

Report to the West Midlands Combined Authority Economic Growth Board

Midlands Engine: The Pan Regional Partnership for the Midlands

The Midlands: The English Midlands (i.e. the West Midlands and the East Midlands) is home to almost 11 million people, is responsible for 22% of England's goods exports – the greatest share of any region; and generates £240bn for the UK economy. This economy is comparable to Denmark in scale and serves a population greater than the combined devolved nations of Scotland, Wales and Northern Ireland. Despite significant strengths, the region needs to capitalise on new opportunities for growth whilst responding to long-standing and complex socio-economic problems associated with industrial restructuring and deprivation.

The Midlands Engine Partnership: Formed in 2017 by Midlands partners, it brings together public, private sector and academic partners to fuel growth and development. The Midlands Engine Observatory followed in 2018 to deliver regionally focused research and analysis to inform decision making and policy creation.

The gap that needs addressing: With a significant productivity gap of £84.6bn compared to the rest of the UK, the Midlands is not punching its weight in terms of investment (particularly from government) on infrastructure, innovation, regeneration, trade and culture. The Midlands needs to align and accelerate innovation and investments to build on existing sector strengths, as well as its centrality in England and its geographical and cultural diversity, to take advantage of global trends such as the net zero transition, technology and AI.

The opportunity: In 2023, the Midlands Engine launched a new three-year business plan, co-created with over 300 partners. This process allowed the Partnership to reaffirm its approach and establish shared priorities across the long-term drivers for economic growth around investment, productivity, innovation and infrastructure, whilst also considering the region's (inter)national role.

It aims to support partners where it makes sense to, in order to attract investment and work with government to create a supportive policy environment. It does this in three ways:

- *Advocating:* working with and between government, public sector and private sector decision makers to create the right policy and investment environment for growth
- *Convening:* bringing together organisations across sectors to work together
- *Evidencing:* through a focused policy and research programme

The presentation to the Board will showcase recent activities and outline the emerging priorities for 2024/25. Key highlights are also summarised below.

Investment: The Midlands Engine seeks to drive investment through partnership into the Midlands by providing a global platform for the region, unlocking the potential of new initiatives to attract and retain investment, and building a reliable evidence base to underpin this through the Observatory.

Partner's investment opportunities are platformed through the [Midlands Investment Portfolio](#) (a directory of priority capital propositions), and through sponsorship of key events such as UKREiIF. A monthly Midlands Trade & Investment Forum has representatives from every IPA and many other key stakeholders from across the region and acts as a community of practice and discussion forum.

Flagship 'unlocking potential' initiatives include the ongoing ['investment potential of clusters'](#) programme, through which business deep dives are being co-convened with the WMCA, and the ['universities as drivers of trade and investment'](#) programme, being delivered by the Midlands Innovation and Midlands Enterprise University groups in partnership with government, with an [outward FDI campaign](#) led by universities being launched this year. From aggregation of regional economic strengths and needs to contemporary insight into spinouts and high growth companies,

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the Observatory works to respond to partners' insight evidence needs. Uniquely placed to explore the opportunities that scale can bring, the Engine is currently working with investors and government to explore the opportunity for new debt (Midlands Green Bond) and equity (Asset Backed Vehicle) mechanisms to deliver capital projects.

Regional Policy Shaping & Observatory : The Midlands Engine has recently launched a [Food White Paper](#) – one of two 'flagship' policy pieces being brought forward by the Partnership with the aim of influencing national policy. The report underscores the Midlands role in transforming the UK food system, and where the region can come together to deliver a globally competitive investor offer.

The second of these, the Midlands Engine Energy Security White Paper is being developed through an industry led task-force to inform national policy and identify investment opportunities. This work is expected to be published autumn 2024.

The Midlands Engine Observatory (MEO) gathers data and intelligence, commissions research, shapes policy insights and helps target investment for recovery and growth in our region. Key highlights of activities include the [Megatrends project](#) consisting of identifying which megatrends are most relevant to the Midlands and how they will affect our region; [State of the Region report](#) which provides a review of the region's economic performance; [Clusters](#) including the identification and publishing of relevant information for investors; alongside partner events such as our [Quarterly Economic Briefings \(QEB\)](#) serving as our knowledge exchange platform; and continuous economic monitoring via various [intelligence briefings](#) i.e., reporting, insights, scorecards and factsheets.

The Partnership's 2024/25 policy and research programme is being finalised in collaboration with the Midlands Engine Research, Intelligence & Policy Partnership and Midlands Engine Observatory Board.

Partnership Activity: The Midlands Engine brings organisations together across sectors and industries to work together alongside policy makers and external decision makers. It does this in a number of ways; formal boards, sector focused reference groups, partner events and visits.

Key milestones for 2024/25 include an enhanced partnership presence at UKREiif 2024, the Midlands Economic Summit on 10 June 2024 and a new event for Kings Awards recipient businesses planned for autumn 2024. We are also working with other regions on issues that are of mutual interest such as attracting investment and sharing insights about common challenges.

-The End-

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