

The West Midlands Space Cluster Development Programme

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2021

The West Midlands Space Cluster Development Programme: Regional LEP and Policy Overview



WM REDI / City-REDI

The University of Birmingham

3/31/2021

The West Midlands Space Cluster Development Programme: Regional LEP and Policy Overview

Executive Report

March 2021

The University of Birmingham

Lead Author: Ben Brittain

The project was led by WM REDI/City-REDI) and supported by Professor Kai Bongs (Director of Innovation – College for Engineering and Physical Sciences) and Tariq Ali (Deputy Pro-Vice Chancellor for Strategic Partnerships, University of Birmingham, and Vice-Provost for Research & Innovation).

A report developed in partnership with the West Midlands Combined Authority, GBSLEP, the Black Country LEP and Coventry and Warwickshire LEP, under the UKSA Local Space Sector Cluster and Supply Chain Development Funding Call.

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1. Introduction

The West Midlands has a young and diverse population and is one of the largest conurbations outside of London. It has a growing business, professional, and financial and services sector and comfortably resides directly in the heart of the UK's transport networks and international connections.

Over the past 5 years it has been experiencing a resurgence in economic performance, which has been mostly a result of a surging growth in key specialist sectors. These are:

- Business and professional services sector;
- Manufacturing and city centre construction growth;
- City centre based international business and professional services sector driving high levels of business tourism;
- An automotive sector responding to the challenge of a carbon neutral future;
- High exports, foreign direct investment and strong international links, and;
- The biggest higher education cluster outside London.

As a consequence of this the region recently reached a major milestone. The region broke through the £100bn GVA barrier. However, there remain significant structural issues that inhibit inclusive growth, with high levels of deprivation, inequality, poverty, youth unemployment, low skills, poor health and school performance.

The Covid-19 pandemic has exacerbated and emphasised the region's weaknesses. The region's largest employment and GVA sector (professional, businesses and financial services) remains resilient, helped by its capacity to work from home. However, the economic damage has been potent. 2020 quarter 1 UK GDP fell 20% compared to last year, manufacturing PMI hit an all-time low and 496,000 people across the region's 3 LEP were on are on furlough in June 2020. This is the equivalent of all jobs in Birmingham.

In the last decade, space has transformed into one of the UK's fastest growing and most venerable sectors. Trebling in size in 2010, at the last count the UK space industry now employs close to 42,000 people in all corners of the country and generates an income of nearly £15 billion every year. Space has the potential to drive growth and productivity across many areas of the wider UK economy, as a strategic "enabler of growth in other sectors" (Gov.uk, 2015) and 'critical national infrastructure'^[1]. In response to this, the UK Space Agency 'Local Space Sector Cluster and Supply Chain Development' Funding was founded to develop the maturity of 'early-stage' local space clusters across the UK.

This 'seed corn funding' focussed on stimulating to activities to provide evidence and analysis of the local ecosystem in order to progress the maturity of local space clusters, stimulate local advocacy and investment in Space and increase the uptake of space data and technologies. The 2020 funding was awarded to seven locations – including the West Midlands – to ensure space is a priority for regional economic growth and attract commercial investment from space companies to these areas.

The aim of the West Midlands project was to provide:

^[1] The loss or compromise of 'critical national infrastructure' would result in a: i) major detrimental impact on the availability, integrity or delivery of essential services; and (ii) significant impact on national security, national defence or the function of the state (CPNI, 2016).



1. a detailed understanding of its current space sector strengths, underpinning assets, market opportunities and local priorities
2. a clear strategy and plan for how its space potential can be realised - including what support, guidance and investment is required
3. how it could participate in and contribute to a nationally linked network of Space clusters and hubs to benefit the whole of the UK.

The outcomes from this work is a route to unlocking the space potential, participating in UK wide Space enterprise networks and increasing the maturity of the West Midlands space cluster. This is an important national initiative to both enhance the UK's position in the global space technology sector and promote regional growth. These will translate leading R&D into applied technologies and better job opportunities for the region as a whole.

This report details the current regional policy strategy that steers region policy interventions and subsequent spending and business support packages. The region's Industrial Strategy is the primary framework for this, but individual LEPs have their own strategies that supports investment allocation. This is important for several reasons. Importantly, mapping regional strategies can foster a greater understanding of the region's current assets and strengths, including future opportunities of which growth in the significance of a space cluster can comfortably slot in to. Listing ongoing and funded business support programmes as well as capital investment projects across LEP geographies can help shape the scope of future business support programmes for any future regional space strategy.

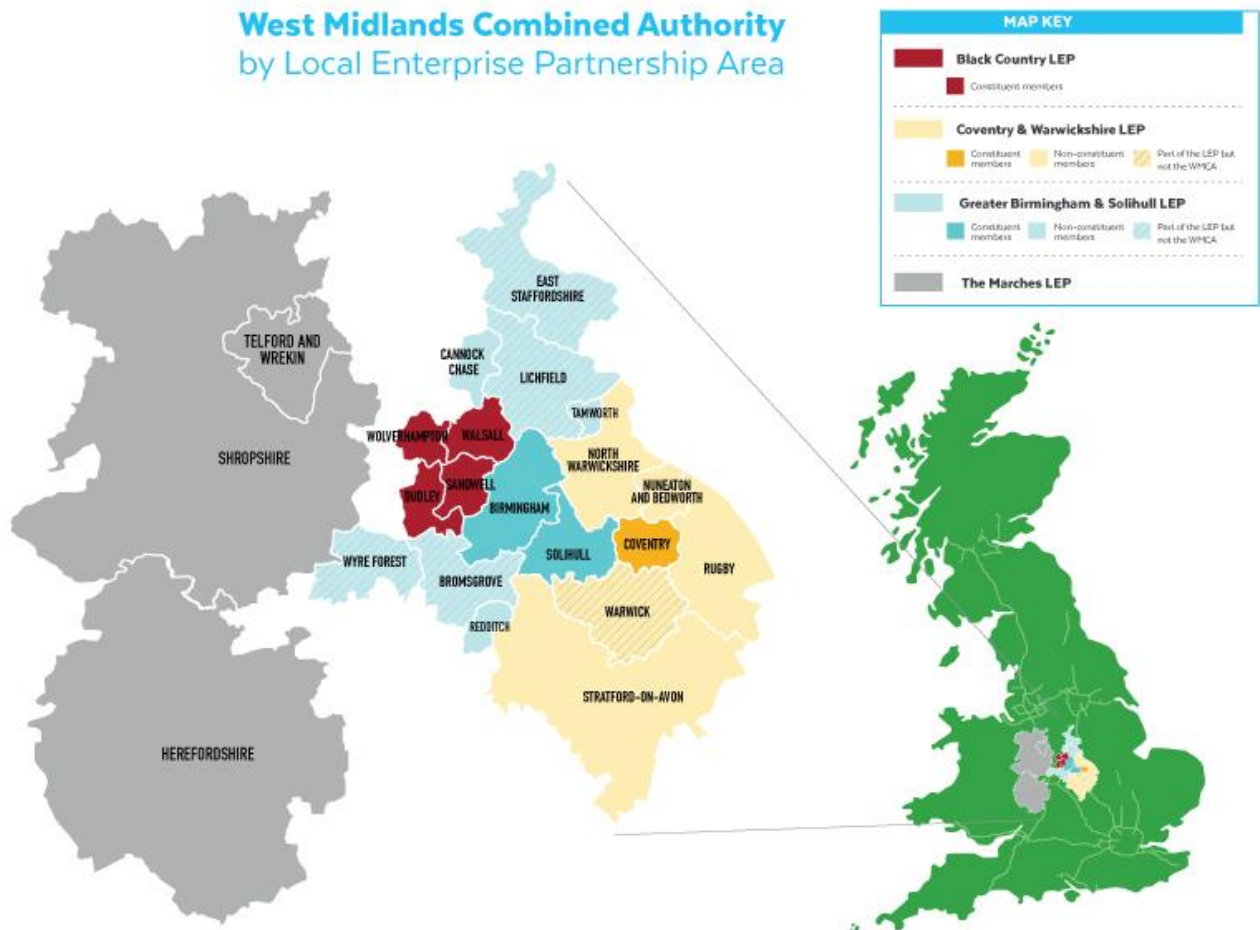
This means, that the success of our regional space strategy is dependent on our vision aligning closely with key regional strategies and priorities. Therefore, the aim of this report is to provide a Regional LEP and Policy Overview for the West Midlands Combined Authority Area.

2. Geographical Area of Interest: The West Midlands Combined Authority (WMCA)

The 'West Midlands Combined Authority' is our specific geographic area of interest and includes the Black Country LEP, Coventry and Warwickshire LEP and Greater Birmingham and Solihull LEP together with the following local authorities: Cannock Chase, North Warwickshire, Nuneaton and Bedworth, Redditch, Rugby, Shropshire, Stratford-on-Avon, Tamworth, Telford and Wrekin, and Warwickshire (see the map below). The WMCA is an administrative body created in 2016 for the participating authorities to collaborate and take collective decisions to receive additional powers and funding from the government ([Hoole, 2020](#)). The WMCA's main priority areas are economic growth, transport, housing and skills and are led by Mayor Andy Street who was elected in 2017 on a three year term (the 2020 West Midlands mayoral election was postponed to 2021 due to COVID-19). Nevertheless, our study of space-related businesses and local universities did expand into the West Midlands region (known as a NUTS1 region for statistical purposes). This includes the Marches LEP and the shaded areas in the map below that are part of the various LEP's but not the WMCA. The West Midlands region is one of the largest conurbations outside London, its central location puts it at the heart of the UK's transport networks and international connections.



West Midlands Combined Authority by Local Enterprise Partnership Area



3. The West Midlands Innovation Ecosystem

The West Midlands Science and Innovation Audit identified three core strengths within its innovation ecosystem:

- **A diverse, crosscutting research and innovation base** – comprising 12 universities (many consistently ranked in the top 20 nationally for the quality of their blue sky and applied research), 2 catapult centres (Manufacturing Technology Centre, and Energy Systems Catapult), 11+ science parks, 14+ incubators, and 10+ accelerators (the largest collection in the country)
- **An engine of private sector research and development** – with businesses across the West Midlands investing £2.3bn+ annually in R&D (2016), making up 10% of all UK Business Enterprise expenditure on R&D (BERD) and the 4th highest region in the UK.
- **Home to dense innovation networks and clusters** – of original engineering manufacturers, universities, and firms in strategic sectors. These can be found in: Birmingham, Coventry and Wolverhampton city centres; Edgbaston’s life sciences cluster; the area surrounding Birmingham Airport; the automotive and future mobility cluster around Coventry and Warwickshire; Digbeth and Leamington Spa’s ‘Silicon Spa’ cluster of computer game companies; and Malvern’s emerging cyber-security cluster.

This is underpinned by significant physical infrastructure by universities, industry, and public sector organisations that have invested across the West Midlands.

3.1 The State of the Region 2020¹

The WMCA State of The Region summarises the available data on the region's economic performance and gives a list of the emerging policy challenges that have resulted from the Covid-19 crisis.

The report identifies the following challenges:

Good health & wellbeing – The pandemic has exacerbated already high poor health inequalities, whether that be obesity or the prevalence of chronic co-morbidities in the population. **Mitigation:** data-driven healthcare and life sciences are likely to drive growth, jobs and improve the demographic health position.

Decent work & economic growth –. The region already suffered from the underlying structural problem of people unable to access good employment due to the skills gap in the region. The pandemic has identified the need for investment in employability to protect workers affected by Covid-19. The rapid adoption of technology could leave many behind who do not have the advanced skills needed. The acceleration of youth unemployment and the collapse of the industries they work in such as visitor economy, retail and culture, is of major concern everywhere, but in a region with internationally significant assets, these are also hit by the reduced global travel. **Mitigation:** investment in digital skills and skills infrastructure to accelerate growth in emerging sectors

Industry, Innovation & infrastructure – There are numerous sectoral assets and strengths in the region, centred on manufacturing, automotive and green, clean technology, as well as data. The economic shock of the pandemic and the changing relationship with the EU and other international trading partners poses risks to these sectors. **Mitigation:** there is a need to ensure people get the most out of our key companies, HS2, the Commonwealth Games and the City of Culture, and position ourselves as a global region with strengths that can provide growth in the region and export internationally. T

Affordable & Clean energy – there is a growing drive by central government towards green, clean energy, which has been accelerated with the impacts of Covid-19, as people experience the drop in pollution from reduced movement and the demand for different forms of safe transport rises. The West Midlands has significant innovation assets in energy and electric vehicle manufacturing providing jobs in one of our biggest sectors. **Mitigation:** the growth in green, and clean technology, on energy, data infrastructure and the drive for increased transport capacity, overall green growth and electrification.

The opportunities that come from the Covid-19 pandemic are a result of the necessity to support these sectors and mitigate the risks of the pandemic, however they also align with the opportunities set out by the West Midlands Local Industrial Strategy.

¹ Office for Data Analytics at the West Midlands Combined Authority, Regional State of the Region, 2020. See: <https://www.wmca.org.uk/what-we-do/office-for-data-analytics/>

3.2 West Midlands Local Industrial Strategy

The West Midlands Local Industrial Strategy (LIS) builds on the distinctive strengths of the region – whether, and as discussed, transport innovation, data-driven health and life sciences to global competitive manufacturing supply chains. Its ambition is to ‘drive growth by strengthening the foundations of productivity and to take advantages of market driven opportunities in mobility, data-drive health and life sciences, modern services, creative, content techniques and technologies. See below

West Midlands Local Industry Strategy

The 2019 ‘West Midlands Local Industry Strategy’ identified the region as:

“a distinctive economy – creative and innovative, with global supply chain strengths, a diverse and young population, well connected, trading, and entrepreneurial.”

Key **market opportunities** and **sector strengths** for the region include:

Major new market opportunities			
Future of mobility	Data driven health and life sciences	Creative content, techniques, and technologies	Modern Services

Sector strengths			
Low carbon technology Energy and clean growth	Aerospace Precision component manufacturing	Logistics / transport technology Future mobility	Metals and materials Innovative supply chains
Life sciences Devices, diagnostics, real life testing	Professional skills Skills and a full services sector	Rail Digital rail, High Speed 2	Construction Offsite modern manufacturing, Land remediation
Creative Games, Next generation content, process and product design and designer maker	Food and drink Machinery, food and fluid control technology, Photonics R&D	Automotive Battery development, Drive train, CAV	Tourism Shakespeare’s England, Commonwealth Games, Business, City of culture

These market opportunities and sector strengths translate into strong latent space potential within both upstream and downstream value-chain sectors.

The LIS² identifies the need to unblock barriers to productivity and growth, integrated in places and communities to drive inclusion and inclusive growth. It aims to achieve that through the market opportunities and sectoral assets (outlined above). The LIS is supported by regional partners, including the region's Local Enterprise Partnerships: Black Country LEP, Coventry and Warwickshire LEP and Greater Birmingham and Solihull LEP. Each of these LEPs have growth strategies to help guide their investment and localised market opportunities.

3.3. Alignment with other regional priorities

Our vision aligns closely with key regional strategies and priorities:

Digital Roadmap

The West Midlands' Digital Roadmap highlights how digital connectivity is going to be vital to the region's economic bounce-back post-COVID 19. It is described as the "golden thread that links all of our industries – Advanced manufacturing, automotive, life sciences, professional services, construction, low carbon, transport, healthcare, public services", as they are being transformed by the power of digital technologies. Satellite enabled applications are central to digital connectivity and therefore supporting the development of a West Midlands space cluster directly aligns with the '5 Missions for 2021 – 2026' identified in the roadmap:

- 1) Securing access for everyone to digital opportunities, particularly those in poverty
- 2) Sharing and using data to improve people's lives
- 3) Becoming the UK's best-connected region
- 4) Realising the potential of digital to transform our economy and build economic resilience
- 5) Using digital public services to build a fairer, greener, healthier region

Made Smarter Programme

Connected to the digital roadmap is the Made Smarter Adoption programme, which supports the digitisation of Manufacturing. The programme provides expert support to companies to upskill and reach a higher digital readiness level, supporting the adoption of industrial digital technology. By supporting adoption of industrial digital technology, such as robotics and automation, additive manufacturing or the Internet of Things, the programme will help level up regions by enabling manufacturers to increase their productivity, create high-skilled well-paid jobs and reduce their emissions. The key technologies associated with automation and the Internet of Things include satellite-enabled communications, global positioning satellites (GPS), and space-based sensors. To realise these digital opportunities, investments are to be made in artificial intelligence, machine learning and data analytics, technologies which satellite-enabled application companies depend on. Therefore, space technology will both be a contributor and beneficiary of the Made Smarter Programme.

West Midlands Innovation Programme (MIT REAP-UK)

² WMCA, West Midlands Industrial Strategy, 2019. See: <https://www.wmca.org.uk/what-we-do/industrial-strategy/>

The West Midlands Innovation Programme seek to “develop and support an innovation ecosystem that fosters entrepreneurship, drives up levels of business innovation and the exploitation of research and development, targeting varying needs in different parts of the region”. A West Midlands Space Cluster aligns with the key pillars of the West Midlands Innovation Programmes:

- Networks and linkages – joining-up, leveraging, and supporting existing business support networks and programmes (relevant to our regional space strategy),
- Investment programmes – mobilising a range of finance products/mechanism to support growth of the regional space sector,
- Intelligence – exploring the space industry ecosystem and identifying and filling gaps in the innovation and entrepreneurial capacity,
- Culture – building an innovation culture by facilitating and showcasing the importance and impact of the regional space industry.

The cluster also supports a number of the ‘must win’ battles identified by the West Midlands Innovation Programme:

- Coherent regional funding strategy (aligned to space),
- Coordinated business support (building on existing programmes),
- Digitisation of manufacturing (space supply chain),
- Showcasing the region.

In line with the WMIP strategy we will target:

- Innovation and business advancement with “long-tail” supply chain firms with potential to supply to (and advance up the supply chain within) the emerging UK and global space industry,
- Innovation driven enterprises that are actively, or open to, exploring space opportunities,
- Start-up and scale-up firms that are experiencing high growth episodes.

4. Black Country LEP

The Black Country is home to global businesses such as the automotive company ZF Lemforder. The area is a functional economic area and has a growing number of innovative small and medium-sized businesses, including manufacturing businesses supplying products to the space sector. It also hosts the country’s most successful Enterprise Zone. The region is meeting the skills challenge through several initiatives, including the Skills Factory is enabling Black Country businesses to meet their skills needs and the Elite Centre for Manufacturing Skills. The Black Country is an important part of the wider West Midlands economy, with a role to play in enabling economic growth across the region. The Black Country LEP identifies the area has an opportunity to exploit the scale of the WMCA and the Midlands Engine to help us deliver our growth ambitions.

The Black Country LEP Strategic Economic Plan³ identifies key assets and sets out a list of priority positions, which are:

- **High-Value Manufacturing City:** a series of interventions to accelerate the growth of high-value manufacturing businesses in the Black Country, including action to improve the quality of existing employment locations;
- **Business competitiveness:** a programme to strengthen the region's business base by creating the conditions for higher levels of business birth, growth and survival and to enable Black Country businesses to improve their productivity and competitiveness;
- **Economic Capital:** action to seek maximum economic benefit from our strategic centres and ensure that they contribute to the attractiveness of the Black Country as a place to live, work, visit and invest;
- **kills for Business, Skills for Life:** action to ensure that our skills system can meet the needs of businesses and enable Black Country residents to benefit from growth;
- **Connected Black Country:** a programme of investment in broadband and in transport to support growth by enabling the movement of goods and people

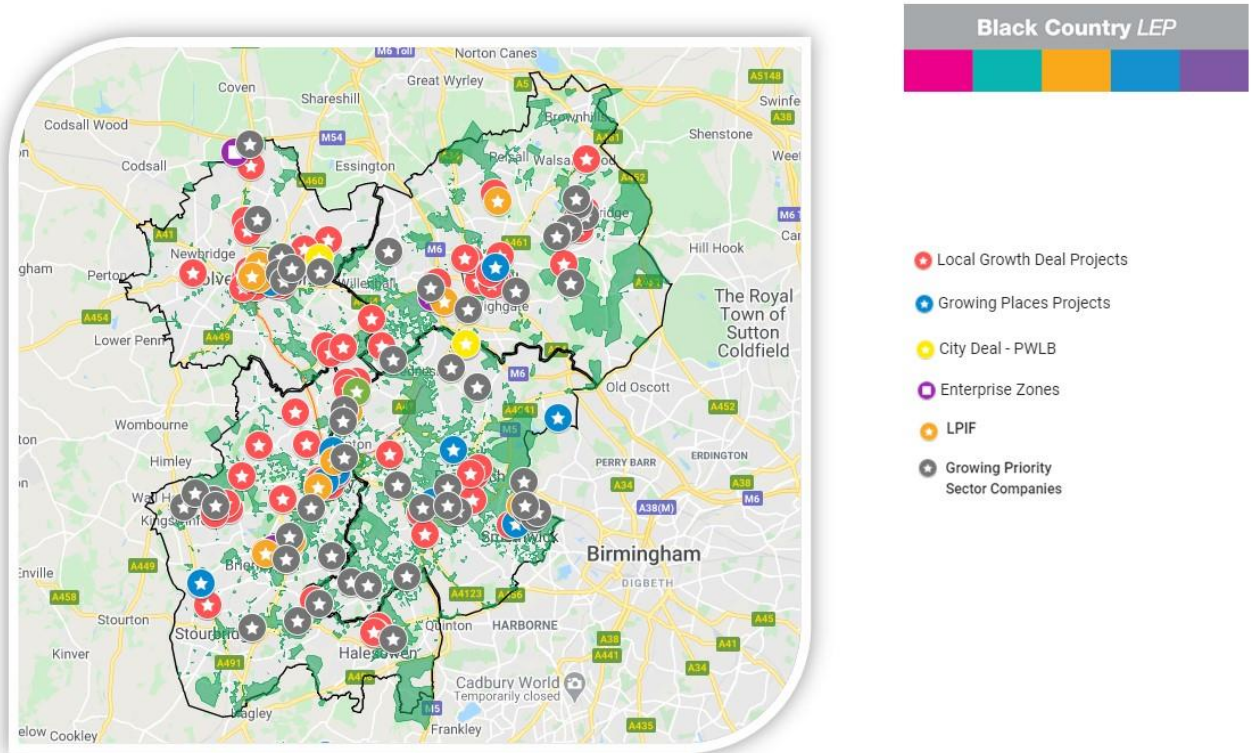
4.1 LEP Funding and Business Support

Within the Black Country LEP geography there are several ongoing business support and growth deal projects to enable local SME growth and resilience. These are detailed on the map below (Figure x).

In Wolverhampton there are £47,788,722 worth of ongoing Local Growth Deal Projects, that involve, but not limited to improving local transport connectivity (metro extension) and skills capital through university the realm, (Elite Centre for Manufacturing Skills). Including, Growing Places Projects, Growing Private Sector Grant schemes, LIPF and City Deals, (PWLB), the total value of grant / loan schemes total is £60,735,593.

³ Black Country Local Enterprise Strategic Economic Plan, 2016. See: <https://www.wmca.org.uk/what-we-do/industrial-strategy/>

Figure x: LEP Projects



For Walsall, growing private companies package total £2,050,592, with capital grants on Local Growth Deal Projects totalling £19,265,997. **For Dudley** this is £48,640,362 and £2,555,485 respectively, **compared to Sandwell's** £9,500,414 and £2,231,903. For a full breakdown see (Figure x and Figure x) for locations on the map.

The variation of infrastructure projects and private sector company grants, ranging from investment in construction and energy companies to innovate or grow to create jobs to SMBC superfast broadband as part of the Broadband Delivery UK (BDUK) programme, show the range of LEP support in the Black Country. Funding support in advanced manufacturing shows a resource-specialism in supporting diversification within the sector. For a full breakdown of approved grants in the Black Country see Appendix A.

5. Coventry and Warwickshire LEP, (CWLEP)

At the publication of the Coventry & Warwickshire LEP Strategic Economic Plan in 2014⁶, the area's growth was similar to that of the UK average. The region possesses many assets that pertain to a high-performing economy, such as

⁴ CW LEP, Strategic Economic Plan, 2016. See: https://www.cwlep.com/sites/default/files/cw_lep_strategic_economic_plan_2016.pdf

its strong transport links and presence of world-class universities and R&D institutions, and since the report's publication it has since become a high-performing area.

Over the past decade GVA and productivity have both grown by 45%. Manufacturing, showed rapid and exceptional performance as the fastest growing sector in the country, growing over 110% over the same decade. The employment rate stood at 75.9%, and growing by 5.4% since 2014, faster than growth seen in the WMCA area (4.2%) and England (3.8%). The unemployment rate of 3.8%, was lower than the regional (5.1%) and national rates (4.1%).

The strategic economic plan aims to deliver innovative interventions and activities, using investment architecture to provide the support and drive growth that will complement and add value to the existing programmes. It identifies several strategic pillars, which are:

Unlocking growth potential: the area has experienced substantial growth in Advanced Manufacturing and Logistics, but there is a need to address the low stock and immediate pipeline of employment land, particularly in Coventry and Nuneaton & Bedworth, where job densities are low. Expansions of the superfast broadband infrastructure, will play a crucial role in bringing major sites forward for development and attracting business investment.

Advanced Manufacturing and Engineering sector development: The report identifies the need to capitalise on the potential of this sector, which has grown more rapidly in Coventry & Warwickshire than in the UK overall. A key priority is to increase levels of business engagement with the area's world-class R&D and innovation assets, and fulfil the area's potential as a testbed for new low carbon products, having the added benefit of meeting the LIS market opportunities.

Growing talent: This strategic pillar aims to target improvements to skills levels in Coventry & Warwickshire's priority sectors and ensure the supply of training meets the demand from employers. It will also entail investments in the capital infrastructure which will unlock barriers to developing technologies in energy efficiency, low carbon, assistive technologies, intelligent mobility, sustainability, digital technology, and data analysis in particular. Interventions in this theme will help to drive growth, tackle unemployment and ensure a stronger fit between education and employment.

CWLEP has identified the acute challenges the national and local economy faces as a result of the Covid-19 pandemic and developed a Reset Strategy⁵ Document building on the 2016 economic plan. The report recognises that there are opportunities to reset parts of the economy and regain growth momentum. It states that its objective is to:

- fundamentally reshape the whole economy (a reset, not a return to pre-Covid-19 norms);
- every business needs to see themselves as a new business;
- take bold approaches to interpret emerging global mega-trends that build on our existing sector strengths and lead the drive for digitisation, automation, robotics and AI, electrification, active, intelligent and autonomous mobility;
- priorities will be recalibrated to deliver on these strengths and business need - for capital infrastructure (e.g. to secure our energy supply), employment land (e.g. new development sites), and revenue/ enabling support (e.g. a new advisory service for innovation and commercialisation) as a coherent programme of robustly evidenced transformational proposals for any new future funding source;
- it will require a wholesale re-imagining of productivity and embedded approaches to supporting the mental health of the workforce;

⁵ CW LEP, Strategic Reset Framework, 2020. See: https://www.cwlep.com/sites/default/files/final-cwlep_strategic_reset_framework_document_1.pdf



- delivery will be to the wider climate change and sustainability agenda, encouraging a green recovery across all of our local economy, and embracing new and innovative low carbon technologies;
- coherent priorities and a medium-term pipeline of projects and programmes for future funding will be defined

5.1 LEP Funding and Business Support

As part of the CWLEP Reset Framework 6 Pillars shape the framework and funding is slotted into this wider recovery strategy. The 6 pillars are:

1. Good Jobs and Levelling Up

- The immediate focus of this Pillar is youth and graduate unemployment, retraining R&D and industry talent, and up-skilling and re-skilling for key sectors. Granted funded projects within this Pillar, are Stratford-Upon-Avon Culture, Media & Construction assets, Redundancy, and Youth Employment Taskforce, and CW Growth Hub Recruitment Portal.

2. Leading Innovation

- Pillar 2's immediate focus is on ensuring innovation assets and the region's reputation to develop attract investment is sustained and strengthened. To achieve this aim, funded projects are the UK Battery Industrialisation Centre (UKBIC), National Automotive Innovation Centre (NAIC), University of Warwick, and Very Light Rail.

3. Green Sustainable Future

- To meet the UK's net zero ambitions CWLEP have set an wide-ranging framework to support clean and green growth, ensuring future energy resources and delivery against the wider climate and sustainability agenda. Ongoing projects that have achieved funding are Warwickshire Cycle links, Warwickshire Green Recovery Project, Stratford Riverside Green Corridor, Northern Warwickshire Arts Challenge Stratford College culture, media, and construction assets and Nuneaton and Leamington Future High Street Funds.

4. Bold Approaches to Enterprise

- To build back better from the coronavirus pandemic, CWLEP have identified changes in the supply chain, product and service diversification and integration of the Coventry Warwickshire Champions Network. To that end, Growth Hub Account Management with local businesses and start-ups has been granted funding, as has ERDF Specialist grants for wider visitor economy, as has the CWRT Duplex Investment Fund and the Tech challenge – technology to support the recovery of retail, culture leisure and tourism.

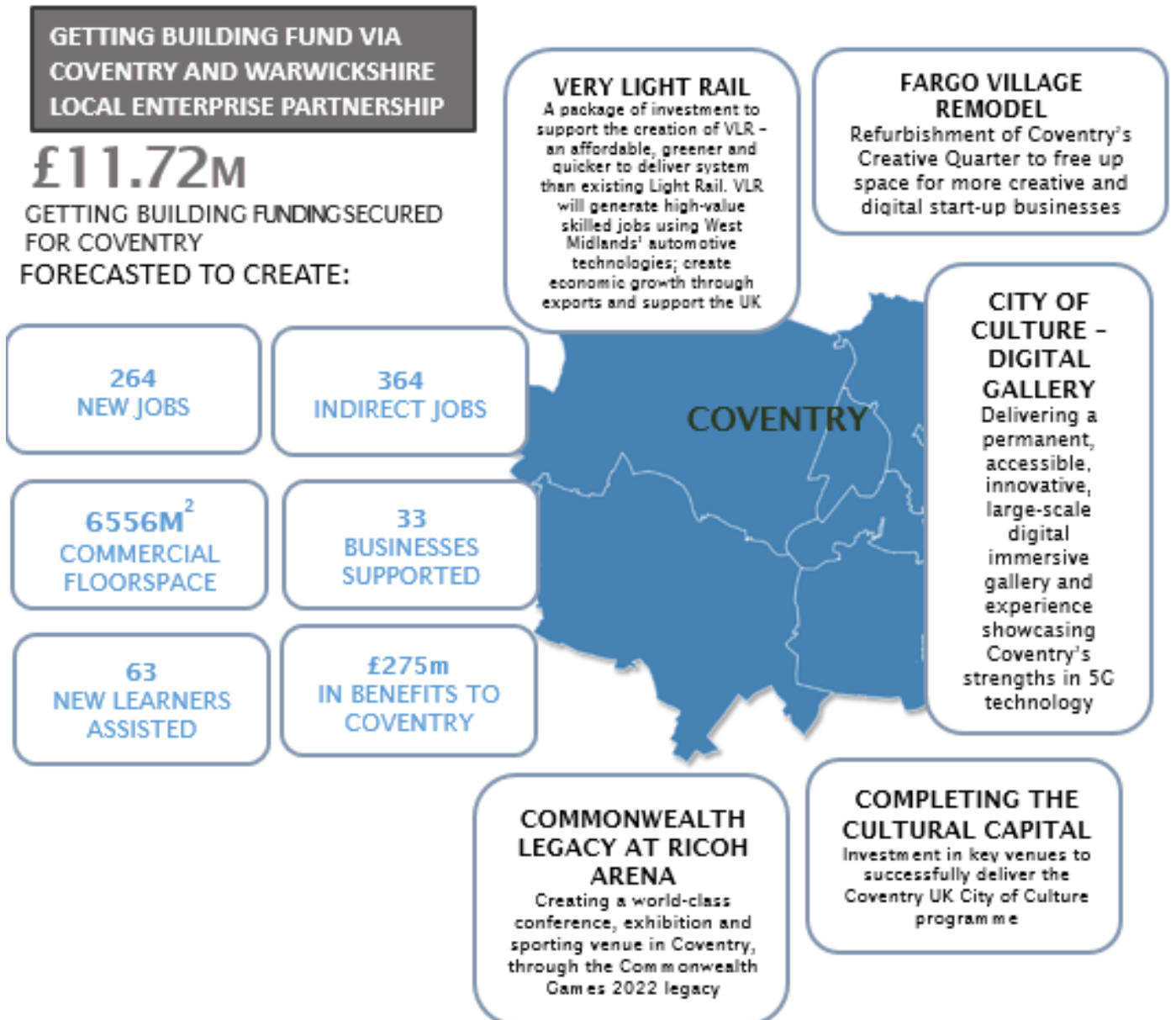
5. Reimagining our communities, forging global connections

- As a result of the ongoing crisis with high-streets CWLEP has prioritised re-imagining our city, town and community centres, supporting key sectors, such as hospitality, tourism and automotive and delivering the City of Culture 2021 and Commonwealth Games 2022. Catalyst. Funded projects included the Stratford Riverside Green Corridor Project, the Henley Street Gateway, Stratford, the North Warwickshire and the Culture Recovery Fund [R]

6. Transforming Infrastructure

- In an effort to reform regional and local connectivity through cycling and more sustainable means, the Warwickshire Cycle Links, Very Light Rail and the

Stratford Riverside Green Corridor Project has achieved approved funding status.





GETTING BUILDING FUND via COVENTRY AND WARWICKSHIRE LOCAL ENTERPRISE PARTNERSHIP

£8.1M

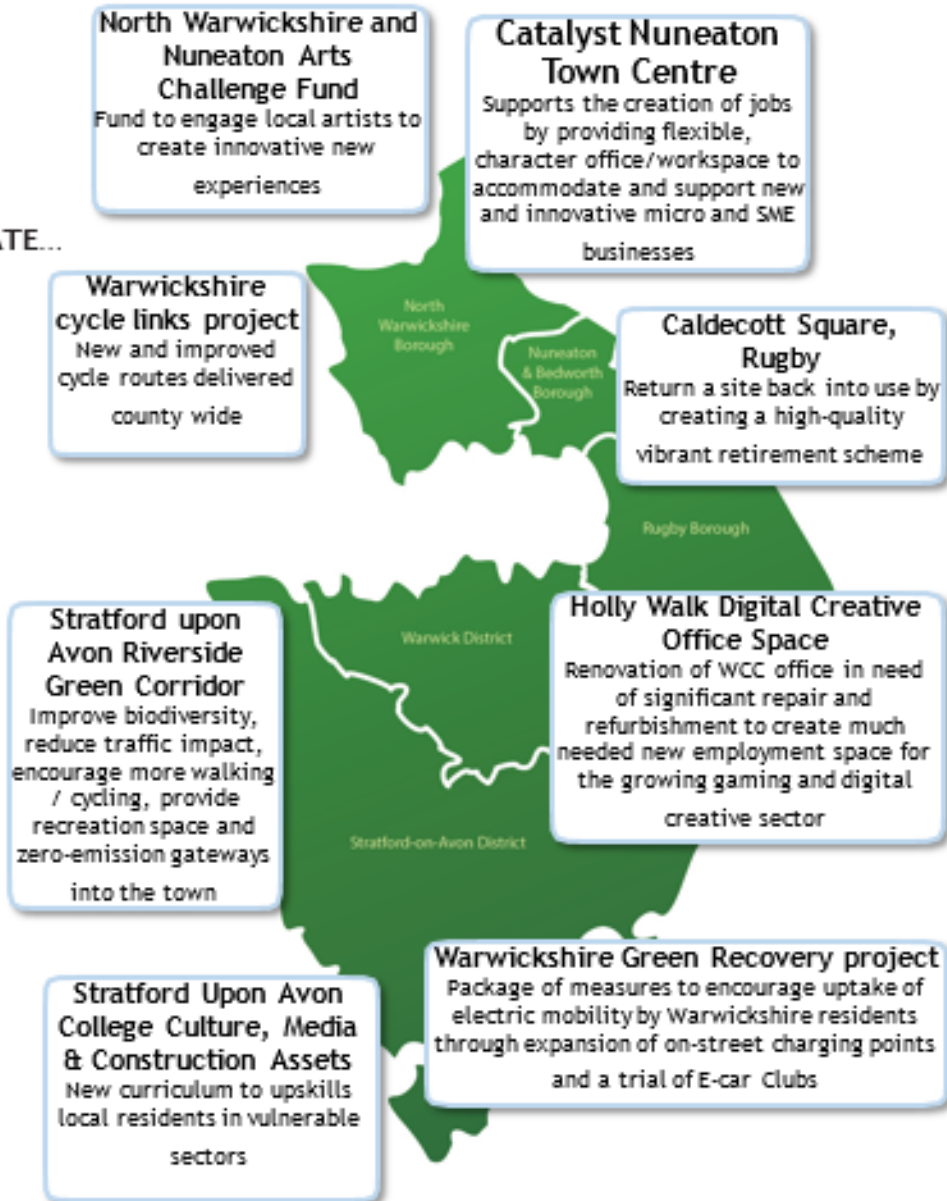
EXPECTED TO CREATE...

310
NEW JOBS

569
NEW LEARNERS ASSISTED

4700
INDIRECT JOBS

435
BUSINESSES ASSISTED



6. Greater Birmingham and Solihull LEP, (GBSLEP)⁶

Greater Birmingham has remained the main motor of the UK economy outside London and the Midlands Engine having achieved the highest growth rate of any UK city region. It has also lead the three LEP area for attracting foreign direct investment (FDI) into the UK for several years. Before, the pandemic, the LEP area was experiencing an economic renaissance. The GBSLEP strategic economy plan encompasses aims and investment strategies over a period of 2016-2030. With the aim of capture catalysts of growth, like HS2 and the arrival of HSBC Commercial HQ into Birmingham.

The Strategic Economic Plan sets out a vision and strategy for delivering smarter, more sustainable and more inclusive growth for the wider West Midlands city region and the UK as a whole. Its strategy is separated into objectives and targets. They are:

Objectives:

- Increase business and workforce productivity and competitiveness – particularly by raising skills levels and stimulating demand-led innovation
- Increase private sector investment, including overseas investment
- Increase business survival and growth
- Increase exports particularly amongst Small and Medium-Sized Enterprises (SMEs)
- Enable more inclusive growth that delivers benefits more widely and reduces unemployment – particularly in parts of Birmingham and North Solihull with high rates.

Targets:

- Create 250,000 jobs by 2030 and be the leading Core City LEP for private-sector job creation
- Grow our economy by £29bn (GVA) by 2030 and be the leading Core City LEP for output per head
- Increase the % of the working age population qualified to NVQ3+ to the national average by 2025
- Increase our labour productivity (GVA per capita) to the national average by 2030
- Decrease our unemployment rate to the national average by 2020 and have the lowest unemployment amongst the LEP Core Cities by 2030
- To be recognised as the leading Core City LEP for Quality of Life by 2030

⁶ Greater Birmingham and Solihull LEP, Strategic Economic Plan, 2016. See: <https://gbslep.co.uk/strategy/strategic-economic-plan/>

6.1 LEP Funding and Business Support

LEPs, including GBSLEP have discussed approaches to business support with local authorities. A current emerging theme is the need to boost business support, with long-term aspirations to increase the volume of programmes and capacity.

The Growth Hubs currently have an essential role and play an important role in the wider ecosystem. In addition to that, local authorities are deploying the Local Restrictions Support Grant and Additional Restrictions Grants. Those schemes have been developed locally and have a mix of approaches; some emphasise particular sectors, while the broad timeframes/spending profile also vary. Business groups have called for the extra support to be deployed effectively, but also in a way that

In addition to the programmes and good practice developed in the West Midlands, there are examples of additional Covid response support across the country, including free advice from BFPS services, subsidised membership of business groups and regional loan offers.

Table 1: Government Support Available to Businesses – Summary

Theme	Measure	Target	Access / Delivery
Tax	VAT deferral	All VAT registered businesses	HMRC business opt-in
	Reduced VAT to 5%	Hospitality sector	Applied point of sale
	Time to pay tax	All businesses	Negotiated with HMRC
Financial aid	Bounce back loans	All businesses	Via commercial banks
	Covid Business Interruption loans	Small and large firm versions	Approved banks
	Future fund loans	Pre-revenue / pre-profit firms	Approved banks
	Business grants	Closed firms – rateable value	Local authorities
	Backdated cash grants	Hospitality affected by T2 / T3	Local authorities
	Discretionary funds	Locally determined	Local authorities
Job support	Furlough scheme	All businesses	HMRC
	Job retention bonus	All businesses	HMRC
	Kickstart scheme	All businesses	Local partnerships
	New apprenticeship starts	All businesses	Local partnerships
	Coronavirus Statutory Sick Pay	Businesses <250 employees	HMRC
Rates & premises	100% rates relief	Retail, hospitality and leisure	Local authorities
	Halt eviction from commercial premises	Businesses that unable to pay rent	Local authorities
Self-employed	Income support scheme	Registered self employed and members of partnerships	HMRC

Table 2: Types of Local Support Available to Businesses

Support Type	Measure	Delivered by
Financial Aid	Pivot & Prosper Grant Programme	GBSLEP
	C&W Innovation Programme	C&WLEP
	C&W Green Innovation	C&WLEP
	CWRT Business Loans	C&WLEP
	SME Restart Grants	WM LEPS
	Local authority emergency grants	Local authorities
Information and Business Advice	Growth Hub Advisors	WM LEPS
	Peer to Peer networks	WM LEPS
	FinditinCW.co.uk – B2B Portal	C&WLEP
	UWSP Business Ready	C&WLEP
	CW Champions	C&WLEP
	WCC Survive, Sustain, Grow	C&WLEP
	UWSP Business Ready	C&WLEP
	Chamber Accelerated Growth	C&WLEP
	Information and signposting	Chambers of Commerce
	AIM 4 Gold	BCLEP
	Experts in Residence	BCLEP
	Business / technical advice	Universities
	Local business advice services	Local authorities
Private professional services	BPFS sector	
Employment and Skills	Employment/ Apprenticeship Triage	GBSLEP
	WMCA Apprenticeship Levy	WMCA
	Skills 4 Growth	C&WLEP
	Skills/Apprenticeship Hub Advisors	WM LEPS
	Sector skills training initiatives	GBSLEP
	Digital Skills	GBSLEP
	Employment and job search	DWP / Job Centre Plus
	Training and employment support	FE Colleges
	Vocational training and employment	Training providers
Town Centres	TLC programme	GBSLEP
	ShopAppy	GBSLEP
	Trader support programmes	Business Improvement Districts
	Environmental improvements	Local authorities

6.2 Collective Gaps and Opportunities, including emerging sectors

There is a need to review and look at how the business support ecosystem that current exists within the region might deliver the region’s lobbying priorities, including for example: extension of Pivot & Prosper introduction of the Productivity Factory establish Restart, Reposition, and Transform to provide specialist assistance to SME manufacturers addressing gaps for self-employed people. This is also applicable to how current regional infrastructure can best be facilitated to support aerospace and associated firms diversify and enter the emerging space sector and catalyse on the growing opportunities. This also means regional partners can link existing grants provided by local authorities with business advice and signposting.

Similarly, in efforts surrounding the opportunity for business transformation and diversification, including maximising international exporting, potential response could be the provision of foundational business growth support for WM

businesses, coordinating the offering to businesses and helping navigate the ecosystem, along with providing core business support products. For example, these could be:

- Expert Account Management
- Business-led approaches to support focused on peer-to-peer networks, technology adoption, and industry benchmarking
- Export-growth schemes to encourage a greater volume of WM businesses to begin exporting to overseas markets and raising the profile of the WM as exporting hub.
- Business Diversification schemes to enable fast adaptation to business models in response to Covid-19 and changing trade conditions in 2021 (inc. Pivot and Prosper)
- Low Carbon Business Transformation – including match-funded grant schemes
- Targeted Sector Growth Support – including Made Smarter in the West Midlands
- Support for major inward investment and sector transformation

Alongside a targeted approach, the current opportunity to upscale business-led innovation and research and development, is acute for the space sector. To addressing longstanding under-investment in innovation and research and development that acts as a brake on productive growth, there is a need for closer working relationships between regional growth initiatives and national innovation funding; and wider support for the research base, focused on increasing linkages between applied research and the business base. Capital projects such as the Gigafactory, Project Great and a scaled-up regional innovation programme, can as significant flagship programmes to underscore the region's capacity for innovation and its appetite to meet growing climate change challenges whilst ensuring businesses maintain and increase growth.

LEP Collaboration

Each LEP has priority investment areas that are fixed to their assets and strengths, as well as the skills make-up of their demography. For emerging sectors, such as space, there is a need to recognise the strengths of each region and build on these as enabling foundations. That each LEP has strengths and expertise within the organisation also suggests that partnership and collaboration will be a key variant in success, following a 'one west midlands' approach that recognises differences and strengths to foster growth and business development and support.



Appendix A

						Total
Wolverhampton						
Local growth Deal Projects	£6,371,000	£150,000	£4,880,000	£675,000	£400,000	£47,788,722
	£175,000	£52,722	£69,000	£3,250,000	£3,100,000	
	£150,000	£420,000	£310,000	£155,000	£7,000,000	
	£7,000,000	£500,000	£13,500,000	£3,520,000	£120,000	
	£200,000	£8,210,000	£600,000	£550,000		
City Deals - PWLB	£2,227,654					£2,227,654
LIPF	£500,000	£4,420,000	£3,520,000			£8,440,000
Growing Places Projects KML	£600,000					£600,000
Growing Priority Sector Companies	£325,045	£60,000	£150,000	£144,000	£750,000	£1,679,217
	£131,172	£119,000				£60,735,593
Walsall						
Local growth Deal Projects	£1,380,000	£8,820,000	£104,768	£1,550,000	£10,514	£19,265,997
	£24,000	£120,000	£141,000	£16,272	£4,033,395	
	£370,993	£98,788	£499,999	£415,000	£41,000	
	£984,000	£149,250	£210,000	£149,250	£147,768	
LIPF	£3,600,000					£3,600,000
Growing Places Projects KML	£375,000					£375,000
Growing Priority Sector Companies	£158,000	£80,000	£250,000	£390,000	£178,740	£2,050,592
	£65,760	£330,000	£180,000	£259,600	£75,228	£25,291,589
	£83,264					
Sandwell						
Local growth Deal Projects	£2,000,000	£80,000	£5,140,000	£100,000	£81,719	£9,500,414
	£80,000	£59,000	£36,300	£542,230	£73,164	
	£630,000	£660,000	£54,301	£81,719		
LIPF	£23,800	£757,000				£780,800
Growing Places Projects KML	£1,410,400	£3,000,000	£1,167,000			
Growing Priority Sector Companies	£94,262	£250,000	£100,000	£180,000	£102,385	£2,231,903
	£40,492	£81,765	£50,000	£330,000	£140,000	
	£50,000	£50,000	£125,000	£211,200	£86,500	



	£111,000	£56,250	£173,049			
Dudley						
Local growth Deal Projects	£63,565	£46,660	£90,000	£41,165	£6,348,700	£48,640,362
	£6,300,000	£1,605,226	£160,026	£1,059,000	£540,000	
	£699,795	£455,000	£200,000	£18,494,243	£300,000	
	£836,778	£27,000	£7,880,000	£64,400	£600,000	
	£2,846,204	£150,000	£32,600			
LIPF	£9,000,000	£2,700,000	£48,747	£7,160,000		£18,908,747
Growing Places Projects KML	£755,000	£300,000	£798,360	£486,977		798360
Growing Priority Sector Companies	£350,000	£250,000	£205,000	£260,000	£58,000	£2,555,485
	£300,000	£50,000	£500,000	£82,485	£100,000	
	£200,000	£200,000				
Black Country						
Local growth Deal Projects						£125,195,495
City Deals - PWLB						£2,227,654
LIPF						£31,729,547
Growing Places Projects KML						£1,773,360
Growing Priority Sector Companies						£90,814,570
Total						£251,740,626