£0.00	0	0	0.00		D	SS LEP only ask
		£532.18	£15.91	£489.10	£6.90	£18.18	315	1,013				

Increase the Housing Revenue Account borrowing cap

Opportunity

GBSLEP faces a housing shortfall. Since the reform of the HRA a number of local authorities have taken the opportunity to start building homes once more. However, there is further opportunity to accelerate this and enable local authorities to deliver more public sector stock on currently available sites. For example In 2013-14 Birmingham Council will deliver around 350 new homes for rent and sale; however, if the HRA cap was lifted this could have been increased to 600 in 2014-15.

Offer

Increasing the quantum of housing delivery, by 974 units across the LEP area (including, 700 in Birmingham, 74 in Cannock and 200 in Tamworth).

Ask

Lift Housing Revenue Account borrowing cap by £116m and allow spending on affordable and private rented property.

Prioritised projects Local Regeneration

A number of projects will make a significant economic impact in the short term and contribute to the long term viability and vitality of strategic local centres in the LEP area. However, they all require further work before they can be prioritised and so will come forward in subsequent updates of the prioritisation.

Table 3c

General		Funding					Outputs			Notes	
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	Direct jobs (no)	Houses (no)	ROI (GVA/£)	Bucket	Funding from two LEPs
	for further development										
57	Tamworth Castle	£0.42	£0.10	£0.00	£0.32	£0.32	2	0	0.68	D	GBS ask only
58	Burntwood Town Centre	To be decided			£0.00	£0.00	916	0	TBC	D	
59	Friarsgate, Lichfield City	£50.00		£40.00	£5.00	£5.00	908	50	4.22	D	Requesting £5m from each LEP
60	Fazeley Town Heritage Regeneration	£1.30	£1.45	TBC	£0.00	£0.30	0	0	0.00	D	GBS only ask
62	Tamworth Town Centre Heritage Economic Regeneration Scheme	£0.27	£0.09	£0.09	£0.06	£0.09	9	0	8.08	D	
63	Local Centres – Local Economies	£10.00	No	£5.00	£1.00	£5.00	200	0	3.12	D	
64	North Worcestershire Local Centres Improvements	£0.01	£0.75		£0.03	£0.03	0	0	0.00	D	The project will involve 2 LEPs
66	Rugeley Town Centre Improvement Package	£3.87	£1.60	£1.27	£0.50	£0.50	1,250	140	16.05	D	£0.5m ask of each LEP
68	Hatherton Canal Restoration	£44.10	£29.10	£15.00	£0.00	£5.52	78	0	0.26	D	The LGF ask for this project is 50% from
123	The Tamworth Cultural Quarter	£3.10	£.38 m (Tamworth Borough	£0.10	£0.00	£1.85	61	0	3.23	D	
135	Gungate	£88.00	£30.50	£53.00	£0.00	£0.00	300	85	3.89	D	SS LEP ask only
162	Cannock Town Centre Improvement Package	£16.40	£0.40	£13.00	£0.00	£3.00	605	0	1.56	D	GBS only ask
		£217.47	£63.99	£127.46	£6.90	£21.60	4,329	275			

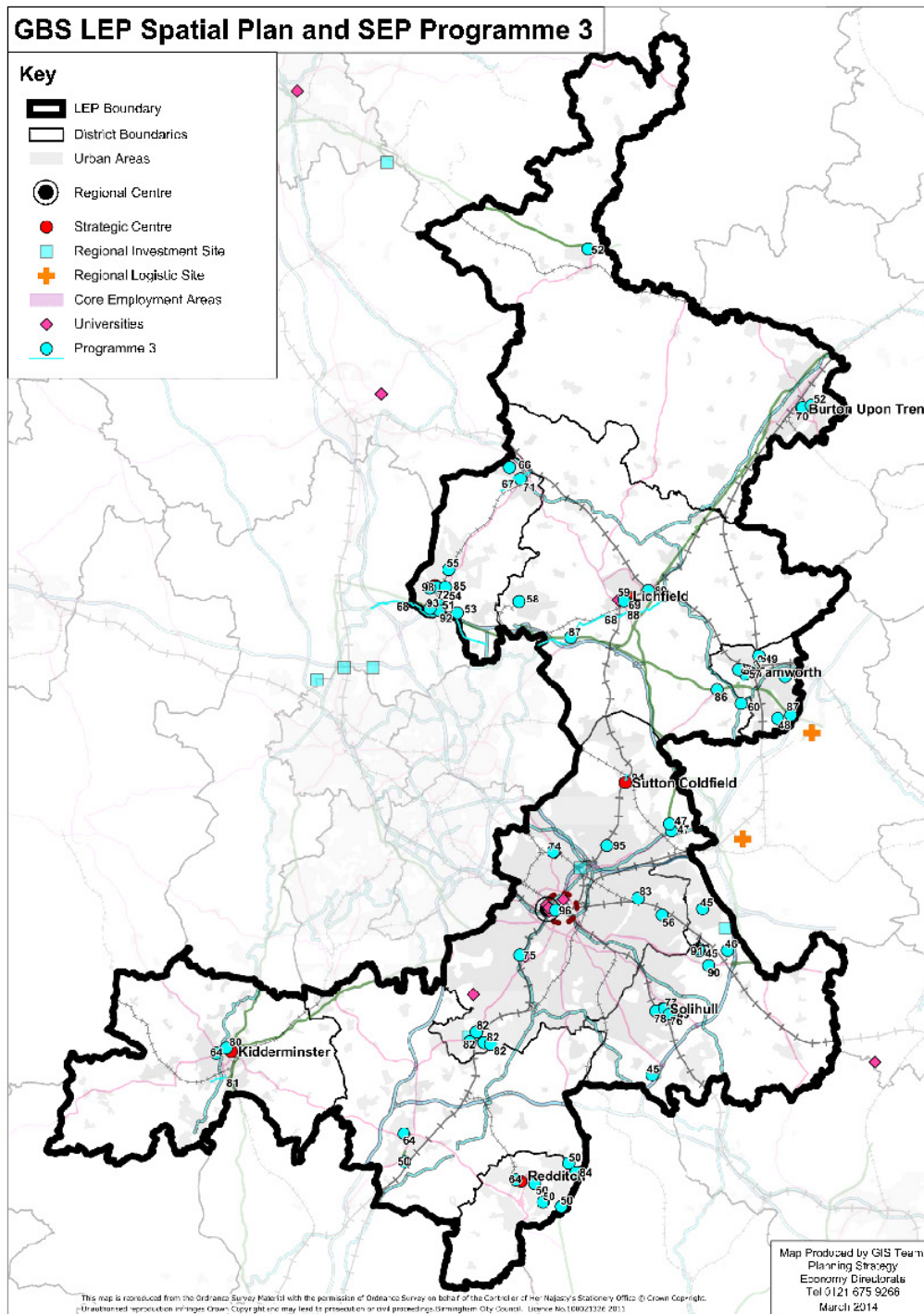
Figure X show the locations of the projects submitted for Programme 3, with the prioritised projects highlighted (to be completed).

Full details for each of the projects are included in the PROJECT SUMMARY DOC which also includes an assessment of the state of readiness and risks for each project.

Supporting projects

Links with Programme 2 & 4 (ie key sector sites in Birmingham)

Figure X **priorities to be highlighted**



Programme 4: Enhancing our growth sectors

This programme will support the growth of our key sectors as identified in the Strategy for Growth. These sectors are areas of natural strength and present the biggest opportunity and for creating and sustaining growth. Three categories of sectors have been identified:

High Growth, High Value Add	High Volume, High Job Creation	High FDI potential
1. Advanced Manufacturing	1. Tourism & Hospitality	1. ICT
2. Life & Health Sciences	2. Business, Professional & Financial Services	2. Automotive & Manufacturing
3. Digital & Creative	3. Food & Drink	3. Food & Drink
4. Business, Professional & Financial Services	4. Healthcare	4. Logistics
5. Low Carbon & Environmental Technologies & Services	5. Construction	5. Life & Health Sciences

This programme will support the delivery of the key sites and infrastructure which will ensure maximisation of opportunities associated with growth sectors. The physical development will be complemented by investment in business support, innovation and skills from ESIF.

Objectives

The objectives of this programme are to:

- Ensure sites which will enhance growth in key sectors are developed and have appropriate connectivity;
- Develop state of the art skills development programmes for the key sectors;
- Drive innovation in the four ‘high growth, high value add’ sectors and enhance innovation and growth across all sectors; and [explain why four]
- Increase FDI and export growth in the key sectors.

Outcomes

- Creation of net private sector job growth in priority sectors of 70,000 by 2020
- Prioritised projects seeking Local Growth Fund will deliver 6,000 jobs and leverage £400m of private investment.
- Contribution to skills targets as set out in the Skills Action Plan

- Deliver innovation outputs as set out in the ESIF Strategy, namely:
 - 950 Enterprises co-operating with research
 - 745 Enterprises supported to introduce new market product
 - 1.695 Enterprises supported to introduce new firm product

Focus of programme

Diagram x below shows how the Programme links together [to be refined]

Table x below that sets the rationale, current progress and future activity for some of our key growth sectors (see the ESIF Strategy for further information):

PROGRAMME FOUR

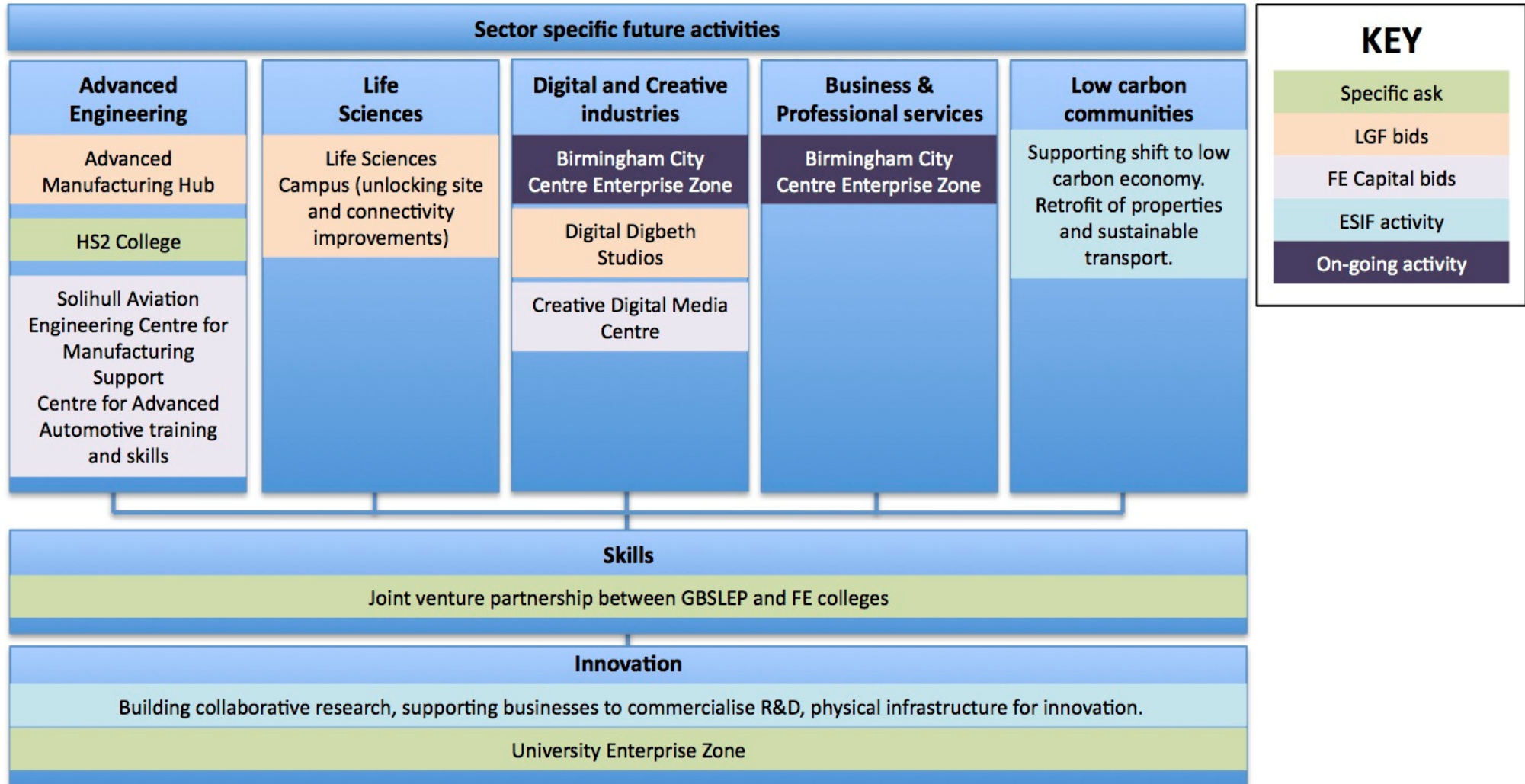


Table x

Rationale	Current Progress	Future
Advanced Manufacturing and Engineering – Automotive and Aerospace		
<ul style="list-style-type: none"> • Sector employs c115,00 people in 1,500 businesses across the West Midlands and accounts for 60% of the UK’s automotive R&D and 30% of automotive turnover (ref pan-LEP statement) • High-profile companies are based in the LEP including JLR, MG Motor UK, JCB, GKN and Goodrich • Major planned investments include: £1.5bn from JLR to create an all-new technically advanced aluminium vehicle architecture, resulting in 1,500 jobs in Solihull; and Aero Engine Controls investing £60m to build a new aerospace manufacturing and technology facility in Solihull 	<ul style="list-style-type: none"> • The Advanced Manufacturing Supply Chain Initiative (AMSCI) is a funding competition designed to improve the global competitiveness of UK supply chains by supporting research and development, skills training and capital investment. AMSCI was originally developed by GBSLEP in partnership with the Black Country, Liverpool and Coventry & Warwickshire LEPs and a bid of £25m was made to the Regional Growth Fund. Following consideration by Government, the initiative was extended across England and across all manufacturing sectors. Add succinct figures. • The National and West Midlands Tooling Fund Programme is a recently launched £24m programme jointly funded by RGF and a co-investment partner and delivered by Finance Birmingham (a wholly owned subsidiary of Birmingham City Council) to help fund the manufacture of tooling and tool making capacity in the manufacturing supply chain (up to £1.25m per business) • UKTI Strategic Relationship Management Joint initiative between UKTI and Business Birmingham 	<ul style="list-style-type: none"> • Development of a cross-LEP Growth Hub with Black Country and Coventry and Warwickshire LEPs (see p x and App x) • Development of a bespoke skills offer to support the skills and recruitment needs of the supply chain (see p x and App x) • The MTC Manufacturing Shared Hub will enable SMEs to access shared support services, capabilities and expertise, offer the opportunity to realise cost and efficiency savings and enable SMEs to recruit apprentice trained technicians access post graduate engineers for assignments • A number of the projects seeking FE capital will support the development of skills for this sector including Solihull Aviation, Engineering Centre for Manufacturing Support and Centre for Advanced Automotive training and skills • We will be submitting an ambitious proposal to host the HS2 College – building on the industry, HE and FE strengths in this area and

<ul style="list-style-type: none"> • Not viable for SMEs to make commensurate investments and hence ability to remain competitive is constrained • Recent boost in exports has been largely driven by success of the automotive sector and there are significant opportunities to grow this further • HE strengths in advanced materials, automotive and aerospace technologies and manufacturing and an increasing specialism in low carbon research and emerging technologies • Supporting the National 	<p>for Advanced Manufacturing to provide consultancy and signposting services related to skills, finance , property and planning to support growth plans for OEMs and Tier 1 suppliers</p> <ul style="list-style-type: none"> • World-renowned expertise available locally through: the Warwick Manufacturing Group (WMG)³¹; the Manufacturing Technology Centre (MTC)³²; and MIRA³³ • Development of an Advanced Manufacturing Hub³⁴ - Growing Places Funding has already been secured to undertake acquisitions of private interests required to consolidate land undertake remediation and bring sites to the market and £1m of Pinchpoint funding has been approved to unlock the site. • Development of skills expertise is supported by Aston University Engineering Academy, EEF Technical Apprenticeship Training Centre and MTC 	<p>the proximity to two HS2 stations</p> <ul style="list-style-type: none"> • This proposal will be supported by two FE Capital bids for investment in skills development for HS2 in relation to Rail Engineering and Construction • A priority project for LGF is funding to support bringing forward the Advanced Manufacturing Hub which aims to deliver a 20ha site next to J6 of the M6 with the ability to create 100,000 sqm of new floor space which will help generate and safeguard up to 3,000 direct and 500 indirect jobs. • ESIF Innovation strand targets Advanced manufacturing as a priority
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³¹ An academic department at the University of Warwick, providing research, education and knowledge transfer in engineering, manufacturing and technology

³² MTC is housed in a 12,000 square metre purpose built facility at Ansty Park, Coventry. The centre was founded by the University of Birmingham, Loughborough University, the University of Nottingham and TWI Ltd and its industrial members include some of the UK’s major global manufacturers

³³ Providing product engineering, research, testing, information and certification services to the automotive sector.

³⁴ One of six Economic Zones in Birmingham - City Centre Enterprise Zone; Advanced Manufacturing Hub, Aston; Life Sciences Campus, Selly Oak / Edgbaston; Longbridge ITEC Park; Tyseley Environmental Enterprise District; and The Food Hub, Witton. See appendix x

Industrial Strategy	Skills Academy	
Life Sciences		
<ul style="list-style-type: none"> • Expertise and state of the art research and clinical facilities • International reputation and proven track record in clinical academic programmes, clinical trials and translational research • 200 firms employing 2000 people including ‘home grown’ successes like Binding Site • One of the largest patient catchments regions in Europe (>5 million); high ethnic and socio-economic diversity; highly stable and with a large proportion of young people – therefore ideally suited to support clinical trials • Internationally competitive 	<ul style="list-style-type: none"> • Development of the Institute for Translational Medicine, supported by Government through the City Deal – providing a bespoke multidisciplinary translational environment for development and delivery of clinical trials and device evaluation and creating 2000 jobs by in the long-term and up to 600 within 5 years; creating 30 jobs to date. • £6.8m Biomedical Innovation Hub at Birmingham Research Park (close to ITM) - to provide entrepreneurs and innovative start-ups with access to affordable laboratory facilities and equipment. It is expected to create 600 jobs. • Formation of Birmingham Health Partners (BHP), a pioneering alliance between academics and clinicians to maximise clinical academic output and interaction with SMEs and global pharmaceutical companies • BHP in collaboration with Marketing Birmingham hosted a Site Selectors visit on 12th September 2013 to explore inward investment opportunities. 	<ul style="list-style-type: none"> • Development of a Life Sciences Campus close to the Queen Elizabeth Hospital and the University of Birmingham, providing space for companies growing through their involvement with the ITM and university spin-outs. • Two LGF priority projects will support the unlocking of the Campus, a contaminated site, and accessibility to it via the University Interchange Project. This will provide enhanced station facilities, bus interchange, capacity improvements and walking/cycling facilities • We want to maximise the opportunities for FDI that the ITM and wider developments represent. Some issues have arisen that are inhibiting our ability to do this and so form a request for Freedom and Flexibility from Government (see x) • Development of Life Sciences centre/academy based in South West Birmingham as a feeder to University of Birmingham and Institute of Translational Medicine, and support to University Hospital planned through a FE

<p>venue for Life Sciences³⁵</p> <ul style="list-style-type: none"> Supporting the National Industrial Strategy 		<p>Skills Capital bid</p> <ul style="list-style-type: none"> Proposals to promote Birmingham as the location for the TSB’s forthcoming Diagnostics for Stratification Catapult are being developed. An application has been made to NICE External Assessment Centres (EAC). The EACs will provide technical expertise and testing facilities for medical technologies to enable it to advise on usability issues as part of NICE’s implementation advice to the NHS.
<p>Digital and Creative Industries</p>		
<ul style="list-style-type: none"> Sector encompasses 6,000 organisations employing 38,000 people. A further estimated 13,500 people work within the sector on part-time/freelance basis The HE sector has key strengths in Digital Technologies including social media and 3-D imaging - emerging markets and specialisms balanced 	<ul style="list-style-type: none"> The GBSLEP has established a sub-group of the Board to support the growth of the creative sector, Creative City Partnership which has developed a Prospectus setting out its vision and key activities to deliver it (see Appendix x). Commitment by the BBC to Birmingham and its vision for the city to become the centre for its digital innovation programme, bringing over £23.5m to the economy over the next three years and to using the city as the centre for training and induction. The Custard Factory in Digbeth, and the Jewellery 	<ul style="list-style-type: none"> One of our prioritised LGF projects is for the Digital Digbeth Studios. The studios will be a new world class TV Film and digital media production studio facility in the city and will house a large main studio capable of accommodating audience shows, green screen studio a four walled, pre and post production workspace facilities with global bandwidth connectivity – creating 936 jobs The Studio will be well positioned to gain maximum advantage from the BBC’s decision to establish a 3 year partnership programme

³⁵ The World’s Most Competitive Cities: Site Selection and IBM, 2013

<p>against the changing role of the BBC, ITV and local radio</p> <ul style="list-style-type: none"> • Skill gaps are particularly apparent in two key areas: specific technical skills and expertise such as in specific software packages, web/internet design, computer programming, TV/video production, camera/sound and development of multiple platforms and more generic skills required to drive organisations forward • A steady talent stream, few barriers to entering the market, a strong start up and adaptive culture and a predomination of small and micro business will benefit from an improved business support offer and a focus on strengthening the horizontal supply chain • Substantial talent pool and lower costs associated with 	<p>Quarter are examples of locations which attract and retain talent, and the growth of businesses. This can be invested in and widened in placemaking terms with secondary benefits including increased B2B joint working, cross sector growth, regeneration and secondary economic development</p> <ul style="list-style-type: none"> • The sector will benefit from the opportunities created by the city centre Enterprise Zone (EZ) • Digital and Creative firms locating in the Enterprise Zone (joining the many that are already based in this part of the city) can take advantage of the reduction in business rates and benefits of being located beside similar businesses • Plans underway to extend provision for SMEs on Birmingham Science Park Aston through new Digital Plaza • Increasing awareness of wider markets for creative and digital businesses through Innovation Birmingham, Science city and the pan European programme Creative Spin for the health sector. 	<p>with Creative City to enable the ‘Digital Guerrillas’ to foster the next generation of cutting edge digital content makers and new talent</p> <ul style="list-style-type: none"> • The Academy of Academies Programme seeks to join up the educational/training and research provision within the GBS LEP area to facilitate more inclusive and effective up-skilling, improved knowledge transfer and better educational and employment interaction with a view to addressing skills, growth and innovation, across the areas diverse communities to support the growth of Creative Industries in the LEP area. • Development of skills for this sector is supported by a FE Capital bid for a Creative Digital Media Centre • To compliment access to finance work, businesses will be encouraged through sharing up to date business support and industry insight to more completely exploit their own Intellectual Property • Establishing a clear, coherent, dynamic branding and marketing reflecting the public/private nature of the Creative City Partnership, the city’s iconic brands and a more modern account of Birmingham’s
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<p>location.</p> <ul style="list-style-type: none"> The cultural and creative parts of the sector depend on a mixed economy model of public, private and earned income and sustainability and growth require new financial instruments, appropriate to scale and purpose 		<p>diversity, specialisms and ambition.</p>
<p>Business, Professional and Financial Services</p>		
<ul style="list-style-type: none"> Birmingham has the largest regional business, financial and professional services hub in the UK bringing £23bn (25% of GVA) into the region. Birmingham has 15,000 BPS companies. And over 300 company headquarters are located here. [any data for Solihull or elsewhere?] 	<ul style="list-style-type: none"> The EZ will support this sector resulting in significant job outcomes and additional Grade A Office Space. Developments underway include xxx and others, like Paradise Circus, will commence shortly. The sector enjoys good representation and strong levels of collaboration and networks. The body representing professionals was recently refreshed as BPS Birmingham, with membership networks covering senior leaders, young professionals and a brand new arm for aspiring professionals currently in education, BPS Birmingham Aspire BPS Birmingham Future undertook a major 	<ul style="list-style-type: none"> BPS Birmingham is creating a 'Women in Leadership' Task Force to address a range of issues in respect of accommodating the needs of today's young professionals and retaining talent through to senior leadership. This will look at, but not be limited to, childcare and flexible working. Further activity to maximise the potential of the BPS sector is being developed with a focus on a radically new approach to "growing our own."

<ul style="list-style-type: none"> • All key sub-sectors, including finance, legal and insurance, have significant presence in terms of firms and higher skill levels. • Investments include those made by Deutsche Bank which is set to grow its workforce in the area by 1000 making Birmingham its centre of excellence • A combination of rising levels of retirement and decreasing numbers of young and skilled individuals could have a very detrimental impact on this sector in the medium term³⁶ • Supporting one of the National Industrial Strategies 	<p>commission in 2012 looking at the challenges facing the BPS sector in Greater Birmingham and how its positive impact on the city in terms of reputation, employment and economic prosperity could be sustained. The Commission was chaired by Sir George Cox with research led by Warwick Business School.</p> <ul style="list-style-type: none"> • The Commission recommended a Birmingham management academy be established, providing an environment to nurture and develop talented young professionals. Birmingham Metropolitan College subsequently set up the Greater Birmingham Professional Services Academy. Students are able to study business diplomas, professional accounting qualifications and a range of A Levels and have their own mentor from the sector 	
<p>Low carbon and Environmental Technologies & Services</p>		
<ul style="list-style-type: none"> • The HE sector has key 	<ul style="list-style-type: none"> • A Carbon Roadmap has been developed for 	<ul style="list-style-type: none"> • The Carbon Roadmap approach is adapted to

³⁶ The Future Commission, set up by Birmingham Future and written by Warwick Business School, 2013.

<p>strengths in low Carbon Technologies (including low carbon vehicles) and Energy (including development of bioenergy; hydrogen; and in developing energy storage)</p> <ul style="list-style-type: none"> • There are 1580 companies, with sales of £3.83bn and employment of 28,899 people in the low carbon sector • GBS LEP imports almost all of its energy at a cost of £3.38bn per annum; this is all money lost from the local economy.³⁷ • Some serious weaknesses in the existing energy efficiency rating of homes within the West Midlands. On a scale of A-G (A as the most energy efficient) 61% of West Midlands households score E or 	<p>Birmingham by the Birmingham Green Commission. It includes five themes: catalysing green growth and behaviour, energy and resources, buildings and efficiency, transport and mobility, and natural capital and adaptation</p> <ul style="list-style-type: none"> • GBSLEP Draft Spatial Plan for Recovery and Growth recognises the challenges for the area in relation to land availability and environmental quality. A further ‘Review into the West Midlands-wide need and provision of very large employment development opportunities’ is now being undertaken. • Region hosts the UK’s largest Ultra Low Carbon Demonstrator programme (CABLED), bringing together universities local authorities and large private sector companies. • The Green Bridge Supply Chain programme is a competitive fund supported by £20m RGF that provides grant support for existing SMEs within the West Midlands region. Grants totalling £11.5m have been allocated to date, generating £49.5m in private sector match, 1300 new jobs created and 700 jobs safeguarded. £7.5m of additional ERDF funding has now been received to top-up the programme. 	<p>support delivery of the ambitions in the Strategy for Growth</p> <ul style="list-style-type: none"> • The ESIF Strategy sets out how GBS LEP will use ERDF to exploit the opportunities presented to it by the low carbon agenda. There will be three areas of intervention: <ul style="list-style-type: none"> ○ Supporting the shift to the low carbon economy by: specific revenue actions to assisting businesses to become more competitive through energy efficient measures; and supporting demonstrators and deployment of recently proven technologies and techniques ○ ‘Whole Place’ Low Carbon solutions through retrofit of domestic and non-domestic properties and sustainable, low carbon, transport e.g. in UK Central (Green Infrastructure Plans have been developed into the Masterplan) and Birmingham’s Tyseley Environmental Enterprise District, where the world’s first area-based study for industrial symbiosis has shown significant potential for industrial
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³⁷ Mini Stern Review

<p>below.</p> <ul style="list-style-type: none"> Birmingham has been recognised by the EU as a Peer City for climate change adaptation, being a leading European city in integrating solutions across the carbon agenda, linking health care and spatial planning with urban heat island expertise. It also Chairs the Eurocities Environment Forum. 	<ul style="list-style-type: none"> Housing retrofit activity is being done at scale through Birmingham Energy Savers programme (part of the Government’s Green Deal), SMBC’s large-scale programme to insulate Community Housing and the Green Deal element of the City Deal Community Energy Enterprise is being undertaken e.g. hydro-energy scheme in East Staffordshire Birmingham is leading the Climate KIC Transition Cities project, working with six other key European cities (including Frankfurt and Budapest) to identify and implement best practice in building efficiency, energy supply and demand and mobility 	<p>scale materials re-use between existing businesses together with identifying inward investment opportunities</p> <ul style="list-style-type: none"> Green and Blue Infrastructure and Waste and Resource Management
<p>Cross-cutting – Skills</p>		
<ul style="list-style-type: none"> Levels of growth anticipated in the growth sectors will place a huge emphasis on providing the skills demanded by companies. 	<ul style="list-style-type: none"> Appointed 5 sector skills champions who will help to shape and pilot a new employer-led system and engage and inspire employers, providers and learners. These champions have played a key role in working with colleges to ensure they are investing the £1m City Deal skills fund in the appropriate capital equipment for our key growth sectors HE skills? 	<ul style="list-style-type: none"> Creation of a skills Joint Venture Partnership, initially between the LEP and the 9 FE Colleges based in the LEP area to identify key skills needs and set out how existing training budgets can support the delivery of LEP priorities. This will deliver significant outcomes but requires an ‘ask’ of Government (see x)
<p>Cross-cutting – Innovation</p>		
<ul style="list-style-type: none"> 5.6% of firms are high 	<ul style="list-style-type: none"> Alongside the five universities, there are a number 	<ul style="list-style-type: none"> The ESIF will be used to fund activity to

<p>growth compared to the national average of 6.9%.</p> <ul style="list-style-type: none"> • The level of expenditure on innovation in the region is low in terms of % of GVA – standing at 0.96%- compared to most other UK regions and well below the EU target of 3%. • In the Regional Innovation Scoreboard the West Midlands is the joint lowest performing region along with the North East • Drawing on the evidence base for the Strategy for Growth and an initial SWOT for key sectors for innovation, four sectors were chosen as the focus of innovation activity in the ESIF: Advanced Manufacturing – Automotive and Aerospace; Life Sciences; ICT, Digital and Creative Industries; and Low Carbon. 	<p>of high-tech business parks and initiatives that are helping to foster innovative practices and high-tech industry e.g. Birmingham Science Park Aston, Birmingham Research Park, Longbridge Technology Park and Innovation Centre, Birmingham Science City and Birmingham’s Smart City Commission</p> <ul style="list-style-type: none"> • The Research Alliance established by Science City is currently delivering a £55m ERDF programme of research through the University of Birmingham and the University of Warwick. • The Idea Birmingham and Birmingham Made Me networks led by Birmingham City University are focused on brands, design and innovation with the annual Birmingham Made Me Festival the centrepiece. • As part of a £1m ERDF project, Innovation Engine identifies large organisational challenges and catalyses SME/university consortium solutions, encouraging new knowledge transfer and opening new markets focused on the healthcare and low carbon technologies sectors. • The £8.7m Business Innovation Programme will support companies in Greater Birmingham to develop innovation products and processes, in addition to exploiting market opportunities. 	<p>increase the level of innovation by building on recent and planned capital investments and by focusing on linking SMEs to the local and wider knowledge base. This will be achieved through three areas of intervention:</p> <ul style="list-style-type: none"> ○ Building collaborative research between enterprises, research institutions and public institutions ○ Supporting businesses to commercialise Research and Development ○ Physical infrastructure for innovation including incubation space for enterprises linked to research institutions <ul style="list-style-type: none"> • iCentrumTM, located at the heart of the Innovation Birmingham Campus and in the Enterprise Zone, will set the standard for fourth generation science parks. It will be built speculatively, at a cost of £7.5 million. It will house an international ‘living lab’ showcase for state-of-the-art collaborative technologies created by Cisco • The proposed GBSLEP University Enterprise Zone will support the provision of incubator space for companies in the key sectors.
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Item 8 – App 1

		<p>Birmingham Enterprise Centre will have dedicated physical space within the Innovation Birmingham Campus (Birmingham Science Park Aston), be located within a short walking distance of two university partners (Aston and BCU) and provide a collaborative workspace environment using virtual connectivity, and communications tools, to link to other universities in the city and beyond (see App x).</p>
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Gamechanger – Birmingham Trained Me to Compete

The opportunity

The creation of a Joint Venture Partnership initially between GBS LEP, BIS and the 9 FE Colleges based in the LEP area and local employers, to accelerate investment in the skills required to drive the local economy, particularly in support of priority growth sectors and major game changers such as UKC.

The JVP will act as a vehicle to drive culture change within local businesses, creating learning companies and driving private sector investment in skills. The JVP will act as a catalyst to accelerating the implementation of Government policy regarding employer ownership of skills and supporting the necessary cultural and market change.

Our Offer

- **From the LEP:** Leadership from the LEP ESB and the LEP's Growth Sector Champions; engagement of key business leaders and their supply chains and investment of ESIF to support needs identified through the JVP
- **From the GBS LEP FE Consortium:** Alignment of funding to deliver the Joint Investment Plan; identification of specific sectors and qualifications where funding rules are a barrier to delivery; development of revised measurement systems to ensure that they better reflect and stimulate responses to local economic priorities.
- **From Local Employers:** to identify specific skills needs for their sector; to work collaboratively with other businesses to support the design of pre-employment training and workforce development ; to co-invest in the delivery of workforce development; to co-design an employer led system of impact

Our Ask

- BIS to be a full member of the JVP, offering expertise in the development of the Joint Investment Plan, advising on the parameters within which it operates and acting as an advocate for the JVP where Government policy is identified as a barrier
- Greater flexibility over a proportion of the overall skills budget received and deployed by the 9 FE Colleges based within the GBS LEP area to deliver on specified skills requirements, free from national restrictions or rigid eligibility criteria
- Close regional dialogue between Ofsted and the GBSLEP to ensure that the measurement systems developed by the LEP better reflect and stimulate responses to local economic and skills priorities by FE Colleges and Training Providers

Outputs

- 2,000 employers investing in skills through the Joint Venture Partnership
- £18.2m additional employer investment in skills on a co-investment basis
- 25,000 people upskilled

Life Sciences Investor Visa Pilot

Opportunity

GBSLEP's Life Sciences offer is attracting unparalleled levels of interest from both UK and Foreign owned companies. Some issues have however arisen in terms of securing some of these Foreign Direct Investments.

Interested companies are often SMEs and the staff best suited to launching the UK operations are often either the company founder or key technical staff. Issues with regards to visas and immigration policy have led to a number re-evaluating the scale and type of investment they will make. For instance, rather than establishing a manufacturing or development centre, which they would lead and have a major role in establishing and managing, they opt to open sales offices, recruiting UK nationals.

Offer

Enabling executives or key staff from overseas investors to move to the UK to create FDI would:

- Create new investment, that would be more committed and larger in nature
- Create more jobs both in the initial investment and afterwards
- Include greater levels of capital investment.
- Would create larger receipts via corporation tax and PAYE/NI

Ask

Pilot the adaptation of the Exceptional Talent Visa for Life Sciences, with no more than 10 requested per annum.

Prioritised LGF projects – infrastructure and sites

Table 4b

General		Funding					Outputs		ROI	Bucket
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	Direct jobs (no)	ROI (GVA/£)		
101	Advanced Manufacturing Hub (AMH)	£10.00	£8.11		£2.00	£2.00	1,500	59.70	A	
105	Life Sciences Campus	£171.00	£10.00	To be determined once	£5.00	£5.00	2,027	24.12	A	
108	Creative City – Digital Digbeth Studios	£18.54	£0.00	£2.80	£0.00	£15.74	303	6.22	B	
	Prioritised projects	199.5	18.1	2.8	7.0	22.7	3,830			
	for further development									
110	North Worcestershire Green Technology Innovation Park				£0.00	TBC	0	TBC	D	
114	Warwick Manufacturing Group (WMG) Academy for Young Engineers	£20.00	£7.50	£0.61	£0.00	£10.00	50	1.70	D	
		£20.00	£7.50	£0.61	£0.00	£10.00	50			

Figure X show the locations of the projects submitted for Programme 4, with the prioritised projects highlighted (to be completed).

Prioritised projects – skills capital

The LEP is working in partnership with the Consortium of Further Education (FE) Colleges within the LEP area to develop industry standard facilities to support the delivery of employer led provision. The FE Consortium is working to ensure that it can deliver the skills required to achieve the LEP's ambitions and take a coordinated approach to maximise the impact of capital investment by the LEP. The FE Consortium put forward their proposals for this programme in 2015/16 based on a clear alignment with the LEP's Skills for Growth Action Plan and emerging Strategic Economic Plan. The projects will play a key role in supporting the delivery of the proposed Joint Venture Partnership between the LEP and the FE Consortium.

The LEP's proposal for capital investment is:

- The FE Consortium put forward their proposals amounting to £22.25m for this programme in 2015/16 We wish to have £x as the standard 2:1 ratio of capital to support the development of world class industry standard facilities and £x as 50:50 ratio to provide industry and employer led technologies and equipment. We have demonstrable experience of using 50:50 Capital Investment Funds for FE Colleges to purchase equipment aligned to the needs of our specified growth sectors, that was secured through our City Deal. We will apply the same robust process, supported by the expertise of our Growth Sector Champions and Sector Skills Councils.
- We require a similar amount of £18m to determine facilities and equipment capital investment for 2016/17, which will be determined by the ESB in collaboration with the FE College Consortium;

- An amount in the region of £45m is requested from the Local Growth Fund to enable our shaping of long term multi-year capital investment programmes, beyond 2016/17 for the 3 remaining years of our 5 year LGF request;
- The total 5 year LGF request for FE Skills Capital equates to £85.25m.

Table 4a

General		Funding					Outputs			Notes	
Ref #	Project name	Total spend (£m)	Other public (£m)	Other private contributions (£m)	LGF 2015/16 request (£m)	Total LGF request from GBSLEP (£m)	Direct jobs (no)	Skills (no. people)	ROI (GVA/£)	Bucket	Funding from two LEPs
146	The Visitor Economy - Skills Excellence hub (Food technology hub)	£0.75		£0.41	£0.34	£0.34	60	330 (trainees + apprentices)	12.14	A	
150	Advanced Manufacturing Technology Centre (Cannock) –JLR Expansion/Employability	£3.15	£2.00		£0.00	£0.00	780	700 (apprentice ships and	7.97	A	SS LEP ask
151	Business Enterprise Launch Pads (Lichfield, Tamworth, Cannock) – Employability and Enterprise	£1.00	£0.67		£0.00	£0.00	1,500	2000	143.63	A	SS LEP ask
152	Creative Digital Media Centre (Lichfield); Employability & Enterprise	£1.32	£0.85		£0.00	£0.00	500	1500	27.15	A	SS LEP ask
157	JLR Expansion Improving Skills Capacity in the Supply Chain: Engineering Centre for manufacturing support	£1.20			£0.55	£0.55	383	300 (trainees)	133.01	A	
158	Investing in HS2: Rail Engineering	£0.25			£0.00	£0.13	571	100 (trainees)	786.29	A	
161	HS2: Construction	£0.15			£0.07	£0.07	18	50 (trainees)	44.29	A	
145	Solihull Aviation (Engineering Training Centre)	£2.00		£1.17m	£0.83	£0.83	168	145 trained p.a.	19.51	B	
156	Centre of Excellence for Advanced Technologies, Birmingham Metropolitan College	£51.27		£8.00	£11.22	£11.22	390	Per annum: 5000 F/T Students	11.80	B	
159	Maintaining Quality Provision – Improving the FE Estate: Estates Fit for the 21st Century Challenge	£0.10			£0.03	£0.03	95		332.12	B	
160	JLR Expansion Improving Skills capacity in the Supply Chain: Motor Vehicle Centre for Advanced Automotive Training and Skills	£0.60			£0.26	£0.26	100	80 (trainees)	60.36	B	
	Prioritised projects	£61.79	£3.51	£8.41	£13.30	£13.42	4,565.00	3,500.00			

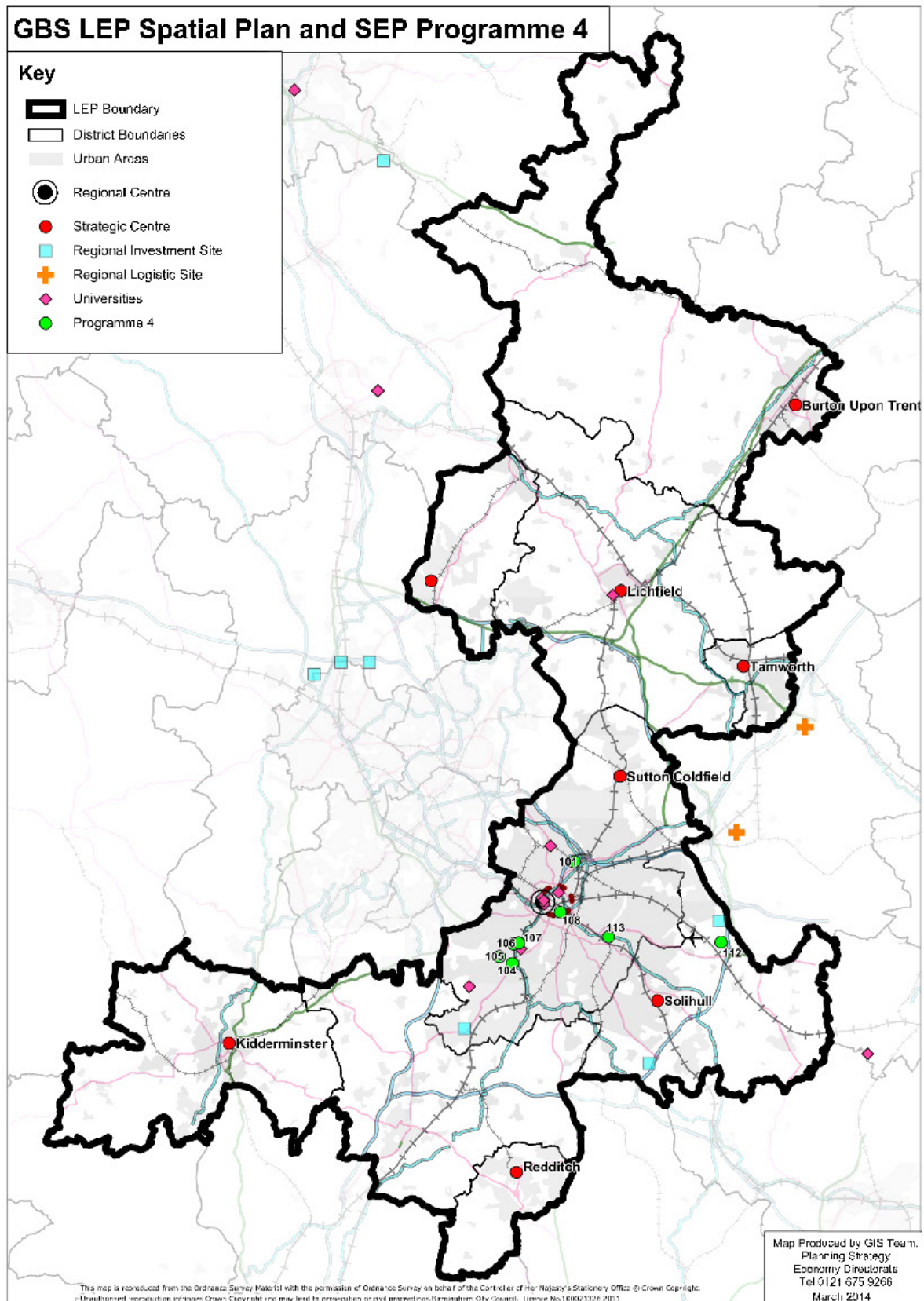
	for further development										
147	Employability & Enterprise : Meeting the Skills needs of Local Business	£300K (Only for 2015-2016)			£0.13	£0.13	900		1,037.76	D	
149	Life Sciences Centre	£10.00		£3.50	£6.50	£6.50	209	50 (trainees) & 50	3.82	D	
153	Centre of Excellence in Renewable Energy & Food Security	£3.10	£2.00		£0.00	£0.00	100		5.00	D	SS LEP ask
154	Rural Enterprise Business Launch pad	£3.10	£2.00		£0.00	£0.00	252	1000	4.38	D	SS LEP ask
155	Higher Level Skills Development Campus (Tamworth) - Employability	£18.00	£11.90		£0.00	£0.00	650	4500 (apprentice ships and	2.58	D	SS LEP ask
		£34.20	£15.90	£3.50	£6.63	£6.63	2,111.00	1,000.00			

The LEP is working with the SFA to ensure that a robust appraisal process is in place to assess the skills capital bids prior to allocating funding to projects. A panel including SFA finance and property experts and the LEP will assess value for money, affordability, and the fit with the LEP's strategic priorities.

Supporting projects from other programmes

The spread of the growth sector cluster locations will result in them benefiting from projects in the other two programmes. For example, the Life Sciences Campus will benefit from improved accessibility provided by the Hagley Road SPRINT(7) and Selly Oak New Road Phase 1b(104).

Figure X - **Prioritised projects to be highlighted**



Summary Growth Deal

Local Growth Fund Ask

For the initial funding period between 2015/16 the ask of Local Growth Fund is in excess of £86m which will fund 35 projects of which 61% will be delivered by the end of 2018. It is projected that these projects, over the lifetime of the LGF programme, will create an additional 31,200 direct jobs, 12,000 new dwellings and 1.4m sqm of commercial/industrial space. The leverage that this will achieve from the private sector is £0.9bn.

As stated previously, project proposals have been categorised to show both the ambition of the GBSLEP and those key priority projects that will act as the platform for the wider economic growth and job creation within the geographical area.

Table 1 below, outlines the key outcomes that will be achieved should GBSLEP receive the total funding request from the LGF.

	All	High priority	15/16 ask
Number of projects	108	50	35
2015/16 LGF request	£441.0	£86.3	£86.3
Total 5 year LGF request (m)	£1,224.1	£440.0	£440.0
Cumulative 10 year GVA generated ^(a) (m)	£3,400	£2,300	£1,700
Gross direct jobs created	57,600	41,100	31,200
Houses	15,600	12,300	12,000
Floorspace (sqm)	2,186,000	1,738,000	1,403,000
Leverage	£1,494	£900	£900
Leverage ratio	1	2	2

Table 2 below details the current delivery schedule for each of the remaining programmes which have been identified which will be delivered using funding from LGF:

Programme	Priority	2015-16	2016-17	2017-18	2018 onwards
Programme 1	Growing Businesses	0%	0%	0%	0%
Programme 2	Core business assets and connectivity	21%	29%	14%	36%
	Wider connectivity to the hub	6%	12%	18%	64%
Programme 3	Strategic Infrastructure and Local Connectivity	24%	14%	0%	62%
	Key Sites (Business and Housing)	12%	29%	29%	30%

	Local regeneration	0%	42%	25%	33%
Programme 4	Infrastructure and sites	69%	12%	19%	0%
	Skills capital	80%	20%	0%	0%

The % calculations are based on the total number of proposals for individual programmes measured against the expected completion date.

LGF Spend Profile

Table 3 details the spend profile for the priority projects that begin in 2015/16 for which we are requesting LGF over their programme lifecycle.

Period	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Annual LGF Ask	£86.3m	£66.3m	£105.1m	£114.9m	£67.4m	£440m

Scalability

The scalability of the request for LGF has been agreed at the SEP level. Following discussions with Government and on the agreement of the final allocation, the programmes will be reviewed accordingly and decisions made on the re-prioritisation of the respective projects within each programme.

Freemoms and Flexibilities [to be updated as info in document is updated]

Rationale – economic opportunity or market failure to be addressed	Ask	Offer	Engagement with Government
Business			
Greater Birmingham Growth Hub			
	£xxm of revenue funding to support delivery of the Hub, in particular larger medium and high-growth businesses	<p>Joined-up and consolidate approach with national agencies and local business support agencies</p> <p>Designing and developing a common CRM system and joint programmes</p>	
Flexibility around visas for Life Sciences			
	To enable executives or key staff from overseas investors to move to the UK to create FDI and establish higher value operations by creating some flexibility around visas.	Pilot a scheme, utilising the exceptional talent visa, along similar lines to Tech City, but focused on Life Sciences	
People			
Joint skills Investment Plan			
	Greater flexibility over a [10%?] proportion of the overall skills budget received and deployed by the 9 FE Colleges based within the	To drive this through a LEP/FE Consortium Joint Skills Investment Plan which would align provision with key local priorities – linked to LEP priority growth sectors and major game changers such	The principles have been discussed with the Skills Funding Agency. A business case is being worked on to discuss more fully with BIS and Cabinet Office w/c 17 th March.

	<p>GBS LEP area in order to deliver on specified skills requirements, free from national restrictions or rigid eligibility criteria and delivered through a Joint Skills Investment Plan</p>	<p>as UKC and HS2 with greater levels of freedom over what training could be delivered (Level 3, non-accredited provision, support for large employers etc) and greater employer investment. To be piloted with the 9 GBS LEP FE Colleges.</p> <p>To develop as a first task in the Joint Skills Investment Plan revised measurement systems for Further Education (FE) to better recognise the contribution that FE makes to delivering GBSLEP economic priorities and demonstrate the added value of the Plan.</p> <p>To pilot this new approach in the GBSLEP area, supported by a close regional dialogue between Ofsted and the GBSLEP to ensure that current measurement systems better reflect and stimulate responses to local economic and skills priorities.</p>	
<p>Advanced Manufacturing and Engineering – Supply Chain Support</p>			
	<p>Advanced Manufacturing & Engineering – support for the automotive supply chain</p> <p>£5m funding over 3 years to establish and run the Advanced Manufacturing Recruitment and Training</p>	<p>Collaborative 3-LEP approach to supporting the skills and recruitment needs of the AME supply chain, where we get best value out of existing budgets by engaging more SMEs in upskilling their workforce; taking on more Apprenticeships and Traineeships.</p>	<p>This is part of an ongoing dialogue with Government and direct conversations regarding the proposal have taken place with the Minister of State for Cities who supports the inclusion of the proposal in the SEP. A business case is being worked on to discuss with BIS and</p>

	Agency – with a programme of employee engagement and skills diagnostics funded by new money	Matched by £5m Adult Skills Budget	Cabinet Office w/c 17 th March
Place			
Curzon Street			
To exploit economic opportunity brought about by the development of a HS2 station in Birmingham City Centre	Commitment from Government to discuss the development of a financial model to deliver our ambitions (e.g. by capturing uplift in business rates or land value) by xxx (tbd based on when detailed business case will have been prepared)	<ul style="list-style-type: none"> • Build a truly international station • Extend the metro • Improve the public realm • Ensure strong local connectivity • Develop plots of land for development • Offer around Southern Gateway 	•
Interchange and UKC			
To enable the delivery of the UK Central Masterplan and exploit the economic opportunity brought about by the development of a HS2 station at its centre	To include the M42 J6 improvement in the first Highways Agency Roads Investment Strategy Commitment from Government to discuss the development of a financial model to deliver our ambitions (e.g. by capturing uplift in business rates or land value)	<ul style="list-style-type: none"> • Sponsorship of the UKCentral master plan • An iconic station with seamless transfers to the airport, west coast mainline, NEC and surrounding area • New development opportunities <p>To take our fair share of risk to make UKC happen</p>	•

	by xxx (tbd based on when detailed business case will have been prepared)		
HS2 Connectivity Package			
To maximise benefits of HS2 by ensuring faster, more efficient and more affordable travel throughout Greater Birmingham	<p>Heavy rail investments that release the capacity unlocked by HS2 to be prioritised in Control Period 6.</p> <p>Confirmed revenue funding for 5 years from April 2016 to ensure the development of schemes in the pipeline for delivery towards the end of the SEP period.</p> <p>Continued exemption from the levy of Council Tax capping and streamlining of the Transport Works Order process (to enable faster local decision-making), including localisation of moving traffic offences power under Part 6 of the Traffic Management Act 2004.</p>	<ul style="list-style-type: none"> • Implemented in full, doubles the economic impact of HS2: <ul style="list-style-type: none"> ○ £4bn increase in economic output per annum ○ 50,000 additional jobs (26,000 in Greater Birmingham) • Delivers a step-change in connectivity • Supported by each of the 6 West Midlands LEPs 	<ul style="list-style-type: none"> • Regular updates with DfT, Network Rail and the Highways Agency through GBS Local Transport Board, the Strategic Transport Advisory Group and the West Midlands Cross-LEP Transport Forum
Raising the borrowing limit of the Housing Revenue Account			

	Lift Housing Revenue Account borrowing cap by £116m and allow spending on affordable and private rented property	Increasing the quantum of housing delivery, by 974 units across the LEP area	
Delivery			
Whitehall Representation on the GBS Growth Team (see Governance and Delivery)			
	Whitehall Sponsor to form part of the GBS Growth Team		

DRAFT

Summary of Revenue Asks

[To be completed – to include Growth Hub; AME Skills proposal; and potentially inward investment]

Summary of Growth Deal

Growth Deal (LGF, F&F, Resources & Levers) :

= will deliver XYZ (including an additional 50,000 jobs above the ambitious target set out in S4G)

[to be completed]

DRAFT

Section 3

Governance and Delivery

The GBSLEP governance arrangements are set out in Appendix X. In addition to these, it has been recognised that a dedicated governance function is required to oversee and programme manage the delivery of the substantive programmes that form the main components of the SEP.

In doing so, GBSLEP has recognised the need to create one structure that can effectively align and deploy all of the resources in pursuit of our growth ambitions.

While the Governance structure builds on the LEP's established functions, new functions have been created to oversee the delivery of the Strategic Economic Plan.

IN order to provide the transparency and democratic accountability necessary to oversee large funds, GBSLEP has established a **Supervisory Board**: a joint committee of the leaders of local authorities in GBSLEP, with the Chair of the LEP in attendance as a non-voting member. The Supervisory Board is the ultimate authority over decisions on expenditure and has overall responsibility and accountability for making decisions in relation to the Local Growth Fund and other local funds such as those forming the Enterprise Zone Investment Plan. As the Supervisory Board performs executive functions, a **Joint Scrutiny Committee** has been established to review and scrutinise decisions taken by the Supervisory Board.

The **LEP Board** has overall responsibility to approve the programmes and pipelines of projects set out in the SEP. The LEP Board also makes decisions regarding expenditure which are approved by the Supervisory Board. The LEP Board has the authority to bring forward new pipelines of projects, remove projects from the programmes where projects are not being delivered according to plan, and can bring forward other projects to take their place on the recommendations of the Growth Team and LEP Board Sub-Groups.

The **GBS Growth Team** is charged with ensuring the delivery of the Strategic Economic Plan and has powers to disburse any resources allocated from the Local Growth Fund. In addition to senior executives from across GBSLEP, senior representation from Government is sought (**SEE ASK below**). The Growth Team will then have all the necessary public, private, education and third-sector leadership necessary to deliver the SEP. The Growth Team also has a role in approving projects, in conjunction with the Sub-Groups and taking advice from GBS Finance; and it is the first point of escalation where the Programme Delivery Director identifies that a project is not delivering according to plan, and that a resolution cannot be found.

GBS Finance was established following the City Deal in 2012, and was created to provide a single focus for the financial and fund management operation of GBSLEP. As a platform to consolidate all funds, it presents a public-facing scale of investment opportunity to both public and private sector partners. While it is technically a Sub-Group of the LEP Board, it will also provide a governance and financial oversight for LEP partners and stakeholders.

There are five **LEP Board Sub-Groups**, each covering skills, access to finance, transport, housing and planning. These Sub-Groups are responsible for bringing forward projects from the Thematic Working Groups to be recommended for programme entry approval by the LEP Board, overseeing the development of business cases to conditional approval and full approval (where appropriate); and for monitoring the progress of projects during and after delivery.

With regards to the ESIF strategy, as the ultimate decision-making body is the Managing Authority rather than the LEP Board, we cannot show the governance structures as being entirely aligned. However, we propose that the ESIF Programme Team will work with the Joint Delivery Team in ensuring strategic fit of projects coming through their pipeline and being fed into the LEP Area Group. The **LEP Area Group** will report informally into the LEP Board to update on progress – and the membership of the LEP Area Group is drawn from the LEP Board, ensuring good communication. It should be noted therefore that there is no local authority role as an accountable body for ESIF; nor is there a role for the Supervisory Board.

Thematic working groups are responsible for responding to calls for projects and for bringing new projects through for consideration for programme entry.

The outline governance structure is shown below.

GBS Growth Team

Opportunity

In 'The Path to Local Growth', the outcome of the Greater Birmingham Project, we set out our desire to strengthen Lord Heseltine's recommendation to create 'Local Growth Teams' by embedding Whitehall civil servants in the team alongside local authority officers, key delivery partners and businesses. In this new partnership, the focus on place would be paramount.

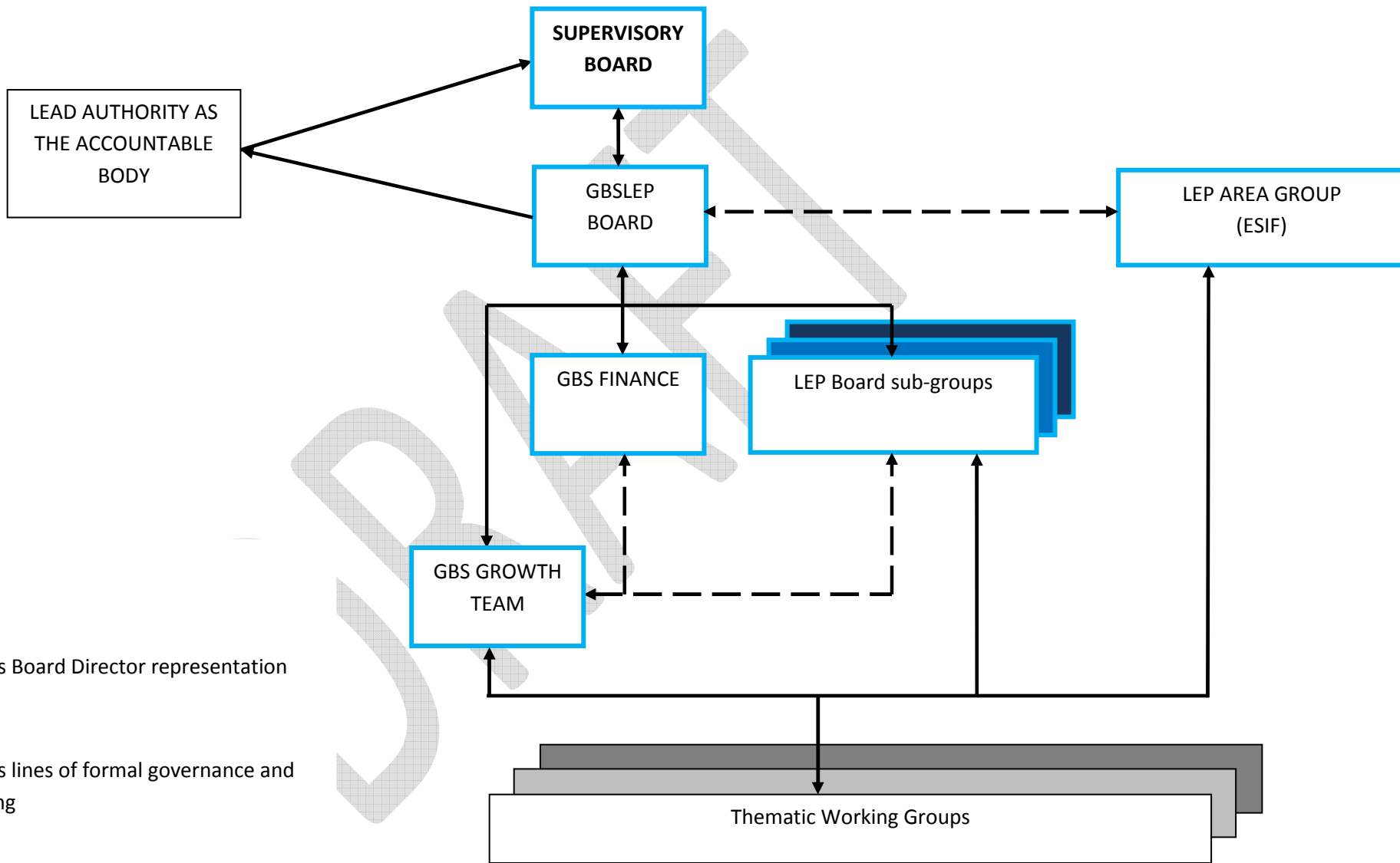
We have since created the GBS Growth Team to oversee and ensure the delivery of strategic/major programmes deriving directly from the Strategy for Growth and those in the Strategic Economic Plan. It will bring together all relevant public, private and third sector leadership necessary to secure these aims and will be chaired by the LEP Board Chair.

Ask

That our Whitehall Sponsor be a formal member of the GBS Growth Team.

Offer

To create a genuine alliance of national and local leadership which will have shared responsibility for delivering the Strategic Economic Plan.



KEY



Denotes Board Director representation



Denotes lines of formal governance and reporting



Denotes lines of communication

Approvals process

While a pipeline of projects has been determined and prioritised, the projects will not be granted approval until a growth deal has been formally agreed with Government and a quantum of Local Growth Fund determined. Projects will then be awarded programme entry approval by the LEP Board having considered our prioritisation process and the quantum of funding awarded. Projects will then draw up a full business case before being granted full approval, with funding committed for delivery in 2015/16. This process also sets out how projects will be approved for delivery beyond 2015/16, and how new projects from the pipeline will come on-stream in future years.

The nature of securing European funding via ESIF is such that a wholly aligned approvals process is not possible. However, GBSLEP is able to determine strategic fit and, as above, the ESIF Programme Team will work with the Joint Delivery Team to ensure that pipelines of projects are aligned.

More detail – including an approvals process flowchart – can be found in Appendix X.

Monitoring

Projects will be monitored by their respective delivery body. GBSLEP will monitor projects as part of the programmes articulated in the SEP, in so far as funds are disbursed to them in support of the Strategy for Growth. The principle of “management by exception” will apply with Sub-Groups, the Growth Team and GBSLEP Board provided with regular updates via a standing agenda item, to ensure the programme is delivering according to plan.

A monitoring process flowchart that sets out how a project will be managed where it is not delivering according to plan, is shown below. Ultimately, if a project deviates significantly from its plan and no resolution can be found, a decision will be required from the GBSLEP Board as to whether the project remains part of the programme.

Projects to be funded via ESIF have their own monitoring requirements – the wider SEP monitoring process will look to gather and utilise this data, rather than impose new requirements.

More detail – including a monitoring process flowchart – is set out in Appendix X.

Evaluation

The aim of the evaluation process is to provide an over-arching, robust, transparent and independent assessment of the impact of the activities and interventions of GBSLEP on the local economy, its residents and businesses for the next 5 years. The evaluation will seek to establish the full impact of the SEP, including the full range of intervention programmes, including LGF, City Deal and the ESIF, in the context of any freedoms and flexibilities secured, on the key strategic aims of the LEP as articulated in the Strategy for Growth.

As above, projects funded through ESIF have their own evaluation requirements – we will look to use this information wherever possible.

A light touch evaluation will be undertaken at the end of Year 1 and 2, with a more detailed interim evaluation at the end of Year 3, and a full evaluation at the end of year 5. This will be managed within the existing governance structures for GBSLEP and the SEP, and will feed back into further decisions taken about projects to come on-stream.

The ambitious targets set by GBSLEP are predicated on effectively delivery – however, there is no revenue funding available to evaluate the programme, and increasing constraints on local authority and other budgets mean there are no in-house resources available to carry out this work. We are therefore asking for revenue funding to support effective delivery of the programmes in the future. More detail on this ask is set out in Appendix X, while more detail on the evaluation process is set out in Appendix X.

Risk management

GBSLEP recognises that risk is an integral part of innovation in order to deliver the key priorities set out in the Strategy for Growth. Proactive management of risk will enable us to take full advantage of opportunities that arise and make the best use of the resources available to us. Risks at programme level will be managed by the Programme Delivery Director, who will be responsible for overseeing the creation of GBSLEP's Risk Management Strategy and SEP Risk Register.

More detail – including an initial summary Risk Register – can be found in Appendix X.

Conclusion

[initial draft – to be refined]

Our Strategic Economic Plan sets out an integrated plan for growth that matches our ambition with delivery on the ground to realise the truly transformational potential of Greater Birmingham.

In total our Growth Deal will deliver 50,000 jobs, X houses, X floorspace, X GVA, X leverage.

Together this will create a rising tide of prosperity that will benefit everyone in Greater Birmingham through providing local people with the jobs and skills that businesses need. We will unleash the area's entrepreneurial capacity through appropriate business support that will enable businesses to form, grow and locate in the area. Our strategy also delivers wider benefits for UK Plc, through becoming a net contributor to the Exchequer and attracting inward investment into the area.

To deliver our growth agenda we require £Xm from Local Growth Fund alongside specific freedoms. Through our track record, integrated programme approach and robust governance we have established the mechanisms to deliver, we now need the freedom to deliver growth through a 'no-strings' pot to continue the momentum and Greater Birmingham's journey to prosperity.

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